

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 23 of this circular have, where appropriate, been used on this cover page.

Action required

Shareholders are referred to page 10 of this circular, which sets out the detailed action required of them.

If you have disposed of all your shares in NEPI, this circular (together with the attached notice of extraordinary general meeting, form of proxy, dividend election form, repurchase election and surrender form and prospectus) should be handed to the purchaser of such shares or to the CSDP, CREST provider, broker, custodian, banker or other agent through whom the disposal was effected.

If you are in any doubt as to what action to take, please consult your CSDP, CREST provider, broker, custodian, banker, accountant, legal advisor or other professional advisor immediately.

All times indicated are local times in the country to which they refer.

NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP, CREST provider, broker or custodian of any holder of dematerialised shares to notify such shareholder of the contents of this circular.



New Europe Property Investments plc

(Incorporated and registered in the Isle of Man with registered number 001211V)
(Registered as an external company with limited liability under the laws of South Africa)
(Registration number 2009/000025/10)
JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02
("NEPI" or "the company")

CIRCULAR TO SHAREHOLDERS

relating to the merger of NEPI and Rockcastle in an entity newly-incorporated in the Isle of Man (being NEPI Rockcastle), to be implemented with reference to an effective share swap ratio of 4.7 existing Rockcastle shares for every 1 existing NEPI share, by means of:

- the disposal by NEPI of all its assets and liabilities as at the merger implementation date, including 100% of the issued share capital of the subsidiary undertakings directly held by NEPI, (but excluding any NEPI Rockcastle shares held by NEPI), to NEPI Rockcastle, in consideration for the right to have such number of new NEPI Rockcastle shares issued to NEPI as is determined based on the swap ratio;
- the distribution to NEPI shareholders of NEPI's rights to NEPI Rockcastle shares, pursuant to an election by NEPI shareholders either:
 - (i) to receive a distribution *in specie* as a return of capital;
 - (ii) to receive a distribution *in specie* as a dividend; or
 - (iii) to have NEPI repurchase their NEPI shares,such that NEPI shareholders will ultimately receive from NEPI Rockcastle 1 NEPI Rockcastle share for every 1 NEPI share held; and
- the delisting and subsequent administrative dissolution of NEPI,

and enclosing:

- a notice of extraordinary general meeting of shareholders;
- a form of proxy (*white*) to vote at the extraordinary general meeting of shareholders for use by certificated shareholders and dematerialised shareholders with "own-name" registration on the SA register, all shareholders registered in Romania and all shareholders on the UK register;
- a dividend election form (*blue*) for use by certificated shareholders on the SA register, all shareholders registered in Romania and certificated shareholders on the UK register electing to receive the distribution as a dividend; and
- a repurchase election and surrender form (*green*) for use by certificated shareholders on the SA register, all shareholders registered in Romania and all shareholders on the UK register who wish to participate in the repurchase.

Corporate advisor and JSE sponsor

JAVACAPITAL

Independent reporting accountants



Legal advisor as to South African law



Financial advisor to NEPI

J.P.Morgan

Independent expert



Legal advisor as to Isle of Man law

APPLEBY

Legal advisor as to Romanian law

CLIFFORD
CHANCE
BADA

Date of issue: 9 June 2017

This circular is available in English and Romanian. Copies of this circular may be obtained at the company's JSE sponsor, Java Capital Trustees and Sponsors Proprietary Limited, 6A Sandown Valley Crescent, Sandton, 2196 from Friday, 9 June 2017 up to and including Tuesday, 18 July 2017. It will also be available on the website of the company (www.nepinvest.com), and on the website of the BVB (www.bvb.ro) from Friday, 9 June 2017.

NEPI is listed on the Main Board of the JSE and the regulated market of the BVB.

Statement of responsible persons

Following the review of the content of this circular, the responsible persons representing the issuer, New Europe Property Investments plc, hereby state that after taking all reasonable measures and according to their best knowledge, the information in this circular is in conformity with reality, true and accurate in all material respects and does not contain material errors that could have a significant impact on the circular.

Forward-looking statements

This circular includes forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the group and its future prospects. These forward-looking statements have been based on current expectations and projections about future results which, although the directors believe them to be reasonable, are not a guarantee of future performance.

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CORPORATE INFORMATION

Registered office in the Isle of Man

(Registered number 001211V)
(Registration number 2009/000025/10)
2nd Floor, Anglo International House
Lord Street
Douglas
Isle of Man, IM1 4LN

Place and date of incorporation

Incorporated in the Isle of Man on 23 July 2007

Corporate advisor

Java Capital Proprietary Limited
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SA Transfer Secretaries

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South Africa
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Independent expert

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Company secretary

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Lord Street
Douglas
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Registered office in South Africa

(Registration number 2009/000025/10)
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Johannesburg, 2191
South Africa

JSE sponsor

Java Capital Trustees and Sponsors Proprietary Limited
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Johannesburg, 2196
South Africa
(PO Box 2087, Parklands, 2121)

Isle of Man administrator and registrar

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(Postal address as above)

Legal advisor as to South African law

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(PO Box 695, Cape Town, 8000)

Independent reporting accountant

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
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UK Receiving Agent

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Corporate Actions Projects
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(Postal address as above)

Escrow Agent

Computershare Nominees Proprietary Limited
(Registration number 1999/008543/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa
(PO Box 61763, Marshalltown, 2107)

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Dividend election form (<i>blue</i>)	Attached
Repurchase election and surrender form (<i>green</i>)	Attached

SALIENT DATES AND TIMES

1. FOR SHAREHOLDERS ON THE SA REGISTER

	2017
Record date to receive the circular	Friday, 2 June
Circular issued to shareholders	Friday, 9 June
Announcement relating to the issue of the circular and notice of extraordinary general meeting released on SENS	Friday, 9 June
Announcement relating to the issue of the circular and notice of extraordinary general meeting published in the press	Monday, 12 June
Last day to trade on the JSE in order to be eligible to participate in and vote at the extraordinary general meeting	Thursday, 29 June
Record date in order to vote at the extraordinary general meeting ¹	Tuesday, 4 July
Last day to lodge forms of proxy for the extraordinary general meeting with the SA Transfer Secretaries, by no later than 10:00	Tuesday, 4 July
The extraordinary general meeting of shareholders at 10:00	Thursday, 6 July
Expected date on which the merger transaction becomes unconditional ²	Thursday, 6 July
Results of the extraordinary general meeting and finalisation announcement released on SENS	Thursday, 6 July
Results of the extraordinary general meeting and finalisation announcement published in the press	Friday, 7 July
Merger implementation date	Tuesday, 11 July
Transfer of NEPI assets and liabilities to NEPI Rockcastle	Tuesday, 11 July
Last day to trade on the JSE in order to receive NEPI Rockcastle shares pursuant to the implementation of the merger transaction	Tuesday, 11 July
Suspension of NEPI shares on the JSE trading system	Wednesday, 12 July
Listing and commencement of trade in NEPI Rockcastle shares on the JSE under Alpha code: NRO and ISIN: IM00BDD7WV31, at 09:00 ³	Wednesday, 12 July
Listing and commencement of trade in NEPI Rockcastle on Euronext Amsterdam under ISIN IM00BDD7WV31 ³	Wednesday, 12 July
Record date for receipt by NEPI shareholders of NEPI Rockcastle shares pursuant to the implementation of the merger transaction ⁴	Friday, 14 July
Last day for shareholders who wish to receive the distribution as a dividend to lodge their dividend election forms with the SA Transfer Secretaries, by no later than 12:00 ⁵	Friday, 14 July
Shareholders who have not lodged dividend election forms and who wish to participate in the repurchase to lodge their repurchase election and surrender forms with the SA Transfer Secretaries, between 14:00 and 17:00 ⁶	Friday, 14 July
Announcement of the results of shareholder elections released on SENS	Monday, 17 July
Implementation of the repurchase. Issue by NEPI Rockcastle of repurchase consideration shares (Alpha code: NRO; ISIN: IM00BDD7WV31) to NEPI shareholders participating in the repurchase⁷	Monday, 17 July
Cancellation of the NEPI shares repurchased pursuant to the repurchase	Monday, 17 July
Issue by NEPI Rockcastle of NEPI Rockcastle distribution shares (Alpha code: NRO; ISIN: IM00BDD7WV31) to NEPI shareholders receiving the distributions <i>in specie</i>⁷	Monday, 17 July
CSDP/custodian/broker accounts credited/updated with NEPI Rockcastle shares (Alpha code: NRO; ISIN: IM00BDD7WV31)	Monday, 17 July
Announcement of the results of shareholder elections published in the press	Tuesday, 18 July
NEPI delisted from the JSE at the commencement of trade	Tuesday, 18 July
NEPI technically delisted from the BVB (tentatively) ⁸	Tuesday, 18 July

Notes:

1. Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the company specifies that in order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of shareholders of the company by no later than 09:00 BST on Tuesday, 4 July 2017, being not more than 48 hours before the time fixed for the meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.
2. This is an estimate only, assuming all conditions precedent to the merger transaction have been fulfilled or waived on Thursday, 6 July 2017.
3. Transactions in NEPI Rockcastle shares will be settled in the electronic settlement system used by Strate and Euroclear Nederland, with settlement of trades taking place three business days after a trade is executed. Therefore, while NEPI Rockcastle shares will only be issued pursuant to the merger transaction on Monday, 17 July 2017 to those NEPI shareholders on the register on the record date, NEPI Rockcastle shares will be listed and commence trading on the JSE and Euronext Amsterdam on Wednesday, 12 July 2017. NEPI shareholders on the SA register will be entitled to commence trading NEPI Rockcastle shares from the commencement of trade on that date. Following the first trading date of NEPI Rockcastle shares on Euronext Amsterdam, settlement of trades in NEPI Rockcastle shares on Euronext Amsterdam will take place two business days after a trade is executed.
4. For the avoidance of doubt, **only those shareholders who are registered as NEPI shareholders on the record date will be entitled to receive NEPI Rockcastle shares** pursuant to the merger transaction.
5. Dividend election forms will not be accepted after 12:00 on Friday, 14 July 2017. Shareholders who submit a dividend election form after this time and who do not validly elect to participate in the repurchase will receive a distribution as a return of capital.
6. Repurchase election and surrender forms will not be accepted after 17:00 on Friday, 14 July 2017. Shareholders who submit a repurchase election and surrender form after this time will receive a distribution as a return of capital.
7. Certificated NEPI shareholders are required to move into the dematerialised environment in order to receive the NEPI Rockcastle shares to which they are entitled, by opening an account with a CSDP or broker in South Africa. Should certificated NEPI shareholders not provide details of an account held with a CSDP or broker in South Africa as required, the NEPI Rockcastle shares to which such shareholders are entitled will be held in escrow by the SA Transfer Secretaries on behalf of such shareholders, to be delivered to an account with a CSDP or broker in South Africa as soon as details of such account have been provided and the Escrow Agent has been instructed to transfer such shares to the relevant CSDP or brokerage account. **Certificated NEPI shareholders are advised to open an account with a CSDP or broker in South Africa as soon as possible.**
8. It is intended that NEPI shares will be delisted from the BVB on or around this date or as soon as possible thereafter. This is an estimated date only, given that technical delistings from the BVB (such as that envisioned by the merger) are not explicitly regulated in Romania and are subject to the approval of the FSA and the BVB.
9. Save for those participating in the repurchase, NEPI shareholders will retain their NEPI shares until such time as the company is dissolved.
10. All dates and times in the table above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and published in the press.
11. NEPI shareholders are referred to page 10 of this circular for detailed information on the action required to be taken by them.
12. Transfers of shares between all sub-registers may not take place after Tuesday, 11 July 2017.
13. Share certificates may not be dematerialised or rematerialised after Tuesday, 11 July 2017.

2. FOR SHAREHOLDERS REGISTERED IN ROMANIA

	2017
Circular published on the BVB and company's website	Friday, 9 June
Announcement relating to the publication of the circular and notice of extraordinary general meeting released on BVB	Friday, 9 June
Last day to trade on the BVB in order to be eligible to participate in and vote at the extraordinary general meeting	Friday, 30 June
Record date in order to vote at the extraordinary general meeting ¹	Tuesday, 4 July
Last day to lodge forms of proxy for the extraordinary general meeting with the Company Secretary, by no later than 11:00	Tuesday, 4 July
The extraordinary general meeting of shareholders at 11:00	Thursday, 6 July
Expected date on which the merger transaction becomes unconditional ²	Thursday, 6 July
Results of the extraordinary general meeting and finalisation announcement released on the BVB website	Thursday, 6 July
Merger implementation date	Tuesday, 11 July
Transfer of NEPI assets and liabilities to NEPI Rockcastle	Tuesday, 11 July
Last day to trade on the BVB in order to receive NEPI Rockcastle shares pursuant to the implementation of the merger transaction	Tuesday, 11 July
Suspension of NEPI shares on the BVB trading system ³	Wednesday, 12 July
Listing and commencement of trade in NEPI Rockcastle shares on the JSE under Alpha code: NRO and ISIN: IM00BDD7WV31, at 10:00 ⁴	Wednesday, 12 July
Listing and commencement of trade in NEPI Rockcastle on Euronext Amsterdam under ISIN: IM00BDD7WV31 ⁴	Wednesday, 12 July
Record date for receipt by NEPI shareholders of NEPI Rockcastle shares pursuant to the implementation of the merger transaction ⁵	Friday, 14 July
Last day for shareholders who wish to receive the distribution as a dividend to lodge their dividend election forms with the SA Transfer Secretaries, by no later than 13:00	Friday, 14 July
Shareholders who have not lodged dividend election forms and who wish to participate in the repurchase to lodge their repurchase election and surrender forms with the SA Transfer Secretaries, between 15:00 and 18:00 ⁷	Friday, 14 July
Announcement of the results of shareholder elections released on the BVB website	Monday, 17 July
Implementation of the repurchase. Issue by NEPI Rockcastle of repurchase consideration shares (Alpha code NRO; ISIN IM00BDD7WV31) to NEPI shareholders participating in the repurchase⁸	Monday, 17 July
Cancellation of the NEPI shares repurchased pursuant to the repurchase	Monday, 17 July
Issue by NEPI Rockcastle of NEPI Rockcastle distribution shares (ISIN IM00BDD7WV31) to NEPI shareholders receiving the distributions <i>in specie</i>⁸	Monday, 17 July
CSDP/custodian/broker accounts credited/updated with NEPI Rockcastle shares (Alpha code NRO; ISIN IM00BDD7WV31)	Monday, 17 July
NEPI delisted from the JSE at the commencement of trade	Tuesday, 18 July
NEPI technically delisted from the BVB (tentatively) ⁹	Tuesday, 18 July

Notes:

1. Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the company specifies that in order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of shareholders of the company by no later than 09:00 BST on Tuesday, 4 July 2017, being not more than 48 hours before the time fixed for the meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.
2. This is an estimate only, assuming all conditions precedent to the merger transaction have been fulfilled or waived on Thursday, 6 July 2017.
3. Following the implementation of the merger it is intended that NEPI shares be suspended from trading until their delisting, subject to BVB approval
4. Transactions in NEPI Rockcastle shares will be settled in the electronic settlement system used by Strate and Euroclear Nederland, with settlement of trades taking place three business days after a trade is executed. Therefore while NEPI Rockcastle shares will only be issued pursuant to the merger transaction on Monday, 17 July 2017 to those NEPI shareholders on the register on the record date, NEPI Rockcastle shares will be listed and commence trading on the JSE and Euronext Amsterdam on Wednesday, 12 July 2017. Following the first trading date of NEPI Rockcastle shares on Euronext Amsterdam, settlement of trades in NEPI Rockcastle shares on Euronext Amsterdam will take place two business days after a trade is executed.
5. For the avoidance of doubt, **only those shareholders who are registered as NEPI shareholders on the record date will be entitled to receive NEPI Rockcastle shares** pursuant to the distribution as a dividend, distribution as a return of capital or the repurchase, as applicable
6. Dividend election forms will not be accepted after 13:00 on Friday, 14 July 2017. Shareholders who submit a dividend election form after this time and who do not validly elect to participate in the repurchase will receive a distribution as a return of capital.
7. Repurchase election and surrender forms will not be accepted after 18:00 on Friday, 14 July 2017. Shareholders who submit a repurchase election and surrender form after this time will receive a distribution as a return of capital.
8. NEPI shareholders whose shares are registered in Romania have the option of receiving the NEPI Rockcastle shares to which they are entitled either on the NEPI Rockcastle South African register, with such shares trading on the JSE, or on the NEPI Rockcastle European register, with such shares trading on Euronext Amsterdam. Shareholders are required to provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account, as the case may be, to which such shares can be delivered. Should shareholders registered in Romania not provide details of such an account as required, the NEPI Rockcastle shares to which such shareholders are entitled will be held in escrow by the SA Transfer Secretaries on behalf of such shareholders, to be delivered to an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account, as the case may be, as soon as details of such account have been provided and the Escrow Agent has been instructed to transfer such shares to the relevant account. **Shareholders registered in Romania are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**
9. It is intended that NEPI shares will be delisted from the BVB on or around this date or as soon as possible thereafter. This is an estimated date only, given that technical delistings from the BVB (such as that envisaged by the merger) are not explicitly regulated in Romania and are subject to the approval of the FSA and the BVB.
10. Save for those participating in the repurchase, NEPI shareholders will retain their NEPI shares until such time as the company is dissolved.
11. All dates and times in the table above are local dates and times in Romania. The above dates and times are subject to change. Any changes will be released on the BVB website.
12. NEPI shareholders are referred to page 10 of this circular for detailed information on the action required to be taken by them.
13. Transfers of shares between all sub-registers may not take place after Tuesday, 11 July 2017.
14. Share certificates may not be dematerialised or rematerialised after Tuesday, 11 July 2017.

3. FOR SHAREHOLDERS ON THE UK REGISTER

	2017
Circular issued to shareholders	Friday, 9 June
Record date in order to vote at the extraordinary general meeting ¹	Tuesday, 4 July
Last day to lodge forms of proxy for the extraordinary general meeting with the Company Secretary, by no later than 09:00	Tuesday, 4 July
The extraordinary general meeting of shareholders at 09:00	Thursday, 6 July
Expected date on which the merger transaction becomes unconditional ²	Thursday, 6 July
Merger implementation date	Tuesday, 11 July
Transfer of NEPI assets and liabilities to NEPI Rockcastle	Tuesday, 11 July
Listing and commencement of trade in NEPI Rockcastle shares on the JSE under Alpha code: NRO and ISIN: IM00BDD7WV31, at 08:00 ³	Wednesday, 12 July
Listing and commencement of trade in NEPI Rockcastle shares on Euronext Amsterdam under ISIN IM00BDD7WV31 (trading on an “as-if-and-when-delivered” basis)	Wednesday, 12 July
Last day for shareholders who wish to receive the distribution as a dividend to lodge their dividend election forms with the SA Transfer Secretaries, by no later than 11:00 ⁴	Friday, 14 July
Shareholders who have not lodged dividend election forms and who wish to participate in the repurchase to lodge their repurchase election and surrender forms with the SA Transfer Secretaries, between 13:00 and 16:00 ⁵	Friday, 14 July
Implementation of the repurchase. Issue by NEPI Rockcastle of repurchase consideration shares (Alpha code: NRO; ISIN: IM00BDD7WV31) to NEPI shareholders participating in the repurchase⁶	Monday, 17 July
Cancellation of the NEPI shares repurchased pursuant to the repurchase	Monday, 17 July
Issue by NEPI Rockcastle of NEPI Rockcastle distribution shares (Alpha code NRO; ISIN: IM00BDD7WV31) to NEPI shareholders receiving the distributions <i>in specie</i>⁶	Monday, 17 July
CSDP/custodian/broker accounts credited/updated with NEPI Rockcastle shares (Alpha code: NRO; ISIN: IM00BDD7WV31)	Monday, 17 July
NEPI delisted from the JSE at the commencement of trade	Tuesday, 18 July
NEPI technically delisted from the BVB (tentatively) ⁷	Tuesday, 18 July

Notes:

1. Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the company specifies that in order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of shareholders of the company by no later than 09:00 BST on Tuesday, 4 July 2017, being not more than 48 hours before the time fixed for the meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.
2. This is an estimate only, assuming all conditions precedent to the merger transaction have been fulfilled or waived on Thursday, 6 July 2017.
3. Transactions in NEPI Rockcastle shares will be settled in the electronic settlement system used by Strate and Euroclear Nederland, with settlement of trades taking place three business days after a trade is executed. Therefore while NEPI Rockcastle shares will only be issued pursuant to the merger transaction on Monday, 17 July 2017 to those NEPI shareholders on the register on the record date, NEPI Rockcastle shares will be listed and commence trading on the JSE and Euronext Amsterdam on Wednesday, 12 July 2017.
4. Dividend election forms will not be accepted after 11:00 on Friday, 14 July 2017. Shareholders who submit a dividend election form after this time and who do not validly elect to participate in the repurchase will receive a distribution as a return of capital. Following the first trading date of NEPI Rockcastle shares on Euronext Amsterdam, settlement of trades in NEPI Rockcastle shares on Euronext Amsterdam will take place two business days after a trade is executed.
5. Repurchase election and surrender forms will not be accepted after 16:00 on Friday, 14 July 2017. Shareholders who submit a repurchase election and surrender form after this time will receive a distribution as a return of capital.
6. NEPI shareholders recorded on the UK register have the option of receiving the NEPI Rockcastle shares to which they are entitled either on the NEPI Rockcastle South African register, with such shares trading on the JSE, or on the NEPI Rockcastle European register, with such shares trading on Euronext Amsterdam. Shareholders are required to provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account as the case may be, to which such shares can be delivered. Should shareholders recorded on the UK register not provide details of such an account as required, the NEPI Rockcastle shares to which such shareholders are entitled will be held in escrow by the SA Transfer Secretaries on behalf of such shareholders, to be delivered to an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as the case may be, as soon as details of such account have been provided and the Escrow Agent has been instructed to transfer such shares to the relevant account. **Shareholders on the UK register are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**
7. It is intended that NEPI shares will be delisted from the BVB on or around this date or as soon as possible thereafter. This is an estimated date only, given that technical delistings from the BVB (such as that envisaged by the merger) are not explicitly regulated in Romania and are subject to the approval of the FSA and the BVB.
8. Save for those participating in the repurchase, NEPI shareholders will retain their NEPI shares until such time as the company is dissolved.
9. All dates and times quoted above are local dates and times in the UK. The above dates and times are subject to change. Any changes will be released on SENS and on the BVB website.
10. NEPI shareholders are referred to page 10 of this circular for detailed information on the action required to be taken by them.
11. Transfers of shares between all sub-registers may not take place after Tuesday, 11 July 2017.
12. Share certificates may not be dematerialised or rematerialised after Tuesday, 11 July 2017.

ACTION REQUIRED BY NEPI SHAREHOLDERS

The definitions and interpretations commencing on page 23 of this circular apply to this section.

If you have disposed of all your shares in NEPI, this circular (together with the attached notice of extraordinary general meeting, form of proxy, dividend election form, repurchase election and surrender form and prospectus) should be handed to the purchaser of such shares or to the CSDP, CREST provider, broker, custodian, banker or other agent through whom the disposal was effected.

NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP, CREST provider, broker or custodian of any holder of dematerialised or certificated shares to notify such shareholder of the contents of this circular.

All times indicated below are local times in the country to which they refer.

Pursuant to the implementation of the merger transaction, and as further detailed in this circular, NEPI shareholders will receive 1 NEPI Rockcastle share for every 1 NEPI share held as at Friday, 14 July 2017. The issued share capital of NEPI Rockcastle will be listed on the Main Board of the JSE and concurrently on Euronext Amsterdam, as further detailed in the “Salient Dates and Times”, whereafter NEPI Rockcastle shares will be fully fungible between NEPI Rockcastle’s South African and European registers.

NEPI shareholders have the option to receive the NEPI Rockcastle shares to which they are entitled pursuant to (i) a distribution *in specie* made by NEPI as a return of capital, (ii) a distribution *in specie* declared by NEPI as a dividend, or (iii) the repurchase by NEPI of all the NEPI shares held by such shareholders (but only if such shareholders have not elected to receive the distribution as a dividend). Shareholders who take no action will receive the NEPI Rockcastle shares to which they are entitled pursuant to a distribution *in specie* made by NEPI as a return of capital. The merger transaction is a share transaction in terms of which NEPI shareholders receive NEPI Rockcastle shares. No cash will be distributed.

Paragraph 7 of the circular sets out a high-level summary of the tax implications of receipt of NEPI Rockcastle shares by NEPI shareholders in all three instances.

ALL SHAREHOLDERS SHOULD PAY PARTICULAR ATTENTION TO THE IMPORTANT INFORMATION SET OUT IN PARAGRAPHS 1 – 5 BELOW. IF SHAREHOLDERS ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN BY THEM, THEY ARE ADVISED TO CONTACT THEIR CSDP, CREST PROVIDER, BROKER, CUSTODIAN, BANKER, ACCOUNTANT, LEGAL ADVISOR OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.

1. DELIVERY OF AND TRADE IN NEPI ROCKCASTLE SHARES

1.1 Form of delivery of NEPI Rockcastle shares

- 1.1.1 **NEPI shareholders will be required to move into a dematerialised environment in order to take delivery of their NEPI Rockcastle shares.**
- 1.1.2 As required in terms of Isle of Man law, NEPI shareholders will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the merger transaction. NEPI Rockcastle shares will instead be delivered to NEPI shareholders in the form of dematerialised security entitlements representing the beneficial ownership of such shares. References throughout this document to NEPI Rockcastle shares received or issued pursuant to the merger transaction or to any shareholding in NEPI Rockcastle following the JSE and Euronext listings should therefore be read as a reference to a receipt, issue or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares and not to any registered ownership of NEPI Rockcastle shares.
- 1.1.3 All NEPI Rockcastle shares will be registered in the name of one or both of PLC Nominees or Euroclear Nederland, for and on behalf of shareholders. NEPI Rockcastle shares traded on the JSE will be delivered in accordance with the rules of Strate and those traded on Euronext Amsterdam will be delivered in accordance with the rules of Euroclear Nederland.
- 1.1.4 Specific details as to how NEPI Rockcastle shares will be delivered to NEPI shareholders entitled thereto in terms of the distributions and repurchase are set out in paragraphs 3 and 4 of this “Action required” section of the circular.

- 1.1.5 For assistance in opening an account with any CSDP or broker in South Africa, shareholders should visit the website of the JSE (www.jse.co.za) or Strate Limited (www.strate.co.za/aboutstrate/participants), which set out all the names and numbers of the CSDPs and members of the JSE who can assist with the opening of such accounts. You will need to complete a custody mandate and provide verification in terms of the Financial Intelligence Centre Act, No. 38 of 2001 to your chosen CSDP or broker, a process similar to opening a bank account in South Africa.
- 1.1.6 For assistance in opening a Euronext custodian or brokerage account to which your NEPI Rockcastle shares can be delivered and held on NEPI Rockcastle's European register, shareholders are advised to contact their CSDP, CREST provider, broker, custodian, banker or other professional advisor or agent in Europe. If shareholders wish, the required custodian and brokerage services are also provided by NEPI Rockcastle's European listing agent, ING Bank N.V. via the following link <https://www.ing.com/Products-Services.htm>.

1.2 Escrow arrangements

1.2.1 If:

- 1.2.1.1 any certificated shareholder on the SA register;
- 1.2.1.2 any shareholder registered in Romania; or
- 1.2.1.3 any shareholder on the UK register,

has not by Friday, 14 July 2017 provided details of either (i) a CSDP or broker account in South Africa or (ii) a Euronext custodian or brokerage account to which the NEPI Rockcastle shares to which such shareholder is entitled pursuant to the merger transaction are to be delivered, on Monday, 17 July 2017, the NEPI Rockcastle shares to which such shareholder is entitled will be delivered to an account in the name of the Escrow Agent, which will hold such shares in escrow for and on the shareholder's behalf. In this regard, each shareholder is deemed to have concluded the custody agreement with the SA Transfer Secretaries, which establishes a business relationship between the SA Transfer Secretaries and each shareholder. A copy of the custody agreement is available on the SA Transfer Secretaries' website at www.computershare.com.

- 1.2.2 Should a shareholder wish to claim the relevant NEPI Rockcastle shares from the Escrow Agent, it will have to complete such forms as may, from time to time, be specified by the SA Transfer Secretaries for the purposes of stipulating a valid account with a CSDP or broker in South Africa or Euronext custodian or brokerage account into which the NEPI Rockcastle shares are to be delivered. Upon receipt of an instruction to transfer the NEPI Rockcastle shares, they will be delivered into such account as may have been specified by the shareholder concerned. Simultaneously with such delivery, the SA Transfer Secretaries will pay to the shareholder any amounts accrued (including dividends) in respect of the NEPI Rockcastle shares while held in escrow and to which the shareholder is entitled in accordance with the custody agreement.
- 1.2.3 Should a shareholder not wish to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account it may, by completing such forms as the SA Transfer Secretaries may require, instruct the SA Transfer Secretaries to endeavour to sell the NEPI Rockcastle shares to which such shareholder is entitled and remit the proceeds of such sale (net of applicable fees, expenses, taxes and charges).
- 1.2.4 **Shareholders registered in Romania and those on the UK register are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**

1.3 Trade in NEPI Rockcastle shares

- 1.3.1 As share trading on the JSE is on "T+3 settlement", share transactions are settled (i.e. both money and securities) three business days after the relevant trading date. Parties trading in shares on the JSE must settle their trades through their stockbrokers directly or through custodians. For those shareholders who have deposited shares in a South African broker account or in their designated South-African based CSDP account, settlement is effected electronically with Strate, the registered central securities depository in terms of the Financial Markets Act.
- 1.3.2 For the first trading day on Euronext Amsterdam, NEPI Rockcastle shares will also trade on Euronext Amsterdam on a "T+3 settlement" basis, with settlement effected electronically with Euroclear Nederland. Following the first trading date of NEPI Rockcastle shares on Euronext Amsterdam, settlement of trades in NEPI Rockcastle shares on Euronext Amsterdam will take place two business days after a trade is executed.

- 1.3.3 Accordingly, NEPI shareholders will be entitled to commence trading the NEPI Rockcastle shares to which they are entitled from Wednesday, 12 July 2017, notwithstanding that the NEPI Rockcastle shares will only be issued and delivered to their CSDP or broker accounts in South Africa and Euronext custodian or brokerage accounts on Monday, 17 July 2017. This ensures that shareholders are never “out of the market” and are able to trade their NEPI Rockcastle shares from the moment NEPI shares are suspended from trading.
- 1.3.4 Any shareholders registered in Romania or recorded on the UK register and who has a South African CSDP account may transfer such shareholder’s NEPI shares to the SA register on or prior to Tuesday, 11 July 2017 using the existing transfer process in place between the UK Receiving Agent and the SA Transfer Secretaries as described in paragraph 5 below. The UK Receiving Agent can be contacted at !AllJEGlobalTransactionTeam@computershare.co.je should you have any queries in relation to the share transfer process. Shareholders may also contact the SA Transfer Secretaries at removals@computershare.co.za.

2. THE EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of NEPI shareholders, to be held at 09:00 BST (10:00 SA time) (11:00 Romanian time) on Thursday, 6 July 2017 at the registered office of NEPI, 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man IM1 4LN, to consider and, if deemed fit, approve with or without modification the resolutions necessary to implement the NEPI transaction in accordance with its terms, is attached to and forms part of this circular.

In order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the company by no later than the register time and date, being not less than 48 hours before the time fixed for the extraordinary general meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.

The quorum for the extraordinary general meeting is three persons entitled to attend and to vote on the business to be transacted, each being a shareholder present in person or a proxy for a shareholder, or one person entitled to attend and to vote on the business to be transacted being able to exercise in aggregate at least 25% of all voting rights that are entitled to be exercised on at least one matter to be decided at the extraordinary general meeting present in person or represented by proxy at the extraordinary general meeting.

Every shareholder present in person or represented by proxy and entitled to vote shall, in his capacity as shareholder, on a show of hands, have only one vote irrespective of the number of shares he holds or represents. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to one vote per issued share held by such shareholder.

In order to more effectively record the votes and give effect to the intentions of the shareholders, voting on all resolutions will be conducted by way of a poll.

2.1 Shareholders recorded on the SA register

2.1.1 *Dematerialised shareholders who do not have “own-name” registration*

- 2.1.1.1 If your dematerialised shares are not recorded in your own name in the electronic sub-register of NEPI, you should notify your duly appointed CSDP or broker, as the case may be, in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker, of your instructions as regards voting your shares at the extraordinary general meeting.
- 2.1.1.2 If you have not been contacted, it would be advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your instructions.
- 2.1.1.3 If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.
- 2.1.1.4 You must **NOT** complete the attached form of proxy.
- 2.1.1.5 In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:
- attend, speak and vote at the extraordinary general meeting; or
 - send a proxy to represent you at the extraordinary general meeting.

- 2.1.1.6 If you wish to attend the extraordinary general meeting, you must contact your CSDP or broker who will then issue the necessary letter of representation to you to attend the extraordinary general meeting. You will not be permitted to attend, speak or vote at the extraordinary general meeting, nor send a proxy to represent you at the extraordinary general meeting, without the necessary letter of representation and your CSDP or broker may then vote on your behalf in accordance with the mandate between you and your CSDP or broker.
- 2.1.2 *Certificated shareholders and dematerialised shareholders with “own-name” registration*
 - 2.1.2.1 You may attend, speak and vote at the extraordinary general meeting in person.
 - 2.1.2.2 Alternatively, you may appoint a proxy to represent you at the extraordinary general meeting by completing the attached form of proxy in accordance with the instructions contained therein and returning it to the SA Transfer Secretaries (whose details are set out in the form of proxy), to be received by no later than 10:00 SA time on Tuesday, 4 July 2017.
 - 2.1.2.3 Completion and return of a form of proxy does not preclude a shareholder from attending the extraordinary general meeting and voting in person.
- 2.2 **Shareholders registered in Romania**
 - 2.2.1 *Dematerialised shareholders who do not have “own-name” registration*
 - 2.2.1.1 If your dematerialised shares are not recorded in your own name in the electronic sub-register of NEPI, you should notify your duly appointed custodian or broker, as the case may be in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your custodian or broker of your instructions as regards voting your shares at the extraordinary general meeting.
 - 2.2.1.2 If you have not been contacted, it would be advisable for you to contact your custodian or broker immediately and furnish your custodian or broker with your instructions.
 - 2.2.1.3 If your custodian or broker does not obtain instructions from you, it will be obliged to act in accordance with the instructions contained in the agreement concluded between you and your custodian or broker, as the case may be.
 - 2.2.1.4 You must **NOT** complete the attached form of proxy.
 - 2.2.1.5 In accordance with the mandate between you and your custodian or broker, you must advise your custodian or broker if you wish to:
 - 2.2.1.5.1 attend, speak and vote at the extraordinary general meeting; or
 - 2.2.1.5.2 send a proxy to represent you at the extraordinary general meeting.
 - 2.2.1.6 If you wish to attend the extraordinary general meeting, you must contact your custodian or broker who will then issue the necessary letter of representation to you to attend the extraordinary general meeting. You will not be permitted to attend, speak or vote at the extraordinary general meeting, nor send a proxy to represent you at the extraordinary general meeting without the necessary letter of representation and your custodian or broker may then vote on your behalf in accordance with the mandate between you and your custodian or broker, as the case may be.
 - 2.2.2 *Dematerialised shareholders with “own-name” registration*
 - 2.2.2.1 You may attend, speak and vote at the extraordinary general meeting in person.
 - 2.2.2.2 Alternatively, you may appoint a proxy to represent you at the extraordinary general meeting by completing the attached form of proxy in accordance with the instructions contained therein and returning it to the Company Secretary (whose details are set out in the form of proxy), to be received by no later than 11:00 Romanian time on Tuesday, 4 July 2017.
 - 2.2.2.3 Completion and return of a form of proxy does not preclude a shareholder from attending the extraordinary general meeting and voting in person.
- 2.3 **Shareholders recorded on the UK register**
 - 2.3.1 *Uncertificated shareholders*
 - 2.3.1.1 You should notify your duly appointed CREST provider, custodian or broker, as the case may be, of your instructions as regards voting your shares at the extraordinary general meeting,

in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CREST provider, custodian or broker.

- 2.3.1.2 If you have not been contacted, it would be advisable for you to contact your CREST provider, custodian or broker immediately and furnish your CSDP or broker with your instructions.
- 2.3.1.3 If your CREST provider, custodian or broker does not obtain instructions from you, your CREST provider, custodian or broker will be obliged to act in accordance with the instructions contained in the agreement concluded between you and your CREST provider, custodian or broker.
- 2.3.1.4 You must **NOT** complete the attached form of proxy.
- 2.3.1.5 In accordance with the mandate between you and your CREST provider, custodian or broker, you must advise your CREST provider, custodian or broker if you wish to:
 - attend, speak and vote at the extraordinary general meeting; or
 - send a proxy to represent you at the extraordinary general meeting.
- 2.3.1.6 If you wish to attend the extraordinary general meeting, you must contact your CREST provider, custodian or broker who will then issue the necessary letter of representation to you to attend the extraordinary general meeting. You will not be permitted to attend, speak or vote at the extraordinary general meeting, nor send a proxy to represent you at the extraordinary general meeting without the necessary letter of representation and your CREST provider, custodian or broker may then vote on your behalf in accordance with the mandate between you and your CREST provider, custodian or broker.

2.3.2 *Certificated shareholders*

- 2.3.2.1 You may attend, speak and vote at the extraordinary general meeting in person.
- 2.3.2.2 Alternatively, you may appoint a proxy to represent you at the extraordinary general meeting by completing the attached form of proxy in accordance with the instructions contained therein and returning it to the Company Secretary (whose details are set out in the form of proxy), to be received by no later than 09:00 BST on Tuesday, 4 July 2017.
- 2.3.2.3 Completion and return of a form of proxy does not preclude a shareholder from attending the extraordinary general meeting and voting in person.

3. DISTRIBUTIONS

Shareholders (excluding those shareholders participating in the repurchase) will in terms of the merger transaction receive from NEPI the right to be issued NEPI Rockcastle shares either (i) as a distribution *in specie* made as a return of capital or (ii) as a distribution *in specie* declared as a dividend, such that NEPI shareholders will ultimately receive 1 NEPI Rockcastle share for every 1 NEPI share held. Shareholders will receive the distribution as a return of capital, unless they have specifically elected to receive the distribution as a dividend.

Full details of the distributions are set out in paragraph 5.8.6 and the “Salient Dates and Times” section of this circular.

Paragraph 7 of the circular sets out a high-level summary of the tax implications in South Africa, Isle of Man and Romania of the distributions *in specie*.

3.1 Distribution as a return of capital

Shareholders who wish to receive the distribution as a return of capital need not take any action. Such shareholders will receive their NEPI Rockcastle distribution shares as follows:

3.1.1 *Shareholders on the SA register*

3.1.1.1 **Dematerialised shareholders recorded on the SA register (with or without “own-name” registration)**

On Monday, 17 July 2017, the NEPI Rockcastle distribution shares to which you are entitled will be credited to the account that you hold with your CSDP or broker.

3.1.1.2 **Certificated shareholders recorded on the SA register**

3.1.1.2.1 Certificated NEPI shareholders are required to move their NEPI shares into the dematerialised environment in order to take delivery of the NEPI Rockcastle distribution shares to which they are entitled.

3.1.1.2.2 If you have not done so by Tuesday, 11 July 2017, on Monday, 17 July 2017 the NEPI Rockcastle distribution shares to which you are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.

3.1.1.2.3 **In order to avoid the distribution shares to which you are entitled being held in escrow, certificated shareholders recorded on the SA register are advised to move into a dematerialised environment prior to Tuesday, 11 July 2017, in which case they will receive the NEPI Rockcastle shares to which they are entitled as per paragraph 3.1.1.1 above.**

3.1.2 *Shareholders registered in Romania*

3.1.2.1 Shareholders are advised to contact nepirockcastle@javacapital.co.za with details of their account with a CSDP or broker in South Africa or Euronext custodian or brokerage account and for further details on how to take delivery of their NEPI Rockcastle distribution shares.

3.1.2.2 Should shareholders registered in Romania not provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account by Friday, 14 July 2017, the NEPI Rockcastle shares to which such shareholders are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.

3.1.2.3 **Shareholders registered in Romania are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account in Europe as soon as possible.**

3.1.3 *Shareholders recorded on the UK register*

3.1.3.1 Shareholders are advised to contact nepirockcastle@javacapital.co.za with details of their account with a CSDP or broker in South Africa or Euronext custodian or brokerage account and for further details on how to take delivery of their consideration shares.

3.1.3.2 Should shareholders recorded on the UK register not provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account by Friday, 14 July 2017, the NEPI Rockcastle shares to which such shareholders are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.

3.1.3.3 **Shareholders on the UK register are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**

3.2 **Distribution as a dividend**

Shareholders who wish to receive the distribution *in specie* as a dividend should take the action set out below, as applicable. Shareholders who elect to receive the distribution as a dividend make such election in respect of their entire holding.

3.2.1 *Shareholders recorded on the SA register*

3.2.1.1 **Dematerialised shareholders (with or without “own-name” registration)**

3.2.1.1.1 If you wish to receive the distribution as a dividend, you are required to notify your CSDP or broker in the manner and within the time stipulated in the agreement governing the relationship between you and your CSDP or broker so as to ensure that such CSDP or broker submits a dividend election form on your behalf by no later than 12:00 SA time on Friday, 14 July 2017.

3.2.1.1.2 Should your election not be made by 12:00 SA time on Friday, 14 July 2017, you will receive the distribution as a return of capital unless you have validly elected to participate in the repurchase.

- 3.2.1.1.3 If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, it is obliged to act in terms of the mandate granted to them by you. If the mandate is silent in this regard, your CSDP or broker will not elect to receive the distribution as a dividend on your behalf and you will receive the distribution as a return of capital.
- 3.2.1.1.4 You must **NOT** complete the attached dividend election form.
- 3.2.1.1.5 If you have validly elected to receive the distribution as a dividend you will on Monday, 17 July 2017 have the NEPI Rockcastle shares to which you are entitled credited to the account that you hold with our CSDP or broker.

3.2.1.2 **Certificated shareholders**

- 3.2.1.2.1 If you wish to receive the distribution as a dividend you must complete the attached dividend election form in accordance with the instructions contained therein and lodge it with the SA Transfer Secretaries (whose details are set out in dividend election form), to be received by them by no later than 12:00 SA time on Friday, 14 July 2017.
- 3.2.1.2.2 Should the dividend election form not be received by the SA Transfer Secretaries by 12:00 SA time on Friday, 14 July 2017 and in accordance with the instructions contained in the dividend election form, your election to receive the distribution as a dividend will be null and void and you will receive the distribution as a return of capital, unless you have validly elected to participate in the repurchase.
- 3.2.1.2.3 Documents of title in respect of NEPI shares held are not required to be surrendered in order to receive the NEPI Rockcastle distribution shares.
- 3.2.1.2.4 Certificated NEPI shareholders are required to move into the dematerialised environment in order to take delivery of the distribution shares to which they are entitled. In order to receive the distribution shares to which you are entitled you must specify a valid account with a CSDP or broker to which the shares are to be delivered, in the space provided in the attached dividend election form. If you do not have such account, you will need to establish one.
- 3.2.1.2.5 Shareholders who have provided correct details of a CSDP or broker account in the “Details of CSDP or broker” box in the dividend election form will have their accounts at their CSDP or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 3.2.1.2.6 If you do not have an account with a CSDP or broker or fail to provide valid account details with a CSDP or broker in the dividend election form, on Monday, 17 July 2017, the NEPI Rockcastle shares to which you are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.

3.2.2 *Shareholders registered in Romania*

- 3.2.2.1 If you wish to receive the distribution as a dividend you must complete the attached dividend election form in accordance with the instructions contained therein and lodge it with the SA Transfer Secretaries (whose details are set out in the dividend election form), by no later than 13:00 Romanian time on Friday, 14 July 2017.
- 3.2.2.2 Should the dividend election form not be received by the SA Transfer Secretaries by 13:00 Romanian time on Friday, 14 July 2017 and in accordance with the instructions contained in the dividend election form, your election to receive the distribution as a dividend will be null and void and you will receive the distribution as a return of capital, unless you have validly elected to participate in the repurchase.
- 3.2.2.3 Documents of title in respect of NEPI shares held are not required to be surrendered in order to receive the NEPI Rockcastle distribution shares.

- 3.2.2.4 **Should you wish to receive the NEPI Rockcastle distribution shares to which you are entitled on the NEPI Rockcastle South African register**
 - 3.2.2.4.1 You are required to provide details of an account with a CSDP or broker in South Africa to which such NEPI Rockcastle shares can be delivered in the space provided in the attached dividend election form. If you do not have such account, you will need to establish one.
 - 3.2.2.4.2 Shareholders who have provided correct details of a CSDP or broker account in the “Details of CSDP or broker” box in the dividend election form will have their accounts at their CSDP or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 3.2.2.5 **Should you wish to receive the NEPI Rockcastle distribution shares to which you are entitled on the NEPI Rockcastle European register**
 - 3.2.2.5.1 You are required to provide details of a Euronext custodian or brokerage account to which such NEPI Rockcastle shares can be delivered in the space provided in the attached dividend election form. If you do not have such account, you will need to establish one.
 - 3.2.2.5.2 Shareholders who have provided correct details of a Euronext custodian or brokerage account in the “Details of Euronext custodian or brokerage account” box in the dividend election form will have their accounts at their custodian or broker credited on Monday, 10 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 3.2.2.6 Should shareholders registered in Romania not provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account as required, the NEPI Rockcastle distribution shares to which such shareholders are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.
- 3.2.2.7 **Shareholders registered in Romania are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**
- 3.2.3 *Shareholders recorded on the UK register*
 - 3.2.3.1 If you wish to receive the distribution as a dividend you must complete the attached dividend election form in accordance with the instructions contained therein and lodge it with the SA Transfer Secretaries (whose details are set out in the dividend election form), by no later than 11:00 BST on Friday, 14 July 2017.
 - 3.2.3.2 Should the dividend election form not be received by the SA Transfer Secretaries by 11:00 BST on Friday, 14 July 2017 and in accordance with the instructions contained in the dividend election form, your election to receive the distribution as a dividend will be null and void and you will receive the distribution as a return of capital, unless you have validly elected to participate in the repurchase.
 - 3.2.3.3 Documents of title in respect of NEPI shares held are not required to be surrendered in order to receive the NEPI Rockcastle distribution shares.
 - 3.2.3.4 **Should you wish to receive the NEPI Rockcastle distribution shares to which you are entitled on the NEPI Rockcastle South African register**
 - 3.2.3.4.1 You are required to provide details of an account with a CSDP or broker in South Africa to which such NEPI Rockcastle shares can be delivered in the space provided in the attached dividend election form. If you do not have such account, you will need to establish one.
 - 3.2.3.4.2 Shareholders who have provided correct details of a CSDP or broker account in the “Details of CSDP or broker” box in the dividend election form will have their accounts at their CSDP or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.

- 3.2.3.5 **Should you wish to receive the NEPI Rockcastle distribution shares to which you are entitled on the NEPI Rockcastle European register**
- 3.2.3.5.1 You are required to provide details of a Euronext custodian or brokerage account to which such NEPI Rockcastle shares can be delivered and held on NEPI Rockcastle's European register in the space provided in the attached dividend election form. If you do not have such account, you will need to establish one.
- 3.2.3.5.2 Shareholders who have provided correct details of a Euronext custodian or brokerage account in the "Details of Euronext custodian or brokerage account" box in the dividend election form will have their accounts at their custodian or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 3.2.3.6 Should shareholders recorded on the UK register not provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account as required, the NEPI Rockcastle distribution shares to which such shareholders are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.
- 3.2.3.7 **Shareholders on the UK register are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**

4. THE REPURCHASE

Only shareholders who have NOT elected to receive the distribution as a dividend will be entitled to participate in the repurchase. Shareholders who have elected to receive the distribution as a dividend will not be entitled to participate in the repurchase.

In consideration for participating in the repurchase, NEPI will transfer to its shareholders rights to be issued NEPI Rockcastle shares, such that participating NEPI shareholders will ultimately receive from NEPI Rockcastle 1 NEPI Rockcastle share for every 1 NEPI share held.

PLEASE TAKE CAREFUL NOTE THAT REPURCHASE ELECTION AND SURRENDER FORMS WILL NOT BE ACCEPTED AFTER 16:00 BST/17:00 SOUTH AFRICAN TIME/18:00 ROMANIAN TIME ON FRIDAY, 14 JULY 2017. SHAREHOLDERS WHO SUBMIT A REPURCHASE ELECTION AND SURRENDER FORM AFTER THIS TIME WILL RECEIVE A DISTRIBUTION AS A RETURN OF CAPITAL AS SET OUT IN PARAGRAPH 3.1 ABOVE.

Shareholders who elect to participate in the repurchase, do so in respect of their entire holdings.

Full details of the repurchase are set out in paragraph 5.8.7 and the "Salient Dates and Times" section of this circular.

Paragraph 7 of the circular sets out a high-level summary of the tax implications of receipt of, *inter alia*, the repurchase consideration shares by NEPI shareholders.

4.1 Shareholders recorded on the SA register

For shareholders recorded on the SA register, the repurchase entails a transfer of JSE-listed NEPI shares resulting in securities transfer tax being payable. **NEPI SHAREHOLDERS ON THE SA REGISTER WHO PARTICIPATE IN THE REPURCHASE WILL BE LIABLE FOR THIS SECURITIES TRANSFER TAX, BEING 0.25% PAYABLE ON THE VALUE OF THE REPURCHASE CONSIDERATION, WHICH SHOULD EQUATE TO THE VALUE OF NEPI ROCKCASTLE SHARES TO BE ULTIMATELY RECEIVED.** There is no securities transfer tax payable by shareholders who elect or are deemed to have elected to receive the distributions, either as a dividend or as a return of capital.

The payment by a NEPI shareholder recorded on the SA register of the applicable securities transfer tax is a condition to the valid exercise of an election to participate in the repurchase.

4.1.1 *Dematerialised shareholders (with or without "own-name" registration)*

- 4.1.1.1 If you wish to participate in the repurchase, you are required to notify your CSDP or broker in the manner and within the time stipulated in the agreement governing the relationship between you and your CSDP or broker so as to ensure that such CSDP or broker submits a repurchase and surrender form by no later than 17:00 South African time on Friday, 14 July 2017.

- 4.1.1.2 If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, it is obliged to act in terms of the mandate granted to them by you. If the mandate is silent in this regard, your CSDP or broker will not apply to participate in the repurchase on your behalf and you will receive the distribution as a return of capital.
- 4.1.1.3 You must **NOT** complete the attached repurchase election and surrender form.
- 4.1.1.4 **You must ensure that you have sufficient funds in the account that you hold with your CSDP or broker to settle the securities transfer tax payable in respect of the repurchase. If you have insufficient funds in your account on Monday, 17 July 2017, your election to participate in the repurchase is null and void and you will be deemed to have elected to receive the distribution as a return of capital.**
- 4.1.1.5 On Monday, 17 July 2017, shareholders who have validly elected to participate in the repurchase and who have sufficient funds in the account that they hold with their CSDP or broker to settle the securities transfer tax payable in respect of the repurchase will have the NEPI Rockcastle shares to which they are entitled credited to their CSDP or broker account.

4.1.2 *Certificated shareholders*

- 4.1.2.1 If you wish to participate in the repurchase, you are required to complete the attached repurchase election and surrender form in accordance with the instructions contained therein and surrender your documents of title in respect of all your NEPI shares. You are also required to make and evidence payment of the securities transfer tax payable by you in respect of the repurchase.
- 4.1.2.2 **Should the repurchase election and surrender form, documents of title and documents evidencing payment of the securities transfer tax not be received by the SA Transfer Secretaries by the repurchase closing date and time and in accordance with the instructions contained in the repurchase election and surrender form, your election to participate in the repurchase is null and void and you will be deemed to have elected to receive the distribution as a return of capital.**

4.1.2.3 **Payment of securities transfer tax by cheque**

- 4.1.2.3.1 A cheque (crossed “not transferable” and with the words “or bearer” deleted) or a banker’s draft (drawn on a registered bank) payable to “**NEPI – Repurchase**” and in the amount of the securities transfer tax due, in Rand, together with a duly completed repurchase election and surrender form clearly marked “**NEPI – Repurchase**”, must be lodged with the SA Transfer Secretaries and in accordance with the instructions contained in the repurchase election and surrender form, as follows:

Delivered to:	Posted to:
Computershare Investor Services	Computershare Investor Services
Proprietary Limited	Proprietary Limited
Rosebank Towers	PO Box 61763
15 Biermann Avenue	Marshalltown
Rosebank, 2196	2107
South Africa	

so as to reach the SA Transfer Secretaries by no later than the repurchase closing date and time.

- 4.1.2.3.2 All cheques or bankers’ drafts received by the SA Transfer Secretaries will be deposited immediately for payment. In the event that any cheque or banker’s draft is dishonoured, your election to participate in the repurchase will be null and void and you will receive the distribution as a return of capital. Money received in respect of your election to participate in the repurchase which is treated as null and void, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded by way of a cheque drawn in Rand to the shareholder concerned, and posted by ordinary post at the shareholder’s risk within five days from which the distributions are implemented. If the shareholder concerned gives no address in the repurchase election and

surrender form, then the relevant refund will be held by NEPI until collected by the shareholder. No interest in respect of such refund will be paid by NEPI.

4.1.2.3.3 Should you have any queries, you should contact the Call Centre – Corporate Actions of the SA Transfer Secretaries on 0861 100 634.

4.1.2.4 **Payment of securities transfer tax by electronic fund transfer (“EFT”)**

4.1.2.4.1 EFTs of securities transfer tax payable will be accepted. Certificated shareholders should contact the Call Centre – Corporate Actions of the SA Transfer Secretaries on 0861 100 634 to facilitate electronic payment.

4.1.2.4.2 Proof of EFT payment in the amount of the securities transfer tax due, in Rand, together with a duly completed repurchase election and surrender form clearly marked “**NEPI – Repurchase**”, must be lodged with the SA Transfer Secretaries and in accordance with the instructions contained in the repurchase election and surrender form, as follows:

Delivered to:

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa

Posted to:

Computershare Investor Services
Proprietary Limited
PO Box 61763
Marshalltown
2107

so as to reach the SA Transfer Secretaries by no later than the repurchase closing date and time.

4.1.2.4.3 The duly completed repurchase election and surrender form and proof of EFT payment may also be faxed to 011 688 5210 or emailed to corporate.events@computershare.co.za.

4.1.2.4.4 Should you have any queries, you should contact the Call Centre – Corporate Actions of the SA Transfer Secretaries on 0861 100 634.

4.1.2.5 If the repurchase election and surrender form is received by the SA Transfer Secretaries, with the documents of title and documents relating to payment of the securities transfer tax, prior to the opening date and time of the repurchase, it will be treated as a conditional surrender. Such surrendered documents of title will be held in trust by the SA Transfer Secretaries until the opening date and time of the repurchase.

4.1.2.6 Certificated NEPI shareholders are required to move into the dematerialised environment in order to take delivery of the NEPI Rockcastle repurchase consideration shares to which they are entitled. In order to receive the repurchase consideration shares to which you are entitled you must specify a valid account with a CSDP or broker to which the shares are to be delivered, in the space provided in the attached repurchase election and surrender form. If you do not have such account, you will need to establish one.

4.1.2.7 Shareholders who have provided correct details of a CSDP or broker account in the “Details of CSDP or broker” box in the repurchase election and surrender form will have their accounts at their CSDP or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.

4.1.2.8 If you do not have an account with a CSDP or broker or fail to provide valid account details with a CSDP or broker in the repurchase election and surrender form, on Monday, 17 July 2017, the NEPI Rockcastle shares to which you are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.

4.2 **Shareholders registered in Romania**

4.2.1 If you wish to participate in the repurchase, you must complete the attached repurchase election and surrender form and lodge it together with your documents of title with the SA Transfer Secretaries, in accordance with the instructions set out in the attached repurchase election and surrender form, by no later than 18:00 Romanian time on Friday, 14 July 2017. The details of the SA Transfer Secretaries are set out in the repurchase election and surrender form.

- 4.2.2 *Should you wish to receive the NEPI Rockcastle repurchase consideration shares to which you are entitled on the NEPI Rockcastle South African register*
- 4.2.2.1 You are required to provide details of an account with a CSDP or broker in South Africa to which such NEPI Rockcastle shares can be delivered in the space provided in the attached repurchase election and surrender form. If you do not have such account, you will need to establish one.
- 4.2.2.2 Shareholders who have provided correct details of a CSDP or broker account in the “Details of CSDP or broker” box in the repurchase election and surrender form will have their accounts at their CSDP or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 4.2.3 *Should you wish to receive the NEPI Rockcastle repurchase consideration shares to which you are entitled on the NEPI Rockcastle European register*
- 4.2.3.1 You are required to provide details of a Euronext custodian or brokerage account to which such NEPI Rockcastle shares can be delivered in the space provided in the attached repurchase election and surrender form. If you do not have such account, you will need to establish one.
- 4.2.3.2 Shareholders who have provided correct details of a Euronext custodian or brokerage account in the “Details of Euronext custodian or brokerage account” box in the repurchase election and surrender form will have their accounts at their custodian or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 4.2.4 Should shareholders registered in Romania not provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account as required, the repurchase consideration shares to which such shareholders are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above
- 4.2.5 **Shareholders registered in Romania are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**

4.3 Shareholders recorded on the UK register

- 4.3.1 If you wish to participate in the repurchase, you must complete the attached repurchase election and surrender form and lodge it together with your documents of title with the SA Transfer Secretaries, in accordance with the instructions set out in the attached repurchase election and surrender form, by no later than by no later 16:00 BST on Friday, 14 July 2017. The details of the SA Transfer Secretaries are set out in the repurchase election and surrender form.
- 4.3.2 *Should you wish to receive the NEPI Rockcastle repurchase consideration shares to which you are entitled on the NEPI Rockcastle South African register:*
- 4.3.2.1 You are required to provide details of an account with a CSDP or broker in South Africa to which such NEPI Rockcastle shares can be delivered in the space provided in the attached repurchase election and surrender form. If you do not have such account, you will need to establish one.
- 4.3.2.2 Shareholders who have provided correct details of a CSDP or broker account in the “Details of CSDP or broker” box in the repurchase election and surrender form will have their accounts at their CSDP or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.
- 4.3.3 *Should you wish to receive the NEPI Rockcastle repurchase consideration shares to which you are entitled on the NEPI Rockcastle European register*
- 4.3.3.1 You are required to provide details of a Euronext custodian or brokerage account to which such NEPI Rockcastle shares can be delivered and held on NEPI Rockcastle’s European register in the space provided in the attached repurchase election and surrender form. If you do not have such account, you will need to establish one.
- 4.3.3.2 Shareholders who have provided correct details of a Euronext custodian or brokerage account in the “Details of Euronext custodian or brokerage account” box in the repurchase election and surrender form will have their accounts at their custodian or broker credited on Monday, 17 July 2017 with the relevant number of NEPI Rockcastle shares to which they are entitled.

- 4.3.4 Should shareholders on the UK register not provide details of an account held with a CSDP or broker in South Africa or Euronext custodian or brokerage account as required, the repurchase consideration shares to which such shareholders are entitled will be delivered to the Escrow Agent as further detailed in paragraph 1.2 above.
- 4.3.5 **Shareholders on the UK register are advised to open an account with a CSDP or broker in South Africa or Euronext custodian or brokerage account as soon as possible.**

5. TRANSFER OF NEPI SHARES TO THE SOUTH AFRICAN REGISTER

- 5.1 NEPI shareholders may wish to transfer their NEPI shares to the SA register on or before Tuesday, 11 July 2017. Set out below are the procedures for effecting such transfer.
- 5.2 **Certificated shareholders holding NEPI shares wishing to transfer to the SA register**
- 5.2.1 Shareholders who hold certificated shares on the UK register who wish to transfer their NEPI shares to the SA register must submit a removal form and their current valid share certificate to the UK Receiving Agent. Copies of the removal form can be requested from the UK Receiving Agent at [!AllJEGlobalTransactionTeam@computershare.co.je](mailto:AllJEGlobalTransactionTeam@computershare.co.je). Once processed, shareholders will receive share certificates issued on the SA register in respect of their NEPI shares.
- 5.3 **Uncertificated shareholders holding NEPI shares wishing to transfer to the SA register**
- 5.3.1 Shareholders registered in Romania must transfer their shares to the UK register in order to transfer their shares to the SA register, and thereafter follow the procedure in paragraphs 5.2.1 above or 5.3.2 below, as applicable.
- 5.3.2 Shareholders who hold uncertificated shares on the UK register are advised that NEPI shares can only be transferred from the UK register to the SA register in certificated form. Prior to transferring their NEPI shares to the SA register, shareholders who hold their uncertificated shares on the UK register must convert their uncertificated shares to certificated shares by completing a stock withdrawal form through their broker. Once such NEPI shares have been converted into certificated form, a removal form must be completed and posted, along with the UK shareholder's original share certificate, to the UK Receiving Agent. Copies of the removal form can be requested from the UK Receiving Agent at [!AllJEGlobalTransactionTeam@computershare.co.je](mailto:AllJEGlobalTransactionTeam@computershare.co.je). Once processed, shareholders will receive share certificates issued on the SA register in respect of their NEPI shares.
- 5.4 After transferring their NEPI shares from the UK register to the SA register, shareholders will hold their NEPI shares on the SA register in certificated form. Shareholders will accordingly have to move into the dematerialised environment prior to Wednesday, 12 July 2017.

DEFINITIONS AND INTERPRETATIONS

In this circular, unless the context indicates a contrary intention, the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and *vice versa*; an expression which denotes one gender includes the other gender; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings:

“ articles of association ”	the articles of association of NEPI;
“ associate ”	has the meaning given to that term in the JSE Listings Requirements, including but not limited to an individual’s immediate family, a controlled trust or a controlled company;
“ board ” or “ board of directors ” or “ directors ”	the board of directors of NEPI;
“ BST ”	British Summer Time;
“ business day ”	any day other than a Saturday, Sunday or official public holiday in each of the Isle of Man, United Kingdom, Romania or South Africa;
“ BVB ”	Bucharest Stock Exchange;
“ CEE ”	Central and Eastern Europe;
“ certificated shareholders ”	shareholders holding certificated shares in the company;
“ certificated shares ”	a share or other security which is not in uncertificated form or shares which have not yet been dematerialised into the Strate or CREST system, title to which is represented by share certificates or other physical documents of title;
“ circular ” or “ this circular ”	this circular to NEPI shareholders dated 9 June 2017, including all annexures, the notice of extraordinary general meeting of shareholders, the form of proxy (<i>white</i>), dividend election form (<i>blue</i>) and repurchase election and surrender form (<i>green</i>);
“ common monetary area ”	collectively, South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
“ contribution agreement ”	the contribution agreement to be concluded between NEPI, Rockcastle and NEPI Rockcastle on the merger implementation date, the salient terms of which are set out in Annexure 6 ;
“ CREST ”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holdings of shares in uncertificated form in respect of which Euroclear is the operator, in accordance with which securities may be held and transferred in uncertificated form;
“ CREST provider, broker or custodian ”	a person or company (as contemplated in the CREST Regulations) that enables shareholders to hold and transfer their securities in uncertificated form or to hold and transfer their securities in uncertificated form on their behalf;
“ CREST Regulations ”	the Uncertificated Securities Regulations 2006, as amended or replaced from time to time, of the Isle of Man;
“ CSDP ”	a Central Securities Depository Participant in South Africa appointed by a shareholder for the purposes of, and in regard to, dematerialisation, and to hold and administer securities or an interest in securities on behalf of a shareholder;
“ dematerialisation ”	the process whereby physical share certificates and/or other tangible documents of title are replaced by electronic records of ownership and recorded in the sub-register of shareholders maintained by a CSDP, CREST provider, broker or custodian;

“dematerialised shareholders”	NEPI shareholders who hold dematerialised shares whether with “own-name” registration or not;
“dematerialised shareholders with own-name registration”	NEPI shareholders who have registered their shares in their own-name on the NEPI register with a CSDP or broker in terms of the Financial Markets Act or otherwise;
“dematerialised shares”	ordinary shares having been dematerialised and incorporated into a custodian system (including the Strate system), title to which is no longer represented by physical documents of title;
“distribution shares” or “NEPI Rockcastle distribution shares”	NEPI Rockcastle shares to be issued to NEPI shareholders in accordance with the rights received by such shareholders from NEPI by way of the distributions <i>in specie</i> ;
“distributions” or “distributions in specie”	the distributions <i>in specie</i> by NEPI to NEPI shareholders of rights to NEPI Rockcastle shares as is determined based on the swap ratio, either declared as a dividend, if so elected, or made as a return of capital, and pursuant to which shareholders will receive 1 NEPI Rockcastle share for every 1 NEPI share held, as more particularly described in paragraph 5.8.6 of the circular;
“dividend”	a distribution made exclusively from retained earnings in accordance with the articles of association and the IOM Act and regarded as a “dividend” for purposes of Isle of Man law;
“dividend election form”	the form (<i>blue</i>) attached to this circular to be completed by certificated shareholders on the SA register, all shareholders registered in Romania and all shareholders on the UK register who wish to receive a distribution as a dividend;
“dividend for Romanian tax purposes”	<p>a distribution in money or in kind made by a legal person to a participant as a consequence of the ownership of shares in such legal person, except for the following:</p> <ul style="list-style-type: none"> (a) a distribution of new participation titles or increase of the nominal value of existing participation titles further to a share capital increase operation, undertaken according to the law; (b) a distribution made in connection with the acquisition/redemption of own participation titles by the legal entity; (c) a distribution in cash or in kind made in connection with the liquidation of a legal entity; (d) a distribution in cash or in kind made upon reduction of share capital, undertaken according to the law; (e) a distribution of share premium, proportionally to the quota owned by each shareholder; and (f) a distribution of participation titles in the context of in connection with reorganisation operations, as provided by the Fiscal Code. <p>Separately, the following shall also be treated as dividend from a tax perspective and shall be subject to the same tax treatment as dividends income:</p> <ul style="list-style-type: none"> (i) gains obtained by individuals from owning participation titles, as defined by applicable legislation, held in collective investment vehicles; and (ii) income in cash or in kind distributed by agricultural companies, with legal personality, set-up according to the relevant law, to a participant in the respective company, as a result of owning participation titles;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the board;

“Escrow Agent”	Computershare Nominees Proprietary Limited (Registration number 1999/008543/07), a private company duly incorporated in terms of the laws of South Africa, full details of which are set out in the “Corporate Information” section;
“EU”	the European Union;
“EUR”, “Euro” or “€”	the currency used by the Institutions of the European Union and the official currency of the European Union;
“Euroclear Nederland”	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. or, if applicable, its UK nominee company, ENL Nominees Limited;
“Euronext Amsterdam”	Euronext Amsterdam N.V., a public company with limited liability, incorporated under Dutch law and the operator of the Euronext market (securities exchange) in Amsterdam, the Netherlands;
“Euronext custodian or brokerage account”	an account with a custodian or broker in Europe via which NEPI Rockcastle shares can be held in dematerialised format on NEPI Rockcastle’s European register;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 9 of 1933, as amended;
“extraordinary general meeting”	the meeting of NEPI shareholders to be held at 09:00 BST (10:00 SA time) (11:00 Romanian time) on Thursday, 6 July 2017 at the registered office of the company;
“financial advisor”	means J.P. Morgan Limited (Registration number 00248609), full details of which are set out in the “Corporate Information” section;
“Financial Markets Act”	the Financial Markets Act, 19 of 2012, as amended;
“form of proxy”	the form (<i>white</i>) attached to this circular to be completed by certificated shareholders and dematerialised shareholders who have elected “own-name” registration on the SA register, all shareholders registered in Romania and certificated shareholders on the UK register who are unable to attend the extraordinary general meeting and who wish to appoint an individual as a proxy to attend, participate in and speak and vote on behalf of such shareholders at the extraordinary general meeting;
“Fortress”	Fortress Income Fund Limited (Registration number 2009/016487/06), a company registered and incorporated in terms of the laws of South Africa and listed on the JSE;
“framework agreement”	the framework agreement entered into between NEPI and Rockcastle on 13 December 2016, the salient terms of which are set out in Annexure 6 as amended;
“FSA”	means the Financial Supervision Authority (in Romanian “ <i>Autoritatea de Supraveghere Financiara</i> ”), the regulatory authority in Romania which exercises the supervision over the capital market, regulated markets and operations with securities;
“GLA”	gross lettable area being the total area of a property that can be rented to a tenant;
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board;
“Income Tax Act”	the South African Income Tax Act, 58 of 1962, as amended;
“independent expert” or “Grant Thornton”	Grant Thornton Advisory Services Proprietary Limited (Registration number 2002/022635/07), a partnership formed in terms of the laws of South Africa, full details of which are set out in the “Corporate Information” section;
“independent reporting accountants” or “PWC”	PricewaterhouseCoopers Incorporated (Registration number 1998/012055/21), a company registered and incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section;

“IOM Act”	the IOM Companies Act 2006, as amended;
“Isle of Man” or “IOM”	the Isle of Man;
“Isle of Man administrator and registrar” or “Sabre”	Sabre Fiduciary Limited (Registration number 010546V), a company registered and incorporated in the Isle of Man, full details of which are set out in the “Corporate Information” section;
“Java Capital” or “corporate advisor” or “JSE sponsor”	collectively, Java Capital Proprietary Limited (Registration number 2002/031862/07), in its capacity as corporate advisor, and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), in its capacity as sponsor, both companies registered and incorporated in South Africa, full details of which are set out in the “Corporate Information” section;
“JSE”	JSE Securities Exchange, being the exchange operated by the JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act, and a public company registered and incorporated in terms of the laws of South Africa;
“JSE Listings Requirements”	the Listings Requirements as published by the JSE, as amended from time to time;
“last practicable date”	Friday, 12 May 2017, being the last trading date before the finalisation of this circular;
“legal advisor as to Isle of Man law” or “Appleby”	Appleby (Isle of Man) LLC (Registration number 000944L), a limited liability company registered and organised in the Isle of Man, full details of which are set out in the “Corporate Information” section;
“legal advisor as to Romanian law” or “Clifford Chance”	Clifford Chance Badea SPRL (Registration number 14470070), a company registered and incorporated in Romania, full details of which are set out in the “Corporate Information” section;
“legal advisor as to South African law” or “CDH”	Cliffe Dekker Hofmeyr Inc (Registration number 2008/018923/21), a company registered and incorporated in South Africa, full details of which are set out in the “Corporate Information” section;
“m²”	square metres;
“merger implementation date”	the date on which the NEPI disposal is implemented in accordance with its terms, being three business days following the date on which the last of the conditions precedent to the framework agreement have been satisfied or waived;
“merger transaction”	the transaction in terms of which NEPI will, in effect, merge its business with that of Rockcastle, in NEPI Rockcastle, to be implemented with reference to an effective share swap ratio of 4.7 existing Rockcastle shares for every 1 existing NEPI share, and comprising the NEPI transaction and the Rockcastle equivalent thereof;
“merger transaction agreements”	together, the framework agreement and the contribution agreement, being the agreements relating to and governing the merger transaction;
“NEPI” or “the company”	New Europe Property Investments PLC, incorporated and registered in the Isle of Man (Registered number 001211V) and registered as an external company with limited liability under the laws of South Africa (Registration number 2009/000025/10), full details of which are set out in the “Corporate Information” section;
“NEPI disposal”	the sale by NEPI of all of its assets and liabilities as at the merger implementation date, including 100% of the issued share capital of the subsidiary undertakings directly held by NEPI as at the merger implementation date, (but excluding any NEPI Rockcastle shares held by NEPI), in consideration for the rights to NEPI Rockcastle shares;
“NEPI group” or “the group”	the company, its subsidiaries, associates and joint ventures;

“NEPI register”	the register(s) of shareholders containing the names and business or residential addresses of all persons who hold shares in the company held at the registered office of the Isle of Man administrator and registrar;
“NEPI Rockcastle”	NEPI Rockcastle plc (Registered number 014178V), a company registered and incorporated in the Isle of Man and to be listed on the JSE and Euronext Amsterdam;
“NEPI Rockcastle European register”	the sub-register of the NEPI Rockcastle register to be maintained on behalf of NEPI Rockcastle and recording those shareholders beneficially holding NEPI Rockcastle shares traded on Euronext Amsterdam;
“NEPI Rockcastle register”	the register of shareholders to be maintained on behalf of NEPI Rockcastle and recording the details of all registered shareholders of NEPI Rockcastle;
“NEPI Rockcastle shareholders”	beneficial holders of NEPI Rockcastle shares, unless otherwise specified;
“NEPI Rockcastle shares”	ordinary shares in the share capital of NEPI Rockcastle with a par value of €0.01 each;
“NEPI Rockcastle South African register”	the sub-register of the NEPI Rockcastle register to be maintained on behalf of NEPI Rockcastle and recording those shareholders beneficially holding NEPI Rockcastle shares traded on the JSE;
“NEPI transaction”	the transaction detailed in Section One, comprising collectively the NEPI disposal, the distributions and repurchase, the listing of NEPI Rockcastle on the JSE and Euronext Amsterdam and the subsequent delisting and administrative dissolution of NEPI;
“PLC Nominees”	PLC Nominees Proprietary Limited (Registration number 1989/002235/07), a private company registered and incorporated in South Africa and regulated nominee authorised to act as such by the South African Financial Services Board;
“press”	the Business Day newspaper in South Africa;
“promoter”	the parties responsible for the formation of a company and who earn(s) a fee therefrom, in cash or otherwise, if any;
“property portfolio” or “properties”	NEPI’s property portfolio, full details of which are set out in Section Three and in Annexure 4 ;
“prospectus”	the prospectus issued by NEPI Rockcastle dated 31 May 2017, a copy of which is available in electronic format on NEPI’s website (www.nepinvest.com);
“Rand” or “R” or “ZAR”	South African Rand, the lawful currency of South Africa;
“record date”	the date on which a NEPI shareholder must be recorded on the SA register, be registered in Romania or recorded on the UK register, as the case may be, in order to receive NEPI Rockcastle shares pursuant to the implementation of the merger transaction;
“repurchase”	the acquisition by NEPI of NEPI shares from NEPI shareholders who have not elected to receive the distribution as a dividend and who have validly elected to participate in the repurchase, in consideration for which NEPI will transfer to participating shareholders the right to NEPI Rockcastle shares and pursuant to which shareholders will receive 1 NEPI Rockcastle share for every 1 NEPI share repurchased, as more particularly described in paragraph 5.8.7 of the circular;
“repurchase closing date and time”	16:00 BST (17:00 SA time) (18:00 Romanian time) on Friday, 7 July 2017;
“repurchase consideration shares” or “NEPI Rockcastle repurchase consideration shares”	NEPI Rockcastle shares to be issued to those NEPI shareholders participating in accordance with the rights to NEPI Rockcastle shares received by such shareholders in terms of the repurchase;

“repurchase election and surrender form”	the form (<i>green</i>) attached to this circular to be completed by certificated shareholders on the SA register, all shareholders registered in Romania and all shareholders on the UK register who have not elected to receive the distribution as a dividend and who wish to participate in the repurchase;
“repurchase opening date and time”	13:00 BST (14:00 SA time) (15:00 Romanian time) on Friday, 7 July 2017;
“return of capital”	a distribution made exclusively other than from retained earnings, including from any amount described as being share premium, in accordance with the articles of association and the IOM Act and not regarded as a “dividend” for purposes of Isle of Man law;
“rights to NEPI Rockcastle shares”	the rights to have issued to the holder such number of new NEPI Rockcastle shares as is determined based on the swap ratio, which rights are freely transferable, fungible, divisible in respect of each NEPI Rockcastle share and may be transferred in respect of each and any number of NEPI Rockcastle shares and are to be transferred to NEPI shareholders by way of the distributions <i>in specie</i> and repurchase;
“Rockcastle”	Rockcastle Global Real Estate Company Limited (Registration number 108869 C1/GBL), a company incorporated under the laws of Mauritius and holding a category one Global Business Licence issued by the Financial Services Commission of Mauritius;
“Rockcastle circular”	the circular to Rockcastle shareholders in respect of the merger transaction as it relates to Rockcastle, dated 9 June 2017;
“Rockcastle shareholders”	the registered holder of Rockcastle shares;
“Rockcastle shares”	ordinary no par value shares in the share capital of Rockcastle;
“Romania”	the country of Romania;
“Romanian Central Depository”	Depozitarul Central S.A., a joint stock company duly incorporated in accordance with the laws of Romania, authorised by FSA and the National Bank of Romania, as central securities depository and which is responsible for the electronic settlement system on the BVB;
“Romanian custodian”	a Romanian Central Depository participant appointed by a shareholder for the purpose of holding and administering securities on behalf of the shareholder, which in turn hold the NEPI shares <i>via</i> global accounts at the Romanian Central Depository;
“SA register”	the sub-register of the NEPI register maintained on behalf of the company in South Africa by the SA Transfer Secretaries and recording those shareholders holding shares traded on the JSE;
“SA Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in terms of the laws of South Africa, full details of which are set out in the “Corporate Information” section;
“SARB”	South African Reserve Bank;
“SENS”	Stock Exchange News Service of the JSE;
“shareholders” or “NEPI shareholders”	registered holders of NEPI shares;
“shareholders registered in Romania”	the shareholders of NEPI who hold their shares <i>via</i> broker or custodian accounts in Romania, which brokers and custodians in turn, hold the NEPI shares <i>via</i> global accounts at the Romanian Central Depository;
“shares” or “NEPI shares”	ordinary shares in the share capital of NEPI with a par value of €0.01 each;

“solvency test”	the solvency test at section 49 of the IOM Act which is satisfied if (i) the company is able to pay its debts as they become due in the normal course of the company’s business; and (ii) the value of the company’s assets exceeds the value of its liabilities;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in terms of the laws of South Africa, a registered central securities depository in terms of the Financial Markets Act;
“swap ratio”	4.7 Rockcastle shares for every 1 NEPI share;
“Transfer Secretaries”	collectively, the SA Transfer Secretaries and the UK Receiving Agent;
“UK Receiving Agent”	Computershare Investor Services PLC (Registration number 2004/003647/07), full details of which are set out in the “Corporate Information” section;
“UK register”	the sub-register of the NEPI register maintained on behalf of the company in Jersey by the UK Receiving Agent, excluding the Romanian Central Depository and SA register;
“uncertificated form” or “in uncertificated form”	recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“uncertificated shareholders”	NEPI shareholders who hold shares in dematerialised (uncertificated) form through CREST; and
“VWAP”	volume weighted average price.



New Europe Property Investments plc

(Incorporated and registered in the Isle of Man with registered number 001211V)
(Registered as an external company with limited liability under the laws of South Africa)
(Registration number 2009/000025/10)
JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02
("NEPI" or "the company")

Dan Pascariu (*Independent non-executive chairman*)
Alexandru Morar (*Chief executive officer*)
Mirela Covasa (*Chief financial officer*)
Antoine Dijkstra (*Independent non-executive director*)
Desmond de Beer (*Independent non-executive director*)
Jeffrey Zidel (*Independent non-executive director*)
Michael Mills (*Independent non-executive director*)
Nevenka Pergar (*Independent non-executive director*)
Robert Reinhardt Emslie (*Independent non-executive director*)
Andries de Lange (*Independent non-executive director – alternate director to Desmond De Beer*)

CIRCULAR TO NEPI SHAREHOLDERS

SECTION ONE: THE NEPI TRANSACTION

1. INTRODUCTION

- 1.1 NEPI is a commercial property investor and developer that owns, develops and manages dominant retail assets and A-grade offices in the CEE region. Rockcastle is a commercial property investor and developer that owns, develops and manages dominant retail assets in the CEE region and invests in global real estate listed securities.
- 1.2 As announced on SENS and the website of the BVB on 14 December 2016, and further updated on 13 February 2017, 28 April 2017 and 11 May 2017, NEPI has agreed a transaction in terms of which it will, in effect, merge its business with that of Rockcastle, in an entity newly-incorporated in the Isle of Man (being NEPI Rockcastle) to be implemented with reference to an effective share swap ratio of 4.7 existing Rockcastle shares for every 1 existing NEPI share. Pursuant to the implementation of the merger transaction, NEPI shareholders will receive 1 NEPI Rockcastle share for every 1 NEPI share held as at Friday, 14 July 2017. NEPI shareholders have the option to receive the NEPI Rockcastle shares to which they are entitled pursuant to (i) a distribution *in specie* made by NEPI as a return of capital, (ii) a distribution *in specie* declared by NEPI as a dividend, or (iii) the repurchase by NEPI of all the NEPI shares held by such shareholders (but only if such shareholders have not elected to receive the distribution as a dividend). Shareholders who take no action will receive the NEPI Rockcastle shares to which they are entitled pursuant to a distribution *in specie* as a return of capital.
- 1.3 The implementation of the merger transaction will ultimately result in NEPI and Rockcastle shareholders invested, in accordance with the swap ratio, in a dual JSE and Euronext Amsterdam listed property company with a market capitalisation of approximately R85 billion (€5.8 billion) and comprising the combined businesses, assets and liabilities of NEPI and Rockcastle.
- 1.4 In terms of the South African Companies Act, 71 of 2008 (as amended), the repurchase constitutes an initial public offering by way of secondary offer by NEPI of NEPI Rockcastle shares and thus requires the issue of a registered prospectus. Shareholders are referred to the prospectus for details of the business and affairs of NEPI

Rockcastle at the time of listing on the JSE and Euronext Amsterdam, determined on the assumption that the merger transaction is implemented in accordance with its terms and determined with reference to all relevant information as it relates to NEPI and Rockcastle as at the last practicable date.

- 1.5 A separate circular has been issued to Rockcastle shareholders in respect of the merger transaction as it relates to Rockcastle.
- 1.6 The purpose of this circular is to:
 - 1.6.1 provide NEPI shareholders with information relating to the NEPI transaction and the manner in which it will be implemented, so as to enable shareholders to make an informed decision as to whether or not they should vote in favour thereof; and
 - 1.6.2 give notice convening the extraordinary general meeting at which the resolutions necessary to approve and implement the NEPI transaction, as more fully detailed in this circular, will be considered and, if deemed fit, approved with or without modification. The notice convening the extraordinary general meeting of NEPI shareholders is attached to and forms part of this circular.

2. RATIONALE FOR THE MERGER TRANSACTION

Highly selective acquisitions and developments have contributed materially to NEPI's growth over the years. Historically, NEPI's acquisitions have been for cash on an asset by asset basis, funded by debt and equity. Periodically, portfolios of CEE assets have been on offer or available to NEPI, but these portfolios (or certain of the properties within the portfolios) have not been compatible with NEPI's portfolio and/or strategy. NEPI continues to offer high-growth prospects, to be achieved organically as well as through acquisitions and developments. In its acquisitions, NEPI is expanding into the greater CEE region from its Romanian base, encountering Rockcastle as a competitive acquirer expanding from its Polish base.

The proposed merger with Rockcastle is a logical next step for both companies and NEPI's first opportunity to acquire a complementary portfolio that meets its stringent acquisition criteria and offers critical mass in the Polish market, the largest and most liquid real estate market in the CEE region and therefore a market which NEPI must address strategically. The merger would bring with it Rockcastle's pipeline of growth through acquisitions, developments and active asset management. Over and above the portfolio of quality assets and the pipeline, the merger offers NEPI integration with a management team that brings skills and experience, particularly in the Polish market, such that the whole will be more valuable than the sum of the parts and positioning NEPI Rockcastle to further enhance its capacity to extract value from acquisitions and outperform its competitors. As the merger is proposed on a share swap basis, it is not conditional on access to new debt or equity. The board of directors is comfortable that the proposed share swap ratio appropriately reflects the relative values of Rockcastle and NEPI.

The CEE property market has become increasingly competitive, particularly in respect of the premium retail assets that NEPI targets. The merger will establish a diversified CEE real estate player of scale, with the envisaged enhancement to its credit rating positioning it to optimise its cost of funding. The scale and presence across the CEE region will allow NEPI Rockcastle to leverage its retail coverage to best effect in its offerings to a large base of retailers. As for acquisitions, asset management and relationships with retailers, the merger would enable NEPI Rockcastle to hold a leading position in the increasingly competitive landscape across the CEE region.

NEPI's assessment of the merger transaction is that it has a strong operational and capital markets rationale, driven by the following factors:

2.1 Strategic fit with complementary portfolios

- 2.1.1 The strategic fit between NEPI and Rockcastle is reflected in the many similarities between them as well as in their complementary portfolios. In NEPI's view, a merger with Rockcastle would be uniquely beneficial and appropriate as there are no comparable acquisitive opportunities available to the company in the CEE region.
- 2.1.2 There is a high degree of overlap between the shareholders of NEPI and Rockcastle. To date, the high-growth CEE real estate operations and strategies of both companies, derived from common management philosophies and cultures, have positioned them to access equity substantially from the same constituency of investors for deployment in acquiring, developing and managing prime (mainly retail) properties in adjacent territories in the CEE region.
- 2.1.3 Although the equity of both companies is highly rated by investors, it is unlikely that either company will encounter vendors of sizeable and desirable assets who would be willing to sell their assets in consideration for shares. The merger on a share swap basis allows for substantial non-organic growth

without being dependent on raising fresh equity. The merger is not value dilutive as the share swap ratio, in NEPI's view, correctly reflects the relative values of NEPI and Rockcastle. For further details on the assessment of the swap ratio please refer to Section 3 below.

- 2.1.4 As NEPI expands west and Rockcastle expands south across the CEE region, competition between the two companies for assets in the region is inevitable. The merger is therefore a logical consideration for both companies, positioning NEPI Rockcastle as the preferred buyer of prime retail assets to maintain a leading position across the increasingly competitive CEE property market.
- 2.1.5 NEPI has evaluated alternatives to the merger, including asset-specific joint ventures with Rockcastle, but prefers the merger route as it would result in greater benefits for the company, including enhanced management, operational and execution capabilities as well as advantages of scale and diversification.
- 2.1.6 Rockcastle has demonstrated its ability to source and execute on value-enhancing off-market acquisitions of prime retail properties in a competitive, liquid market. NEPI has evaluated Rockcastle's operating platform, pipeline and prospects for high growth in 2017 and beyond as secure and is of the view that the proposed timing and basis of the merger are opportune for NEPI. Rockcastle's acquisition strategy, to acquire prime retail properties with pre-identified value enhancement potential to be derived from more active and expert asset management, is consistent with NEPI's strategy.
- 2.1.7 Rockcastle's listed equity portfolio comprises select listed and liquid global real estate securities and constitutes an efficient cash warehousing platform. This would be a substantial source of liquidity for NEPI Rockcastle to invest in the higher-yielding direct real estate opportunities that are in the acquisition and development pipelines of each company. The flexibility of this source of funding would differentiate NEPI Rockcastle from competitors in the CEE region. This differentiation would be particularly impactful in market conditions in which access to new equity is more constrained and competition for prime retail assets is high.
- 2.1.8 Through the merger, both NEPI and Rockcastle will gain immediate exposure to significant high-quality portfolios in CEE countries where they currently lack a presence:
 - 2.1.8.1 NEPI investors will gain exposure to a significant portfolio in Poland, the largest and most liquid real estate market in the CEE region, and projected to be the second fastest growing economy in the CEE in 2017.
 - 2.1.8.2 Rockcastle investors will gain exposure to the largest retail real estate portfolio in Romania (which is the fastest growing economy in EU in 2016, according to IMF reports) as well as to the other attractive markets in which NEPI is established.
- 2.1.9 Both NEPI and Rockcastle shareholders stand to benefit from immediate geographical diversification of their combined portfolios through the merger. Geographical diversification will broaden the growth potential of NEPI Rockcastle and at the same time reduce overall risks, particularly exposure to predominantly single-country political and economic risks. This will be achieved without deviating from NEPI Rockcastle's investment strategy.
- 2.1.10 Rockcastle's operating infrastructure in Poland is significant, with c.25 skilled and experienced personnel across retail asset management, development, acquisitions, finance and marketing. In addition, Rockcastle has a London office, which positions it to access deal flow in the CEE region that frequently originates from London.
- 2.1.11 The integration of the management and infrastructure of Rockcastle and NEPI will enhance NEPI's already extensive operational platform. The sharing of information and experience in adjacent jurisdictions on an integrated basis will substantially benefit NEPI Rockcastle and its shareholders. Management of NEPI Rockcastle would devolve naturally on geographic lines, reflecting the complementary locations of the portfolios of each company.
- 2.1.12 The merger transaction presents a unique opportunity for NEPI to combine its portfolio with another high-quality portfolio that is:
 - 2.1.12.1 strategically consistent with NEPI's existing portfolio comprising mainly large/dominant shopping centres and high-quality assets in areas that are densely populated or have good macro dynamics, with low vacancy levels, high collection rates and growth potential;
 - 2.1.12.2 the largest quality-compatible portfolio available to NEPI in Poland or anywhere else in the CEE region; and

2.1.12.3 geographically adjacent to NEPI's portfolio, with NEPI Rockcastle benefitting from diversified direct property exposure across six adjacent or proximate countries within CEE. The scale and strong local management teams to be established through the implementation of the merger transaction are essential to NEPI Rockcastle's presence in these countries.

Figure 1: CEE countries to which NEPI Rockcastle will have direct property exposure

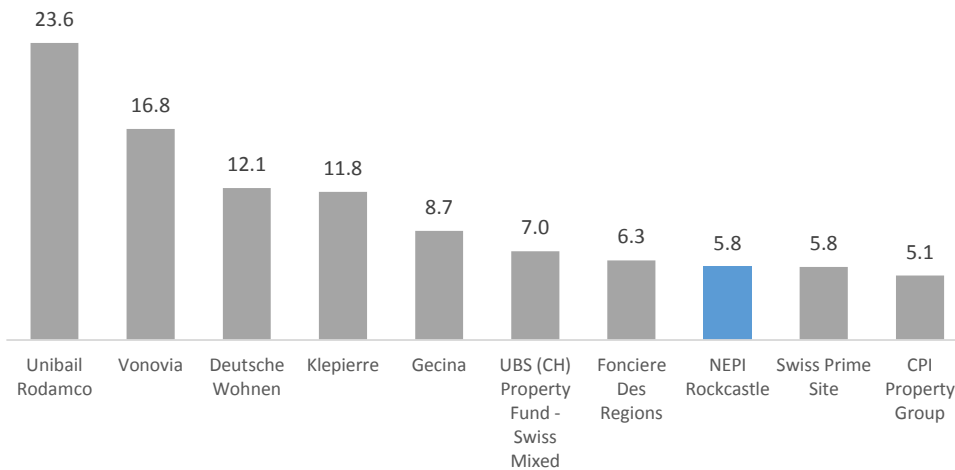


Source: Company information

2.2 Scale

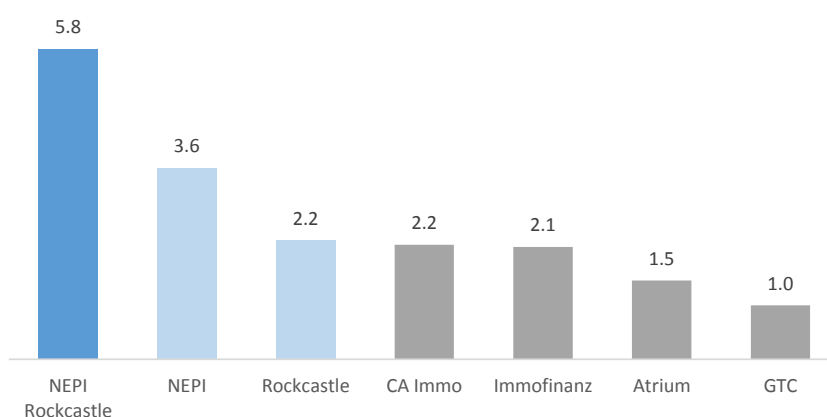
Upon implementation of the merger transaction, NEPI Rockcastle is projected to be the largest CEE retail real estate company, and one of the top retail real estate companies in Continental Europe.

Figure 2: Anticipated largest listed real estate companies in Continental Europe following the JSE listing, by market capitalisation (€bn)



Source: Datastream 12/05/2017

Figure 3: Anticipated largest listed real estate companies focused on CEE following the JSE listing, by market capitalisation (€bn)



Source: Datastream 12/05/2017

2.3 The merger would be credit positive and therefore will reduce cost of funding

2.3.1 NEPI Rockcastle is expected to benefit from a lower cost of capital, resulting from an anticipated improvement in the business and financial risk profile, driven by larger scale, further geographical diversification, increased liquidity and access to capital. Material financial synergies are envisaged from a lower cost of debt.

2.3.2 The potential credit rating upgrade will drive improved refinancing potential on upcoming maturities and bond programmes, at more attractive financial and commercial terms, including a relaxation of gearing covenants.

2.4 Operational and asset management advantages

2.4.1 While there is limited operating synergy potential due to geographically complementary portfolios and existing efficient platforms, long-term synergies are expected to be achieved through knowledge and platform sharing.

2.4.2 Active cooperation across platforms and countries will create value through cross-selling opportunities, wide-scale marketing and active asset management across a larger base of retailers. With the advantages of scale, NEPI Rockcastle will be positioned to meet the regional needs of the large retailers in Europe who are the anchor tenants in portfolios across the CEE region. NEPI Rockcastle would be the landlord of choice for retailers with a presence in the CEE region.

2.4.3 Through elimination of shared costs and improved leverage with suppliers, the merger transaction will result in operational cost savings for NEPI Rockcastle. These savings may not be material in the short run as they may take more than a year to materialise, but are expected to lead to more efficient operations as NEPI Rockcastle continues to grow.

2.5 Advantages of dual JSE and Euronext Amsterdam listings, including increased liquidity and index inclusion

2.5.1 NEPI Rockcastle will be dual listed on the JSE and Euronext Amsterdam. Although the listing on Euronext Amsterdam is not expected to result in additional access to equity in the short term, it will ultimately position the merged entity to attract new equity investors in the European markets. From the outset, the elevated public profile that will result from a Euronext listing will facilitate NEPI Rockcastle's access to European debt capital markets and its positioning with European retailers and vendors of real estate.

2.5.2 NEPI and Rockcastle are both currently constituents of the FTSE/JSE SA Listed Property Index, but neither are constituents of the FTSE/JSE Top 40 Index. NEPI Rockcastle is projected to have the c. 28th largest free float market capitalisation on the JSE and is expected to qualify for inclusion in the FTSE/JSE

Top 40 Index. This, together with the listing on Euronext Amsterdam, should lead to enhanced visibility and liquidity of its shares driven by enhanced index tracker demand and, over time, exposure to a broader base of international investors.

Figure 4: Excerpt of ranking of JSE All Share constituents by JSE defined investible market capitalisation (ZARbn)

23	Anglogold Ashanti Ltd	67.6
24	Woolworths Holdings Ltd	67.0
25	Bidvest Ltd	56.6
26	Redefine Properties Ltd	55.3
27	Nedbank Group Ltd	52.2
28	pro forma NEPI Rockcastle	48.4
29	Mediclinic Int plc	48.0
30	Netcare Limited	47.3
31	Fortress Inc Fund Ltd A & B	45.8
32	Sappi Ltd	44.4
33	RMB Holdings Ltd	43.7
34	Intu Properties plc	42.1
35	Reinet Investments S.C.A	41.3

Source: JSE data for 20/02/2017 quarterly review recalculated to include NEPI Rockcastle on a *pro forma* basis

2.5.2.1 The FTSE/JSE Top 40 Index comprises the 40 most investable companies in the FTSE/JSE All Share Index, ranked by investable market capitalisation. The JSE reviews the index constituents quarterly and the threshold for new entrants is a free float market capitalisation in the top 35 counters on the JSE.

2.5.2.2 Considering JSE data as at the last quarterly review (which is based on 20 February 2017 data), the nominal threshold for inclusion in the FTSE/JSE Top 40 Index would have been c. R41.3 billion, representing the 35th largest free float market capitalisation. This represents a c. 15% discount to the combined market capitalisation of NEPI and Rockcastle as at that date.

2.6 Growth opportunities and prospects

2.6.1 The merger will provide NEPI and Rockcastle with enhanced growth potential through improved access to accretive, sizeable acquisition targets. NEPI and Rockcastle have been two of the most acquisitive players in their markets in 2016. Together they will have enhanced market leverage.

Acquisitions of retail properties 2016 (value)

EUR million	NEPI	Rockcastle	% of total*
Poland	–	684	35
Czech Republic	83	80	20
Croatia	238	–	45
Romania	100	–	43
Slovakia	69	–	16

* Combined NEPI and Rockcastle share of total retail transactions in the country

Source: Company presentations

- 2.6.2 NEPI Rockcastle is well positioned for growth, driven by expansion of a best-in-class operating platform. Geographically diverse management skills will allow NEPI Rockcastle to pursue CEE property opportunities more efficiently, giving it a strategic advantage in the acquisition, development and management of properties.
- 2.6.3 NEPI Rockcastle will continue the active investment policy that fuelled the sustainable growth of NEPI and Rockcastle over the recent periods. A strong pipeline of acquisitions and developments is currently being pursued in all the countries where NEPI and Rockcastle are present, as well as in other CEE markets. NEPI and Rockcastle share a very similar investment philosophy, focused on quality dominant retail properties with growth potential, which will be applied by NEPI Rockcastle at a larger scale.

3. SWAP RATIO

3.1 Methodology

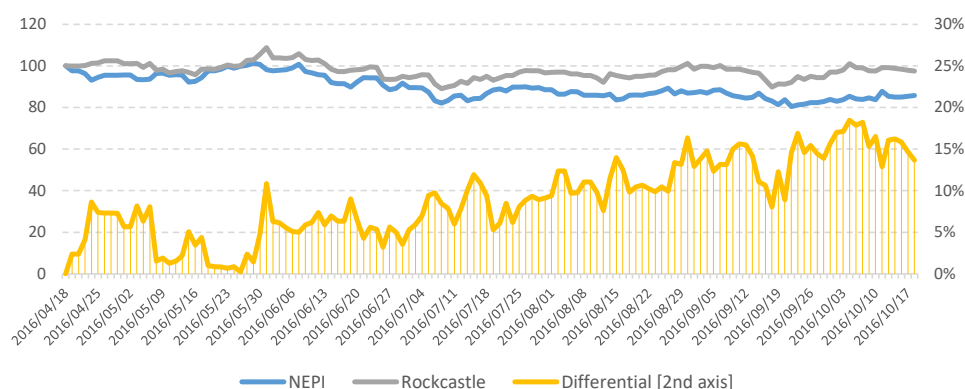
The swap ratio was negotiated after analysis and assessment of information and valuation metrics applying multiple methodologies:

- 3.1.1 Rockcastle provided NEPI with non-public information including its projections of net operating income showing earnings growth until the 2019 financial year, with NEPI having full opportunity to interrogate and undertake due diligence investigations in respect of Rockcastle's assets and internal forecasts;
- 3.1.2 analysis of the traded share prices of NEPI and Rockcastle, including calculation of the swap ratios implied by the relative traded share prices over the period pre- and post- the initial joint cautionary announcement relating to the merger;
- 3.1.3 analysis of historic and projected dividends based on guidance provided to the market. Consideration was given to the impact of capital structure on projected dividend growth rates;
- 3.1.4 assessment of the impact of the merger to NEPI and Rockcastle shareholders on both dividend per share and capital value. This included consideration of the timing and quantum of synergies expected to result from the merger;
- 3.1.5 comparison of the net asset values of both NEPI and Rockcastle, including consideration of the valuations of the underlying property assets (both direct and listed securities) and the pipelines of each of NEPI and Rockcastle;
- 3.1.6 comparison of relative premia over net asset value attributed to both NEPI and Rockcastle, including consideration of the premium attributed to individual components of the net asset value for each of them;
- 3.1.7 comparison of the price: book ratios and yields of NEPI and Rockcastle relative to a peer group of publicly traded companies. Consideration was given to the projected dividend growth rates of both NEPI and Rockcastle relative to that of their peer group;
- 3.1.8 consideration of the relative strengths and weaknesses of NEPI and Rockcastle, and the extent to which these would be impacted by a merger, recognising that a merger would be a means of deriving further value from NEPI's established infrastructure and know-how through integration with the Rockcastle platform; and
- 3.1.9 an assessment of indices that NEPI Rockcastle will likely qualify for post-merger, including consideration of the impact of increased liquidity and technical demand on NEPI Rockcastle's share price.

3.2 Share price analysis

- 3.2.1 An analysis of the NEPI and Rockcastle share prices both pre- and post- the announcement of the intention to merge indicates that the share prices have tracked each other on a relative basis.

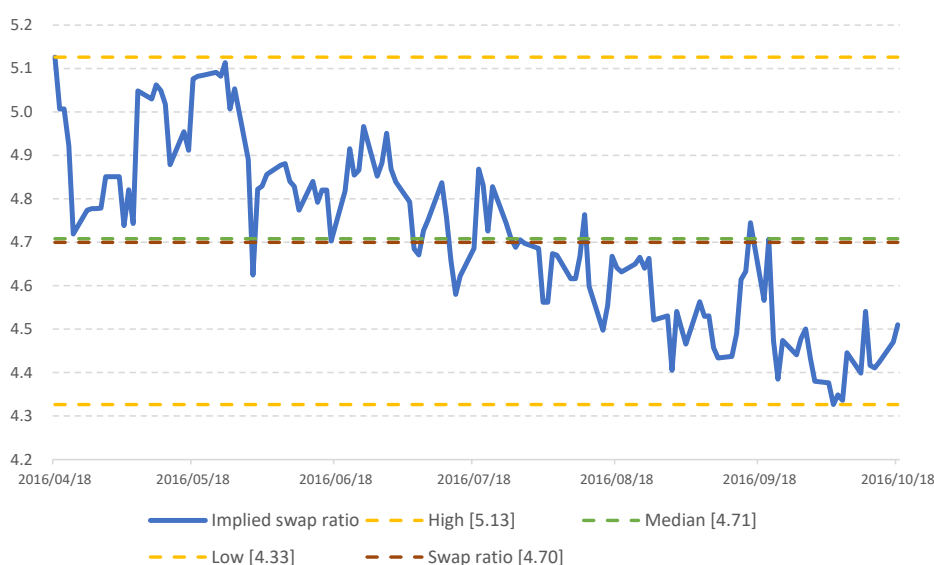
Figure 1: NEPI and Rockcastle's share price history indexed to 100 for six months prior to the release of a joint announcement indicating a potential merger on 20 October 2016



* Differential represents the difference between NEPI and Rockcastle's share price indexed to 100.

Source: Datastream

Figure 2: Implied swap ratio for six months prior to the release of a joint announcement indicating a potential merger on 20 October 2016



Source: Datastream

4. PROSPECTS

- 4.1 Post the implementation of the merger transaction, NEPI will be delisted from the JSE and, subject to the approval of the BVB and FSA, it is intended that NEPI be delisted from the BVB. The company will ultimately commence the process of its winding-up by way of administrative dissolution.
- 4.2 Shareholders are referred to the prospectus for the opinion of the directors of NEPI Rockcastle as to the prospects of NEPI Rockcastle.

5. MECHANICS OF THE NEPI TRANSACTION

- 5.1 As stated above, the implementation of the merger transaction will result in NEPI and Rockcastle shareholders holding shares, on the basis of the swap ratio, in a dual JSE and Euronext Amsterdam listed company with an estimated market capitalisation of approximately R85 billion (€5.8 billion) and comprising the merged businesses, assets and liabilities of NEPI and Rockcastle. NEPI shareholders will receive 1 NEPI Rockcastle share for every 1 NEPI share held on the record date.

5.2 From a Rockcastle perspective, the merger transaction will be implemented as follows:

5.2.1 on the merger implementation date, Rockcastle will sell all its assets and liabilities, including 100% of its ownership interest in all underlying subsidiaries (but excluding any NEPI Rockcastle shares held by Rockcastle), to NEPI Rockcastle, in consideration for rights to NEPI Rockcastle shares;

5.2.2 Rockcastle will transfer its rights to NEPI Rockcastle shares to Rockcastle shareholders. Rockcastle shareholders will elect on or before Friday, 14 July 2017 to receive such rights either pursuant to:

5.2.2.1 a distribution *in specie* made by Rockcastle as a return of capital; or

5.2.2.2 a distribution *in specie* declared by Rockcastle as a dividend,

whereafter the board of directors will declare the distribution *in specie* as a dividend and authorise the distribution *in specie* as a return of capital, and in settlement, NEPI Rockcastle will issue NEPI Rockcastle shares to Rockcastle shareholders, such that they receive 1 NEPI Rockcastle share for every 4.7 Rockcastle shares held on the record date;

5.2.3 subject to receipt of the approval of the Stock Exchange of Mauritius Limited (“SEM”) through the issue of new listing particulars by Rockcastle, NEPI Rockcastle will subscribe for up to approximately 394 885 776 Rockcastle shares for a consideration equal to the value of up to approximately 84 018 250 NEPI Rockcastle shares (which are cum the entitlement to participate in the distributions in specie to be declared/made by Rockcastle), to be paid by set-off, for the purposes of increasing stated capital. The aforementioned numbers of shares have been determined assuming all Rockcastle shareholders elect to receive a distribution in specie as a return of capital and with reference to (i) Rockcastle’s stated capital as at 31 December 2016 and (ii) an inferred market capitalisation of Rockcastle determined based on the NEPI share price and USD:ZAR exchange rate as at the last practicable date, calculated in accordance with the swap ratio, the number of Rockcastle shares to be issued to NEPI Rockcastle will be 394 885 776 Rockcastle shares. The actual number of Rockcastle shares to be issued will be determined with reference to actual shareholder elections to receive the distribution in specie as a return of capital, and (i) Rockcastle’s stated capital as at the merger implementation date and (ii) an inferred market capitalisation of Rockcastle as at the merger implementation date, determined based on the NEPI share price and USD:ZAR exchange rate as at the merger implementation date, calculated in accordance with the swap ratio;

5.2.4 the entire issued share capital of NEPI Rockcastle will be listed on the Main Board of the JSE and on Euronext Amsterdam; and

5.2.5 Rockcastle will be delisted from the JSE, suspended from trade and subsequently withdrawn from the SEM, and ultimately wound up,

all of which are inter-conditional and form part of a composite transaction, as more fully described in the Rockcastle circular which will be issued to Rockcastle shareholders on 9 June 2017.

5.3 From a NEPI perspective, the merger transaction will be implemented as follows:

5.3.1 on the merger implementation date, NEPI will sell all its assets and liabilities, including 100% of its ownership interest in all underlying subsidiaries (but excluding any NEPI Rockcastle shares held by NEPI), to NEPI Rockcastle, in consideration for rights to NEPI Rockcastle shares as more fully detailed in paragraph 5.7 below;

5.3.2 NEPI will transfer its rights to NEPI Rockcastle shares to NEPI shareholders. NEPI shareholders will elect on or before Friday, 14 July 2017 to receive such rights either:

5.3.2.1 pursuant to a distribution *in specie* made by NEPI as a return of capital;

5.3.2.2 pursuant to a distribution *in specie* declared by NEPI as a dividend, subject to sufficient reserves being available, as detailed in paragraph 5.8.6.1.6; or

5.3.2.3 in settlement of the consideration for the repurchase by NEPI of all the NEPI shares held by such shareholders, but only if such shareholders have not elected to receive the distribution as a dividend,

whereafter the board of directors will authorise the distribution *in specie* as a return of capital, declare the distribution *in specie* as a dividend and effect the repurchase, and in settlement, NEPI Rockcastle will issue NEPI Rockcastle shares to NEPI shareholders, such that they receive 1 NEPI Rockcastle share for every 1 NEPI share held on the record date, as more fully detailed in paragraph 5.8 below;

- 5.3.3 the entire issued share capital of NEPI Rockcastle will be listed on the Main Board of the JSE and on Euronext Amsterdam, as more fully detailed in paragraph 5.9 below; and
- 5.3.4 NEPI will be delisted from the JSE with the intention (subject to the approval of the BVB and FSA) to also delist from the BVB, and ultimately be dissolved, as more fully detailed in paragraph 5.10 below,
- all of which are inter-conditional and form part of the composite NEPI transaction, as more fully described below.
- 5.4 The NEPI transaction in its entirety constitutes a related party transaction for NEPI in terms of section 10.4(e) of the JSE Listings Requirements, requiring the approval of NEPI shareholders by way of an ordinary resolution, excluding the votes of the related party and its associates.
- 5.5 As required in terms of Isle of Man law, NEPI shareholders will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the merger transaction. NEPI Rockcastle shares will instead be delivered to NEPI shareholders in the form of dematerialised security entitlements representing the beneficial ownership of such shares. References throughout this document to NEPI Rockcastle shares received or issued pursuant to the merger transaction or to any shareholding in NEPI Rockcastle following the JSE and Euronext listings should therefore be read as a reference to a receipt, issue or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares.
- 5.6 All NEPI Rockcastle shares will be registered in the name of one or both of PLC Nominees or Euroclear Nederland, for and on behalf of shareholders. NEPI Rockcastle shares traded on the JSE will be delivered in accordance with the rules of Strate and those traded on Euronext Amsterdam will be delivered in accordance with the rules of Euroclear Nederland.
- 5.7 **NEPI disposal**
- 5.7.1 On the merger implementation date, NEPI will sell and NEPI Rockcastle will buy all assets owned by NEPI as at the merger implementation date, including if applicable (i) the shares held by NEPI directly in its group, (ii) the cash balance of NEPI, (iii) the intellectual property rights owned by NEPI, (iv) any listed securities directly owned by NEPI, (v) the benefits and rights of NEPI under all contracts, offers, orders, undertakings, arrangements, agreements or similar institutes entered into by NEPI, irrespective of whether they are legally binding or subject to any dispute or whether their principal obligations have been fulfilled before the merger implementation date, (vi) the receivables of NEPI under the loans granted by NEPI to any NEPI group company, (vii) the payables of NEPI under the loans granted by a NEPI group company to NEPI, and (viii) the receivables of NEPI under loans granted by NEPI to certain employees of NEPI or any NEPI group company, but excluding any NEPI Rockcastle shares held by NEPI (together, the “**NEPI assets and liabilities**”).
- 5.7.2 In consideration for the disposal of the NEPI assets and liabilities, NEPI will receive rights to NEPI Rockcastle shares, which rights will be transferred to NEPI shareholders as more fully detailed in paragraph 5.8 below, and which rights will be fulfilled on NEPI’s demand on Monday, 17 July 2017 through the issue of NEPI Rockcastle shares to NEPI shareholders such that they receive 1 NEPI Rockcastle share for every 1 NEPI share held as at Friday, 14 July 2017.
- 5.7.3 Further details as to how the swap ratio has been agreed between NEPI and Rockcastle is set out in paragraph 3 above.
- 5.7.4 The merger transaction agreements contemplate warranties, standstill arrangements and other provisions that are typical for transactions of this nature.
- 5.7.5 The NEPI disposal constitutes a category one disposal for NEPI in terms of sections 9.5(b) and 9.20(a) of the JSE Listings Requirements, requiring the approval of NEPI shareholders by way of an ordinary resolution.
- 5.8 **Distribution of NEPI Rockcastle shares to NEPI shareholders and repurchase**
- 5.8.1 Pursuant to the implementation of the merger transaction, NEPI will transfer to NEPI Rockcastle shareholders its rights to NEPI Rockcastle shares, which rights will in turn be fulfilled by NEPI Rockcastle issuing the NEPI Rockcastle shares to which shareholders are entitled directly to NEPI shareholders.

- 5.8.2 In order to give shareholders maximum flexibility in terms of how they receive the rights to NEPI Rockcastle shares to which they are entitled in terms of the merger transaction, and to cater for each individual shareholder's circumstances and/or risk profile, shareholders are afforded the opportunity to elect to either:
- 5.8.2.1 receive a distribution *in specie* made by NEPI as a return of capital;
 - 5.8.2.2 receive a distribution *in specie* declared by NEPI as a dividend; or
 - 5.8.2.3 to have NEPI repurchase all the NEPI shares held by such shareholders, but only if such shareholders have not elected to receive the distribution as a dividend,
- as more fully described below.
- 5.8.3 Shareholders who take no action will receive a distribution *in specie* as a return of capital.
- 5.8.4 For shareholders on the SA register, the repurchase entails a transfer of JSE listed NEPI shares resulting in securities transfer tax becoming payable. NEPI shareholders on the SA register who participate in the repurchase will be liable in South Africa for this securities transfer tax, being 0.25% payable on the value of the repurchase consideration shares which should equate to the value of NEPI Rockcastle shares to be received. **THE PAYMENT OF THE SECURITIES TRANSFER TAX BY A NEPI SHAREHOLDER ON THE SA REGISTER IS A CONDITION TO A VALID EXERCISE OF THE ELECTION TO PARTICIPATE IN THE REPURCHASE.** No securities transfer tax is payable by shareholders who have elected or are deemed to have elected to receive the distribution, either as a dividend or as a return of capital.
- 5.8.5 NEPI has not received any commitments from its shareholders as to the manner in which they intend to participate in the merger transaction.
- 5.8.6 *Distributions*
- 5.8.6.1 **Terms of the distributions**
- 5.8.6.1.1 NEPI shareholders are afforded the opportunity to elect to receive a distribution *in specie* made by NEPI as a return of capital or a distribution *in specie* declared by NEPI as a dividend. **Shareholders will receive a distribution as a return of capital, unless they waive their entitlement to receive the distribution as a return of capital and instead elect to receive the distribution *in specie* as a dividend. Any such election will be in respect of a shareholder's entire shareholding in NEPI.**
 - 5.8.6.1.2 Shareholders are referred to paragraph 3 of the "Action required" section of this circular, which sets out the detailed action required by shareholders wishing to receive a distribution as a dividend. Shareholders wishing to receive their distribution *in specie* as a return of capital need not take any action.
 - 5.8.6.1.3 Paragraph 7 below sets out a high-level summary of the tax implications of the distributions to NEPI shareholders.
 - 5.8.6.1.4 Following the shareholder elections, and subject to the board being satisfied on reasonable grounds that immediately after such distributions NEPI will continue to satisfy the solvency test, NEPI will:
 - 5.8.6.1.4.1 declare a distribution *in specie* as a dividend to shareholders holding NEPI shares as at the record date who have validly elected to receive such distribution, in accordance with shareholder elections; and
 - 5.8.6.1.4.2 make a distribution *in specie* as a return of capital to shareholders holding NEPI shares as at the record date and who have not validly elected to receive the distribution as a dividend and who have not validly elected to participate in the repurchase (i.e. to shareholders who have taken no action), in accordance with shareholder elections.

- 5.8.6.1.5 The distributions will comprise the transfer of rights to be issued NEPI Rockcastle shares to NEPI shareholders, which rights will in turn be fulfilled by the issue of NEPI Rockcastle shares directly to the shareholders on Monday, 17 July 2017, such that shareholders shall receive 1 NEPI Rockcastle share for every 1 NEPI share held on the record date.
- 5.8.6.1.6 To the extent that there are insufficient reserves, shareholders who elect to receive a distribution as a dividend may receive a portion of their distribution as a return of capital. In such event, the ratio of the distribution as a dividend to the distribution as a return of capital will be applied equitably to all NEPI shareholders electing to receive their distribution as a dividend.
- 5.8.6.1.7 Shareholders who have not elected to receive the distribution as a dividend and who have not validly elected to participate in the repurchase will, subject to special resolution number 2 authorising the capitalisation of reserves and special resolution number 3 authorising the reduction in par value of NEPI's share capital being passed with the requisite majority of votes of shareholders at the extraordinary general meeting, receive their distribution as a return of capital. If such resolutions are not passed, and to the extent there is insufficient capital, shareholders who have not elected to receive the distribution as a dividend and who have not validly elected to participate in the repurchase may receive a portion of their distribution as a dividend. In such event, the ratio of the distribution as a return of capital to the distribution as a dividend will be applied equitably to all NEPI shareholders deemed to have elected to receive their distribution as a return of capital.

5.8.7 *Repurchase*

5.8.7.1 **Terms of the repurchase**

- 5.8.7.1.1 NEPI shareholders who have not elected to receive the distribution as a dividend are afforded the opportunity to elect to have all of such shareholder's NEPI shares repurchased by NEPI.
- 5.8.7.1.2 **Shareholders who have elected to receive the distribution as a dividend will not be entitled to participate in the repurchase. Shareholders who participate in the repurchase do so in respect of their entire holdings and will not receive a distribution *in specie* (whether as a return of capital or a dividend).**
- 5.8.7.1.3 For shareholders on the SA register, valid participation in the repurchase is subject to receipt of the securities transfer tax payable by the participating shareholder.
- 5.8.7.1.4 Shareholders are referred to paragraph 4 of the "Action required" section of this circular, which sets out the detailed action required by shareholders wishing to participate in the repurchase.
- 5.8.7.1.5 Paragraph 7 below sets out a high-level summary of the tax implications of the repurchase to NEPI shareholders.
- 5.8.7.2 In accordance with and subject to the IOM Act and the provisions of article 14 of the articles of association (including the board being satisfied on reasonable grounds that, immediately after such repurchase, NEPI will continue to satisfy the solvency test), NEPI will repurchase and cancel from its issued share capital the NEPI shares validly tendered by shareholders in terms of the repurchase.
- 5.8.7.3 The consideration for the repurchase will comprise the transfer of rights to NEPI Rockcastle shares to the relevant NEPI shareholders, which rights will in turn be fulfilled by the issue of NEPI Rockcastle shares directly to participating shareholders on Monday, 17 July 2017, such that shareholders shall receive 1 NEPI Rockcastle share for every 1 NEPI share held on the record date.
- 5.8.7.4 In terms of section 5.69 of the JSE Listings Requirements and section 54(1) of the IOM Act, the directors have passed a resolution authorising the repurchase and confirm that:

- 5.8.7.4.1 the company and its subsidiary/ies have satisfied and, immediately following the repurchase, will continue to satisfy the solvency test and that, since the test was performed, there have been no material changes to the financial position of the group; and
- 5.8.7.4.2 in their opinion, the repurchase is to the benefit of the remaining shareholders and the terms of the repurchase as described in this paragraph 5.8.7 are fair and reasonable to the company and to the remaining shareholders.
- 5.8.7.5 The repurchase is subject to the approval by shareholders by way of a special resolution. Because the identities of the participants in the repurchase are unknown, no shareholder is excluded from voting on this resolution. However, in order to ensure that no shareholder is prejudiced by the possible participation of a related party, a fairness opinion has been included in **Annexure 1** of the circular indicating that any such repurchase from a related party or otherwise would be fair to the balance of shareholders participating in the distributions *in specie*.
- 5.8.7.6 **Source of funds**
As the repurchase will be funded out of NEPI's available share premium, the repurchase will be classified as a return of capital to NEPI shareholders.
- 5.8.7.7 **Board statement**
The directors, after considering the effect of the repurchase confirm in the context of the merger transaction as a whole that:
 - 5.8.7.7.1 the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of extraordinary general meeting;
 - 5.8.7.7.2 the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of extraordinary general meeting. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
 - 5.8.7.7.3 the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of extraordinary general meeting; and
 - 5.8.7.7.4 the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of extraordinary general meeting.
- 5.8.7.8 **Repurchase period**
 - 5.8.7.8.1 The repurchase will open at the repurchase opening date and time and close at the repurchase closing date and time.
 - 5.8.7.8.2 Any amendments to the opening and closing dates or times of the repurchase will be released on SENS and the BVB website and published in the press.

5.9 Listing of NEPI Rockcastle on the JSE and Euronext Amsterdam

- 5.9.1 The entire issued share capital of NEPI Rockcastle will be listed on the JSE and Euronext Amsterdam on Wednesday, 12 July 2017. Shares will be fully fungible between NEPI Rockcastle's South African and European registers.
- 5.9.2 Full details of the business and affairs of NEPI Rockcastle at the time of listing on the JSE and Euronext Amsterdam, determined on the assumption that the merger transaction is implemented in accordance with its terms and with reference to all relevant information as it relates to NEPI and Rockcastle as at the last practicable date, are set out in the prospectus.

5.10 Delisting and administrative dissolution of NEPI

- 5.10.1 Upon implementation of the NEPI transaction, NEPI will no longer qualify for a listing under the JSE Listings Requirements and will be delisted from the JSE on Tuesday, 18 July 2017. NEPI will use its best efforts to also delist from the BVB around the same date or as soon as possible thereafter, subject to obtaining the approval of the FSA and the BVB.
- 5.10.2 This circular constitutes notice of the intention of the company to apply to the Isle of Man Companies Registry (“**the Registry**”) for a declaration of dissolution. Unless the Registry receives written objection to the proposed dissolution within one month of the date the notice is issued, being 9 June 2017, the Registry will (subject to receipt of the application for dissolution from the company) dissolve the company as soon as practically possible after the merger transaction is fully implemented pursuant to section 190 of the IOM Act.

6. CONDITIONS PRECEDENT

The merger transaction is subject to the fulfilment or waiver of the conditions precedent summarised below being satisfied or waived on or before 31 July 2017:

- 6.1 the merger transaction being approved by all relevant competition authorities, either unconditionally or subject to conditions acceptable to both NEPI and Rockcastle, or the merger transaction being deemed to be so approved or deemed not to require approval, such that the merger transaction may be implemented;
- 6.2 all other necessary regulatory consents in relation to the merger transaction in any jurisdiction whatsoever having been obtained;
- 6.3 all shareholder and board approvals of the merger transaction being obtained in respect of both NEPI and Rockcastle, whether in terms of any governing law, the rules of any recognised securities exchange or otherwise;
- 6.4 all necessary consents, waivers and releases pursuant to the NEPI and Rockcastle funding facilities having been received, as may be required to complete the merger transaction;
- 6.5 no appraisal rights, if any, being exercised or other actions taken which could impede the completion of the merger transaction;
- 6.6 all third party consents in all relevant jurisdictions having been received, as may be required to complete the merger transaction;
- 6.7 the listing of the NEPI Rockcastle shares on the JSE and Euronext Amsterdam having been formally approved by the relevant authorities; and
- 6.8 either NEPI or Rockcastle not having given written notice to the other that it does not wish to proceed with the merger transaction, where any matter, fact or circumstance has arisen which has or is likely to have a material adverse effect on the financial, legal or business condition of NEPI Rockcastle, the NEPI group or the Rockcastle group.

7. TAXATION IMPLICATIONS

The following summary of South African, Isle of Man and Romanian tax consequences in respect of the transaction is based upon laws, regulations and income tax conventions (treaties) in effect at the date of this circular. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of shares. The considerations provided herein are not binding on the tax authorities and there can be no assurance that the authorities will not take a position contrary to the considerations expressed herein. Each shareholder is urged to consult its own tax adviser as to the particular tax consequences relating to the NEPI transaction, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as of the date of this circular, and of any actual changes in applicable tax laws after such date.

Shareholders resident or subject to the tax laws of jurisdictions other than South Africa, Isle of Man or Romania should note that the taxation implications in respect of the return of capital, dividend and/or the repurchase might vary in terms of taxation legislation in the applicable tax jurisdictions. Shareholders who may be in any doubt regarding their position should consult an appropriate professional adviser.

7.1 South Africa

The summary below contains a high-level, generic discussion of the most relevant South African tax implications applicable to South African tax residents that hold NEPI shares on the SA register. As regards the South African tax implications for non-South African tax resident shareholders, save for securities transfer tax where the shareholder holds shares via the JSE as set out below, such shareholders should only be subject to tax in South Africa in respect of the transactions under consideration should they have a permanent establishment in South Africa, in which case they should consult an appropriate professional adviser.

7.1.1 *Return of capital*

- 7.1.1.1 In respect of shareholders who are deemed to have elected to receive a distribution *in specie* as a return of capital, and who do not elect to participate in the repurchase, such distribution will be made in reduction of the share capital and/or share premium of NEPI and should constitute a “foreign return of capital” as defined in section 1 of the Income Tax Act.
- 7.1.1.2 Assuming such shareholders hold their shares as capital assets in terms of paragraph 76B of the Eighth Schedule to the Income Tax Act such shareholders will be required to reduce the base cost of their NEPI shares with the amount of the foreign return of capital (which should be the market value of the NEPI Rockcastle shares to be issued to such shareholders). If the amount of the foreign return of capital exceeds the base cost of the NEPI shares in the hands of the shareholders, the excess will constitute a capital gain in the hands of the shareholders and the shareholders must account for capital gains tax on such capital gain, unless the shareholders can rely on a capital gains tax exemption.
- 7.1.1.3 Shareholders holding at least 10% of the shares and voting rights in NEPI (whether alone or together with any other person forming part of the same group of companies as the shareholders) may be able to rely on the exemption in paragraph 64B(4) of the Eighth Schedule to the Income Tax Act which provides for a full capital gains tax exemption in respect of any capital gain determined in respect of the foreign return of capital.
- 7.1.1.4 Shareholders with an exempt tax status should consider whether the capital gains tax exemptions applicable to them will extend to exempt a capital gain made in respect of the foreign return of capital.
- 7.1.1.5 Shareholders deemed to elect a return of capital should acquire the NEPI Rockcastle shares at a base cost equal to the market value of the NEPI Rockcastle distribution shares on the date of distribution.

7.1.2 *Dividend*

- 7.1.2.1 In respect of shareholders electing to receive a distribution *in specie* as a dividend, such distribution will be made in reduction of the retained earnings of NEPI and should constitute a “foreign dividend” as defined in section 1 of the Income Tax Act. Such shareholders will be required to include the foreign dividend in their gross income for South African income tax purposes, but may be entitled to an exemption for all or part of the foreign dividend as discussed below.
- 7.1.2.2 In terms of section 10B(2)(e) of the Income Tax Act, shareholders that are companies may be entitled to a full income tax exemption in respect of the foreign dividend, as such constitutes a distribution of an asset *in specie* in respect of a share listed on the JSE.
- 7.1.2.3 Shareholders that have an exempt income tax status should be exempt from income tax in respect of the foreign dividend.
- 7.1.2.4 Furthermore, in terms of section 10B(2)(a) of the Income Tax Act, a shareholder that holds at least 10% of the shares and voting rights in NEPI (whether alone or together with any other company forming part of the same group of companies as that person), may be entitled to a full income tax exemption in respect of the foreign dividend.
- 7.1.2.5 For shareholders that do not qualify for a full income tax exemption as set out above, a partial income tax exemption should be available in terms of section 10B(3) of the Income Tax Act, resulting in shareholders effectively being subject to a maximum of 20% income tax in respect of the foreign dividend.

- 7.1.2.6 Shareholders electing to receive their distribution *in specie* as a dividend should not be subject to any capital gains tax in respect of the distribution *in specie*. Such shareholders should obtain the NEPI Rockcastle shares at a base cost equal to the market value of the NEPI Rockcastle shares on the date of distribution.
- 7.1.2.7 There is no dividends tax in respect of the distribution *in specie*.
- 7.1.3 *The repurchase*
- 7.1.3.1 In respect of shareholders participating in the repurchase, the gain (if any) made upon such a repurchase will be subject to either capital gains tax or income tax in the hands of such shareholders, depending on whether the NEPI shares were held as capital assets or trading stock, respectively (simplistically, trading stock is an asset held for purposes of sale as part of a scheme of profit-making, whilst a capital asset is a long-term investment held in order to earn income, such as dividends). Broadly speaking, the gain should be the difference between the repurchase consideration received or accrued (which should equate to the market value of the NEPI Rockcastle shares) and the acquisition cost of the NEPI shares.
- 7.1.3.2 Certain shareholders may qualify for an exemption from capital gains tax in respect of any capital gain made upon the repurchase. Particularly, a shareholder holding at least 10% of the shares and voting rights in NEPI (whether alone or together with any other person forming part of the same group of companies as the shareholder) may be able to rely on the exemption from capital gains tax in paragraph 64B(4) of the Eighth Schedule to the Income Tax Act. Such shareholders should consult their own professional advisers as to whether they are entitled to rely on this exemption.
- 7.1.3.3 Shareholders with an exempt tax status should be exempt from tax in respect of any gain made upon the repurchase.
- 7.1.3.4 Shareholders participating in the repurchase should obtain the NEPI Rockcastle shares at a base cost equal to the market value of the NEPI Rockcastle shares on the date of distribution.
- 7.1.3.5 The repurchase will give rise to securities transfer tax on the transfer of the NEPI shares by the participating shareholder to NEPI. This is applicable for SA and non-SA tax residents holding shares *via* the JSE.
- 7.1.4 *Illustrative example of the South African tax implications for South African company and South African individual shareholders*
- 7.1.4.1 The table below sets out an illustrative indication of the South African tax implications for South African company and South African individual shareholders for each of the following scenarios:
- the shareholder obtains the distribution *in specie* as a dividend;
 - the shareholder obtains the distribution *in specie* as a return of capital; or
 - the shareholder participates in a repurchase of the NEPI shares, which repurchase is made in reduction of the share premium of NEPI.
- 7.1.4.2 Please note that the example below is illustrative only and accordingly based on fictitious numbers for purposes of illustrating the concepts as opposed to the actual amounts involved. Accordingly, for purposes of the illustrative examples below, it is assumed that the amount of the dividend, return of capital distribution or repurchase consideration will be R100 and that the base cost of the NEPI shares in the hands of the relevant shareholder is R50. The example furthermore assumes that the relevant shareholder holds the NEPI shares as capital assets.
- 7.1.4.3 The example furthermore only sets out the position for South African tax resident individual and company shareholders. It does not address the tax position for any other person, including a South African trust. Furthermore, it assumes that no particular exemptions are available to the shareholder (which exemptions may be available to a shareholder holding 10% or more of the shares and voting rights in NEPI, or shareholders which enjoy exempt status).
- 7.1.4.4 Having regard to the generic nature of the example set out below, no reliance should be placed thereon and a shareholder who is uncertain of their tax position should obtain tax advice from their own professional advisors.

Scenario	Company shareholder	Individual shareholder
Dividend		
Income tax	R0.00 ¹	R20.00 ²
Capital gains tax	R0.00 ³	R0.00 ³
Dividends tax	R0.00 ⁴	R0.00 ⁴
Securities transfer tax	R0.00 ⁵	R0.00 ⁵
Total tax cost	R0.00	R20.00⁶
Return of capital		
Income tax	R0.00 ⁷	R0.00 ⁷
Capital gains tax	R11.20 ⁸	R9.00 ⁹
Dividends tax	R0.00 ¹⁰	R0.00 ¹⁰
Securities transfer tax	R0.00 ⁵	R0.00 ⁵
Total tax cost	R11.20	R9.00⁶
Repurchase of NEPI shares		
Income tax	R0.00 ⁷	R0.00 ⁷
Capital gains tax	R11.20 ⁸	R9.00 ⁹
Dividends tax	R0.00 ¹⁰	R0.00 ¹⁰
Securities transfer tax	R0.25 ¹¹	R0.25 ¹¹
Total tax cost	R11.45	R9.25⁶

Notes

1. The dividend should be fully exempt from income tax in terms of section 10B(2)(e) of the Income Tax Act.
2. The dividend should only be partially exempt from income tax – the extent of the exemption depends on the marginal income tax rate applicable to the individual shareholder – the maximum income tax that will be payable on the dividend should be R20. Individual shareholders that fall within lower tax brackets than that resulting in the maximum income tax rate of 45%, may be subject to income tax at a lower amount.
3. As there is no disposal of the NEPI shares and no return of capital, there should be no capital gains tax in respect of the distribution of a dividend to the NEPI shareholder.
4. As the dividend is a dividend *in specie*, it does not fall within the South African dividends tax regime.
5. As there is no transfer of shares, there should be no securities transfer tax.
6. This is the maximum tax cost for individual shareholders – if they fall within lower tax brackets than that resulting in the maximum income tax rate of 45%, this amount may be lower.
7. Assuming the NEPI shares are held by the shareholder as capital assets.
8. This is determined as the effective capital gains tax rate applicable to companies multiplied by the difference between the amount of the return of capital/repurchase proceeds and the base cost, i.e. in this example 22.4% x (R100 – R50).
9. This is determined as the maximum effective capital gains tax rate applicable to individuals multiplied by the difference between the amount of the return of capital/repurchase proceeds and the base cost, i.e. in this example 18% x (R100 – R50). Individual shareholders that fall within lower tax brackets than that resulting in the maximum income tax rate of 45% may be subject to a lower amount of capital gains tax.
10. A return of capital/repurchase as a return of capital does not fall within the South African dividends tax regime.
11. As the repurchase involves a transfer of a share listed on the JSE, i.e. the NEPI shares that are repurchased, it will give rise to South African securities transfer tax.

7.2 Isle of Man

NEPI and NEPI Rockcastle are incorporated and centrally controlled in the Isle of Man and as such are resident for taxation purposes in the Isle of Man.

7.2.1 The repurchase

If the distribution is deemed to be a capital distribution there will be no Isle of Man tax charge. If the distribution is deemed to be an income distribution the Isle of Man corporate shareholders will be taxed at 0% on receipt.

7.2.2 Withholding tax on dividends

Dividend payments by an Isle of Man company to a foreign shareholder (company or individual) do not suffer any withholding tax.

7.2.3 *Disposal of shares by foreign shareholder*

The disposal of shares of an Isle of Man company by its foreign shareholder is considered a capital disposal. There is no capital gains tax in the Isle of Man.

7.2.4 *Capital gains and capital losses*

7.2.4.1 There is no capital gains tax in the Isle of Man. Capital gains are not included in the taxable income of the company.

7.2.4.2 Capital losses are not tax-deductible since there is no capital gains tax.

7.3 **Romania**

According to Law No. 227/2015 regarding the Fiscal Code as subsequently amended and completed (the “**Fiscal Code**”) and the related Application Norms (as approved by Government Decision No. 1/2016 regarding the Application Norms of the Fiscal Code, as subsequently amended and completed) (the “**Norms**”), certain types of income received by non-residents or by residents from Romania or from abroad are subject to taxation in Romania at the tax rates stipulated by the Fiscal Code.

7.3.1 *Tax treatment for Romanian shareholders (legal entities and individuals) that hold NEPI shares on the SA register (for JSE listed shares) and/or with Romanian Central Depository Account (for BVB listed shares)*

As a general rule, Romanian resident individuals and legal entities are taxed on their worldwide income, irrespective of the type or source of income.

7.3.1.1 **The repurchase**

7.3.1.1.1 *Romanian tax resident legal entities*

- As per the Romanian Tax Code, a distribution made in connection with the acquisition/repurchase of own participation titles by a legal entity is not treated as a dividend. Therefore, as far as the Romanian legal entities owing shares in NEPI are concerned, further to the repurchase, any income realized at the level of Romanian shareholders will have the nature of income from the sale of shares.
- Capital gain derived by the Romanian legal entities shareholders further to the repurchase shall be constituted by the difference between the redemption value of NEPI shares (i.e. their market value at the date of the transaction) and their tax value (represented by acquisition price of the shares, including any valuations booked as per the applicable accounting regulations).
- The derived income is included in the taxable result of the Romanian legal entities (i.e. as taxable income) and is subject to 16% profits tax. On the other hand, any loss realized further to the repurchase should be tax deductible at the level of Romanian shareholders.
- Since there is no Double Tax Treaty concluded between Romania and Isle of Man, the tax exemptions provided by the Fiscal Code for capital gains derived by a Romanian company further to the disposal of shares are not applicable.
- Capital gains are included in the computation for profits tax purposes. Declaration and payment of the profit tax is made on a quarterly basis, until the 25th day inclusively, of the first month subsequent to the end of the I-III quarters. The completion and payment of the profit tax related to the relevant fiscal year is made until 25 March, inclusively, of the following year, which is the deadline for the submission of the annual profit tax return. The deadline for the payment of the annual profit tax is the deadline for the submission of the profits tax return.
- The repurchase will give rise to securities transfer tax in South Africa. This is applicable for SA and non-SA tax residents holding shares *via* the JSE.

7.3.1.1.2 *Romanian tax resident individuals*

- The repurchase would fall under the general rule for taxation of capital gains resulting from transfer of securities. According to such rule, the gains/losses resulting from transfer of securities (other than financial derivatives and

those specifically regulated by Fiscal Code) are determined as the positive/negative difference between the disposal value/selling price and their fiscal value, including any transaction costs.

- Romanian tax resident individuals who owned NEPI shares that are exchanged for NEPI Rockcastle shares will be liable for Romanian capital gains tax. Currently, the tax rate is 16% (flat rate). The taxable basis represents the positive difference between the value of the NEPI Rockcastle shares received in exchange for the NEPI shares and the initial cost (price) for existing NEPI shares, minus any potential transaction costs.
- Romanian tax resident individuals earning capital gains from transfer of shares in non-resident companies are required to file with the Romanian tax authorities an annual tax return (form 201) in this respect. The deadline for filing the annual tax return is 25 May of the following year (e.g. 25 May 2018 for income earned during the year 2017). Based on the annual tax return, the Romanian tax authorities will assess the annual tax amount due, by applying the 16% tax rate to the positive taxable basis computed as described above. The tax amount due will then have to be paid in maximum 60 days from the date the tax assessment is communicated to the individual.
- The repurchase will give rise to securities transfer tax in South Africa. This is applicable for SA and non-SA tax residents holding shares *via* the JSE.

7.3.1.2 Taxation of dividends

7.3.1.2.1 A distribution *in specie* from NEPI's retained earnings (distribution *in specie* declared as dividend) qualifies as a dividend under Romanian tax law.

7.3.1.2.2 Considering the definition of "dividend for Romanian tax purposes" as presented in the Definition Section of the Circular, a distribution *in specie* from NEPI's share premium (distribution *in specie* made as a return of capital) is also deemed as dividend under Romanian tax law as such since the distribution is not envisaged to be undertaken proportionally to the quota owned by each shareholder.

7.3.1.2.3 Dividend income received by Romanian individuals from a non-resident legal entity is subject to 5% dividend tax in Romania.

7.3.1.2.4 Dividend income received by Romanian legal entities from a non-resident legal entity is included in the taxable result of the Romanian legal entity (i.e. as taxable income) and is subject to 16% local profits tax.

7.3.1.2.5 Since there is no Double Tax Treaty concluded between Romania and Isle of Man, the tax exemptions for dividend income provided by the Fiscal Code are not applicable.

7.3.1.2.6 The dividend income is deemed to be market value of the shares on the date of distribution. Declaration and payment of dividend tax stay with the beneficiaries of dividend income (i.e. Romanian resident shareholders), respectively:

- Romanian legal entities will include the dividend income (i.e. as taxable income) in the computation of their profits tax. As a rule, the declaration and payment of the profits tax is made on a quarterly basis, until the 25th day inclusively, of the first month subsequent to the end of the I-III quarters; the completion and payment of the profits tax related to the relevant fiscal year is made until 25 March, inclusively, of the following year, which is the deadline for the submission of the annual profit tax return. The deadline for the payment of the annual profit tax is the deadline for the submission of the profits tax return.
- Romanian resident individuals are required to file with the competent tax body an annual tax return with respect to the dividend income obtained from abroad by 25 May (inclusively) of the following year (e.g. 25 May 2018 for income earned during the year 2017). Based on such return, the

competent tax body establishes the annual tax amount due, by applying the 5% tax rate to the taxable dividend income. The tax amount due will then have to be paid in maximum 60 days from the date the tax assessment is communicated to the individual.

7.3.1.3 **Capital gains tax**

There are no Romanian capital gains tax implications for Romanian shareholders (legal entities and individuals) in relation to the distribution *in specie* as a return of capital and/or as a dividend. Both envisaged distributions *in specie*, respectively distributions made as a return of capital or as a dividend, are deemed to qualify as dividend under Romanian tax law and taxed accordingly (please refer to section 7.3.1.2 above).

7.3.1.4 **Other tax aspects**

Starting February 2017, Romanian individuals earning investment income (dividend, capital gains, etc.) are not required to pay health fund contributions on this type of income if the respective individuals also derive other types of income subject to the health contribution (e.g. salary income and salary related income, pension income, income from independent activities, etc.).

7.3.2 *Tax treatment for non-Romanian shareholders (legal entities and individuals) that hold NEPI shares on with Romanian Central Depository Account (for BVB listed shares)*

7.3.2.1 As NEPI is a non-Romanian resident company, the distributions *in specie* undertaken by NEPI are not deemed Romanian-sourced income and therefore there should be no withholding tax implications in Romania.

7.3.2.2 Nevertheless, it should be noted that non-Romanian individuals are liable to Romanian tax only on their Romanian-sources income provided they are assessed as Romanian non-residents (attested as such through a tax residency certificate issued by another state, based on the applicable Double Tax Treaty). As of the date they meet the Romanian residency conditions, they will be liable to Romanian income tax on their worldwide income.

8. **APPROVALS REQUIRED**

8.1 The NEPI disposal, distributions, repurchase, listing of NEPI Rockcastle and delisting and administrative dissolution of NEPI are all inter-conditional and form part of the composite NEPI transaction. The following resolutions will be put to shareholders at the extraordinary general meeting in order to approve the NEPI transaction:

8.1.1 a resolution of shareholders to approve the NEPI transaction, in terms of sections 9.20(a) and 10.4 of the JSE Listings Requirements;

8.1.2 a special resolution of shareholders authorising the board to make the distribution *in specie* to shareholders who wish to receive distribution as a return of capital;

8.1.3 a special resolution of shareholders authorising the board to capitalise reserves in terms of article 140 of the articles of association of NEPI;

8.1.4 a special resolution of shareholders authorising the board of directors to reduce the par value of shares;

8.1.5 a special resolution of shareholders authorising the board to make the distribution *in specie* to shareholders who wish to receive the distribution as a dividend;

8.1.6 a special resolution of shareholders authorising the variation of shareholders' rights such that shareholders may receive the distribution as a dividend;

8.1.7 a special resolution of shareholders to approve the repurchase, in terms of section 5.69 of the JSE Listings Requirements; and

8.1.8 a resolution of shareholders authorising the delisting and subsequent administrative dissolution of NEPI.

8.2 The voting rights controlled by Rockcastle and its associates will not be taken into account in determining the outcome of the resolution contemplated in paragraph 8.1.1 above, although will be taken into account in determining the requisite quorum. It is however noted that, as at the last practicable date, neither Rockcastle nor any associate of Rockcastle held any shares in NEPI.

- 8.3 Those directors who hold a beneficial interest in NEPI shares intend voting in favour of all resolutions to be proposed at the extraordinary general meeting.

9. RELATED PARTY CONSIDERATIONS, BOARD OPINION AND RECOMMENDATION

- 9.1 Although the NEPI transaction is between NEPI and NEPI Rockcastle, the merger transaction effectively amounts to a merger between NEPI and Rockcastle. In terms of IFRS 3 Business Combinations, NEPI is regarded as the acquiring party. As Fortress is a material shareholder of NEPI (by virtue of its c. 18% shareholding in NEPI) and Rockcastle is an associate of Fortress (by virtue of Fortress' c. 37% shareholding in Rockcastle), the transaction between NEPI and Rockcastle is a transaction between NEPI and an associate of a material shareholder, and therefore a related party transaction in terms of section 10.4 of the JSE Listings Requirements.
- 9.2 As the repurchase may be from a related party and may occur at a price that is at a premium to the weighted average traded price of NEPI shares measured over the 30 business days prior to the date that the price of the repurchase is agreed in writing between NEPI and the NEPI shareholders participating in the repurchase, a fairness opinion is required to be prepared.
- 9.3 Accordingly, in terms of sections 10.4(f) and 5.69(e) of the JSE Listings Requirements, the board has appointed Grant Thornton to provide an independent opinion on the fairness of the NEPI transaction, including the repurchase. Grant Thornton has concluded that the terms of the NEPI transaction, including the repurchase, are fair to shareholders. Their report in this regard is set out in **Annexure 1** and will be available for inspection as set out in paragraph 31.
- 9.4 The board, having been so advised by the independent expert and after due consideration of the report by the independent expert, confirms that the NEPI transaction and, separately, the repurchase is fair and reasonable insofar as NEPI shareholders are concerned and accordingly recommends that shareholders vote in favour of the resolutions to be proposed at the extraordinary general meeting.

10. INDEPENDENT BOARD COMMITTEE IN RELATION TO THE MERGER TRANSACTION

The NEPI board has appointed a board committee comprising three independent non-executive directors who are not in any way representative of any shareholders in Rockcastle, being Michael Mills (chairman of the audit committee), Dan Pascariu (chairman of the board) and Robert Emslie, in order to consider the merger transaction.

11. EXTRAORDINARY GENERAL MEETING

- 11.1 An extraordinary general meeting of shareholders will be held at 09:00 BST (10:00 SA time) (11:00 Romanian time) on Thursday, 6 July 2017 at the registered office of the company at 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man for shareholders to consider and, if deemed fit, pass with or without modification the resolutions set out in the notice of extraordinary general meeting of shareholders attached to this circular.
- 11.2 Details of the actions required by shareholders are set out on page 10 of this circular.

SECTION TWO: FINANCIAL INFORMATION

12. CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

- 12.1 The consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position (“**the *pro forma* financial statements**”) of NEPI, reflecting the effects of the merger transaction on NEPI, are set out in **Annexure 2**.
- 12.2 The *pro forma* financial statements have been prepared for illustrative purposes only, to provide information about how the merger transaction may have affected the financial position of NEPI assuming that the merger transaction had been implemented on 31 December 2016 for statement of financial position purposes and implemented on 1 January 2016 for statement of comprehensive income purposes. Due to their nature, the *pro forma* financial statements may not fairly represent NEPI’s financial position, changes in equity and results of operations or cash flows after the merger transaction.
- 12.3 The *pro forma* financial statements of NEPI, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board of directors of NEPI and will be available for inspection as set out in paragraph 31.
- 12.4 The *pro forma* financial statements have been reviewed by the independent reporting accountants whose report on the *pro forma* financial statements is contained in **Annexure 3** and will be available for inspection as set out in paragraph 31.
- 12.5 Set out in the table in paragraph 12.6 below are the *pro forma* financial effects of the merger transaction on NEPI, extracted from the *pro forma* financial statements set out in **Annexure 2**. The *pro forma* financial effects are based on the audited consolidated financial statements of NEPI for the year ended 31 December 2016 and should be read in conjunction with the independent reporting accountants’ assurance report included in **Annexure 3**.
- 12.6 The *pro forma* financial effects of the merger transaction on NEPI are as follows:

	Before the merger transaction	<i>Pro forma</i> after the merger transaction	% change
Net asset value per share (EUR)	5.64	–	(100)
Net tangible asset value per share (EUR)	5.46	–	(100)
Earnings per share (EUR cents)	75.85	–	(100)
Headline earnings per share (EUR cents)	35.72	–	(100)
Distribution per share (EUR cents)	40.50	–	(100)

Detailed notes and assumptions regarding the *pro forma* financial statements are set out in **Annexure 2**.

- 12.7 Set out in the table in paragraph 12.9 below are the *pro forma* financial effects for a NEPI shareholder taking into account the swap ratio. These *pro forma* financial effects are based on the audited consolidated financial statements of NEPI for the year ended 31 December 2016, the audited consolidated financial statements of Rockcastle for the 18 months ended 31 December 2016, the summarised unaudited consolidated interim financial statements of Rockcastle for the six months ended 31 December 2015 and the audited financial statements of NEPI Rockcastle for the period ended 31 December 2016.
- 12.8 The *pro forma* financial effects for a NEPI shareholder have been calculated in respect of 1 NEPI share held before the implementation of the merger transaction and 1 NEPI Rockcastle share held after implementation of the merger transaction.

12.9 The *pro forma* financial effects of the merger transaction for a NEPI shareholder are as follows:

	Before the merger transaction¹	<i>Pro forma</i> after the merger transaction²	% change
Net asset value per share (EUR)	5.64	6.19	9.68
Net tangible asset value per share (EUR)	5.46	6.04	10.54
Earnings per share (EUR cents)	75.85	(64.88)	(185.53)
Headline earnings per share (EUR cents)	35.72	43.74	22.46
Distribution per share (EUR cents)	40.50	41.21	1.76

Notes and assumptions

1. The financial information in the “Before the merger transaction” column has been extracted, without adjustment, from the audited annual report of NEPI for the twelve months ended 31 December 2016.
2. The financial information in the “*Pro forma* after the merger transaction” column has been extracted from the “*Pro forma* after the adjustments” column of the *pro forma* financial statements of NEPI Rockcastle, as set out in **Annexure 18** of the prospectus. No adjustment is made to the financial information extracted from the *pro forma* financial statements of NEPI Rockcastle as on implementation of the merger transaction each NEPI shareholder will receive 1 NEPI Rockcastle share for each NEPI share held before the implementation of the merger transaction.

13. HISTORICAL FINANCIAL INFORMATION

- 13.1 The historical financial information of NEPI in respect of the years ended 31 December 2016, 31 December 2015 and 31 December 2014 (“**historical financial information**”) has been incorporated by reference in terms of paragraph 11.61 of the JSE Listings Requirements and is available both on the company’s website at the following link: <http://www.nepinvest.com/company-reports> and for inspection as set out in paragraph 31.
- 13.2 The historical financial information has been audited by PricewaterhouseCoopers LLC (Isle of Man), which issued unqualified audit reports thereon.
- 13.3 The historical financial information is the responsibility of the board of directors of NEPI.
- 13.4 There have been no material changes in the historical financial information referred to in paragraph 13.1 since publication and the last practicable date of the circular.

SECTION THREE: PROPERTY PORTFOLIO

14. THE PROPERTY PORTFOLIO

- 14.1 As at 31 December 2016, NEPI owned and operated 37 income producing properties, with two developments under construction (of which one is an extension of an existing property) and eleven developments under permitting and pre-leasing (of which five are extensions of existing properties).
- 14.2 NEPI's total investment property portfolio, weighted by ownership, was valued at approximately €2.7 billion as at 31 December 2016.
- 14.3 Property specific details of the property portfolio are set out in **Annexure 4**.

15. ANALYSIS OF THE PROPERTIES ON A PORTFOLIO BASIS

An analysis of the property portfolio (excluding non-core properties held for sale) in respect of geographic, sectoral, tenant, vacancy and lease expiry profiles, as well as the rental per square metre, rental escalation and average annualised property yield, as at 31 December 2016, is provided in the tables below.

15.1 Geographic profile

	Based on GLA %	Based on gross rentals %
Romania	80	73
Slovakia	9	13
Croatia	6	9
Czech Republic	3	3
Serbia	2	2
Total	100	100

15.2 Sectoral profile

	Based on GLA %	Based on gross rentals %
Retail	84	84
Office	14	15
Industrial	2	1
Total	100	100

15.3 Tenant profile

	Based on GLA %	Based on gross rentals %
A	67	56
B	6	6
C	27	38
Total	100	100

For the tenant profile table, the following key is applicable:

- A. Large international and national tenants, large listed tenants, government and major franchisees (companies with assets and/or turnovers in excess of €200 million).

- B. Smaller international and national tenants, smaller listed tenants and medium to large professional firms (companies with assets and/or turnovers ranging from €100 to €200 million).
- C. Other local tenants and sole proprietors. This comprises approximately 1 542 tenants.

15.4 Vacancy profile

Based on existing leases, the portfolio has an aggregate vacancy of 21 969m² as at 31 December 2016, out of which 19 645m² was retail space (1.79%), 1 774m² was office (0.16%) and 550m² was industrial (0.05%).

15.5 Lease expiry profile

15.5.1 Retail

	Based on GLA %	Based on gross rentals %
To 31 December		
Vacant	2	n/a
2017	3	6
2018	8	10
2019	13	13
2020	12	15
2021	14	17
2022	12	12
2023	5	4
2024	5	4
2025	5	3
>2026	21	16
Total retail	100	100

15.5.2 Office

	Based on GLA %	Based on gross rentals %
To 31 December		
Vacant	1	n/a
2017	1	3
2018	15	16
2019	17	18
2020	28	28
2021	19	18
2022	12	11
2023	3	3
2024	1	1
2025	1	1
>2026	2	1
Total office	100	100

15.5.3 Industrial

	Based on GLA %	Based on gross rentals %
To 31 December		
Vacant	2	n/a
2017	4	3
2018	9	7
2019	0	0
2020	9	18
2021	9	12

	Based on GLA %	Based on gross rentals %
To 31 December		
2022	0	0
2023	59	52
2024	8	8
2025	0	0
>2026	0	0
Total industrial	100	100

15.5.4 *Total portfolio*

	Based on GLA %	Based on gross rentals %
To 31 December		
Vacant	2	n/a
2017	3	5
2018	9	11
2019	13	14
2020	14	17
2021	15	17
2022	11	11
2023	6	4
2024	5	4
2025	4	3
>2026	18	14
Total	100	100

15.6 **Weighted average rental per square metre**

	Based on GLA €/m ² /month
As at 31 December 2016	
Retail	14.6
Office	15.2
Industrial	5.5
Total	14.4

15.7 **Weighted average rental escalations**

	Based on GLA%
In 2016	
Retail	0.91
Office	0.06
Industrial	0.01
Total	0.77

15.8 **Average annualised yield**

The average annualised property yield, based on the net property income attributable to the property portfolio for the year ended 31 December 2016, is 7.3%.

15.9 **Non-core properties held for sale**

15.9.1 The above analysis excludes 16 properties that are non-core to NEPI's strategy and that are in the process of being disposed of, all of which are located in Romania ("**non-core portfolio**"). The non-core portfolio is classified as held-for-sale in NEPI's financial statements for the year ended 31 December 2016.

- 15.9.2 The non-core portfolio has a value of €15.6 million as at 31 December 2016, equating to 0.6% of NEPI's total portfolio, and a total GLA of 33 400m², equating to 2.4% of the total GLA of NEPI's total portfolio. Passing rent attributable to the non-core portfolio is €1.2 million, being 0.6% of the passing rent of NEPI's total portfolio as at 31 December 2016.
- 15.9.3 Retail represents 4% of the non-core portfolio by GLA and 23% by annual rent, with the balance in the office sector.

16. VALUATION REPORTS

- 16.1 The properties were valued by Michael Edwards and Rupert Dodson of Cushman & Wakefield LLP., who are independent registered professional valuers and professional associates of The Royal Institution of Chartered Surveyors.
- 16.2 Detailed valuation reports have been prepared in respect of each of the properties and will be available for inspection as is set out in paragraph 31. The summary of the detailed valuation reports has been incorporated by reference in terms of paragraph 11.61 of the JSE Listings Requirements and is available in the prospectus and on the company's website at the following link: <http://www.nepinvest.com/company-reports>.

17. RELATIONSHIP INFORMATION

- 17.1 None of the directors or the promoters, have had any beneficial interests, direct or indirect, in relation to any property held or property to be acquired by the company nor are they contracted to become a tenant of any part of the property of the company.
- 17.2 There is no relationship between any parties mentioned in paragraph 17.1 above and another person that may conflict with a duty to the group.
- 17.3 The vendors of the properties acquired by the group did not have any beneficial interest, direct or indirect, in any securities or participatory interests issued or to be issued by the group in order to finance the acquisition of any properties in the property portfolio.
- 17.4 Save as in relation to the directors' holdings of NEPI shares as disclosed in paragraph 22.1 below, the directors of NEPI and the promoters have not had a material beneficial interest, whether directly or indirectly, in the acquisition or disposal of any properties of the group during the two years preceding the date of the valuations.

SECTION FOUR: ADDITIONAL MATERIAL INFORMATION

18. HISTORY AND NATURE OF BUSINESS

- 18.1 NEPI is a property investment and development group, listed on the main board of the JSE and the regulated market of the BVB.
- 18.2 NEPI acquires, develops and manages regionally dominant retail assets in emerging European markets with high-growth potential. The group has built an exceptional property portfolio and development pipeline in Romania, Slovakia, Croatia, Serbia and Czech Republic, and is progressing with a retail expansion programme in other CEE markets. The group also invests in A-grade offices in prime locations with significant multinational tenant demand.
- 18.3 The company's investment strategy is biased towards long-term leases in Euro with strong corporate covenants.
- 18.4 NEPI is internally managed by a team which combines asset management, investment, development, leasing and financial expertise.
- 18.5 NEPI usually distributes at least 90% of its net rental profits on a semi-annual basis.

19. DIVIDENDS

- 19.1 Following the listing of NEPI Rockcastle on the JSE and Euronext Amsterdam, NEPI Rockcastle intends distributing at least 90% of its distributable income to shareholders. NEPI Rockcastle's first dividend will be in respect of the period from 1 January 2017 to 30 June 2017.
- 19.2 Further details of NEPI Rockcastle's dividend policy are set out in paragraph 22 of the prospectus.

20. SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

- 20.1 The following is not a comprehensive statement of the Exchange Control Regulations, but merely a brief summary of the application of some of these regulations in respect of the distributions and repurchase. Shareholders who are in any doubt as to the action they should take should consult their professional advisors.
- 20.2 Should any cash become payable to an emigrant from South Africa, such amount will be forwarded to the authorised dealer in foreign exchange controlling the emigrant's remaining South African assets for credit to the emigrant's blocked accounts. Payments to non-residents are freely transferable from South Africa.
- 20.3 A certificated shareholder who is an emigrant and whose documents of title have been restrictively endorsed under the Exchange Control Regulations will, following the distributions and repurchase, have their new documents of title similarly endorsed "emigrant" and sent to the authorised dealer controlling the blocked assets of the emigrant.
- 20.4 A dematerialised shareholder, whose registration as a holder has been marked as being an emigrant, will following the distributions and repurchase, have their dematerialised NEPI Rockcastle shares credited to their emigrant blocked share accounts at the CSDP controlling their blocked portfolios.
- 20.5 A non-resident of South Africa who is reflected in the register as having an address outside the common monetary area and whose document/s of title are in dematerialised form and have been restrictively endorsed under the Exchange Control Regulations, will have the new documents of title credited to the share account at the CSDP controlling the portfolio.
- 20.6 A non-resident of South Africa who is reflected in the register as having an address outside the common monetary area and whose document/s of title are in certificated form and have been restrictively endorsed under the Exchange Control Regulations, will have the new documents of title forwarded to the authorised dealer in foreign exchange in South Africa nominated by the holder or, failing such nomination, issue the relevant NEPI Rockcastle shares by crediting them to an account in the name of the NEPI shareholder with the SA Transfer Secretaries, until such time as such NEPI shareholder has opened a CSDP or broker account, at which point the relevant NEPI Rockcastle shares will be credited to the account of the NEPI shareholder's nominated CSDP or broker, as the case may be.

21. DIRECTORS' EMOLUMENTS

- 21.1 Save as envisaged in this circular, the remuneration of the directors of NEPI will not be affected by the NEPI transaction. However, the merger transaction contemplates the delisting of NEPI from the JSE and BVB with NEPI ultimately wound-up, whereupon the board of directors will be dissolved. A new board of directors has been constituted for NEPI Rockcastle, details of which are set out in paragraph 2 of the prospectus.
- 21.2 Other than existing service contracts with executive directors and the Company Secretary, the company has not entered into any other contracts relating to the directors' and managerial remuneration, secretarial and technical fees and restraint payments.

22. DIRECTORS' INTERESTS

22.1 Directors' interests in NEPI shares

- 22.1.1 Set out below are the interests of directors in the company as at 31 December 2016, being the end of the preceding financial year. This includes the interests of persons who are no longer directors, but resigned during the 18 months prior to the last practicable date. Direct and indirect beneficial interests are disclosed. In addition, interests of associates of directors, where the director has no beneficial interest, are separately disclosed (this relates principally to the holdings of spouse and minor children):

Director	Beneficial			Total	%
	Direct	Indirect	Associates		
Desmond de Beer	–	9 267 004	–	9 267 004	2.88
Jeffrey Zidel	298 201	1 995 416	–	2 293 617	0.71
Alexandru Morar	–	771 602	–	771 602	0.24
Tiberiu Smaranda~	–	496 805	–	496 805	0.15
Andries de Lange^	10 000	2 904 567	48 499	2 963 066	0.92
Antoine Dijkstra ^x	–	–	–	–	–
Robert Emslie*	–	–	–	–	–
Dewald Joubert [#]	–	–	–	–	–
Mirela Covasa	–	282 104	–	282 104	0.09
Total	308 201	15 717 498	48 499	16 074 198	4.99

^Appointed as an alternate director to Desmond De Beer on 9 August 2016

~ Resigned with effect from 1 September 2016

^x Appointed with effect from 13 June 2016

* Appointed with effect from 4 February 2016

[#] Resigned with effect from 30 December 2015

- 22.1.2 Set out below are the interests of directors in the company post the implementation of the scrip dividend undertaken for the six months ended 31 December 2016. This includes the interests of persons who are no longer directors, but resigned during the 18 months preceding the last practicable date. Direct and indirect beneficial interests are disclosed. In addition, interests of associates of directors, where the director has no beneficial interest, are separately disclosed (this relates principally to the holdings of spouse and minor children):

Director	Beneficial			Total	%
	Direct	Indirect	Associates		
Desmond de Beer	–	8 541 448	–	8 541 448	2.56
Jeffrey Zidel	304 789	1 896 331	–	2 201 120	0.66
Alexandru Morar	–	777 595	–	777 595	0.23
Tiberiu Smaranda~	–	510 524	–	510 524	0.15
Andries de Lange^	10 000	2 036 572	49 571	2 096 143	0.63
Antoine Dijkstra ^x	–	–	–	–	–
Robert Emslie*	–	–	–	–	–
Dewald Joubert [#]	–	–	–	–	–
Mirela Covasa	–	282 104	–	282 104	0.08
Total	314 789	14 044 574	49 571	14 408 934	4.31

^ Appointed as an alternate director to Desmond De Beer on 9 August 2016

- Resigned with effect from 1 September 2016. Includes 13 719 shares allocated in February 2017

* Appointed with effect from 13 June 2016

* Appointed with effect from 4 February 2016

* Resigned with effect from 30 December 2015

22.1.3 Save for any increase in shareholding pursuant to the scrip dividend undertaken for the six months ended 31 December 2016, there have been no changes to the interests of the directors of Rockcastle in Rockcastle shares between the end of the financial year ended 31 December 2016 and the last practicable date.

22.2 Directors' interests in transactions

22.2.1 Save as in relation to their holding of NEPI shares as disclosed in paragraph 22.1 above and their holdings in Rockcastle shares as set out in **Annexure 5**, none of the directors of NEPI will benefit directly or indirectly, in any manner as a consequence of the implementation of the merger transaction.

22.2.2 Save for paragraph 22.3.1 above, none of the directors of NEPI, including a director who resigned during the last 18 months, has or had any material beneficial interest, direct or indirect, in transactions that were effected by NEPI during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

23. MAJOR AND CONTROLLING SHAREHOLDERS

23.1 Set out below are the names of shareholders, other than directors who, directly or indirectly, are beneficially interested in 5% or more of the issued shares of NEPI as at the last practicable date.

Name of shareholder	Number of shares	%
Fortress	59 154 555	17.71
Public Investment Corporation Limited	38 796 759	11.61
Resilient REIT Limited	29 272 695	8.76
Total	127 224 009	38.08

23.2 During the last five years the company has not had a controlling shareholder, and there have been no changes in this regard.

24. MATERIAL CONTRACTS

Save for the summaries of the material contracts of the group set out in **Annexure 6**, the NEPI group has not entered into any material contract either verbally or in writing, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, within the two years prior to the date of the circular; or at any time and containing an obligation or settlement that is material to NEPI or any of its subsidiaries at the date of the circular.

25. MATERIAL CHANGES

Save for the merger transaction:

25.1 there have been no material changes in the financial or trading position of the group since NEPI published its results for the year ended 31 December 2016 and the date of the circular; and

25.2 there has been no change in the business or trading objects of the NEPI group during the past five years.

26. MATERIAL BORROWINGS

Post the implementation of the merger transaction, the borrowings of NEPI will be transferred to NEPI Rockcastle. Shareholders are referred to the prospectus for details of the material borrowings of NEPI Rockcastle.

27. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have during the 12 months preceding the date of this circular had, a material effect on the financial position of the group. NEPI is not aware of any other proceedings that would have a material effect on the financial position of the group or which are pending or threatened against the group.

28. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 30 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required by law and the JSE Listings Requirements.

29. CONSENTS

29.1 Each of the corporate advisor, the JSE sponsor, the independent reporting accountants, the legal advisor as to the Isle of Man law, the legal advisor as to South African law, the legal advisors as to Romanian law, the Isle of Man administrator and registrar, the financial advisor, the independent expert and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

29.2 The independent reporting accountants and the independent expert have consented to the inclusion of their reports in the form and context in which they are included in the circular, which consents have not been withdrawn prior to the publication of this circular.

30. PRELIMINARY AND ISSUE EXPENSES

The estimated preliminary and issue expenses (excluding VAT) relating to the merger transaction which have been incurred in respect of the NEPI transaction are presented in the table below. The merger transaction agreements provide that the costs of listing NEPI Rockcastle on the JSE and on Euronext Amsterdam, as well as the costs of obtaining competition approval of the merger transaction will be borne 62% by NEPI and 38% by Rockcastle. All costs of either party that become payable after completion of the merger transaction shall be borne by NEPI Rockcastle.

Advisor	Payable to	€
Corporate advisor and sponsor fees	Java Capital	650 000
South African legal fees	CDH	100 000
Isle of Man legal fees	Appleby	180 000
Legal counsel fees	Clifford Chance	500 000
Financial advisor	J.P. Morgan	350 000
Tax advisor fees	EY Isle of Man	110 000
Independent reporting accountants fees	PWC	32 500
Independent expert fees	Grant Thornton	45 000
Bond restructuring fees	J.P. Morgan	350 000
Bond restructuring fees	Clifford Chance	65 000
Bond restructuring fees	Linklaters	50 000
Bond restructuring fees	Lucid	18 000
UK Receiving Agent fees	Computershare LLP	10 000
Printing and other fees	Ince	50 000
JSE documentation fees: category 1 disposal	JSE	3 000
JSE documentation fees: repurchase	JSE	1 785
JSE documentation fees: related party	JSE	1 785
Contingency		482 930
Total		3 000 000

Amounts in Rand have been converted at a EUR:ZAR exchange rate of EUR 1.00: ZAR14.20.

31. DOCUMENTS AND CONSENTS TO BE AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the company's registered office and at the corporate advisor's office, at no charge, during the respective business hours in the Isle of Man and South Africa, on weekdays (official public holidays excluded) for a period of 14 business days from the date of this circular:

- 31.1 the circular;
- 31.2 the prospectus;
- 31.3 the Rockcastle circular;
- 31.4 the articles of association of NEPI and its major subsidiaries;

- 31.5 the memorandum and articles of association of NEPI Rockcastle;
- 31.6 the material contracts referred to in **Annexure 6**;
- 31.7 the summary valuation report and the detailed valuation reports referred to in paragraph 16 above;
- 31.8 copies of service agreements with executive directors;
- 31.9 the signed fairness opinion prepared by the independent expert, the text of which are set out in **Annexure 1**;
- 31.10 the signed report prepared by the independent reporting accountants, the text of which are set out in **Annexure 3**;
- 31.11 the written consents detailed in paragraph 29 above; and
- 31.12 the audited annual financial statements of NEPI for the years ended 31 December 2016, 31 December 2015 and 31 December 2014.

32. INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the websites as set out below and is available for inspection at the company’s registered office and at the corporate advisor’s office, at no charge, during the respective business hours in the Isle of Man and South Africa for a period of 14 business days from the date of this circular, in accordance with the provision of paragraph 31 above. Where information has materially changed since publication and the last practicable date, such changes have been disclosed.

Information incorporated by reference	Website link
The summary valuation report prepared by the independent property valuer on the property portfolio	http://www.nepinvest.com/company-reports
The historical financial information of NEPI in respect of the years ended 31 December 2016, 31 December 2015 and 31 December 2014	http://www.nepinvest.com/company-reports
The historical financial information of Rockcastle in respect of the audited 18 month period ended 31 December 2016 and the years ended 30 June 2015 and 30 June 2014	http://www.rockcastleglobalre.mu/investor-relations/reports/

33. CONFIRMATION OF INDEPENDENCE AS JSE SPONSOR

Java Capital Proprietary Limited is acting in the capacity of corporate advisor (“**corporate advisor**”) and Java Capital Trustees and Sponsors Proprietary Limited, a wholly-owned subsidiary of Java Capital Proprietary Limited is acting in the capacity of the JSE sponsor (“**JSE sponsor**”). The JSE sponsor has confirmed their view that the merger transaction does not affect their independence. However, as required in terms of the JSE Listings Requirements, the JSE sponsor has confirmed that in order to manage any potential or perceived conflicts of interest that might arise, the corporate advisor and the JSE sponsor have in place appropriate checks and balances to manage any potential or perceived conflicts of interests, including procedures to assess the independence of the JSE sponsor in respect of a transaction (and, should it be determined that the JSE sponsor is not independent, the appointment of an independent transaction sponsor) and the divisions of responsibility between directors of the corporate advisor and the JSE sponsor involved in fulfilling the various functions undertaken by the corporate advisor and the JSE sponsor in respect of the merger transaction.

Signed by Alexandra Morar on his behalf and on behalf of all the directors of the company on Friday, 26 May 2017 in terms of powers of attorney granted by them.

Alexandra Morar
Chief Executive Officer

26 May 2017

FAIRNESS OPINION IN RESPECT OF THE NEPI TRANSACTION

The Independent Board
 New Europe Property Investments PLC
 Second Floor, Anglo International House
 Lord Street
 Douglas
 IM1 4LN
 17 May 2017

Dear Sirs

FAIRNESS OPINIONS TO THE NEW EUROPE PROPERTY INVESTMENTS PLC (“NEPI”) BOARD OF DIRECTORS IN RELATION TO THE FRAMEWORK AGREEMENT CONCLUDED WITH ROCKCASTLE GLOBAL REAL ESTATE COMPANY LIMITED (“ROCKCASTLE”)

Introduction

NEPI and Rockcastle have concluded a framework agreement (“**the framework agreement**”), pursuant to which their respective businesses will effectively be merged in an entity newly incorporated in the Isle of Man, NEPI Rockcastle plc (“**NEPI Rockcastle**”) (the “**merger transaction**”), to be implemented with reference to a share swap ratio of 4.7 existing Rockcastle shares for every 1 existing NEPI share (the “**swap ratio**”). Pursuant to the merger transaction, both NEPI and Rockcastle will sell 100% of their respective assets and liabilities, including ownership interests in their respective subsidiaries (but excluding any share in NEPI Rockcastle), thereby each transferring ownership of its entire business to NEPI Rockcastle, each in consideration for the rights to have issued to it such number of new NEPI Rockcastle shares (the “**NEPI Rockcastle shares**”) as determined with reference to the swap ratio (“**rights to receive the NEPI Rockcastle shares**”).

NEPI and Rockcastle will initiate a distribution *in specie* to their respective shareholders of their rights to receive the NEPI Rockcastle shares, which rights are to be settled by NEPI Rockcastle such that the shareholders of NEPI and Rockcastle will receive a number of NEPI Rockcastle shares determined with reference to the swap ratio. This will result in NEPI shareholders receiving 1 NEPI Rockcastle share for every 1 NEPI share held, either pursuant to a distribution as a return of capital a distribution as a dividend or in consideration for a repurchase of NEPI shares (as further detailed in the paragraph below) and Rockcastle shareholders receiving 1 NEPI Rockcastle share for every 4.7 Rockcastle shares held, either pursuant to a distribution as a return of capital or a distribution as a dividend.

NEPI will offer to NEPI shareholders entitled to receive a distribution *in specie* as a return of capital, to rather elect for their NEPI shares to be repurchased in consideration for which participating NEPI shareholders will receive rights to receive NEPI Rockcastle shares such that they are ultimately issued 1 NEPI Rockcastle share for every 1 NEPI share repurchased (the “**repurchase**”). Shareholders on NEPI’s South African register will be required to settle the securities transfer tax arising from the repurchase in cash.

With regards the above merger transaction and the repurchase, we have agreed to provide the following fairness opinions to the NEPI board of directors insofar as the NEPI shareholders are concerned:

- a fairness opinion in terms of Section 10.4(f) of the JSE Limited (“**JSE**”) Listings Requirements, as the transaction effectively results in a merger between NEPI and Rockcastle. As Fortress Income Fund Limited (“**Fortress**”) is a material shareholder of NEPI, and Rockcastle is an associate of Fortress, the merger transaction between NEPI and Rockcastle is a related party transaction in terms of Section 10.4(f) of the JSE Listings Requirements; and
- a fairness opinion in terms of Section 5.69(e) of the JSE Listings Requirements, as the repurchase may be wholly or partly from a related party and may occur at a price that is at a premium to the weighted average traded price of NEPI shares measured over the 30 business days prior to the date that the price of the repurchase is agreed in writing between NEPI and the NEPI shareholders participating in the repurchase.

Grant Thornton Advisory Services (Pty) Ltd has been appointed by NEPI as the Independent Expert.

Responsibility

Our responsibility is to report on the fairness of the terms and conditions of the merger transaction and the repurchase in terms of the JSE Listings Requirements.

Meaning of fairness in terms of the JSE Listing Requirements

In terms of Schedule 5 of the JSE Listings Requirements, the expert is only required to opine on the fairness of the merger transaction and the repurchase although it would allow the expert to opine on the reasonableness provided detailed disclosure is made in this regard. Fairness is primarily based on quantitative issues and reasonableness on qualitative issues.

The merger transaction:

In terms of the merger transaction NEPI shareholders will receive shares in NEPI Rockcastle, either pursuant to a distribution *in specie* as a dividend, a distribution *in specie* as a return of capital or a share repurchase.

For illustrative purposes, in the case of a share swap, such share swap may be said to be fair to NEPI shareholders if the consideration received is equal to or greater than the fair value of the NEPI shares disposed of. In other instances, even though the consideration received may be less than the fair value, the transaction may be said to be reasonable after considering other significant qualitative factors.

The repurchase:

In terms of the repurchase, NEPI will repurchase certain of its shares from participating shareholders. NEPI shareholders will receive NEPI Rockcastle shares in consideration for the NEPI shares disposed of.

For illustrative purposes, in the case of a repurchase of shares, such repurchase may be said to be fair to NEPI shareholders other than those shareholders participating in the repurchase, if the consideration paid is equal to or less than the fair value of the NEPI shares which are the subject of the transaction. In other instances, even though the consideration paid may be more than the fair value, the transaction may be said to be reasonable after considering other significant qualitative factors.

In preparing our opinions, we will apply the aforementioned principles.

Sources of information

We have relied on information from the following sources in arriving at our opinions:

- the historic financial information and performance of NEPI and Rockcastle;
- information and assumptions made available by and discussions held with the directors and senior management of NEPI and Rockcastle;
- the historic share prices of NEPI and Rockcastle on the JSE, the Bucharest Stock Exchange and the Stock Exchange of Mauritius, as applicable;
- the historic volumes of NEPI shares and Rockcastle shares traded on the JSE, the Bucharest Stock Exchange and the Stock Exchange of Mauritius, as applicable;
- the forecast financial information of NEPI for the 12 month period ending 31 December 2017 as prepared by management of NEPI (“**the NEPI Forecast**”);
- the forecast financial information of Rockcastle for the 12 month period ending 31 December 2017 as prepared by management of Rockcastle (“**the Rockcastle Forecast**”);
- a consolidated forecast for NEPI Rockcastle (“**the NEPI Rockcastle Forecast**”), assuming the merger transaction is successfully implemented, for the 12 month period ending 31 December 2017 as prepared by management of NEPI and Rockcastle;
- the property valuations performed by the independent external property valuers in respect of the NEPI and Rockcastle property portfolios;
- the joint announcement to both NEPI and Rockcastle shareholders dated 14 December 2016 (“**the Announcement**”);
- the framework agreement concluded by NEPI and Rockcastle;
- the circular to be distributed by NEPI which includes details of the merger transaction and repurchase (“**the NEPI disposal circular**”);
- the NEPI Rockcastle prospectus which includes information regarding the business and affairs of NEPI Rockcastle on the assumption that the merger transaction is successfully implemented;
- the management representation letters issued to us by management of NEPI and Rockcastle in terms of the fairness opinions;
- the terms and conditions of and rationale for the merger transaction and the repurchase; and
- prevailing economic and market conditions in the industry.

Where practical, we have corroborated the reasonability of the information provided to us for the purposes of our opinions, including publicly available information, whether in writing or obtained in discussion with the directors of NEPI or Rockcastle, where applicable.

Where possible, such information has been substantiated by reference to supporting documentation and other corroborating evidence. Whilst our work has involved an analysis of the financial information, as provided to us, our engagement does not constitute, nor does it include an audit or review in accordance with International Standards on Auditing. We have not and we do not assume responsibility or liability for such information.

Scope and factors considered

In assessing the fairness of the merger transaction and the repurchase, we have:

- Reviewed the historic financial information of NEPI being the audited annual financial statements for the financial year ended 31 December 2016.
- Reviewed the historic financial information of Rockcastle being the audited annual financial statements for the financial years ended 30 June 2015 and the published preliminary summarised audited consolidated financial information for the 18 months ended 31 December 2016.
- Reviewed the terms and conditions of the merger transaction and the repurchase as detailed in the Announcement.
- Reviewed the NEPI Forecast and obtained an understanding of the basis on which the NEPI Forecast was prepared. Reviewed the assumptions applied in the NEPI Forecast for reasonableness, through discussions with directors and senior management of NEPI.
- Reviewed the Rockcastle Forecast, and obtained an understanding of the basis on which the Rockcastle Forecast was prepared. Reviewed the assumptions applied in the Rockcastle Forecast for reasonableness, through discussions with directors and senior management of Rockcastle.
- Reviewed the NEPI Rockcastle Forecast assuming the successful implementation of the merger transaction and the repurchase and obtained an understanding of the basis on which the NEPI Rockcastle Forecast was prepared. Reviewed the assumptions applied in the NEPI Rockcastle Forecast for reasonableness, through discussions with directors and senior management of NEPI and Rockcastle.
- Reviewed the property valuations performed by the independent external property valuers in respect of the NEPI and Rockcastle property portfolios, considered the property valuers qualifications and accreditations and held discussions with independent valuers with respect to the methodology and inputs applied, in order to assess the appropriateness and reasonableness of underlying property information and assumptions utilised in the property valuations performed.
- Reviewed the framework agreement concluded by NEPI and Rockcastle.
- Performed independent valuations of:
 - a NEPI share assuming that the merger transaction and the repurchase are not implemented; and
 - a NEPI Rockcastle share assuming that the merger transaction and the repurchase are successfully implemented.

The valuations were performed using capitalisation of maintainable distribution methodology in terms of which a suitable earnings yield is applied to the maintainable distribution to determine the value in respect of the existing income generating portfolio, to which the fair value of the equity in respect of the development properties has been added to determine the value of the shares.

- External and internal key value drivers applied in the valuations were as follows:
 - the forward distribution and the related forecast distribution growth, based on the financial forecast of NEPI, for NEPI shareholders;
 - the development property pipeline, and its anticipated enhancement to future distribution beyond the forecast period;
 - the forward distribution and the related forecast distribution growth, based on the NEPI Rockcastle Forecast (which assumes the merger transaction and the repurchase are successfully implemented), for the NEPI shareholders;
 - the earnings yield in respect of a NEPI share, assuming the merger transaction and the repurchase are not implemented; and
 - the earnings yield in respect of a NEPI Rockcastle share, assuming the merger transaction and the repurchase are successfully implemented.

Assuming the merger transaction and the repurchase are not implemented:

- Key assumptions applied in performing the NEPI share valuation were as follows:
 - The forward distributions, based on the financial forecast of NEPI, for NEPI shareholders.
 - An earnings yield range between 4.4% and 4.6% for a NEPI share.
 - The fair value of the equity in the development properties in NEPI.
 - On this basis, we valued a NEPI share between €10.85 and €10.38 with a midpoint valuation for purposes of our opinions of €10.61.

Assuming the merger transaction and the repurchase are successfully implemented:

- If the merger transaction and the repurchase are successfully implemented, 1 NEPI Rockcastle share will be issued in exchange for 1 existing NEPI share.
- Key assumptions applied in performing the NEPI Rockcastle share valuation were as follows:
 - The forward distributions, based on the NEPI Rockcastle Forecast, for NEPI Rockcastle shareholders, assuming the merger transaction and the repurchase are successfully implemented.
 - An earnings yield range between 4.4% and 4.6%.
 - The fair value of the equity in the NEPI Rockcastle development properties.
 - On this basis we valued a NEPI Rockcastle share between €11.11 and €10.63 with a midpoint valuation for purposes of our opinions of €10.87, assuming the merger transaction and the repurchase are successfully implemented.

Specific considerations in respect of the repurchase:

- As we are required to opine on the fairness of the repurchase, a separate valuation of the NEPI share has been performed immediately prior to the repurchase.
- For purposes of this valuation, it is assumed that the disposal by NEPI and by Rockcastle of all their respective assets and liabilities to NEPI Rockcastle (excluding any share in NEPI Rockcastle) in consideration for a right to receive NEPI Rockcastle shares determined with reference to the swap ratio, to be distributed to NEPI and Rockcastle shareholders, respectively, and ultimately settled by the issue of NEPI Rockcastle shares such that shareholders receive NEPI Rockcastle shares as determined with reference to the swap ratio, occurs immediately prior to the repurchase.
- On this basis we valued a NEPI share, immediately prior to the repurchase, between €11.11 and €10.63 with a midpoint valuation for purposes of our opinions of €10.87, being the same value as a NEPI Rockcastle share (assuming the merger transaction is successfully implemented), as the NEPI share immediately prior to the repurchase carries the right to one NEPI Rockcastle share and therefore has the same value.
- Furthermore, all transaction steps of the merger transaction, including the repurchase, are inter-conditional, and as such a NEPI shareholder will receive 1 NEPI Rockcastle share for every 1 NEPI share held regardless of whether a distribution *in specie* or repurchase is elected.
- A sensitivity analysis was performed on the aforementioned assumptions applied in our valuations of the NEPI and NEPI Rockcastle shares whereby the valuation inputs were adjusted and the then yielded values compared to the current and historic 30/60 day volume weighted average market prices of the NEPI share and Rockcastle share as well as the current and *pro forma* (assuming the merger transaction and the repurchase are successfully implemented) net asset value per NEPI share, Rockcastle share and NEPI Rockcastle share as applicable. As a result, we concluded that our valuations for purposes of our opinions are in an acceptable range.
- Based on our aforementioned valuations, considered the value attributable to a NEPI shareholder, being:
 - €10.61 per NEPI share, assuming the merger transaction and the repurchase are not implemented; and
 - €10.87 per NEPI Rockcastle share (which will be exchanged for 1 existing NEPI share), assuming the merger transaction and the repurchase are successfully implemented.
- Considered qualitative factors in respect of the repurchase and the merger transaction.
- Obtained management representation letters from the directors of NEPI and Rockcastle wherein they have confirmed that they are not aware of any unpublished price sensitive information.

Opinions

Our opinions are based on the economic, regulatory, market and other conditions in effect on, and information made available to us, at the date of our report. Subsequent developments may affect these opinions, which we are under no obligation to update, review or re-affirm.

This letter and our opinions are provided solely for the NEPI shareholders in connection with and for the purpose of their consideration of the merger transaction and the repurchase, and may not be reproduced in any form save with our prior written consent.

In accordance with the JSE Listings Requirements, based upon and subject to the foregoing, we are of the opinion, at 17 May 2017, that the merger transaction and the repurchase are fair to the shareholders of NEPI assuming the merger transaction and the repurchase are successfully implemented.

An individual shareholder's decision may be influenced by his or her particular circumstances. These fairness opinions do not purport to cater for each shareholder's circumstance, risk profile and tax position, but rather the general body of shareholders taken as a whole. We would like to draw the reader's attention to paragraph 7 in the NEPI disposal circular, which summarises the potential taxation implications for shareholders. Should a shareholder be in any doubt as to what action to take, he or she should consult an independent advisor.

Limiting conditions

Our valuation of the shares in NEPI and NEPI Rockcastle, assuming the merger transaction and the repurchase are and are not implemented, has been prepared using capitalisation of maintainable distribution methodology in terms of which a suitable earnings yield is applied to the maintainable distribution to determine the value and is dependent on management's forecasts. Forecasts in general relate to future events and are based on assumptions that may not correspond with those future events. Whilst we have reviewed the NEPI Forecast, the Rockcastle Forecast and the NEPI Rockcastle Forecast and are of the opinion that they appear reasonable, we cannot express an opinion as to how closely they will correspond to the actual results. Variances between forecast results and actual results may have a material negative effect on our valuations to the extent that we may alter our opinions.

Conclusion

We record that no persons who form part of the staff of Grant Thornton Advisory Services (Pty) Ltd who are directly or indirectly involved in preparing these fairness opinions have any material interest in:

- the issued share capital of NEPI or Rockcastle; and/or
- the success or failure of the merger transaction and the repurchase.

The fee payable in connection with these opinions is R650 000 excluding VAT. This fee is not contingent on or related to the outcome of the merger transaction or the repurchase.

Yours faithfully

Ian Vorster

Director

Grant Thornton Advisory Services (Pty) Ltd
@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo
2196

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

Set out below is the consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position (“**the *pro forma* financial statements**”) of NEPI, reflecting the effects of the merger transaction (including the distributions *in specie* and repurchase) on NEPI.

The *pro forma* financial statements have been prepared for illustrative purposes only to provide information about how the merger transaction may have affected the financial position of NEPI assuming the merger transaction had been implemented on 31 December 2016 for statement of financial position purposes and on 1 January 2016 for statement of comprehensive income purposes. Due to their nature, the *pro forma* financial statements may not fairly represent NEPI’s financial position, changes in equity and results of operations or cash flows after the merger transaction.

The *pro forma* financial statements of NEPI, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board of directors of NEPI.

The *pro forma* financial statements have been prepared in compliance with IFRS, The Guide on *Pro forma* Financial Information issued by SAICA and the accounting policies of the company.

The *pro forma* financial statements have been reviewed by the independent reporting accountants whose report on the *pro forma* financial statements is set out in **Annexure 3**.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NEPI balances as at 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	Adjustment for subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the repurchase, distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma after the adjustments</i> EUR'000
ASSETS						
Non-current assets	2 674 176	–	–	(2 674 176)	–	–
Investment property	2 546 772	–	–	(2 546 772)	–	–
Investment property in use	2 370 760	–	–	(2 370 760)	–	–
Investment property under development	176 012	–	–	(176 012)	–	–
Goodwill	58 390	–	–	(58 390)	–	–
Investments in joint-ventures	22 023	–	–	(22 023)	–	–
Loans granted to joint-ventures	31 015	–	–	(31 015)	–	–
Other long-term assets	15 299	–	–	(15 299)	–	–
Financial assets at fair value through profit or loss	677	–	–	(677)	–	–
Current assets	107 538	(2 100)	(15 426)	3 507 132	(3 597 144)	–
Trade and other receivables	40 539	–	–	(40 539)	–	–
Financial investments at fair value through profit or loss	18 979	–	–	(18 979)	–	–
NEPI Rockcastle shares for distribution	–	–	–	3 597 144	(3 597 144)	–
Cash and cash equivalents	48 020	(2 100)	(15 426)	(30 494)	–	–
Investment property held for sale	15 525	–	–	(15 525)	–	–
TOTAL ASSETS	2 797 239	(2 100)	(15 426)	817 431	(3 597 144)	–
EQUITY AND LIABILITIES						
Equity attributable to equity holders	1 814 552	(2 100)	57 143	1 727 549	(3 597 144)	–
Share capital	3 215	–	125	–	(3 340)	–
Share premium	1 368 171	–	72 444	–	(1 440 615)	–
Share-based payment reserve	4 797	–	–	–	(4 797)	–
Currency translation reserve	(1 229)	–	–	–	1 229	–
Accumulated profit	439 598	(2 100)	(15 426)	1 727 549	(2 149 621)	–
Non-controlling interest	–	–	–	–	–	–
Total liabilities	982 687	–	(72 569)	(910 118)	–	–

	NEPI balances as at 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	Adjustment for subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the repurchase, distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma after the adjustments</i> EUR'000
Non-current liabilities	831 995	–	(72 569)	(759 426)	–	–
Bank loans	260 593	–	(72 569)	(188 024)	–	–
Bonds	394 819	–	–	(394 819)	–	–
Deferred tax liabilities	158 864	–	–	(158 864)	–	–
Other long-term liabilities	17 403	–	–	(17 403)	–	–
Financial liabilities at fair value through profit or loss	316	–	–	(316)	–	–
Current liabilities	150 692	–	–	(150 692)	–	–
Trade and other payables	71 536	–	–	(71 536)	–	–
Bank loans	17 999	–	–	(17 999)	–	–
Bonds	61 157	–	–	(61 157)	–	–
TOTAL EQUITY AND LIABILITIES	2 797 239	(2 100)	(15 426)	817 431	(3 597 144)	–
Reconciliation of net asset value to adjusted net asset value						
Net asset value per the statement of financial position	1 814 552	(2 100)	57 143	1 727 549	(3 597 144)	–
Goodwill	(58 390)	–	–	58 390	–	–
Tangible net asset value	1 756 162	(2 100)	57 143	1 785 939	(3 597 144)	–
Deferred tax liabilities	158 864	–	–	(158 864)	–	–
Deferred tax liabilities for joint-ventures	5 952	–	–	(5 952)	–	–
Loans in respect of the initial share scheme	18	–	–	(18)	–	–
Adjusted net asset value	1 920 996	(2 100)	57 143	1 621 105	(3 597 144)	–
Net asset value per share (euro)	5.64	(0.01)	0.17	5.17	(10.98)	–
Net tangible asset value per share (euro)	5.46	(0.01)	0.17	5.35	(10.97)	–
Adjusted net asset value per share (euro)	5.98	(0.01)	0.17	4.85	(10.99)	–
Number of shares for net asset value per share purposes	321 479 204	–	12 540 864	–	(334 020 068)	–
Number of shares for adjusted net asset value per share purposes	321 486 204	–	12 540 864	–	(334 027 068)	–

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated financial statements of NEPI for the year ended 31 December 2016.
2. Represents the adjustment for the once-off transaction costs of EUR 2.1 million, combining the costs of EUR 3 million as set out in paragraph 30 of the circular, less EUR 0.9 million transaction costs already accounted for in NEPI's results for the year ended 31 December 2016.
3. Represents the adjustment for the equity raise on 1 March 2017 in terms of which NEPI issued 6 849 315 new NEPI shares at ZAR146.00 per share, raising the equivalent of EUR72.56 million used to partially settle bank loans. Further adjustments are made for the distribution declaration, whereby shareholders were given the option to receive their distribution for the six months ended 31 December 2016 either as a cash dividend or as a return of capital. In accordance with the result of the distribution election, 5 691 549 new NEPI shares were issued at an issue price of EUR9.88 per share, with the balance being paid out as a cash dividend totalling EUR15.426 million. The return of capital is recorded at the par value of EUR0.01 per share in line with NEPI's accounting policy.
4. Represents the adjustment for the NEPI disposal, in terms of which NEPI sells all of its assets and liabilities, including 100% of the issued share capital of the subsidiary undertakings directly held by NEPI, in consideration for the issue to NEPI shareholders of 334 027 068 NEPI Rockcastle shares determined with reference to 334 027 068 NEPI shares in issue (321 486 204 NEPI shares in issue at 31 December 2016 adjusted for 6 849 315 and 5 691 549 shares issued subsequent to year-end through the equity raise and the distribution through a return of capital, respectively) and the swap ratio. The aggregate value of the consideration shares is EUR3 597.14 million (based on closing prices on 12 May 2017, being the last practicable date, of ZAR157.12 per NEPI share and an exchange rate of EUR1.00:ZAR14.59).
5. Represents the adjustment for the repurchase and distributions *in specie*. It is assumed that shareholders elect to receive the repurchase and distributions *in specie* as a return of capital to the amount of reserves other than accumulated profits, being EUR1 447.52 million. The balance of EUR2 149.62 million is assumed to be declared from accumulated profits as a dividend. NEPI is then delisted and wound up.
6. NEPI's investment property is classified as level three in terms of the IFRS13 fair value hierarchy. Please refer to note 9 of NEPI's audited consolidated financial statements for the year ended 31 December 2016.
7. Save for the adjustments set out above, there are no other material events requiring adjustment to the *pro forma* statement of financial position.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NEPI results for the 12 months ended 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	NEPI subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma</i> after the adjustments EUR'000
Net rental and related income	145 532	–	–	(145 532)	–	–
Revenues from rent and expense recoveries	209 890	–	–	(209 890)	–	–
Property operating expenses	(64 358)	–	–	64 358	–	–
Administrative expenses	(8 186)	–	–	8 186	–	–
EBITDA	137 346	–	–	(137 346)	–	–
Acquisition fees	(4 339)	(2 100)	–	6 439	–	–
Fair value adjustments of investment property	143 163	–	–	(143 163)	–	–
Fair value loss of financial investments at fair value through profit or loss	(369)	–	–	369	–	–
Net result on sale of financial investments	(355)	–	–	355	–	–
Dividends received from financial investments	738	–	–	(738)	–	–
Share-based payment expense	–	–	–	–	–	–
Foreign exchange (loss)/gain	(127)	–	–	127	–	–
Loss on disposal of investment property held for sale	(485)	–	–	485	–	–
Profit on sale of net assets	–	–	–	1 727 549	(1 727 549)	–
Profit/(loss) before net finance (expense)/income	275 572	(2 100)	–	1 454 077	(1 727 549)	–
Net finance (expense)/income	(13 059)	–	–	13 059	–	–
Finance income	4 784	–	–	(4 784)	–	–
Finance expense	(17 843)	–	–	17 843	–	–
Changes in fair value of financial instruments	228	–	–	(228)	–	–
Share of profit of joint-ventures	6 383	–	–	(6 383)	–	–
Profit before tax	269 124	(2 100)	–	1 460 525	(1 727 549)	–
Income tax expense	(36 472)	–	–	36 472	–	–
Current tax expense	(1 664)	–	–	1 664	–	–
Deferred tax expense	(34 808)	–	–	34 808	–	–

	NEPI results for the 12 months ended 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	NEPI subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma</i> after the adjustments EUR'000
Profit after tax	232 652	(2 100)	–	1 496 997	(1 727 549)	–
Total comprehensive income for the year	232 652	(2 100)	–	1 496 997	(1 727 549)	–
(Profit)/loss attributable to non-controlling interests	2 316	–	–	(2 316)	–	–
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS	234 968	(2 100)	–	1 494 681	(1 727 549)	–
Weighted average number of shares in issue	309 760 628	–	12 540 864	–	(322 301 492)	–
Diluted weighted average number of shares in issue	309 778 913	–	12 540 864	–	(322 319 777)	–
Basic weighted average earnings per share (euro cents)	75.85					–
Diluted weighted average earnings per share (euro cents)	75.85					–
DISTRIBUTABLE EARNINGS PER SHARE						
Profit for the period attributable to equity holders	234 968	(2 100)	–	1 494 681	(1 727 549)	–
Reverse indirect result	(108 683)	2 100	–	(1 620 966)	1 727 549	–
Foreign exchange loss	127	–	–	(127)	–	–
Acquisition fees	4 339	2 100	–	(6 439)	–	–
Share-based payment expense	–	–	–	–	–	–
Fair value adjustments of investment property for controlled subsidiaries	(143 163)	–	–	143 163	–	–
Dividends received from financial investments	(738)	–	–	738	–	–
Loss on disposal of investment property held for sale	485	–	–	(485)	–	–
Fair value loss on financial investments at fair value through profit and loss	369	–	–	(369)	–	–

	NEPI results for the 12 months ended 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	NEPI subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma</i> after the adjustments EUR'000
Fair value adjustments of financial assets and liabilities for controlled subsidiaries	(228)	–	–	228	–	–
Deferred tax expense for controlled subsidiaries	34 808	–	–	(34 808)	–	–
Net result on sale of financial investments	355	–	–	(355)	–	–
Adjustments related to joint ventures						
Fair value adjustments of investment property for joint ventures	(7 252)	–	–	7 252	–	–
Fair value adjustments of financial assets and liabilities for joint ventures	227	–	–	(227)	–	–
Deferred tax expense for joint ventures	2 034	–	–	(2 034)	–	–
Foreign exchange gain for joint ventures	(46)	–	–	46	–	–
Profit on sale of net assets	–	–	–	(1 727 549)	1 727 549	–

	NEPI results for the 12 months ended 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	NEPI subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma</i> after the adjustments EUR'000
Company specific adjustments	(558)	–	–	558	–	–
Amortisation of financial assets	(3 730)	–	–	3 730	–	–
Realised foreign exchange (loss)/gain for controlled subsidiaries	(101)	–	–	101	–	–
Realised foreign exchange gain for joint ventures	7	–	–	(7)	–	–
Accrued dividend from financial investments	1 202	–	–	(1 202)	–	–
Accrued interest on share-based payments	2	–	–	(2)	–	–
Fair value adjustment of investment property for non-controlling interest	2 514	–	–	(2 514)	–	–
Deferred tax expense for non-controlling interest	(452)	–	–	452	–	–
Antecedent dividend	3 974	–	–	(3 974)	–	–
Distributable earnings for the year	129 701	–	–	(129 701)	–	–
Less: Distribution declared	(126 688)	–	–	126 688	–	–
Antecedent dividend for the first half of 2016	(3 013)	–	–	3 013	–	–
Interim distribution	(59 566)	–	–	59 566	–	–
Final distribution	(70 135)	–	–	70 135	–	–
Earnings not distributed	–	–	–	–	–	–
Number of share entitled to distribution: interim	318 843 185	–	12 540 864	–	(331 384 049)	–
Number of share entitled to distribution: final	321 486 204	–	12 540 864	–	(334 027 068)	–
DISTRIBUTABLE EARNINGS PER SHARE (EURO CENTS)	40.5					–
Less: Distribution declared per share (euro cents)	(40.5)					–
Interim distribution per share (euro cents)	(18.68)					–
Final distribution per share (euro cents)	(21.82)					–

	NEPI results for the 12 months ended 31 December 2016 Note 1 EUR'000	Adjustment for transaction costs Note 2 EUR'000	NEPI subsequent events Note 3 EUR'000	Adjustment for the NEPI disposal Note 4 EUR'000	Adjustment for the distributions <i>in specie</i> and the delisting and administrative dissolution of NEPI Note 5 EUR'000	<i>Pro forma</i> after the adjustments EUR'000
Earnings not distributed (euro cents)	–					–
RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS						
Profit for the period attributable to equity holders	234 968	(2 100)	–	1 494 681	(1 727 549)	–
Fair value adjustments of investment property in use	(143 163)	–	–	143 163	–	–
Loss on disposal of investment property held for sale	485	–	–	(485)	–	–
Profit on sale of net assets	–	–	–	(1 727 549)	(1 727 549)	–
Total tax effects of adjustments	24 446	–	–	(24 446)	–	–
Fair value adjustments of investment property for joint-ventures	(7 252)	–	–	7 252	–	–
Total tax effects of adjustments for joint- ventures	1 160	–	–	(1 160)	–	–
HEADLINE EARNINGS	110 644	(2 100)	–	(108 544)	–	–
Headline earnings per share (euro cents)	35.72					–
Diluted headline earnings per share (euro cents)	35.72					–

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated financial statements of NEPI for the year ended 31 December 2016.
2. Represents the adjustment for the once-off transaction costs of EUR2.1 million, combining the costs of EUR3 million as set out in paragraph 30 of the circular, less EUR0.9 million of transaction costs already accounted for in NEPI's results for the year ended 31 December 2016.
3. The effect on the *pro forma* statement of comprehensive income for the equity raise on 1 March 2017 and the cash dividend for the six months ended 31 December 2016 have been considered. The impact is deemed immaterial and no adjustment has been provided for.
4. Represents the adjustment for the NEPI disposal, in terms of which NEPI sells all of its assets and liabilities, including 100% of the issued share capital of the subsidiary undertakings directly held by NEPI, in consideration for the issue to NEPI shareholders of 334 027 068 NEPI Rockcastle shares determined with reference to 334 027 068 NEPI shares in issue (321 486 204 NEPI shares in issue at 31 December 2016 adjusted for 6 849 315 and 5 691 549 shares issued subsequent to year-end through the equity raise and the distribution through a return of capital, respectively) and the swap ratio.
 - 4.1 The aggregate value of the consideration shares is EUR3 597.14 million (based on the closing price on 12 May 2017, being the last practicable date, of ZAR157.12 per NEPI share and an exchange rate of EUR1.00:ZAR14.59). NEPI will realise a profit on the disposal of EUR1 727.55 million, being the difference between the value of the consideration received and the fair value of NEPI's assets and liabilities sold including the impact of the subsequent events less NEPI's once-off transaction costs of EUR2.1 million relating to the merger transaction of EUR1 869.60 million.
 - 4.2 The NEPI disposal is assumed to be implemented on 1 January 2016 for purposes of the *pro forma* statement of comprehensive income. On this assumption, NEPI would not have earned any rental income or incurred any operational expenses for the period. Accordingly, all statement of comprehensive income items have been reversed.
5. Represents the adjustment for the distributions *in specie*. NEPI is then delisted and wound up.
6. Save for transaction costs and profit on sale of the net assets, all adjustments are expected to have a continuing effect.
7. Save for the adjustments set out above, there are no other material events requiring adjustment to the *pro forma* statement of comprehensive income.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL STATEMENTS

17 May 2017

The board of directors
New Europe Property Investments plc
2nd Floor, Anglo International House
Lord Street
Douglas
Isle of Man, IM1 4LN

Independent reporting accountants' assurance report on the compilation of *pro forma* financial information of NEPI

Introduction

New Europe Property Investment Plc (“**NEPI**” or “**the Company**”) is issuing a circular to its shareholders (“**the Circular**”) regarding the proposed merger of its business with that of Rockcastle Global Real Estate Company (“**Rockcastle**”) (“**the Merger Transaction**”), and distributions *in specie* to NEPI shareholders or repurchase of NEPI shares from electing shareholders, followed by the delisting and subsequent administrative dissolution of NEPI (collectively “**the NEPI Transaction**”).

At your request and for the purposes of the Circular to be dated on or about 9 June 2017, we present our assurance report on the compilation of the *pro forma* financial information of NEPI by the directors. The *pro forma* financial information, presented in paragraph 12 and **Annexure 2** of the Circular, consists of the *pro forma* statement of financial position as at 31 December 2016, the *pro forma* statement of comprehensive income for the 12 months ended 31 December 2016 and the *pro forma* financial effects (“the *Pro forma* Financial Information”). The *Pro forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (“**JSE**”) Listings Requirements.

The *Pro forma* Financial Information has been compiled by the directors to illustrate the impact of the NEPI Transaction on the Company's reported financial position as at 31 December 2016, and the Company's financial performance for the period then ended, as if the NEPI Transaction had taken place at 31 December 2016 and 1 January 2016, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 December 2016.

Directors' responsibility

The directors of NEPI are responsible for the compilation, contents and presentation of the *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 12 and **Annexure 2** of the Circular. The directors of NEPI are also responsible for the financial information from which it has been prepared.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (“**IRBA Code**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

As the purpose of *Pro forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 12 and **Annexure 2** of the Circular.

PricewaterhouseCoopers Inc.

Victor Muguto

Director

Registered Auditor

Sunninghill

DETAILS OF THE PROPERTY PORTFOLIO

As at 31 December 2016, NEPI owned and operated 37 income producing properties, with two developments under construction (of which one is an extension of an existing property) and eleven developments under permitting and pre-leasing (of which five are extensions of existing properties).

NEPI's total investment property portfolio, weighted by ownership, was valued at approximately €2.7 billion as at 31 December 2016.

Property specific details of the individual properties, including property name, type, location, rentable area, weighted average rental per square meter and valuation are set out below.

Property name	Type	Location	GLA (m ²)	Valuation (€'m)	Weighted by ownership			
					GLA (m ²)	Valuation (€'m) (Note 10)	Average rental (€/m ² / month)	
1	Mega Mall	Super-Regional Mall	Romania	75 200	283.1	75 200	283.1	20.9
2	Arena Centar	Super-Regional Mall	Croatia	62 100	219.9	62 100	219.9	20.5
3	Promenada Mall	Lifestyle Centre	Romania	39 400	176.0	39 400	176.0	23.3
4	City Park	Regional Mall	Romania	51 700	167.2	51 700	167.2	19.2
5	Aupark Kosice Mall	Regional Mall	Slovakia	33 800	154.0	33 800	154.0	23.4
6	Aupark Zilina	Regional Mall	Slovakia	25 100	116.2	25 100	116.2	26.3
7	Shopping City Timisoara	Regional Mall	Romania	56 700	108.6	56 700	108.6	11.8
8	Shopping City Sibiu	Super-Regional Mall	Romania	78 200	108.1	78 200	108.1	9.1
9	Iris Titan Shopping Center	Community Centre	Romania	45 000	92.8	45 000	92.8	13.9
10	Forum Ústí nad Labem	Regional Mall	Czech Republic	27 800	82.7	27 800	82.7	16.5
11	Braila Mall	Regional Mall	Romania	55 400	74.0	55 400	74.0	9.0
12	Shopping City Deva	Regional Mall	Romania	52 200	71.1	52 200	71.1	9.8
13	Shopping City Galati	Regional Mall	Romania	27 200	52.3	27 200	52.3	11.9
14	Vulcan Value Centre	Community Centre	Romania	24 600	50.9	24 600	50.9	13.3
15	Ploiesti Shopping City (Note 5)	Regional Mall	Romania	45 800	89.9	22 900	45.0	12.5
16	Shopping City Piatra Neamt	Regional Mall	Romania	27 900	40.9	27 900	40.9	9.4
17	Kragujevac Plaza	Regional Mall	Serbia	21 900	39.9	21 900	39.9	12.6
18	Aupark Shopping Center Piastany	Community Centre	Slovakia	10 300	39.6	10 300	39.6	21.0

Property name	Type	Location	GLA (m ²)	Valuation (€'m)	Weighted by ownership			
					GLA (m ²)	Valuation (€'m) (Note 10)	Average rental (€/m ² / month)	
19	Shopping City Targu Jiu	Regional Mall	Romania	27 100	38.9	27 100	38.9	9.9
20	Pitesti Retail Park (Note 6)	Community Centre	Romania	39 900	38.3	24 800	38.3	12.5
21	Korzo Shopping Centrum	Community Centre	Slovakia	16 100	33.6	16 100	33.6	13.2
22	Severin Shopping Center	Regional Mall	Romania	22 600	28.4	22 600	28.4	8.5
23	Aurora Shopping Mall	Regional Mall	Romania	18 000	10.8	18 000	10.8	7.4
24-30	Regional strip centres (Note 6,8)	Strip Centres	Romania	85 900	31.3	25 800	31.3	8.1
Total retail				969 900	2 148.5	871 800	2 103.6	14.6
31	Floreasca Business Park	Office	Romania	36 300	107.7	36 300	107.7	18.1
32	City Business Centre	Office	Romania	47 600	96.9	47 600	96.9	13.8
33	The Lakeview	Office	Romania	25 600	71.0	25 600	71.0	17.3
34	The Office Cluj-Napoca (Note 5)	Office	Romania	42 800	82.0	21 400	41.0	13.0
35	Aupark Kosice Tower	Office	Slovakia	12 900	20.7	12 900	20.7	11.6
Total office				165 200	378.3	143 800	337.3	15.2
36	Rasnov Industrial Facility	Industrial	Romania	23 000	10.8	23 000	10.8	4.6
37	Otopeni Warehouse	Industrial	Romania	4 800	5.0	4 800	5.0	9.5
Total industrial				27 800	15.8	27 800	15.8	5.5
TOTAL INCOME PRODUCING PROPERTIES				1 162 900	2 542.6	1 043 400	2 456.7	14.4

As at 31 December 2016, NEPT's portfolio comprises two developments under construction (of which one is an extension of an existing property) and eleven developments under permitting and pre-leasing (of which five are extensions of existing properties). Property specific details of the individual properties including property name, type, location, GLA, cost to date and market value of the land are set out below.

Property name	Type	Location	GLA (m ²)	Cost to date (€'m) (Note 10)	Weighted by ownership			
					GLA (m ²)	Valuation cost to date (€'m) (Note 10)	Market value of the land (Note 9)	
38	Victoriei Office	Development	Romania	7 600	31.9	7 600	31.9	9.6
34	The Office Cluj-Napoca- Phase III (Note 5)	Extension	Romania	18 500	13.9	9 250	7.0	4.8
Total developments under construction				26 100	45.8	16 850	38.9	14.4

Property name	Type	Location	GLA (m ²)	Valuation (€'m)	Weighted by ownership		Average rental (€/m ² / month)	
					GLA (m ²)	Valuation (€'m) (Note 10)		
3	Promenada Mall	Extension	Romania	60 000	33.1	60 000	33.1	29.2
39	Promenada Novi Sad	Development	Serbia	56 000	32.1	56 000	32.1	31.0
40	Shopping City Targu Mures	Development	Romania	46 000	6.3	46 000	6.3	6.2
41	Shopping City Satu Mare	Development	Romania	28 700	10.3	28 700	10.3	8.4
42	Ramnicu Valcea Mall	Development	Romania	27 900	10.2	27 900	10.2	9.3
13	Shopping City Galati extension	Extension	Romania	21 000	9.0	21 000	9.0	7.5
43-44	Retail parks (Krusevac and Sabac)	Development	Serbia	18 000	4.7	18 000	4.7	4.8
8	Shopping City Sibiu	Extension	Romania	10 600	–	10 600	–	–
15	Ploiesti Shopping City (Note 5)	Extension	Romania	6 200	1.9	3 100	1.0	1.6
24	Vaslui strip centre	Extension	Romania	2 800	–	2 800	–	–
Total developments under permitting and pre-leasing (Note 7)				277 200	107.6	274 100	106.7	98.0
Total land bank				–	38.3	–	38.3	–
TOTAL DEVELOPMENTS AND LAND BANK				303 300	191.7	290 950	183.9	112.4
TOTAL NON-CORE PROPERTIES (Note 8)				33 400	15.6	33 400	15.6	–
TOTAL PROPERTIES				1 499 600	2 749.9	1 367 750	2 656.2	–

Notes:

- All properties were valued as at 31 December 2016.
- All properties will be disposed to NEPI Rockcastle with effect from the merger implementation date.
- As the properties are effectively being acquired by NEPI Rockcastle through its acquisition of all of the issued share capital of the subsidiary undertakings directly held by NEPI, no purchase price per property has been ascribed. NEPI Rockcastle will issue a number of ordinary shares (determined with reference to the swap ratio in terms of the contribution agreement) to NEPI shareholders in ultimate consideration for the NEPI assets and liabilities.
- Properties were valued by Michael Edwards, MRICS, and Rupert Dodson, FRICS, both independent registered professional valuers in terms of The Royal Institution of Chartered Surveyors.
- The group holds a 50% interest in Ploiesti Shopping City (in partnership with Carrefour Property) and The Office Cluj-Napoca (in partnership with Ovidiu Sandor, an experienced Romanian office developer).
- Pitesti Retail Park and Regional strip centres (7 centres) are part of larger retail schemes. The remaining balance of the GLA is owned by third parties.
- The GLA of developments under permitting and pre-leasing depends on permitting.
- Full details of the regional strip centres and non-core properties are set out in Annexure 10 of the prospectus.
- The market value of land in respect of which an extension is to be developed has been disclosed where this has been separately valued by an independent registered valuer. Where no value is indicated, this has been incorporated in the valuation of the relevant income producing property.
- The fair value of the investment property in use and the fair value of land included in Investment property under development is determined semi-annually by external independent appraisers, who are members of the Royal Institute of Chartered Surveyors, with appropriate and recognised qualifications. Investment property under development, excluding land, is recognised at cost.

DIRECTORS' INTERESTS IN ROCKCASTLE

The table below set out the interests of the directors and associates of directors of NEPI in Rockcastle as at the last practicable date.

Director	Beneficial		Associates	Total	%
	Direct	Indirect			
Dan Pascariu	–	–	–	–	–
Alex Morar	–	–	–	–	–
Mirela Covasa	–	–	–	–	–
Antoine Dijkstra	–	–	–	–	–
Desmond de Beer	–	14 841 057	–	14 841 057	1.54
Jeffrey Zidel	–	2 354 893	–	2 354 893	0.24
Michael Mills	–	–	–	–	–
Nevenka Pergar	–	–	–	–	–
Robert Reinhardt Emslie	–	–	–	–	–
Andries de Lange	–	4 432 660	–	4 432 660	0.46
Total	–	21 628 610	–	21 628 610	2.24

MATERIAL CONTRACTS

Set out below are the salient terms of all material contracts concluded by NEPI or its subsidiaries, being:

- (i) contracts entered into otherwise than in the ordinary course of business, either within the two years prior to the date of this circular or at any other time and containing an obligation or settlement that is or may be material to the company or its subsidiaries at the last practicable date; and
- (ii) contracts that are otherwise considered material by the company.

Reference to an “agreement” shall be reference to the specific agreement in respect of which the terms are detailed, as the context may require.

1. FRAMEWORK AGREEMENT

Summary of the framework agreement concluded between NEPI and Rockcastle on 13 December 2016, as amended.

- 1.1 Completion of the merger transaction is conditional on the following conditions being satisfied or waived:
 - 1.1.1 the merger transaction being approved by all relevant competition authorities, either unconditionally or subject to conditions acceptable to both NEPI and Rockcastle, or the merger transaction being deemed to be so approved or deemed not to require approval, such that the merger transaction may be implemented;
 - 1.1.2 all other necessary regulatory consents in relation to the merger transaction in any jurisdiction whatsoever having been obtained;
 - 1.1.3 all shareholder and board approvals of the merger transaction being obtained, whether in terms of any governing law, the rules of any recognised securities exchange or otherwise;
 - 1.1.4 all necessary consents, waivers and releases pursuant to the NEPI and Rockcastle funding facilities having been received, as may be required to complete the merger transaction;
 - 1.1.5 no appraisal rights being exercised or other actions taken which could impede the completion of the merger transaction;
 - 1.1.6 all third party consents in all relevant jurisdictions having been received, as may be required to complete the merger transaction;
 - 1.1.7 the listing of NEPI Rockcastle’s issued share capital on the JSE and Euronext Amsterdam having been formally approved by the relevant authorities; and
 - 1.1.8 either NEPI or Rockcastle not having given written notice to the other that it does not wish to proceed with the merger transaction, where any matter, fact or circumstance has arisen which has or is likely to have a material adverse effect on the financial, legal or business condition of NEPI Rockcastle, the NEPI group or the Rockcastle group.
- 1.2 The numbers of shares to be issued by NEPI Rockcastle in accordance with the terms of the contribution agreement will be set based on a share-swap ratio of 4.7 (four point seven) existing Rockcastle shares for every 1 (one) existing NEPI share. The swap ratio is an expression of the agreed relative value of the NEPI group and the Rockcastle group. Agreement of the swap ratio has been reached having regard to and on the basis of the following information and assumptions:
 - 1.2.1 all publicly available information relating to each of the parties;
 - 1.2.2 the number of NEPI and Rockcastle shares in issue as at the signature date; and
 - 1.2.3 certain non-public information that has been exchanged between the parties for this purpose.
- 1.3 At or before the merger implementation date, each of NEPI and Rockcastle shall acquire from Cornelius Eduard Cassell, being the sole registered shareholder of NEPI Rockcastle in accordance with the swap ratio the relevant number of the existing shares (the “**existing shares**”) representing together 100% of the share capital of NEPI Rockcastle. In order to facilitate this, NEPI and Rockcastle will, to the extent required, instruct Mr Cassell to

increase the authorised share capital of the company and to issue such minimum number of new shares paid up as to their nominal value that can be acquired by NEPI and Rockcastle in the same proportions in which NEPI Rockcastle shares will be issued by NEPI Rockcastle to NEPI's and, respectively, Rockcastle's shareholders in accordance with the contribution agreement, without transferring fractions of shares.

- 1.4 Completion of the NEPI disposal and equivalent Rockcastle disposal shall take place on the date which is three business days after the date on which the last of the conditions to be satisfied or waived is satisfied or waived. On completion, NEPI, Rockcastle and NEPI Rockcastle will execute the contribution agreement.
- 1.5 At any time before the merger implementation date, either party (the first party) may by notice in writing to the other party elect to terminate this agreement, if the other party is in material breach of its obligations in terms of the actions to be taken pending completion of the merger transaction or is in material breach of the warranties given by it, unless such breach is cured prior to the date on which completion of the merger transaction would otherwise take place.
- 1.6 NEPI and Rockcastle each undertake to initiate, as soon as reasonably practicable after the merger implementation date:
 - 1.6.1 the listing of NEPI Rockcastle on the JSE and on Euronext Amsterdam;
 - 1.6.2 in case of NEPI, subject to the board of NEPI being satisfied, on reasonable grounds, that the solvency test set out in section 49 of the IOM Companies Act will be met immediately following such distributions, to approve the distributions by way of (a) a distribution *in specie* made as a return of capital, and/or (b) a distribution *in specie* declared as a dividend, and/or (c) a repurchase of shares from NEPI's shareholders, which distributions shall comprise the transfer by NEPI to its shareholders of rights to NEPI Rockcastle shares, and to give notice by email to NEPI Rockcastle to inform it that NEPI has transferred the rights to NEPI Rockcastle shares to its shareholders; and
 - 1.6.3 in case of Rockcastle, to approve the distributions by way of (a) a distribution *in specie* made as a dividend and or (b) a distribution *in specie* made as a return of capital, which distributions shall comprise the transfer by Rockcastle to its shareholders of its rights to NEPI Rockcastle shares, and to give notice by email to NEPI Rockcastle to inform it that Rockcastle has transferred its rights to NEPI Rockcastle shares to its shareholders.
- 1.7 NEPI and Rockcastle each further undertake:
 - 1.7.1 to complete the distributions and listings contemplated above in compliance with the applicable law as soon as reasonably possible but in any event within two months from the merger implementation date, without prejudice to any steps taken or initiated prior to the merger implementation date;
 - 1.7.2 to ensure that no later than the first business day to occur after receipt by NEPI Rockcastle of the last of the emails contemplated in paragraphs 1.6.2 and 1.6.3 above (the "**shares issuance date**"), the board of directors of NEPI Rockcastle passes a resolution for the registration of the respective shareholders of NEPI or their nominees and the respective shareholders of Rockcastle or their nominees as members of NEPI Rockcastle and as the respective holders of the NEPI Rockcastle shares issued to them;
 - 1.7.3 to ensure that on the shares issuance date:
 - 1.7.3.1 NEPI Rockcastle allots and issues credited as fully paid:
 - 1.7.3.1.1 such number of new NEPI Rockcastle shares as is determined based on the swap ratio (having regard to the existing shares acquired by NEPI on the terms of the framework agreement) to NEPI's shareholders in accordance with their entitlement;
 - 1.7.3.1.2 such number of new NEPI Rockcastle shares as is determined based on the swap ratio (having regard to the existing shares acquired by Rockcastle on the terms of the framework agreement) to Rockcastle's shareholders in accordance with their entitlement;
 - 1.7.3.1.3 if applicable, share certificates are issued by NEPI Rockcastle to NEPI's shareholders for their respective NEPI Rockcastle shares and to Rockcastle's shareholders for their respective NEPI Rockcastle shares;
 - 1.7.3.1.4 NEPI Rockcastle repurchases the existing shares owned by NEPI and Rockcastle for their nominal value.

- 1.8 NEPI and Rockcastle acknowledge and agree that no claim under any warranties given by the other party may be brought against that party after the board of directors of that party has approved the relevant distributions *in specie* and repurchase.

2. CONTRIBUTION AGREEMENT

Summary of the contribution agreement to be concluded between NEPI, Rockcastle and NEPI Rockcastle on the merger implementation date, in order to complete and implement the merger transaction

- 2.1 NEPI will sell and NEPI Rockcastle will buy all assets owned by NEPI as of the merger implementation date, including if applicable (i) the shares held by NEPI directly in its group, (ii) the cash balance of NEPI, (iii) the intellectual property rights owned by NEPI, (iv) any listed securities directly owned by NEPI, (v) the benefits and rights of NEPI under all contracts, offers, orders, undertakings, arrangements, agreements or similar institutes entered into by NEPI, irrespective of whether they are legally binding or subject to any dispute or whether their principal obligations have been fulfilled before the merger implementation date, (vi) the receivable of NEPI under the loans granted by NEPI to any NEPI group company, (vii) the payables of NEPI under the loans granted by a NEPI group company to NEPI, and (viii) the receivables of NEPI under loans granted by NEPI to certain employees of NEPI or a NEPI group company, but excluding any existing shares in NEPI Rockcastle held by NEPI (together, the “**NEPI Assets and Liabilities**”).
- 2.2 Rockcastle will sell and NEPI Rockcastle will buy all assets owned by Rockcastle as of the merger implementation date, including if applicable (i) the shares held by Rockcastle directly in its group, (ii) the cash balance of Rockcastle, (iii) the intellectual property rights owned by Rockcastle, (iv) any listed securities directly owned by Rockcastle, (v) the benefits and rights of Rockcastle under all contracts, offers, orders, undertakings, arrangements, agreements or similar institutes entered into by Rockcastle, irrespective of whether they are legally binding or subject to any dispute or whether their principal obligations have been fulfilled before the merger implementation date, (vi) the receivable of Rockcastle under the loans granted by Rockcastle to any Rockcastle group company, (vii) the payables of Rockcastle under the loans granted by a Rockcastle group company to Rockcastle, and (viii) the receivables of Rockcastle under loans granted by Rockcastle to certain employees of Rockcastle or a Rockcastle group company, but excluding any existing shares in NEPI Rockcastle held by Rockcastle (together, the “**Rockcastle Assets and Liabilities**”).
- 2.3 The purchase price for the NEPI Assets and Liabilities will be satisfied by the issue of the right to receive such number of NEPI Rockcastle ordinary shares as is determined based on the share swap ratio (having regard to the existing shares acquired by NEPI in terms of the framework agreement). Similarly, the purchase price for the Rockcastle Assets and Liabilities will be satisfied by the issue of the right to receive such number of NEPI Rockcastle ordinary shares as is determined based on the share swap ratio (having regard to the existing shares acquired by Rockcastle in terms of the framework agreement).
- 2.4 The rights to receive NEPI Rockcastle shares as contemplated in paragraph 2.3 above are freely transferable, fungible, divisible in respect of each NEPI Rockcastle share and may be transferred in respect of each and any number of NEPI Rockcastle shares.
- 2.5 With effect from the merger implementation and to the extent that such liabilities have not been effectively transferred to NEPI Rockcastle, NEPI Rockcastle:
- 2.5.1 is responsible for all NEPI and Rockcastle’s liabilities;
- 2.5.2 shall promptly pay, when due, all NEPI and Rockcastle’s liabilities;
- 2.5.3 shall indemnify, and keep indemnified, NEPI and Rockcastle on demand against each loss, liability and cost which NEPI or Rockcastle, as the case may be, incurs as a result of NEPI Rockcastle’s failure to comply with its obligations under paragraph 2.5.1 and 2.5.2 above and against any other liability arising out of or in connection with the ownership or operation of the NEPI assets and/or Rockcastle assets after the transfer of such assets to NEPI Rockcastle, but excluding any liability of NEPI or Rockcastle arising under the warranties given in the contribution agreement;

- 2.5.4 shall perform all NEPI and Rockcastle's obligations to be performed after the merger implementation date under any contract (other than payment of the liabilities referred to in paragraph 2.5.2) in accordance with the terms of such contract; and
 - 2.5.5 shall indemnify, and keep indemnified, NEPI and Rockcastle on demand against each loss, liability and cost which NEPI or Rockcastle, as the case may be, incurs as a result of NEPI Rockcastle's performance of NEPI or Rockcastle's obligations, as the case may be, under any contract (as referred to in paragraph 2.5.4 above).
- 2.6 The parties may only enter into the contribution agreement upon completion of the framework agreement concluded between NEPI and Rockcastle on 13 December 2016 and, for the avoidance of doubt, after all conditions in such agreement have been satisfied or waived in accordance with its terms.



New Europe Property Investments plc

(Incorporated and registered in the Isle of Man with registered number 001211V)
(Registered as an external company with limited liability under the laws of South Africa)
(Registration number 2009/000025/10)
JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02
("NEPI" or "the company")

NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Where appropriate and applicable, the terms defined in the circular to which this notice of an extraordinary general meeting is attached bear the same meanings in this notice of an extraordinary general meeting and, in particular, in the resolutions set out below.

Notice is hereby given that an extraordinary general meeting of NEPI shareholders will be held at 09:00 BST (10:00 SA time) (11:00 Romanian time) on Thursday, 6 July 2017 at the registered office of the company at 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man IM1 4LN for shareholders to consider and, if deemed fit, pass with or without modification the resolutions set out below.

Shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the extraordinary general meeting and vote on the resolutions set out below.

Any person (whether a shareholder of the company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting in respect of which the proxy is appointed or at any adjournment of it.

Save for special resolution 2 and special resolution 3 (the passing of which, for the avoidance of doubt, is not a condition to the validity of any other resolution), the resolutions set out in this notice of an extraordinary general meeting are all inter-conditional and are further each subject to the fulfilment or, if applicable, waiver of the conditions precedent to the merger transaction, as set out in paragraph 6 of the circular, save for any such condition precedent relating to the passing of such resolution.

Important information regarding delivery of NEPI Rockcastle shares

As required in terms of Isle of Man law, NEPI shareholders will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the merger transaction. NEPI Rockcastle shares will instead be delivered to NEPI shareholders in the form of dematerialised security entitlements representing the beneficial ownership of such shares. References throughout this document to NEPI Rockcastle shares received or issued pursuant to the merger transaction or to any shareholding in NEPI Rockcastle following the JSE and Euronext listings should therefore be read as a reference to a receipt, issue or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares.

All NEPI Rockcastle shares will be registered in the name of one or both of PLC Nominees or Euroclear Nederland, for and on behalf of shareholders. NEPI Rockcastle shares traded on the JSE will be delivered in accordance with the rules of Strate and those traded on Euronext Amsterdam will be delivered in accordance with the rules of Euroclear Nederland.

Specific details as to how NEPI Rockcastle shares will be delivered to NEPI shareholders entitled thereto in terms of the distributions and repurchase are set out in paragraphs 3 and 4 of the "Action required" section of the circular.

Important dates to note

Shareholders on the SA share register

2017

Last day to trade on the JSE in order to be eligible to participate in and vote at the extraordinary general meeting	Thursday, 29 June
Record date in order to vote at the extraordinary general meeting ¹ (“ voting record date ”)	Tuesday, 4 July
Last day to lodge forms of proxy for the extraordinary general meeting with the SA Transfer Secretaries, by no later than 10:00	Tuesday, 4 July
The extraordinary general meeting of shareholders at 10:00	Thursday, 6 July
Results of the extraordinary general meeting released on SENS	Thursday, 6 July
Results of the extraordinary general meeting published in the press	Friday, 7 July

Notes

1. Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the company specifies that in order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of shareholders of the company by no later than 09:00 BST on Tuesday, 4 July 2017, being not more than 48 hours before the time fixed for the meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.
2. All dates and times in this circular are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and published in the press.
3. NEPI shareholders are referred to page 10 of the circular for information on the action required to be taken by them.
4. Transfers of shares between all sub-registers may not take place after Tuesday, 11 July 2017.
5. Share certificates may not be dematerialised or rematerialised after Tuesday, 11 July 2017.

Shareholders registered in Romania

2017

Last day to trade on the BVB in order to be eligible to participate in and vote at the extraordinary general meeting	Friday, 30 June
Record date in order to vote at the extraordinary general meeting ¹ (“ voting record date ”)	Tuesday, 4 July
Last day to lodge forms of proxy for the extraordinary general meeting with the Company Secretary, by no later than 11:00	Tuesday, 4 July
The extraordinary general meeting of shareholders at 11:00	Thursday, 6 July
Results of the extraordinary general meeting released on the BVB website	Thursday, 6 July

Notes

1. Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the company specifies that in order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of shareholders of the company by no later than 09:00 BST on Tuesday, 4 July 2017, being not more than 48 hours before the time fixed for the meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.
2. All dates and times in this circular are local dates and times in Romania. The above dates and times are subject to change. Any changes will be released on the BVB website.
3. NEPI shareholders are referred to page 10 of the circular for information on the action required to be taken by them.
4. Transfers of shares between all sub-registers may not take place after Tuesday, 11 July 2017.
5. Share certificates may not be dematerialised or rematerialised after Tuesday, 11 July 2017.

Shareholders on the UK register

2017

Record date in order to vote at the extraordinary general meeting ¹ (“ voting record date ”)	Tuesday, 4 July
Last day to lodge forms of proxy for the extraordinary general meeting with the Company Secretary, by no later than 09:00	Tuesday, 4 July
The extraordinary general meeting of shareholders at 09:00	Thursday, 6 July

Notes

1. Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the company specifies that in order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of shareholders of the company by no later than 09:00 BST on Tuesday, 4 July 2017, being not more than 48 hours before the time fixed for the meeting to commence. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.
2. All dates and times quoted above are local dates and times in the United Kingdom. The above dates and times are subject to change. Any changes will be released on SENS and on the BVB website.
3. NEPI shareholders are referred to page 10 of the circular for information on the action required to be taken by them.
4. Transfers of shares between all sub-registers may not take place after Tuesday, 11 July 2017.
5. Share certificates may not be dematerialised or rematerialised after Tuesday, 11 July 2017.

RESOLUTION 1: APPROVAL OF NEPI TRANSACTION

“Resolved in terms of sections 9.20(a) and 10.4(e) of the JSE Listings Requirements that the NEPI transaction as detailed in Section One of the circular, comprising:

1. the sale by NEPI of all its assets and liabilities, including 100% of its ownership interest in all underlying subsidiaries (but excluding any NEPI Rockcastle shares held by NEPI), to NEPI Rockcastle, in consideration for rights to have such number of new NEPI Rockcastle shares issued to NEPI as is determined based on the swap ratio;
2. the transfer of rights to NEPI Rockcastle shares to NEPI shareholders, on the basis of an election by NEPI shareholders to receive such rights either:
 - (i) pursuant to a distribution *in specie* made by NEPI as a return of capital;
 - (ii) pursuant to a distribution *in specie* declared by NEPI as a dividend; or
 - (iii) in settlement of the consideration for the repurchase by NEPI of all the NEPI shares held by such shareholders, but only if such shareholders have not elected to receive the distribution as a dividend,

whereafter the board of directors will authorise the distribution *in specie* as a return of capital, declare the distribution *in specie* as a dividend and effect the repurchase, and in settlement, NEPI Rockcastle will issue NEPI Rockcastle shares to NEPI shareholders, such that they receive 1 NEPI Rockcastle share for every 1 NEPI share held on the record date;

3. the listing of the entire issued share capital of NEPI Rockcastle on the Main Board of the JSE and on Euronext Amsterdam; and
4. the delisting of NEPI from the JSE and (subject to the approval of the BVB and FSA) the BVB and subsequent administrative dissolution of NEPI,

all on the basis outlined in the circular to NEPI shareholders to which a copy of this notice of an extraordinary general meeting is attached, be and is hereby authorised.”

In order for resolution 1 to be adopted, the support of a majority in excess of 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on resolution 1. The voting rights controlled by Rockcastle, the related party, and its associates will not be taken into account in determining the outcome of the resolution 1, although will be taken into account in determining the requisite quorum. It is however noted that, as at the last practicable date, neither Rockcastle nor any associate of Rockcastle held any shares in NEPI.

SPECIAL RESOLUTION 1: DISTRIBUTION *IN SPECIE* AS A RETURN OF CAPITAL

“Resolved in terms of section 5.85(c) of the JSE Listings Requirements that, if authorised by the board pursuant to shareholders’ deemed elections in terms of paragraph 5.8 of the circular to NEPI shareholders to which a copy of this notice of an extraordinary general meeting is attached, a distribution *in specie* as a return of capital, namely exclusively other than from retained earnings, including from any amount described as being share premium, be and is hereby authorised, which distribution is to be satisfied wholly by transferring to NEPI shareholders the right to receive 1 NEPI Rockcastle share for every 1 NEPI share held as at the record date.”

In order for special resolution 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 1.

SPECIAL RESOLUTION 2: CAPITALISATION OF RESERVES

“Resolved that:

- (a) article 140 (Reserves) of the articles of association of NEPI be deleted and replaced with the following:

“*The Board may, at any time, carry to share premium or any other reserves out of the profits or any other reserves of the Company such sums as it thinks fit*”; and
- (b) that the board be and are hereby authorised to carry to share premium or any other reserves from profits or any other reserves any amount that may be required to be so carried in order to satisfy shareholders’ elections to receive the distribution *in specie* as a return of capital or to participate in the repurchase in terms of paragraph 5.8 of the circular to NEPI shareholders to which a copy of this notice of an extraordinary general meeting is attached.”

In order for special resolution 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 2.

SPECIAL RESOLUTION 3: REDUCTION OF PAR VALUE

“Resolved that:

- (a) article 11 of the articles of association of NEPI be amended as follows:
 - (i) by deleting the following words: “*To the extent that the shares in the capital of the Company comprise shares with a par value, the Company in general meeting may from time to time by resolution*”; and
 - (ii) by replacing such words with the following: “*To the extent that the shares in the capital of the Company comprise shares with a par value, and subject to article 65.1 (where applicable) and obtaining the prior consent of the shareholders by resolution in general meeting, the Company may from time to time by resolution of the Directors*”; and
- (b) pursuant to article 11, the board be and is hereby authorised to re-designate, redenominate or convert all or any of NEPI’s share capital into shares of a lower par value to the extent that they consider necessary or desirable in connection with either the distributions *in specie* contemplated in paragraph 5.8.6 and/or the repurchase contemplated in paragraph 5.8.7, of the circular to NEPI shareholders to which a copy of this notice of an extraordinary general meeting is attached, and that the articles of association of NEPI be amended to reflect such re-designation, re-domination or conversion to the extent so authorised by the board.”

In order for special resolution 3 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 3.

SPECIAL RESOLUTION 4: DISTRIBUTION *IN SPECIE* AS A DIVIDEND

“Resolved in terms of section 5.85(c) of the JSE Listings Requirements that, if declared by the board pursuant to shareholders’ elections in terms of paragraph 5.8 of the circular to NEPI shareholders to which a copy of this notice of an extraordinary general meeting is attached, a distribution *in specie* as a dividend, namely exclusively from retained earnings, be and is hereby authorised, which distribution is to be satisfied wholly by transferring to NEPI shareholders the right to receive 1 NEPI Rockcastle share for every 1 NEPI share held as at the record date.”

In order for special resolution 4 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 4.

SPECIAL RESOLUTION 5: VARIATION OF SHAREHOLDERS’ RIGHTS

“Resolved that to the extent that declaration of the distribution as a dividend referred to in special resolution 4 only to shareholders who have elected to receive their NEPI Rockcastle distribution shares by way of a dividend constitutes a variation of shareholders’ rights, such variation of shareholders’ rights be and is hereby authorised and approved in all respects and that the board be authorised to declare such distribution *in specie* as a dividend to only those shareholders who elect to receive their NEPI Rockcastle distribution shares pursuant to a distribution as a dividend.”

In order for special resolution 5 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 5.

SPECIAL RESOLUTION 6: REPURCHASE OF SHARES

“Resolved in terms of section 5.69(b) of the JSE Listings Requirements that NEPI be and is hereby authorised, as soon as practicable following the merger implementation date and prior to the distributions *in specie*, to repurchase all of the NEPI shares from NEPI shareholders who have validly elected to participate in the repurchase, which repurchase is to be effected exclusively other than from retained earnings, including from any amount described as being share premium, in consideration for which NEPI will transfer to NEPI shareholders the right to receive 1 NEPI Rockcastle share for every 1 NEPI share repurchased.”

The directors confirm that after considering the effect of the repurchase:

- (i) the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of extraordinary general meeting;
- (ii) the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of extraordinary general meeting. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- (iii) the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of extraordinary general meeting; and
- (iv) the working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of extraordinary general meeting.

In order for special resolution 6 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on special resolution 6.

RESOLUTION 2: DELISTING AND ADMINISTRATIVE DISSOLUTION OF NEPI

“Resolved that the delisting of NEPI from the Main Board of the JSE and the BVB, on the basis outlined in the circular to NEPI shareholders to which a copy of this notice of an extraordinary general meeting is attached, and the subsequent administrative dissolution of NEPI as soon as reasonably practicable following the settlement of all liabilities of NEPI, be and is hereby authorised.

In order for resolution 2 to be adopted, the support of a majority in excess of 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on resolution 2.

RESOLUTION 3: AUTHORITY TO GIVE EFFECT TO RESOLUTIONS

“Resolved that any director or the company secretary of NEPI be and is hereby authorised to do all such things and sign all such documents required to give effect to the resolutions and special resolutions proposed above and passed at the extraordinary general meeting.”

In order for resolution 3 to be adopted, the support of a majority in excess of 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the extraordinary general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on resolution 3.

VOTING AND QUORUM

Shareholders are encouraged to attend, speak and vote at the extraordinary general meeting.

No business shall be transacted at the extraordinary general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the extraordinary general meeting. Three persons entitled to attend and to vote on the business to be transacted, each being a shareholder present in person or a proxy for a shareholder, or one person entitled to attend and to vote on the business to be transacted, being a shareholder being able to exercise in aggregate at least 25% of all the voting rights that are able to be exercised on at least one matter to be decided at the meeting and being present in person or by proxy, shall be a quorum.

If within fifteen minutes (or such longer interval not exceeding one hour as the chairman in his absolute discretion thinks fit) from the time appointed for the holding of an extraordinary general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the extraordinary general meeting shall stand adjourned to later on the same day, to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the board) may determine, being not less than fourteen nor more than twenty-eight days thereafter. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the extraordinary general meeting one shareholder present in person or by proxy shall be a quorum. If no such quorum is present or, if during the adjourned extraordinary general meeting a quorum ceases to be present, the adjourned extraordinary general meeting shall be dissolved. The company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than fourteen nor more than twenty-eight days thereafter).

Every shareholder who is present in person or by proxy shall on a show of hands have one vote and on a poll shall have one vote for each share of which he is the holder.

In order to more effectively record the votes and give effect to the intentions of the shareholders, voting on all resolutions will be conducted by way of a poll.

NOTES TO THE NOTICE OF AN EXTRAORDINARY GENERAL MEETING

1. A shareholder of the company who is entitled to attend the extraordinary general meeting and vote thereat is entitled to appoint one or more proxies to attend and vote instead of that shareholder.
2. A proxy of a shareholder need not be a shareholder of the company.
3. A form of proxy is included with this notice and instructions for its use are shown on the form.
4. A duly completed and signed form of proxy must be received by the SA Transfer Secretaries/Company Secretary, as applicable, no later than 48 (forty eight) hours before the time that the meeting is due to commence. Delivery by e-mail is acceptable, as detailed in the proxy form.
5. Completion and return of a form of proxy does not preclude a shareholder of the company from attending the extraordinary general meeting and voting in person.
6. In order to have the right to attend and vote at the extraordinary general meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the company by no later than the register time and date, being not less than forty eight hours before the time fixed for the extraordinary general meeting to commence, being 9:00 BST on Tuesday, 4 July 2017. Changes to entries on the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting.

By order of the board

New Europe Property Investments plc

9 June 2017

Registered office

2nd Floor, Anglo International House
Lord Street
Douglas
Isle of Man, IM1 4LN



New Europe Property Investments plc

(Incorporated and registered in the Isle of Man with registered number 001211V)
(Registered as an external company with limited liability under the laws of South Africa)

(Registration number 2009/000025/10)

JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02

("NEPI" or "the company")

FORM OF PROXY

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

THIS FORM OF PROXY IS ONLY FOR USE BY:

- dematerialised "own name" and certificated shareholders on the SA register;
- all shareholders registered in Romania; and
- certificated shareholders on the UK register.

For completion by the aforesaid shareholders who are unable to attend the extraordinary general meeting of shareholders of the company to be held at the offices of the company at the registered office of NEPI at 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man IM1 4LN, at 09:00 BST (10:00 SA time) (11:00 Romanian time) on Thursday, 6 July 2017, or any other adjourned or postponed date and time.

Any person (whether a shareholder of the company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting in respect of which the proxy is appointed or at any adjournment of it.

The form of proxy may be submitted to the SA Transfer Secretaries/Company Secretary, as applicable, by hand, post, fax or email by no later than 09:00 BST (10:00 SA time) (11:00 Romanian time) on Thursday, 6 July 2017 as detailed below:

SA Transfer Secretaries Computershare Investor Services Proprietary Limited Attention: Meetings Department Rosebank Towers 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107, South Africa)	Company Secretary Cornelius Eduard Cassell 2nd Floor, Anglo International House Lord Street Douglas Isle of Man, IM1 4LN
Attention: Corporate Actions Department Tel: +27 11 370 5000 (available between 08:00 and 16:30 SA time) Fax: +27 11 688 5238 Email: proxy@computershare.co.za	Tel: +44 (0)2031 801 547 Email: eddie@sabre-iom.com

Please complete the details below in CAPITAL LETTERS.

I/We _____

of (Address) _____

Home number _____

Mobile number _____

Email address _____

being the holder(s) of NEPI shares hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the extraordinary general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the extraordinary general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the extraordinary general meeting, and to vote on the resolutions in respect of the shares registered in my/our name(s).

Please indicate with an X in the spaces provided below how you wish your votes to be cast. If you do not specify how you wish any vote to be cast you will be deemed to have authorised your proxy to vote or abstain from voting as he/she thinks fit.

	Number of votes		
	*In favour of	*Against	*Abstain
Resolution 1: Approval of NEPI transaction			
Special resolution 1: Distributions <i>in specie</i> as a return of capital			
Special resolution 2: Capitalisation of reserves			
Special resolution 3: Reduction of par value			
Special resolution 4: Distributions <i>in specie</i> as a dividend			
Special resolution 5: Variation of shareholders' rights			
Special resolution 6: Repurchase of shares			
Resolution 2: Delisting and administrative dissolution of NEPI			
Resolution 3: Authority to give effect to resolutions			



New Europe Property Investments plc

(Incorporated and registered in the Isle of Man with registered number 001211V)
(Registered as an external company with limited liability under the laws of South Africa)

(Registration number 2009/000025/10)

JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02
("NEPI" or "the company")

DIVIDEND ELECTION FORM

Where appropriate and applicable, the terms defined in the circular to which this dividend election form is attached bear the same meanings in this dividend election form.

THIS DIVIDEND ELECTION FORM IS ONLY FOR USE BY:

- certificated shareholders on the SA register;
- all shareholders registered in Romania; and
- all shareholders on the UK register.

For completion by the aforesaid registered shareholders who wish to receive their NEPI Rockcastle distribution shares by way of a dividend.

Instructions

1. Full instructions are set out in the "Action Required" section of the circular.
2. A separate dividend election form is required for each shareholder.
3. The election must be made in respect of your entire shareholding in NEPI.
4. **Part A** must be completed by all of the aforesaid shareholders who wish to receive the distribution as a dividend.
5. **Part B** must be completed by all of the aforesaid shareholders who wish to hold their NEPI Rockcastle shares on NEPI Rockcastle's South African register and who have a CSDP or broker account in South Africa.
6. **Part C** must be completed by all of the aforesaid shareholders who wish to hold their NEPI Rockcastle shares on NEPI Rockcastle's European register and who have a Euronext custodian or brokerage account via which they can hold shares on NEPI Rockcastle's European register.
7. If you complete and return this form as below, you are not entitled to participate in the repurchase.
8. The dividend election form should be retained as no further copies will be circulated. Additional copies may be requested from the SA Transfer Secretaries at the addresses disclosed in the "Corporate Information" section.
9. Should you not provide correct details of a CSDP or broker account in South Africa or Euronext custodian or brokerage account in the spaces provided below, the NEPI Rockcastle shares to which you are entitled will be held in escrow by the Escrow Agent as detailed in paragraph 1.2 of the "Action Required" section of the circular.

The dividend election form must be submitted to the SA Transfer Secretaries by email to corporate.events@computershare.co.za by no later than 11:00 BST (12:00 SA time) (13:00 Romanian time) on Friday, 14 July 2017.

NO LATE DIVIDEND ELECTION FORMS WILL BE ACCEPTED.

Part A: To be completed by all of the aforesaid registered shareholders who wish to receive the distribution as a dividend

Please complete the details below in CAPITAL LETTERS.

I/We

- acknowledge that pursuant to the NEPI transaction I/we am/are entitled to receive either a distribution *in specie* made by NEPI as a return of capital, a distribution *in specie* declared by NEPI as a dividend or to elect to have NEPI repurchase my/our NEPI shares, in settlement of which I/we will ultimately be issued 1 NEPI Rockcastle share for every 1 NEPI share I/we hold on the record date;
- irrevocably elect to receive my/our NEPI Rockcastle distribution shares pursuant to a distribution *in specie* as a dividend in respect of my/our entire shareholding in NEPI and on the terms and conditions contained in this dividend election form and in the circular;
- acknowledge that this dividend election form is applicable only in respect of NEPI shares of which I/we was/were the registered holder(s) at the close business on the record date (Friday, 14 July 2017);
- acknowledge that in settlement of the distribution I/we am/are only entitled to fully paid listed NEPI Rockcastle shares determined by applying the swap ratio to that number of NEPI shares held by me/us on the record date (Friday, 14 July 2017);
- acknowledge that, as a result of this election, I/we am/are not entitled to (and hereby irrevocably waive any entitlement to) also receive a distribution *in specie* made by NEPI as a return of capital in respect of my/our shareholding in NEPI;
- acknowledge that, as a result of this election, I/we am/are not entitled to participate in the repurchase; and
- acknowledge that if I/we do not provide correct details of a CSDP or broker account in South Africa or Euronext custodian or brokerage account via which I/we can hold shares on NEPI Rockcastle's European register in the spaces provided below, the NEPI Rockcastle shares to which I/we am/are entitled will be held in escrow by the Escrow Agent as detailed in paragraph 1.2 of the "Action Required" section of the circular.

Signed at _____ on _____ 2017

Signature _____

Assisted by (where applicable) _____ Signature _____

Home number: _____ Mobile number: _____

Email address: _____

Title, full name and address of registered shareholder/corporate body:	
Certificated shareholders on the SA register	Shareholder reference number:
	Account number with transfer secretaries (if known):
Shareholders on the UK register	CREST Participant ID:
	CREST Member Account:
Shareholders on the register in Romania	
Individual shareholders	Broker member code:
	Client account with the broker:
Shareholders with the Romanian custodian	Custodian member code:
	Client account with the Romanian custodian:
Shareholders with own broker account	Broker name:
	Broker account:

Part B must be completed by all of the aforesaid shareholders who wish to hold their NEPI Rockcastle shares on NEPI Rockcastle's South African register and who have a CSDP or broker account in South Africa.

Please complete the information below if you have an account with a broker or CSDP and wish such account to be credited with the listed NEPI Rockcastle shares:

Name of account holder: _____

Name of broker: _____

Name of CSDP: _____

Account number of broker: _____

Account number of CSDP: _____

Telephone number of broker/CSDP _____

SCA number of broker/CSDP _____

Please note: Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the listed NEPI Rockcastle shares which you are entitled to, in which case the NEPI Rockcastle shares will be issued to the Escrow Agent as further detailed in paragraph 1.2 of the "Action Required" section of the circular. Shareholders are referred to the "Action Required" section of the circular, which sets out the detailed action required by shareholders in respect of the procedure to receive NEPI Rockcastle shares.

Part C must be completed by all of the aforesaid shareholders who wish to hold their NEPI Rockcastle shares on NEPI Rockcastle's European register and who have a Euronext custodian or brokerage account via which they can hold shares on NEPI Rockcastle's European register.

Please complete the information below if you have an account with a custodian and broker via which you can hold shares on NEPI Rockcastle's European register and wish such account to be credited with the listed NEPI Rockcastle shares:

Name of account holder: _____

Name of broker: _____

Name of custodian: _____

Account number of broker: _____

Account number of custodian: _____

Telephone number of broker/custodian _____

SCA number of broker/custodian _____

Please note: Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the listed NEPI Rockcastle shares which you are entitled to, in which case the NEPI Rockcastle shares will be issued to the Escrow Agent as further detailed in paragraph 1.2 of the "Action Required" section of the circular. Shareholders are referred to the "Action Required" section of the circular, which sets out the detailed action required by shareholders in respect of the procedure to receive NEPI Rockcastle shares.

NOTES TO THE DIVIDEND ELECTION FORM:

1. If you have any doubt as to how to complete this dividend election form, please consult your accountant, attorney, banker, broker or other professional adviser.
2. Shareholders should refer to the "Action Required" section of the circular. Terms in this dividend election form bear the same meaning as in the circular unless the context indicates otherwise.
3. In order to be valid, this dividend election form must be properly completed and received by the SA Transfer Secretaries in accordance with the salient dates and times mentioned in the circular.
4. The signature of this dividend election form by any person who is under legal disability shall be accompanied by the signature of such person's parent, guardian or legal representative, as the case may be.
5. NEPI reserves the right in its discretion to:
 - 5.1 treat as invalid (in which case you will receive the distribution *in specie* as a return of capital) any dividend election form not complying with the terms of the election, any instruction or the circular; and
 - 5.2 require proof of the authority of the person signing this dividend election form where such proof has not yet been lodged with or recorded by the SA Transfer Secretaries.
6. Any alteration or correction made to this dividend election form must be signed in full and not only initialled by the signatory(ies).
7. Persons who have acquired shares in NEPI after the date of posting of the circular to which this dividend election form is attached can obtain copies of the dividend election form and the said document from the JSE sponsor, Java Capital Trustees and Sponsors Proprietary Limited, 6A Sandown Valley Crescent, Sandton, 2196 from Friday, 9 June 2017 up to and including Friday, 14 July 2017. It will also be available on the website of the company (www.nepinvest.com), and on the website of the BVB (www.bvb.ro) from Friday, 9 June 2017.
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts.
9. Signatories may be called upon for evidence of their authority or capacity to sign this dividend election form.
10. If this dividend election form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this dividend election form for noting, unless it has already been noted by the SA Transfer Secretaries, or it has been lodged with a broker and this form bears the stamp of that broker.
11. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign the dividend election form.
12. The signature of this dividend election form by any person who is under legal disability shall be accompanied by the signature of such person's parent, guardian or legal representative, as the case may be.
13. If the shareholder is a deceased estate, this dividend election form must be accompanied by a certified copy of the letter of executorship, unless the relevant documents have already been lodged with the SA Transfer Secretaries, or with a broker and this dividend election form bears the stamp of that broker.
14. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the SA Transfer Secretaries.
15. If this dividend election form is not signed by the shareholder, such shareholder will be deemed to have irrevocably appointed the SA Transfer Secretaries to implement the obligations of the shareholder in terms of the election to receive a distribution in specie as a dividend on his or her behalf.
16. All times indicated are local times in the country to which they refer.



New Europe Property Investments plc

(Incorporated and registered in the Isle of Man with registered number 001211V)
(Registered as an external company with limited liability under the laws of South Africa)
(Registration number 2009/000025/10)
JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02
("NEPI" or "the company")

REPURCHASE ELECTION AND SURRENDER FORM

Where appropriate and applicable, the terms defined in the circular to which this repurchase election and surrender form is attached bear the same meanings in this repurchase election and surrender form.

THIS REPURCHASE ELECTION AND SURRENDER FORM IS FOR USE BY ALL SHAREHOLDERS WISHING TO PARTICIPATE IN THE REPURCHASE. SHAREHOLDERS WHO HAVE SUBMITTED A DIVIDEND ELECTION FORM ARE NOT ENTITLED TO PARTICIPATE IN THE REPURCHASE.

Instructions

1. Full instructions are set out in the "Action Required" section of the circular.
2. A separate repurchase election and surrender form is required for each shareholder.
3. The election must be made in respect of your entire shareholding in NEPI.
4. **Part A** must be completed by certificated shareholders on the SA register, all shareholders on the UK register and all shareholders registered in Romania who wish to participate in the repurchase.
5. **Part B** must be completed by certificated shareholders on the SA register or those shareholders registered in Romania or on the UK register who wish to hold their NEPI Rockcastle shares on NEPI Rockcastle's South African register and have a CSDP or broker account in South Africa.
6. **Part C** must be completed by all shareholders who have an account with a broker or CSDP in South Africa.
7. **Part D** must be completed by all emigrants from and non-residents of the common monetary area who are recorded on the SA register and who have not yet dematerialised their documents of title.
8. **Part E** must be completed by all shareholders who wish to hold their NEPI Rockcastle shares on NEPI Rockcastle's European register and have a Euronext custodian or brokerage account via which they can hold shares on NEPI Rockcastle's European register.
9. The repurchase election and surrender form should be retained as no further copies will be circulated. Additional copies may be requested from the SA Transfer secretaries at the address disclosed in the "Corporate Information" section.
10. If this repurchase election and surrender form is received by the SA Transfer Secretaries with the relevant documents of title prior to the opening of the repurchase, it will be treated as a conditional surrender. Such surrendered documents of title will be held in trust by the SA Transfer Secretaries until the opening of the repurchase. No receipts or proof of receipt will be issued, unless specifically requested.
11. Your attention is drawn to the fact that if you surrender your documents of title in advance, you will be unable to dematerialise and/or trade in those shares on the JSE from the date of surrender.
12. In the event of the merger transaction not becoming effective, for any reason whatsoever, the SA Transfer Secretaries will within five business days after either the date upon which it becomes known that the merger transaction will not be able to be implemented, or, after subsequent receipt of surrendered documents of title, whichever is the later, return the relevant documents of title to the shareholders concerned, at their risk, by registered post to the address disclosed in this repurchase election and surrender form if different from the address recorded in the NEPI register.
13. Should you not provide correct details of a CSDP or broker account in South Africa or Euronext custodian or brokerage account in the spaces provided below, the NEPI Rockcastle shares to which you are entitled will be held in escrow by the Escrow Agent as detailed in paragraph 1.2 of the "Action Required" section of the circular.

The repurchase election and surrender form must be submitted to the SA Transfer Secretaries by email to corporate.events@computershare.co.za between the repurchase opening date and time and the repurchase closing date and time on Friday, 14 July 2017.

THE PAYMENT OF THE SECURITIES TRANSFER TAX BY A NEPI SHAREHOLDER ON THE SA REGISTER IS A CONDITION TO A VALID EXERCISE OF THE ELECTION TO PARTICIPATE IN THE REPURCHASE.

Shareholders on the SA register are referred to the “Action Required” section of the circular, which sets out the detailed action required by shareholders in respect of the procedure to make payment of the securities transfer tax.

Part A: To be completed by certificated shareholders on the SA register, all shareholders on the UK register and all shareholders registered in Romania who wish to participate in the repurchase

Please complete the details below in CAPITAL LETTERS.

I/We

regarding the participation in the repurchase:

- hereby acknowledge that pursuant to the NEPI transaction I/we am/are entitled to receive either a distribution *in specie* made by NEPI as a return of capital, a distribution *in specie* declared by NEPI as a dividend or to elect to have NEPI repurchase my/our NEPI shares, which repurchase will be effected exclusively other than from retained earnings, including from any amount described as being share premium, in settlement of which I/we will ultimately be issued 1 NEPI Rockcastle share for every 1 NEPI share I hold on the record date;
- hereby irrevocably elect to participate in the repurchase in respect of my entire shareholding in NEPI and on the terms and conditions contained in this repurchase election and surrender form and in the circular;
- acknowledge that this repurchase election and surrender form is applicable only in respect of NEPI shares of which I/we was/were the registered holder(s) at the close business on the record date (Friday, 7 July 2017);
- acknowledge that in settlement of the repurchase I/we am/are only entitled to fully paid listed NEPI Rockcastle determined by applying the swap ratio to that number of NEPI shares held by me/us on the record date (Friday, 14 July 2017);
- acknowledge that, as a result of this election, I/we am/are not entitled to receive distribution *in specie* (whether as a return of capital or a dividend); and
- acknowledge that if I/we do not provide correct details of a CSDP or broker account in South Africa or Euronext custodian or brokerage account via which I/we can hold shares on NEPI Rockcastle’s European register in the spaces provided below, the NEPI Rockcastle shares to which I/we am/are entitled will be held in escrow by the Escrow Agent as detailed in paragraph 1.2 of the “Action Required” section of the circular.

Signed at _____ on _____ 2017

Signature _____

Assisted by (where applicable) _____ Signature _____

Home number: _____ Mobile number: _____

Email address: _____

Title, full name and address of registered shareholder/corporate body:	
Certificated shareholders on the SA register	Shareholder reference number:
	Account number with transfer secretaries (if known):
Shareholders on the UK register	CREST Participant ID:
	CREST Member Account:
Shareholders on the register in Romania	
Individual shareholders	Broker member code:
	Client account with the broker:
Shareholders with the Romanian custodian	Custodian member code:
	Client account with the Romanian custodian:
Shareholders with own broker account	Broker name:
	Broker account:

Please note: Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the listed NEPI Rockcastle shares which you are entitled to, in which case the NEPI Rockcastle shares will be issued to the Escrow Agent as further detailed in paragraph 1.2 of the “Action Required” section of the circular. Shareholders are referred to the “Action Required” section of the circular, which sets out the detailed action required by shareholders in respect of the procedure to receive NEPI Rockcastle shares.

NOTES TO THE REPURCHASE ELECTION AND SURRENDER FORM

1. If you have any doubt as to how to complete this repurchase election and surrender form, please consult your accountant, attorney, banker, broker or other professional adviser.
2. Shareholders should refer to the “Action Required” section of the circular. Terms in this repurchase election and surrender form bear the same meaning as in the circular unless the context indicates otherwise.
3. Shareholders who have elected to receive the distribution as a dividend should not complete this repurchase election and surrender form.
4. In order to be valid, this repurchase election and surrender form must be properly completed and received by the SA Transfer Secretaries in accordance with the salient dates and times mentioned in the circular.
5. NEPI reserves the right in its discretion to:
 - 5.1 treat as invalid (in which case you will receive the distribution *in specie* as a return of capital) any repurchase election and surrender form not complying with the terms of the election, any instruction or the circular; and
 - 5.2 require proof of the authority of the person signing this repurchase election and surrender form where such proof has not yet been lodged with or recorded by the SA Transfer Secretaries.
6. Any alteration to or correction on this repurchase election and surrender form must be signed in full and not only initialled.
7. Persons who have acquired shares in NEPI after the date of posting of the circular to which this repurchase election and surrender form is attached, can obtain copies of the repurchase election and surrender form and the said document from the JSE sponsor, Java Capital Trustees and Sponsors Proprietary Limited, 6A Sandown Valley Crescent, Sandton, 2196 from Friday, 9 June 2017 up to and including Friday, 14 July 2017. It will also be available on the website of the company (www.nepinvest.com), and on the website of the BVB (www.bvb.ro) from Friday, 9 June 2017.
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts.
9. Signatories may be called upon for evidence of their authority or capacity to sign this repurchase election and surrender form.
10. If this repurchase election and surrender form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this repurchase election and surrender form for noting, unless it has already been noted by the SA Transfer Secretaries, or it has been lodged with a broker and this form bears the stamp of that broker.
11. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign the repurchase election and surrender form.
12. The signature of this repurchase election and surrender form by any person who is under legal disability shall be accompanied by the signature of such person’s parent, guardian or legal representative, as the case may be.
13. If the shareholder is a deceased estate, this repurchase election and surrender form must be accompanied by a certified copy of the letter of executorship, unless the relevant documents have already been lodged with the SA Transfer Secretaries, or with a broker and this repurchase election and surrender form bears the stamp of that broker.
14. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the SA Transfer Secretaries.
15. If a share certificate or other document of title relating to any NEPI share has been lost or destroyed, the NEPI Rockcastle shares to which you are ultimately entitled will only be issued upon production of satisfactory evidence that the relevant share certificate or document of title has been lost or destroyed and upon delivery of an indemnity, in a form and on terms and conditions approved by NEPI. Indemnity forms may be requested from the SA Transfer Secretaries.
16. If this repurchase election and surrender form is not signed by the shareholder, such shareholder will be deemed to have irrevocably appointed the SA Transfer Secretaries to implement the obligations of the shareholder in terms of the repurchase on his or her behalf.
17. All times indicated are local times in the country to which they refer.