

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this circular have been used on this cover page.

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

### Action required

If you have disposed of all your shares in NEPI, this circular should be handed to the purchaser of such shares or to the broker, CSDP, custodian, banker or other agent through whom the disposal was effected.

Beneficial shareholders who have already dematerialised their shares through a CSDP, custodian or broker who wish to attend the general meeting must request their CSDP, custodian or broker to provide them with the necessary authorisation in the form of a letter of representation to attend the general meeting or must instruct their CSDP, custodian or broker to vote on their behalf in terms of their respective agreements with their CSDP, custodian or broker.

NEPI shareholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the proposals set out in this circular.

NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP, custodian or broker of any holder of dematerialised shares to notify such shareholder of the proposals set out in 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)

AIM share code: NEPI JSE share code: NEP BVB share code: NEP

ISIN: IM00B23XCH02

("NEPI" or "the company")

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## CIRCULAR TO NEPI SHAREHOLDERS

regarding

- an increase in the amount of share capital of the company available for issue;
- the amendment of the company's articles of association in order to provide amongst others for:
  - an increase in the amount of share capital of the company available for issue;
  - the authority to pay scrip dividends and to reduce share capital;
  - changes to the JSE Listings Requirements;

and incorporating

- a notice of general meeting of shareholders; and
- a form of proxy (to be completed by certificated shareholders and dematerialised shareholders with own-name registration only).

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Corporate advisor, legal advisor  
as to South African law and JSE sponsor

**JAVACAPITAL**

Legal advisor as to Isle of Man law



Nominated advisor and broker in the UK

**Smith & Williamson Corporate Finance**

Romanian advisor



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Date of issue: Wednesday, 1 August 2012

This circular is available in English. Copies of this circular may be obtained at the company's South African transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, at the company's UK transfer secretaries, Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES from Wednesday, 1 August 2012 to Friday, 24 August 2012. It will also be available on the website of the company <http://www.nepinvest.com> as from Wednesday, 1 August 2012, on the BVB's website ([www.bvb.ro](http://www.bvb.ro)) as from Wednesday, 1 August 2012 and at the office of the company's nominated adviser and broker in the UK, Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY.

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## CORPORATE INFORMATION

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### Registered office in the Isle of Man

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

### Registered office in South Africa

4th Floor  
Rivonia Village  
Rivonia Boulevard  
Rivonia, 2191

### Corporate advisor and legal advisor as to South African law

Java Capital (Proprietary) Limited  
(Registration number 2002/031862/07)  
2 Arnold Road  
Rosebank  
Johannesburg, 2196  
(PO Box 2087, Parklands, 2121)

### Nominated advisor and broker in the UK

Smith & Williamson Corporate Finance Limited  
(Registration number 4533970)  
25 Moorgate  
London, EC2R 6AY  
(Postal address as above)

### Legal advisor as to Isle of Man Law

Consilium Limited  
(Registration number 003570V)  
2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN  
(Postal address as above)

### Isle of Man administrator and registrar

Sabre Fiduciary Limited  
(Registration number 124715C)  
2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN  
(Postal address as above)

### Romanian advisor

SSIF Intercapital Invest SA  
(Registration number J40/6447/1995)  
33 Aviatorilor Boulevard, 1st Floor  
Sector 1  
Bucharest, Romania  
(Postal address as above)

### Company secretary

Cornelius Eduard Cassell  
2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN  
(Postal address as above)

### UK transfer secretaries

Computershare Investor Services (Jersey) Limited  
(Registration number 75505)  
Queensway House  
Hilgrove Street  
St Helier  
Jersey, JE1 IES  
(Postal address as above)

### UK receiving agent

Computershare Investor Services PLC  
(Registration number 03498808)  
Corporate Actions Projects  
Bristol, BS99 6AH  
(Postal address as above)

### South African transfer secretaries

Computershare Investor Services (Proprietary) Limited  
(Registration number 2004/003647/07)  
Ground Floor  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

### JSE sponsor

Java Capital Trustees and Sponsors (Proprietary) Limited  
(Registration number 2006/005780/07)  
2 Arnold Road  
Rosebank  
Johannesburg, 2196  
(PO Box 2087, Parklands, 2121)

### Place and date of incorporation

Incorporated in the Isle of Man on 23 July 2007

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## TABLE OF CONTENTS

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	<i>Page</i>
Corporate information	Inside front cover
Action required by NEPI shareholders	2
Salient dates and times	3
Definitions and interpretations	4
Circular to NEPI shareholders	
1. Introduction and purpose of this circular	6
2. Rationale for increase in share capital	6
3. Amendment to articles of association	7
4. Share capital	7
5. General meeting	8
6. Litigation statement	8
7. Material changes	8
8. Directors' responsibility statement	8
9. Consents	8
10. Documents available for inspection	8
Notice of general meeting	10
Form of proxy	Attached

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## ACTION REQUIRED BY NEPI SHAREHOLDERS

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### THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this circular apply, *mutatis mutandis*, to the paragraphs below.

If you are in any doubt as to what action you should take in relation to this circular, please consult your CSDP, custodian, broker, banker, accountant, attorney or other professional advisor immediately.

### GENERAL MEETING

The increase in the share capital and the amendment of the company's articles of association are subject to NEPI shareholders passing the resolutions at the general meeting of shareholders to be held at the registered office of the company being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man at 10:00 BST on Friday, 24 August 2012 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions.

A notice convening a general meeting to be held on Friday, 24 August 2012 is attached to and forms part of this circular.

A form of proxy is attached for the convenience of certificated and "own-name" dematerialised shareholders who are unable to attend the general meeting, but who wish to be represented thereat. In order to ensure validity, duly completed and signed forms of proxy must be returned to the company's registrar, Sabre Fiduciary Limited at the company's registered office being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man, so as to be received by them by no later than 48 hours before the time that the general meeting is due to commence.

If you are a dematerialised shareholder, other than with "own-name" registration, do not use this form. Dematerialised shareholders, other than with "own-name" registration, should provide instructions to their appointed CSDP, custodian or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP, custodian or broker.

Completion and return of a form of proxy does not preclude a shareholder from attending the general meeting and voting in person.

In order to have the right to attend and vote at the 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 more than two working days 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 meeting.

NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP, custodian or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 4 of this circular apply *mutatis mutandis* to this section

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2012

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Circular (together with notice of general meeting) posted to shareholders on	Wednesday, 1 August
Announcement relating to the issue of the circular (together with notice of general meeting) released on SENS and RNS on	Wednesday, 1 August
Register time and date (10:00)	Wednesday, 22 August
Last day to lodge forms of proxy for the general meeting (by 10:00) on	Wednesday, 22 August
General meeting held (at 10:00) on	Friday, 24 August
Results of the general meeting released on SENS and RNS	Friday, 24 August

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**Notes:**

All times indicated above are BST. The above dates and times are subject to change. Any changes will be released on SENS, RNS and the BVB.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular and the annexures hereto, 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.

“administrator”	Sabre Fiduciary Limited (Registration number 124715C), a company incorporated under the laws of the Isle of Man, full details of whom are set out on the inside front cover of this circular;
“AIM”	the AIM market of the London Stock Exchange;
“articles of association”	the articles of association of NEPI;
“board” or “board of directors”	the board of directors of NEPI, as set out on page 6 of this circular;
“BST”	all times quoted in this circular are quoted in British Summer Time;
“BVB”	Bucharest Stock Exchange;
“certificated shares”	a share or other security which is not in uncertificated form (that is not in CREST or Strate);
“certificated shareholder”	NEPI shareholders holding certificated shares in the company;
“circular”/ “this circular”	this circular dated 1 August 2012 including the annexures and appendices hereto and the notice of general meeting and the form of proxy attached hereto;
“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 Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended, of the UK;
“CSDP”	a central securities depository participant appointed by a shareholder for purposes of, and in regard to dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“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 via global accounts at the Romanian Central Depository;
“dematerialisation”	the process whereby certificated shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained by a CSDP or custodian;
“dematerialised shares”	NEPI shares which have been incorporated into the Strate or CREST systems, title to which is no longer represented by physical documents of title;
“dematerialised shareholders”	NEPI shareholders who hold shares in dematerialised (uncertificated) form through Strate or CREST;
“documents of title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of NEPI shares;
“EUR” or “€”	the lawful common currency from time to time of participating member states of the European Monetary Union;
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST;
“general meeting”	the extraordinary general meeting of shareholders to be held at the company’s registered office being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man at 10:00 BST on Friday, 24 August 2012, for the purpose of considering

and if deeming fit, passing the resolutions set out in the notice of general meeting attached to and forming part of this circular;

“IFRS”	International Financial Reporting Standards;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“JSE Listings Requirements”	the Listings Requirements as published by the JSE, as amended from time to time;
“last practicable date”	the last practicable date prior to the finalisation of this circular, being Tuesday, 24 July 2012;
“LSE”	the London Stock Exchange plc;
“NEPI” or “the company”	New Europe Property Investments PLC, incorporated and registered in the Isle of Man with registered number 001211V and registered as an external company with limited liability under the laws of South Africa with registration number 2009/000025/10);
“NEPI group” or “group”	collectively NEPI, its subsidiaries, its associates and joint ventures;
“NEPI share register”	the share register maintained on behalf of the company in Romania, Jersey and South Africa;
“own-name dematerialised shareholders”	dematerialised shareholders who have instructed their CSDP or custodian to hold their dematerialised shares in their own-name on the sub-register (the list of shareholders maintained by the CSDP or custodian and forming part of NEPI’s register);
“register time and date”	the date on, and the time at, which a NEPI shareholder must be recorded in the register in order to vote at the general meeting, being 10:00 BST on Wednesday, 22 August 2012;
“resolutions”	all of the resolutions set out in the notice of general meeting attached to and forming part of this circular, which are to be considered and voted on at the general meeting;
“RNS”	Regulatory News Service of the LSE;
“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, authorized by NSC and the National Bank of Romania, as central securities depository and which is responsible for the electronic settlement system on the BVB;
“SENS”	Securities Exchange News Service of the JSE;
“shareholder”, “NEPI shareholder” or “member”	a registered holder of NEPI shares registered on the NEPI share register;
“shares” or “NEPI shares”	ordinary shares in the share capital of NEPI with a par value of €0.01 each;
“solvency test”	has that meaning set out in section 4 of the South African Companies Act, 2008 (Act 71 of 2008) as amended;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (Registration number 1998/02222/06), a registered central securities depository in terms of the Securities Services Act, No. 36 of 2004;
“UK”	United Kingdom of Great Britain and Northern Ireland; and
“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.



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

("NEPI" or "the company")

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**Board of directors**

Corneliu Dan Pascariu (*Chairman*)<sup>^</sup>  
Martin Johannes Christoffel Slabbert (*Chief Executive Officer*)  
Victor Semionov (*Financial Director*)  
Desmond de Beer\*  
Dewald Lambertus Joubert<sup>^</sup>  
Michael John Mills<sup>^</sup>  
Jeffrey Nathan Zidel<sup>^</sup>

\* Non-executive

<sup>^</sup> Independent non-executive

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**CIRCULAR TO NEPI SHAREHOLDERS**

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**1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR**

- 1.1 Following a number of successful capital raisings over the last few years, the company's issued share capital is approaching its authorised share capital leaving limited capacity to issue new shares in the company. In order to fund the company's investment and development programme as well as other corporate exercises through issues of new shares in the company, it is proposed to increase the authorised share capital from the present €1 500 000 divided into 150 000 000 shares to €3 000 000 divided into 300 000 000 shares.
- 1.2 In addition, it has become necessary to amend the articles of association of the company in order to provide amongst others for:
  - 1.2.1 the increase in the amount of share capital available for issue;
  - 1.2.2 a degree of flexibility so as to enable the board of directors, subject to the solvency test to:
    - 1.2.2.1 reduce the company's share capital, any share premium account or any undistributable reserves;
    - 1.2.2.2 offer to holders of shares the right to elect to receive ordinary shares credited as fully paidup in whole or in part instead of cash in respect of the whole or some part (to be determined by the board) of any dividend specified by the board;
  - 1.2.3 amendments to the JSE Listings Requirements, and in particular Schedule 10 thereof.
- 1.3 The purpose of this circular is to provide NEPI shareholders with information pertaining to the increase in share capital of the company and proposed amendments to the articles of association.

**2. RATIONALE FOR INCREASE IN SHARE CAPITAL**

- 2.1 If approved by the requisite majority, the resolution approving the increase in the share capital of the company will have the effect of increasing the share capital of the company from €1 500 000 divided into 150 000 000 ordinary shares of €0.01 each to €3 000 000 divided into 300 000 000 ordinary shares of €0.01 each.
- 2.2 The present issued share capital of the company is €1 254 620 divided into 125 461 951 shares which is approaching the authorised share capital of €1 500 000 divided into 150 000 000 shares leaving limited capacity to issue new shares in the company. The proposed increase in the authorised share capital to €3 000 000 divided into 300 000 000 shares is to accommodate the future issues of new shares in the company to fund the investment and development programme as well as other corporate exercises.



### 3. AMENDMENT TO ARTICLES OF ASSOCIATION

If approved by the requisite majorities, the passing of the resolutions amending the articles of association of the company contained in the notice of general meeting attached to this circular will have the effect of:

- 3.1 amending the articles of association of the company so as to reflect the increase in the share capital of the company from €1 500 000 divided into 150 000 000 ordinary shares of €0.01 each to €3 000 000 divided into 300 000 000 ordinary shares of €0.01 each;
- 3.2 authorising the board, subject to compliance with the solvency test and such conditions as the board may determine, to reduce the company's share capital, any share premium account or any undistributable reserve in any manner;
- 3.3 authorising the board subject to such conditions as the board may determine and subject to the satisfaction of the solvency test, to offer to holders of shares the right to elect to receive ordinary shares credited as fully paidup in whole or in part instead of cash in respect of the whole or some part (to be determined by the board) of any dividend specified by the board; and
- 3.4 aligning the articles of association with the JSE Listings Requirements as amended by amongst others:
  - 3.4.1 providing that securities in each class for which listing is applied on the JSE must rank *pari passu* in respect of all rights;
  - 3.4.2 revising the quorum requirements for purposes of general meetings of the company namely three persons entitled to attend and vote on the business to be transacted or one person entitled to attend and vote on the business to be transacted holding not less than one tenth of the issued share capital of the company to three persons entitled to attend and vote on the business to be transacted or one person 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;
  - 3.4.3 prohibiting the proposal of a resolution to shareholders which would have the effect of ratifying an act which is contrary to the JSE Listings Requirements;
  - 3.4.4 prohibiting life directorships;
  - 3.4.5 providing that any amount paidup in advance of calls on any shares shall carry interest only and shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared; and
  - 3.4.6 providing that the company shall hold all monies due to shareholders in trust indefinitely subject to the laws of prescription.

The articles of association of the company together with the articles of association as amended, will be available for inspection during normal business hours at the registered office of the company being 2<sup>nd</sup> Floor, Anglo International House, Lord Street, Douglas, Isle of Man the offices from Wednesday, 1 August 2012 to Friday, 24 August 2012.

The resolutions approving the amendments to the articles of association are respectively subject to 75% of NEPI shareholders present, in person or by proxy voting in favour of the resolution.

### 4. SHARE CAPITAL

- 4.1 The share capital of the company, before the increase in share capital to be proposed to NEPI shareholders by way of a special resolution at the general meeting, is as follows:

Before increase in share capital	EUR
<b>Share capital</b>	
<i>Authorised</i>	
150 000 000 ordinary shares of €0.01 each	1 500 000
<i>Issued share capital</i>	
125 461 951 ordinary shares of €0.01 each	1 254 620
Share premium	317 254 459
<b>Total</b>	<b>318 509 079</b>

For purposes of the consolidated financial statements, shares which were issued before 1 January 2011 as part of the share incentive scheme were accounted for as treasury shares in accordance with IFRS. Accordingly, the issued share capital included in the consolidated financial statements prepared in accordance with IFRS is lower than presented above.

- 4.2 The share capital of the company shall be as follows, should an increase be approved by NEPI shareholders at the general meeting:

After the increase in share capital	EUR
<b>Share capital</b>	
<i>Authorised</i>	
300 000 000 ordinary shares of €0.01 each	3 000 000
<i>Issued share capital</i>	
125 461 951 ordinary shares of €0.01 each	1 254 620
Share premium	317 254 459
<b>Total</b>	<b>318 509 079</b>

## 5. GENERAL MEETING

- 5.1 The general meeting will be held at the company's registered office being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man at 10:00 BST on Friday, 24 August 2012, for the purpose of considering and if deemed fit, passing the resolutions set out in the notice of general meeting attached to and forming part of this circular.

- 5.2 Details of the action required by NEPI shareholders are set out on page 2 of this circular.

## 6. 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 or which is pending or threatened against the NEPI group.

## 7. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the NEPI group between the end of the respective latest financial reporting period and the last practicable date.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 6 of this circular, individually and collectively, 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 that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the JSE Listings Requirements.

## 9. CONSENTS

Each of the corporate advisor, legal advisor as to South African law and JSE sponsor, the nominated advisor and broker in the UK, the company secretary, the legal advisor as to the Isle of Man law, the Romanian advisor, the Isle of Man administrator and registrar, the South African transfer secretaries, the UK transfer secretaries and the UK receiving agent whose names are set out in the "Corporate information" section, 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.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the company's South African transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, at the company's UK transfer secretaries, Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES and at the office of the company's nominated advisor and broker in the UK, Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY from Wednesday, 1 August 2012 to Friday, 24 August 2012:

- 10.1 a signed copy of this circular and notice of general meeting;
- 10.2 the articles of association of the company and its subsidiaries;
- 10.3 the amended articles of association of the company; and
- 10.4 the letters of consent referred to in paragraph 9.

Signed at Bucharest by Victor Semionov on his own behalf as a director and on behalf of all the other directors of the company, he being duly authorised in terms of powers of attorney granted to him by such other directors.



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**Board of directors**

Corneliu Dan Pascariu (*Chairman*)<sup>^</sup>

Martin Johannes Christoffel Slabbert (*Chief Executive Officer*)

Victor Semionov (*Financial Director*)

Desmond de Beer\*

Dewald Lambertus Joubert<sup>^</sup>

Michael John Mills<sup>^</sup>

Jeffrey Nathan Zidel<sup>^</sup>

\* Non-executive

<sup>^</sup> Independent non-executive

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**NOTICE OF GENERAL MEETING**

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Notice is hereby given that an extraordinary general meeting of NEPI shareholders ("**general meeting**") will be held at the registered office of the company being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man at 10:00 BST on Friday, 24 August 2012 for the purposes of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

**Important dates to note**

2012

Register time and date (10:00)	Wednesday, 22 August
Last day to lodge forms of proxy for the general meeting (by 10:00)	Wednesday, 22 August
General meeting held (at 10:00) on	Friday, 24 August

**Notes:**

All times indicated above are BST. The above dates and times are subject to change. Any changes will be released on SENS, RNS and the BVB.

**Special resolution number 1: Increase in company's share capital**

"Resolved as a special resolution that the company's share capital is hereby increased from €1 500 000 divided into 150 000 000 ordinary shares of €0.01 each to €3 000 000 divided into 300 000 000 ordinary shares of €0.01 each."

In order for special resolution number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

**Special resolution number 2: Amendment of Article 4 of the company's articles of association**

"Resolved as a special resolution that subject to the passing of special resolution 1 by the requisite majority that Article 4 of the company's articles of association be and it is hereby amended by deleting the references to €1 500 000 and 150 000 000 and replacing it with €3 000 000 and 300 000 000 respectively."

In order for special resolution number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

### Special resolution number 3: Amendment of Article 13 of the company's articles of association

"Resolved as a special resolution that Article 13 of the company's articles of association be and it is hereby amended by deleting Article 13 and replacing it with the following:

#### 13. Reduction of capital and allotment of shares *in lieu* of capital distributions

- 13.1 Subject to the satisfaction of the solvency test and to any rights for the time being attached to any shares, the board of directors of the company may reduce its share capital, any share premium account or any capital reserve in any manner, including but not limited to returning capital to the holders of ordinary shares by way of distribution in cash, the issue of ordinary shares credited as fully paid, or otherwise.
- 13.2 Subject to the satisfaction of the solvency test and to such conditions as the board may determine, the board may offer to any holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part (to be determined by the board) of any amount to be distributed in terms of article 13.1 and specified by the resolution. The following provisions shall apply in relation to such offer:
  - 13.2.1 the relevant value of the entitlement of each holder of ordinary shares to new ordinary shares shall be calculated in such manner as the board may determine on such basis as it considers to be fair and reasonable;
  - 13.2.2 no fractions of a share shall be allotted and in the case of offerees becoming entitled to shares in fractions securities will be rounded up or down based on standing rounding convention (i.e. allocations will be rounded down to the nearest whole number if they are less than 0,5 and will be rounded up to the nearest whole number if they are equal to or greater than 0,5) resulting in allocations of whole securities and no fractional entitlements;
  - 13.2.3 the directors may specify a minimum number of ordinary shares in respect of which the right of election may be exercised;
  - 13.2.4 the board shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them and specify the procedure to be followed and place at which and the latest time by which (being at least 15 business days after the despatch of the notice) elections must be lodged in order to be effective. A form of election lodged in respect of a particular distribution in relation to which the directors have announced their intention to offer elections may not be revoked as regards the said distribution unless prior to the latest time specified by the directors for lodgement of elections in respect of the said distribution written notice of revocation is lodged at the place specified by the directors as aforesaid;
  - 13.2.5 the board may exclude from any offer or impose any restrictions on any holders of ordinary shares or any ordinary shares in relation to which distributions are payable in foreign currency as they think necessary or desirable where the board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that such exclusions or restrictions are necessary or expedient;
  - 13.2.6 the board may determine that every duly effected election in respect of any ordinary shares shall be binding on every successor in title to their holder;
  - 13.2.7 the additional ordinary shares so allotted shall rank *pari passu* in all respects with each other and with all other fully paid ordinary shares in issue on the record date for the distribution in respect of which the right of election has been offered except that they will not rank for any dividend or other distribution or other entitlement (including the relevant distribution and the share election in lieu of such distribution) which has been declared, paid or made by reference to such record date or any earlier record date; and
  - 13.2.8 the board may terminate, suspend or amend any offer of the right to elect to receive ordinary shares *in lieu* of any cash distribution at any time (whether temporarily or otherwise)."

In order for special resolution number 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

### Special resolution number 4: Amendment of Article 72.1 of the company's articles of association

"Resolved as a special resolution that Article 72.1 of the company's articles of association be amended by inserting the following phrase after the word "Article" in the final paragraph of Article 72.1:

...and may at its discretion allow any proxy to be validly deposited, delivered or received after the time period before meetings by which proxies have to be deposited, delivered or received as provided for in this Article, but prior to the commencement of the relevant meeting."

This paragraph will accordingly read “...and an appointment of a proxy not deposited, delivered or received in a manner so permitted shall be invalid. The board may at its discretion treat a faxed or other machine made copy of a written instrument or electronic communication appointing a proxy as such an appointment for the purpose of this Article and may at its discretion allow any proxy to be validly deposited, delivered or received after the time period before meetings by which proxies have to be deposited, delivered or received as provided for in this Article, but prior to the commencement of the relevant meeting.”

In order for special resolution number 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

#### Special resolution number 5: Amendment of Article 140 of the company's articles of association

“Resolved as a special resolution that Article 140 of the company's articles of association be and it is hereby amended by deleting the existing Article 140, renumbering it as Article 139 and replacing it with the following:

#### 139. Payment of scrip dividends

Subject to the satisfaction of the solvency test and such conditions as the board may determine, offer to any holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part (to be determined by the board) of any dividend specified by the board. The following provisions shall apply:

- 139.1 the relevant value of the entitlement of each holder of ordinary shares to new ordinary shares shall be calculated in such manner as the board may determine on such basis as it considers to be fair and reasonable;
- 139.2 no fractions of a share shall be allotted and securities will be rounded up or down based on standing rounding convention (i.e. allocations will be rounded down to the nearest whole number if they are less than 0,5 and will be rounded up to the nearest whole number if they are equal to or greater than 0,5) resulting in allocations of whole securities and no fractional entitlements;
- 139.3 the directors may specify a minimum number of ordinary shares in respect of which the right of election may be exercised;
- 139.4 the board shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them and specify the procedure to be followed and place at which and the latest time by which (being at least 15 business days after the despatch of the notice) elections must be lodged in order to be effective. A form of election lodged in respect of a particular distribution in relation to which the directors have announced their intention to offer elections may not be revoked as regards the said distribution unless prior to the latest time specified by the directors for lodgement of elections in respect of the said distribution written notice of revocation is lodged at the place specified by the directors as aforesaid;
- 139.5 the board may exclude from any offer or impose any restrictions on any holders of ordinary shares or any ordinary shares in relation to which distributions are payable in foreign currency as they think necessary or desirable where the board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that such exclusions or restrictions are necessary or expedient;
- 139.6 the board may determine that every duly effected election in respect of any ordinary shares shall be binding on every successor in title to their holder;
- 139.7 the distribution (or that part of the distribution in respect of which a right of election has been offered) shall not be made in relation to ordinary shares in respect of which an election has been duly made (“**the elected ordinary shares**”) and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the board may capitalise out of any amount for the time being standing to the credit of any share premium or other capital reserves which could otherwise have been applied in making distributions in terms of Article 13.1 in cash as the board may determine, a sum equal to the aggregate issue price of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and issue to the holders of the elected ordinary shares on that basis;
- 139.8 the additional ordinary shares so allotted shall rank *pari passu* in all respects with each other and with all other fully paid ordinary shares in issue on the record date for the distribution in respect of which the right of election has been offered except that they will not rank for any dividend or other distribution or other entitlement (including the relevant distribution and the share election in lieu of such distribution) which has been declared, paid or made by reference to such record date or any earlier record date; and

139.9 the board may terminate, suspend or amend any offer of the right to elect to receive ordinary shares *in lieu* of any cash distribution at any time (whether temporarily or otherwise).

In order for special resolution number 5 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

#### **Special resolution number 6: Amendment of Article 142 of the company's articles of association**

"Resolved as a special resolution that Article 142 of the company's articles of association be and it is hereby amended by deleting the phrase "...with the authority of a resolution of the company" from the introductory paragraph of Article 142."

In order for special resolution number 6 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

#### **Special resolution number 7: Amendment of Articles 2.1, 5.1, 50.2, 51.1, 54, 65.2, 85, 131.1, 134, 137 and 146 of the company's articles of association**

"Resolved as a special resolution that in order to align the articles of the company with the JSE Limited Listings Requirements that Articles 2.1, 5.1, 50.2, 51.1, 54, 65.2, 85, 131.1, 134, 137 and 146 of the company's articles of association be and it is hereby amended as follows:

- (i) by inserting the following definitions in Article 2.1:
  - "Business Day" a day (other than a Saturday or Sunday) when banks generally are open for the transaction of normal banking business in the Isle of Man;
  - "JSE" Johannesburg Stock Exchange;
  - "JSE Listings Requirements" the Listings Requirements issued by the JSE from time to time;
- (ii) by inserting the following phrase at the end of Article 5.1
  - "Securities in each class for which listing is applied on the JSE must rank *pari passu* in respect of all rights."
- (iii) by inserting the following as Article 50.2
  - "All meetings convened in terms of the JSE Listings Requirements must be held "in person" and may not be held by means of a written resolution."
- (iv) by deleting Article 51.1 and replacing it with the following:
  - "Subject to Article 149.3.2, any annual general meeting and an extraordinary general meeting convened for the passing of a resolution and/or a special resolution shall be convened by not less than 15 business days' notice in writing. Notwithstanding that a meeting is convened by shorter notice than that specified in this Article, it shall be deemed to have been properly convened if it is so agreed by all the members entitled to attend and vote at the meeting."
- (v) by deleting the phrase "holding not less than one tenth of the issued share capital of the company" in Article 54 and replacing it with "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."
- (vi) by inserting the following phrase at the end of Article 65.2:
  - "The proposal of any resolution to shareholders that would result in the ratification of an act that is contrary to the JSE Listings Requirements is prohibited."
- (vii) by inserting the following phrase at the end of Article 85:
  - "Life directorships are not permissible."
- (viii) by inserting the following phrase at the end of Article 131.1:
  - "Any amount paid up in advance of calls on any share shall carry interest only and shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared."
- (ix) by inserting the following phrase at the end of Article 134:
  - "The company shall hold all monies due to shareholders in trust indefinitely subject to the laws of prescription."
- (x) by deleting Article 137 in its entirety.
- (xi) by deleting the reference to 21 clear days in Article 146 and replacing it with 15 business days."

In order for special resolution number 7 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

#### **Ordinary resolution number 1: Signature of documentation**

“Resolved that any director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of special resolution numbers 1, 2, 3, 4, 5, 6 and 7 passed by the shareholders in accordance with and subject to the terms thereof.”

In order for ordinary resolution number 1 above to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

#### **QUORUM**

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the company personally present or by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.

#### **VOTING AND PROXIES**

A form of proxy is attached for the convenience of certificated and “own-name” dematerialised shareholders who are unable to attend the general meeting, but who wish to be represented thereat. In order to ensure validity, duly completed and signed forms of proxy must be returned to the company’s registrar, Sabre Fiduciary Limited at the company’s registered office being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man, so as to be received by them by no later than 48 hours before the time that the meeting is due to commence.

If you are a dematerialised shareholder, other than with “own-name” registration, do not use this form. Dematerialised shareholders, other than with “own-name” registration, should provide instructions to their appointed CSDP, custodian or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP, custodian or broker.

Completion and return of a form of proxy does not preclude a shareholder from attending the general meeting and voting in person.

In order to have the right to attend and vote at the 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 10:00 BST on Wednesday, 22 August 2012 (“**the register time and date**”), being not more than two working days 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 meeting.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

By order of the board

**New Europe Property Investments PLC**

**Registered office**

2nd Floor, Anglo International House

Lord Street

Douglas

Isle of Man IM14LN





**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)

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

**Directors**

- Corneliu Dan Pascariu (*Chairman*)^
- Martin Johannes Christoffel Slabbert (*Chief Executive Officer*)
- Victor Semionov (*Financial Director*)
- Desmond de Beer\*
- Dewald Lambertus Joubert^
- Michael John Mills^
- Jeffrey Nathan Zidel^

\* Non-executive  
^ Independent non-executive

**FORM OF PROXY – GENERAL MEETING OF NEPI SHAREHOLDERS**

For use by NEPI shareholders entered in the register of members of the company by no later than 10:00 BST on Wednesday, 22 August 2012 ("the register time and date"), being not more than 48 hours before the time fixed for the general meeting of NEPI shareholders to be held on Friday, 24 August 2012 at the company's registered office being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man. Changes to entries in the register after the register time and date shall be disregarded in determining the rights of any person to attend and vote at the meeting.

I/We (block letters please)

of (address)

being the holder/s of  NEPI shares hereby appoint:

- 1. \_\_\_\_\_ or failing him/her,
- 2. \_\_\_\_\_ of failing him/her,

3. the chairman of the general meeting, as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the 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 general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner (see note 1):

	Number of votes		
	Shares		
	*For	*Against	*Abstain
Special resolution number 1: Increase in share capital			
Special resolution number 2: Amendment to Article 4 of the articles of association			
Special resolution number 3: Amendment to Article 13 of the articles of association			
Special resolution number 4: Amendment to Article 72.1 of the articles of association			
Special resolution number 5: Amendment to Article 140 of the articles of association			
Special resolution number 6: Amendment to Article 142 of the articles of association			
Special resolution number 7: Amendment to Articles 2.1, 5.1, 50.2, 51.1, 54, 65.2, 85, 131.1, 134, 137 and 146 of the articles of association			
Ordinary resolution number 1: Signature of documentation			

\* One vote per share held by NEPI shareholders recorded in the register on the voting record date.  
\* Mark "for", "against" or "abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

(State capacity and full name) \_\_\_\_\_

**Notes:**

1. The form of proxy is attached for the convenience of certificated and “own-name” dematerialised shareholders who are unable to attend the general meeting, but who wish to be represented thereat.
2. If you are a dematerialised shareholder, other than with “own-name” registration, do not use this form. Dematerialised shareholders, other than with “own-name” registration, should provide instructions to their appointed CSDP, custodian or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP, custodian or broker.
3. Completion and return of a form of proxy does not preclude a shareholder from attending the general meeting and voting in person.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder’s choice in the space. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder’s instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder’s votes exercisable thereat relating to the resolutions proposed in this form of proxy.
6. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company.
8. Where there are joint holders of shares:
  - (a) any one holder may sign the form of proxy; and
  - (b) the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.
9. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
10. Forms of proxy must be returned to the company’s registrar, Sabre Fiduciary Limited at the company’s registered office being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man, so as to be received no later than 48 hours before the time that the general meeting is due to commence.