

If you have disposed of all your shares in NEPI Rockcastle, this circular should be handed to the purchaser of such shares or to a central securities depository participant (“CSDP”), admitted institution, broker, custodian, banker or other agent through whom the disposal was effected.

THE ATTENTION OF SHAREHOLDERS IS DRAWN TO THE FACT THAT SHOULD THEY NOT ACTION THE CONTENTS OF THIS CIRCULAR, THEY WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE CASH DIVIDEND.

NEPI Rockcastle does not accept responsibility and will not be held liable for any failure on the part of the CSDP, admitted institution, broker or custodian to notify a shareholder of the proposals set out in this circular.

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

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

As required in terms of Isle of Man law, NEPI Rockcastle shareholders will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the return of capital. NEPI Rockcastle shares will instead be delivered to 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 return of capital or to any shareholding in NEPI Rockcastle before or after the implementation of the return of capital 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 are and will be registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Nederland”) for and on behalf of shareholders. NEPI Rockcastle shares traded on the JSE Limited (“JSE”) will be delivered in accordance with the rules of Strate Proprietary Limited and those traded on Euronext Amsterdam N.V. (“Euronext Amsterdam”) will be delivered in accordance with the rules of Euroclear Nederland.

Shareholders are referred to the “Salient Dates and Times” section on page 2 of this circular for the dates and times applicable in respect of the interim dividend.

THE ATTENTION OF SHAREHOLDERS IS DRAWN IN PARTICULAR TO THE FACT THAT THE SALIENT DATES AND TIMES APPLICABLE IN RESPECT OF SHARES TRADED ON THE JSE AND IN RESPECT OF SHARES TRADED ON EURONEXT AMSTERDAM, DIFFER, AND THAT TRANSFERS OF SHARES FROM THE JSE TO EURONEXT AMSTERDAM MAY NOT TAKE PLACE BETWEEN TUESDAY, 26 SEPTEMBER 2017 AND FRIDAY, 29 SEPTEMBER 2017, BOTH DAYS INCLUSIVE.



NEPI Rockcastle plc

(Incorporated and registered in the Isle of Man with registered number 014178V)

JSE share code: NRP Euronext Amsterdam share code: NRP

ISIN: IM00BDD7WV31

(“NEPI Rockcastle” or “the company”)

CIRCULAR TO NEPI ROCKCASTLE SHAREHOLDERS IN RESPECT OF THE DIVIDEND FOR THE SIX MONTHS ENDED 30 JUNE 2017

SALIENT DATES AND TIMES

For shareholders holding shares traded on the JSE

2017

Announcement on SENS regarding an election to receive either a cash dividend or a return of capital and issue of circular	Friday, 8 September
Announcement on SENS of the reference price and exchange rate by 11:00	Tuesday, 26 September
Last day to trade on the JSE in order to be eligible for the cash dividend or return of capital	Tuesday, 26 September
Shares commence trading on the JSE <i>ex</i> the dividend	Wednesday, 27 September
Announcement on SENS of cash payment applicable to fractional entitlements before 11:00	Thursday, 28 September
Record date for receipt of cash dividend or return of capital	Friday, 29 September
Return of capital elections to be made no later than 12:00	Monday, 9 October
Announcement on SENS of the number of new NEPI Rockcastle shares issued pursuant to the return of capital	Wednesday, 11 October
Payment of cash dividend, CSDP/broker accounts credited/updated and new NEPI Rockcastle shares listed on the JSE	Thursday, 12 October

Notes:

1. The above dates and times are subject to change. Any changes will be released on SENS and the website of the company at www.nepirockcastle.com.
2. NEPI Rockcastle shareholders are referred to page 4 of this circular for information on the action required to be taken by them.
3. For the avoidance of doubt, only those shareholders who hold NEPI Rockcastle shares on the record date will receive the cash dividend or be entitled to elect to receive the return of capital.
4. **New NEPI Rockcastle shares should not be traded until they are issued and reflect in CSDP broker accounts on Thursday, 12 October 2017.**
5. Transfers of shares between the JSE and Euronext Amsterdam may not take place between Tuesday, 26 September 2017 and Friday, 29 September 2017, both days inclusive. Accordingly, the above dates and times will apply in respect of all shares traded on the JSE at the commencement of trade from Tuesday, 26 September 2017.
6. Shares may not be dematerialised or rematerialised between Wednesday, 27 September 2017 and Friday, 29 September 2017 both days inclusive.

For shareholders holding shares traded on Euronext Amsterdam

2017

Announcement on the company website of reference price and exchange rate	Tuesday, 26 September
Shares commence trading on Euronext Amsterdam <i>ex</i> the dividend	Thursday, 28 September
Distribution of the Technical Information Memorandum	Thursday, 28 September
Start of election period	Thursday, 28 September
Record date for receipt of cash dividend or return of capital	Friday, 29 September
Accounts at Euroclear Netherlands of the Admitted Institutions will be credited with dividend rights	Monday, 2 October
Close of election period	Monday, 9 October
Payment of cash dividend, broker/custodian accounts credited/updated and new NEPI Rockcastle shares listed on Euronext Amsterdam	Thursday, 12 October

Notes:

1. The above dates and times are subject to change. Any changes will be released on the website of the company at www.nepirockcastle.com.
2. NEPI Rockcastle shareholders are referred to page 4 of this circular for information on the action required to be taken by them.
3. For the avoidance of doubt, only those shareholders who hold NEPI Rockcastle shares on the record date will receive the cash dividend or be entitled to elect to receive the return of capital.
4. **New NEPI Rockcastle shares should not be traded until they are issued and reflect in, broker custodian accounts on Thursday, 12 October 2017.**
5. Transfers of shares between the JSE and Euronext Amsterdam may not take place between Tuesday, 26 September 2017 and Friday, 29 September 2017, both days inclusive. Accordingly, the above dates and times will apply in respect of all shares traded on Euronext Amsterdam at the commencement of trade from Tuesday, 26 September 2017.

TERMS OF THE DIVIDEND FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. INTRODUCTION

On 11 July 2017, a merger transaction between New Europe Property Investments plc (“**NEPI**”) and Rockcastle Global Real Estate Company Limited (“**Rockcastle**”) was implemented, such that NEPI Rockcastle acquired 100% of the assets and liabilities of both NEPI and Rockcastle.

On 22 August 2017, NEPI Rockcastle released the unaudited condensed consolidated financial results for each of NEPI and Rockcastle for the six months ended 30 June 2017 and announced an interim dividend of 23.46 euro cents per NEPI Rockcastle ordinary share (“**share**” or “**NEPI Rockcastle share**”) in respect of the six months ended 30 June 2017 (“**interim dividend**”). The interim dividend has been calculated by dividing the aggregated distributable earnings of each of NEPI and Rockcastle for the six months ended 30 June 2017 by the total number of NEPI Rockcastle shares in issue.

The board of directors has resolved to offer to NEPI Rockcastle shareholders the election to receive the interim dividend as a return of capital by way of an issue of new shares of €0.01 each (of the same class as existing shares) credited as fully paid up (“**return of capital**”) and/or as a cash dividend.

The election is available in respect of all or part of a shareholder’s shareholdings as at the relevant record date set out in the “Salient Dates and Times” section on page 2 of this circular.

A cash dividend will be paid to shareholders unless they elect to receive a return of capital. NEPI Rockcastle shareholders who wish to receive the return of capital must ensure that their elections are lodged in accordance with the “Salient Dates and Times” section of this circular.

If no shareholders were to elect to receive the return of capital the total value of the cash dividend will amount to €126 438 560.07. The maximum number of shares to be issued if all shareholders elect to receive the return of capital will be announced on the company website and on SENS on Tuesday, 26 September 2017.

The rationale for the return of capital is to afford shareholders the opportunity to increase their shareholding in NEPI Rockcastle and to retain flexibility with regard to the company’s cash resources.

2. TERMS OF THE DIVIDEND

2.1 Cash dividend

South African resident shareholders who hold shares traded on the JSE will receive the cash dividend in South African Rand (“**ZAR**”). Non-resident shareholders who hold shares traded on the JSE have the option to receive the cash dividend in ZAR for the credit of their non-resident ZAR account or to receive the cash dividend in foreign currency, on the basis that the foreign currency is transferred to South Africa and converted to ZAR at the prevailing spot rate on the date of settlement, whereafter the ZAR amount will be transferred to the non-resident’s non-resident ZAR account. Thereafter the non-resident may utilise the ZAR in South Africa or transfer the funds to a nominated bank account abroad in the foreign currency of their choice.

Shareholders who hold NEPI Rockcastle shares traded on Euronext Amsterdam will receive the cash dividend in Euro.

The cash dividend will be paid out of the company’s distributable profits.

2.2 Return of capital

The return of capital will take place in accordance with article 141 of the company’s articles of association. The new NEPI Rockcastle shares to be issued pursuant to the return of capital are funded by way of a reduction of part of the company’s share premium account (which is a reduction of capital).

The number of shares to which a shareholder electing to receive the return of capital is entitled will be determined with reference to the ratio that 23.46 euro cents per share bears to a reference price of up to a 7% discount to the five-day volume weighted average traded price (less the cash dividend) of NEPI Rockcastle shares on the JSE, to be announced on Tuesday, 26 September 2017 (“**reference price**”). For NEPI Rockcastle shares traded on Euronext Amsterdam, the reference price will be converted to Euro at a ZAR:EUR conversion rate announced on Tuesday, 26 September 2017 (“**exchange rate**”) before 11:00.

The election may be made by shareholders in respect of all or part of their shareholdings as at the record date as set out in the “Salient Dates and Times” section on page 2 of this circular. Nominee shareholders are permitted to make elections on part of their shareholding.

NEPI Rockcastle reserves the right to reduce the number of new NEPI Rockcastle shares issued to an electing shareholder in respect of the return of capital if the issue of such shareholder’s full allocation of new NEPI Rockcastle shares would result in that shareholder (individually or together with any shareholders deemed to be acting in concert with such shareholder) having an interest in new NEPI Rockcastle shares that would ordinarily require the shareholder (or group of shareholders) to make a mandatory takeover offer pursuant to any applicable takeover, capital market or equivalent legislation. In such circumstances, the shareholder will receive the balance of their entitlement as a cash dividend.

The allocation of new NEPI Rockcastle shares will be such that shareholders who elect to receive the return of capital will not be allocated a fraction of a new NEPI Rockcastle share. Any entitlement to receive a fraction of a NEPI Rockcastle share will be rounded down to the nearest whole number, with a cash payment (“**cash payment**”) made to the relevant shareholder in respect of the fraction. The cash payment due to shareholders will be determined with reference to the weighted average traded price of shares on the JSE on Tuesday, 26 September 2017, less 10% (converted to Euro at the exchange rate in respect of those shares traded on Euronext Amsterdam) which amount will be announced on Thursday, 28 September 2017 before 11:00.

Application will be made to the JSE and Euronext Amsterdam to list the new NEPI Rockcastle shares issued in terms of the return of capital with effect from the commencement of trade on Thursday, 12 October 2017.

3. ACTION REQUIRED BY SHAREHOLDERS

If you wish to receive the cash dividend you need take no further action. You will receive the cash dividend on Thursday, 12 October 2017.

If you wish to receive the return of capital, please note the following action required to be taken by you:

3.1 If you hold shares traded on the JSE

Notify your duly appointed CSDP, broker or custodian that you wish to receive new NEPI Rockcastle shares pursuant to the return of capital in the manner and the time stipulated in the agreement governing your relationship with your CSDP, broker or custodian. Should you fail to do so, you will receive the cash dividend.

Shareholders' CSDP or broker accounts will be credited and updated with the new NEPI Rockcastle shares on Thursday, 12 October 2017.

3.2 If you hold shares traded on Euronext Amsterdam

Notify your custodian that you wish to receive new NEPI Rockcastle shares pursuant to the return of capital in the manner and the time stipulated in the agreement governing your relationship with your custodian. Should you fail to do so, you will receive the cash dividend.

Shareholders' accounts will be credited and updated with the new NEPI Rockcastle shares via the Admitted Institutions of Euroclear Netherlands on Thursday, 12 October 2017.

4. TAX IMPLICATIONS

4.1 SA resident shareholders

4.1.1 The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders.

4.1.2 For those South African resident shareholders receiving the cash dividend, such amount will be regarded as a foreign dividend and may be subject to South African dividends withholding tax at a rate of 20%, unless an exemption as set out in the South African tax legislation applies.

4.1.3 The receipt of NEPI Rockcastle shares by South African resident shareholders pursuant to the return of capital should not be classified as a dividend or a foreign dividend for South African tax purposes and accordingly, South African dividends withholding tax should not be levied on the new NEPI Rockcastle shares so received. However, the legislation in this regard is complex and its implementation is uncertain. Shareholders should therefore seek independent professional tax advice.

4.1.4 NEPI Rockcastle shareholders are advised to consult their professional advisors regarding the tax consequences of the cash dividend and the return of capital or should they be in any doubt as to the appropriate action to take.

4.1.5 There is no withholding tax payable in the Isle of Man.

4.2 Shareholders residing outside South Africa

The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders who are resident outside South Africa and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

5. EXCHANGE CONTROL REGULATIONS (FOR SHAREHOLDERS HOLDING SHARES TRADED ON THE JSE ONLY)

The following is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933, as amended ("**Exchange Control Regulations**"), and is applicable to shareholders holding shares traded on the JSE only.

All aspects relating to the Exchange Control Regulations will be managed by a shareholder's CSDP or broker. Shareholders who are in any doubt as to the appropriate course of action to take should consult their CSDP, broker or other professional advisors.

NEPI Rockcastle shares issued in terms of the return of capital are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations. Shareholders who hold shares traded on the JSE can only receive shares traded on the JSE.

5.1 Shareholders receiving the cash dividend

As the cash dividend will be paid out of the company's distributable profits, such dividends are freely transferable from South Africa. Receipt of cash by emigrants must be effected through an authorised dealer in foreign exchange controlling the shareholder's emigrant blocked assets.

5.2 Shareholders receiving the return of capital

Shares issued to non-residents will be credited to their CSDP or broker accounts and a "non-resident" annotation will appear in the CSDP or broker register. Future dividend payments will be credited directly to the bank accounts nominated for shareholders by their CSDP or broker.

Shares issued to emigrants will be credited to the emigrant blocked share accounts at the CSDP or broker controlling their blocked assets and a "non-resident" annotation will appear in the CSDP or broker register.

For further information please contact:

JSE sponsor

JAVACAPITAL

Java Capital +27 11 722 3052

Euronext listing agent

ING 

ING Bank +31 20 57 67 262