

If you have disposed of all of 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 Johannesburg Stock Exchange 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” sections 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 WEDNESDAY, 9 OCTOBER 2019 AND FRIDAY, 11 OCTOBER 2019, 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”)

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**CIRCULAR TO NEPI ROCKCASTLE SHAREHOLDERS IN RESPECT OF THE DIVIDEND FOR THE SIX MONTHS ENDED 30 JUNE 2019**

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## SALIENT DATES AND TIMES

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### For shareholders holding shares traded on the JSE

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2019

Announcement on SENS regarding an election to receive either a cash dividend or a return of capital and issue of circular	Monday, 23 September
Announcement on SENS of the reference price, scrip ratio and exchange rate before 11:00 South African time	Tuesday, 1 October
Last day to trade on the JSE in order to be eligible for the cash dividend or return of capital	Tuesday, 8 October
Shares commence trading on the JSE <i>ex</i> the dividend	Wednesday, 9 October
Announcement on SENS of cash payment applicable to fractional entitlements before 11:00 South African time	Thursday, 10 October
Record date for receipt of cash dividend or return of capital	Friday, 11 October
No corporate events due to Strate's migration to new settlement systems	Monday, 14 October
Return of capital elections to be made no later than 12:00 South African time	– Friday, 25 October
Announcement on SENS of the number of new NEPI Rockcastle shares issued pursuant to the return of capital	Monday, 28 October
Payment of cash dividend, CSDP/broker accounts credited/updated and new NEPI Rockcastle shares listed on the JSE	Tuesday, 29 October
	Friday, 1 November

#### 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](http://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 Friday, 1 November 2019.**
5. Transfers of shares between the JSE and Euronext Amsterdam may not take place between Wednesday, 9 October 2019 and Friday, 11 October 2019, 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 Wednesday, 9 October 2019.
6. Shares may not be dematerialised or rematerialised between Wednesday, 9 October 2019 and Friday, 11 October 2019, both days inclusive.

### For shareholders holding shares traded on Euronext Amsterdam

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2019

Announcement on company's website regarding an election to receive either a cash dividend or a return of capital and issue of circular	Monday, 23 September
Announcement on company's website of the reference price, scrip ratio and exchange rate before 11:00 South African time	Tuesday, 1 October
Shares commence trading on Euronext Amsterdam <i>ex</i> the dividend	Thursday, 10 October
Distribution of the Technical Information Memorandum	Thursday, 10 October
Record date for receipt of cash dividend or return of capital	Friday, 11 October
Start of election period	Monday, 14 October
Accounts at Euroclear Netherlands of the Admitted Institutions will be credited with dividend rights	Monday, 14 October
Close of election period	Monday, 28 October
Payment of cash dividend, broker/custodian accounts credited/updated and new NEPI Rockcastle shares listed on Euronext Amsterdam	Friday, 1 November

#### 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](http://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 Friday, 1 November 2019.**
5. Transfers of shares between the JSE and Euronext Amsterdam may not take place between Wednesday, 9 October 2019 and Friday, 11 October 2019, 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 Wednesday, 9 October 2019.

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## TERMS OF THE DIVIDEND FOR THE SIX MONTHS ENDED 30 JUNE 2019

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### 1. INTRODUCTION

On 23 August 2019, NEPI Rockcastle released its condensed consolidated financial results for the six months ended 30 June 2019 and announced an interim distribution of 29.02 eurocents per NEPI Rockcastle ordinary share (“**share**” or “**NEPI Rockcastle share**”) in respect of the six months ended 30 June 2019 (“**interim dividend**”).

The board of directors of the company 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 €170 010 445. 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, 1 October 2019.

The rationale for the return of capital is to offer 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 141.7 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 29.02 eurocents per share bears to a reference price of up to a 5% 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, 1 October 2019 (“**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, 1 October 2019 (“**exchange rate**”).

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.

The company reserves the right to reduce the number of new NEPI Rockcastle shares issued to electing shareholders in terms of the return of capital, on a *pro rata* basis. In such circumstance, shareholders will receive the balance of their interim dividend (net of withholding tax) in cash.

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 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 Wednesday, 9 October 2019, 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, 10 October 2019 before 11:00 am South African time.

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 Friday, 1 November 2019.

### 3. ACTION REQUIRED BY SHAREHOLDERS

If you wish to receive the cash dividend you need to take no further action. You will receive the cash dividend on Friday, 1 November 2019.

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 Friday, 1 November 2019.

#### 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 Friday, 1 November 2019.

### 4. TAX IMPLICATIONS

#### 4.1 South African 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:

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ING 

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