

10 November 2016

Ronson Europe N.V.

(incorporated in the Netherlands with registered number 24416758)



**Shareholders' Circular for the Extraordinary General Meeting
to be held on 22 December 2016**



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1. Letter from the CEO and the Chairman of the Supervisory Board

10 November 2016

To: Ronson Europe N.V. Shareholders

Dear Shareholder,

In December 2014, Global City Holdings B.V. ("**GCH**") announced that it was exploring its strategic options for selling all or part of its shareholding in Ronson Europe N.V. (the "**Company**"). GCH currently holds 39.8% of the shares in the Company through its indirect subsidiary, I.T.R. 2012 B.V. ("**ITR 2012**").

We are pleased to announce that the uncertainty relating to the Company's shareholder's intentions has now been resolved.

On 9 November 2016, the Company and ITR 2012 reached a conditional agreement (the "**Master Agreement**") on, among other things, the Company buying back the entire 39.8% shareholding in the Company held by ITR 2012, consisting of 108,349,187 shares (the "**Buyback Shares**"), in exchange for the sale of its interests in the Nova Krolikarnia real estate project (the "**Nova Project**") to ITR 2012 (the "**Transaction**"). The purchase price for the Buyback Shares will be PLN 1.30 per Buyback Share.

We are pleased to invite the Company's shareholders (the "**Shareholders**" or "**you**") to the extraordinary general meeting of shareholders of the Company due to occur on 22 December 2016 at 11:00 CET in Rotterdam, the Netherlands (the "**EGM**"). The pre-meeting that will be held in Warsaw, Poland at 15:00 CET on 19 December 2016. At the EGM, you will have the opportunity to vote on resolutions required for the execution of the Transaction. Shareholders who deposit, not later than on 15 December 2016, original registered depository certificates issued by authorised financial intermediaries in Poland maintaining securities accounts of those shareholders, which will evidence their shareholding in the Company at 24 November 2016 will be entitled to participate in the General Meeting.

The Company's supervisory board (the "**Supervisory Board**") formed a special committee comprising of independent members of the Supervisory Board (the "**Special Committee**") to consider whether the Transaction is in the interest of the Company and its stakeholders and to recommend the Transaction to the Management Board, the Supervisory Board and the general meeting of the Shareholders.



After careful and diligent analysis, the Supervisory Board and the Management Board (the "**Boards**") believe that the Transaction to be in the best interest of the Company, taking into account the interest of all its stakeholders, including the Shareholders. The Boards believe that the Company will strategically benefit from the Transaction because, among other things:

- (i) the uncertainty connected with the planned change of a major shareholder is being addressed; the Company will be controlled by one dedicated shareholder with clear strategic view and long term plan to develop the Company;
- (ii) the Company can buy back a substantial number of Shares with a discount to the recent Share price and equity value of the Shares;
- (iii) the Company will realise an immediate profit on the Nova Project today instead of in 4 to 5 years, additionally the Company will receive the cash consideration of approximately PLN 21 million which can be immediately reinvested in new projects, some of them already being identified;
- (iv) the Company will receive additional profit from managing the Nova Project on commercial terms;
- (v) the free float of the Company will immediately increase from 20.4% to 33.9%;
- (vi) the equity per (effective) Share will increase by 28.3% as a result of the Transaction.
- (vii) the Company will receive for four years (A) an option in relation to the joint development of residential real estate projects in Poland that GCH and its affiliates will undertake or enter into other than the Nova Project (the "**Option on Development**") and (B) a right of first offer to acquire a minority interest in residential real estate projects in Poland that GCH and its affiliates wish to sell (the "**Minority Co-Investment ROFO**");

Therefore, for the reasons stated above and set out in more detail in this document (the "**Circular**"), in particular Part 4 (*The Transaction*), the Boards believe that the Transaction presents an attractive opportunity for all Shareholders. The Boards fully support the Transaction as part of the strategic future of the Company and unanimously recommend all Shareholders to vote in favour of the Resolution.

This Circular serves as written information as referred to in best practice provision IV.3.8 of the Dutch corporate governance code to provide information in respect of the Transaction. This Circular contains, among other things, the agenda and explanatory notes for the EGM. The Company urges all Shareholders to read it carefully before making any decision on the Resolution.

We encourage all Shareholders to vote at the forthcoming EGM. You can do so either in person or by submitting a proxy in the process as set out in the convocation to the EGM attached hereto as Appendix C (the "**Convocation**") and related documents to the EGM.



Yours faithfully,

Shraga Weisman
Chief Executive Officer

Mark Segall
Chairman of the Supervisory Board



2. Important Information

2.1. General

If you are in any doubt about the contents of this Circular or the action you should take, you are recommended immediately to seek your own personal financial advice from your authorised stockbroker, bank manager, lawyer, accountant or other independent financial adviser who specialises in advising on shares or other securities in the relevant jurisdiction.

You are advised to review this Circular and in particular the agenda and notes to the Resolution in Part 3 (*Agenda and Proposed Resolutions*) thoroughly and completely and to seek independent financial, tax or legal advice where appropriate in order to reach a balanced judgment with respect to the approval of the Resolution.

This Circular is published in English and Polish. Terms used in this Circular are defined in Appendix A.

2.2. Purpose of this Circular

This Circular is provided by the Company to you solely for the purpose of providing you with further information on the Resolution. All documents prepared for the purpose of the EGM (both in English and in Polish) are posted on the Company's website at www.pwp.ronson.pl, including:

- (A) this Circular,
- (B) the Agenda (see Part 3), and
- (C) the Convocation (see Appendix C).

2.3. Forward-looking statements

Certain statements contained in this Circular are not historical facts but rather statements of future. These forward-looking statements are based on the Company's current plans, expectations and projections about future events. Any forward-looking statements speak only as of the date they are made and are subject to uncertainties, assumptions and risks that may cause the events to differ materially from those anticipated in any forward-looking statement. Such forward-looking statements include, without limitation, improvements in process and operations, new business opportunities, performance against Company's targets, new projects, future markets for the Company's products and other trend projections. For the avoidance of any doubts, this Circular does not contain any forecast about the Company's and its capital group's financial results.



3. Agenda and Proposed Resolutions

For the EGM, the following agenda (the "**Agenda**") is adopted on the basis of article 33.4 of the articles of association of the Company (the "**Articles**") by the Management Board and the Supervisory Board in accordance with article 33.2 of the Articles:

1. Opening of the EGM
2. Discussion on the Transaction
3. Authorisation of the Management Board to acquire Shares, subject to the resolution for agenda item 5 being adopted by the EGM*
4. Cancellation of Shares, subject to the acquisition of the Shares by the Company**
5. Consent to the acquisition, directly or indirectly, of a controlling interest in the capital of the Company without a public offer made by Amos Luzon Development and Energy Group Ltd. ("**Luzon Group**") or any person directly or indirectly controlling or controlled by Luzon Group (including I.T.R. Dori B.V.), as would otherwise be required in the Decree providing for Exemptions in respect of Takeover Bids (*Vrijstellingsbesluit overnamebiedingen Wft*)***
6. Any other business
7. Closing of the EGM

*The item marked with * requires a resolution to be passed at the EGM.*

*The item marked with ** requires a resolution to be passed at the EGM.*

*The item marked with *** requires a resolution to be passed at the EGM, adopted with a majority of at least 90% of the votes cast, excluding the votes of the Luzon Group and Shareholder(s) acting in concert with the Luzon Group.*

Proposed Resolutions

With a view to agenda items 3, 4 and 5, the resolutions below are proposed by the Management Board and the Supervisory Board. Both Boards unanimously recommend that the EGM adopts these proposed resolutions (the "**Proposed Resolutions**").

After the proposed resolutions, a short explanation follows for the Shareholders' consideration before voting on their adoption of the Proposed Resolutions.

Agenda item 3

Shareholders are explicitly invited to consider the prevailing Articles, in particular, chapter IV and chapter IX of the Articles being the provisions governing the general meeting of Shareholders and the repurchase by the Company of Shares.



Resolution for agenda item 3.

To authorise – in accordance with section 2:98(4) of the Dutch Civil Code and article 8.4 of the Articles and subject to the resolution for agenda item 5 being adopted by the EGM – the Management Board to acquire Shares for a period of 18 months starting the day of the EGM, 22 December 2016, and ending 22 June 2018. The number of Shares to be acquired shall be limited to a maximum of 40% of the issued capital as of 25 November 2016.

The Shares may be acquired from ITR 2012 on the stock exchange or through other means at a price per Share of at least the PLN equivalent of the nominal value of the Share and at most PLN 1.30.

Resolutions by the Management Board to acquire Shares are subject to the approval of the Supervisory Board.

Agenda item 4

It is being proposed to cancel all of the 108,349,187 Buyback Shares, which Buyback Shares are to be acquired by the Company from ITR 2012. The cancellation intends to solidify the benefits of the Transaction for the Company, especially (i) by ensuring that the Company will be controlled by one dedicated shareholder with a clear strategic view and long term plan to develop the Company, and (ii) by increasing the equity per Share.

The Company will file the shareholders' resolution to cancel the Buyback Shares with the Dutch trade register and will announce this resolution in a Dutch nationally distributed daily newspaper. This will be followed by a 2 month objection period in accordance with section 2:100 of the Dutch Civil Code, in which period creditors of the Company may object to the cancellation of the Buyback Shares.

Resolution for agenda item 4

To, in accordance with article 9.1 of the Articles, cancel all 108,349,187 Buyback Shares, which Buyback Shares are to be acquired by the Company from ITR 2012, subject to the acquisition of these Buyback Shares by the Company.

Agenda item 5

As at the date hereof, 39.78% of the outstanding Shares are held by ITR 2012 and 39.78% of the outstanding Shares are held by Luzon Group (formerly named U. Dori Group Ltd). ITR



2012 and Luzon Group hold these Shares through a jointly controlled partnership formed under Dutch law between ITR 2012 and I.T.R. Dori B.V. and through a jointly controlled company formed under Dutch law between ITR 2012 and Luzon Group.

To facilitate the Transaction, by no later than completion of the Transaction, a Share restructuring will take place to procure that ITR 2012 will hold the Shares in the Company directly instead of through the jointly controlled partnership and company. As a result hereof, Luzon Group will acquire a controlling interest in the Company.

Pursuant to section 5:70 of the Dutch Financial Supervision Act, any party that, either on its own or together with persons with which it acts in joint consultation, acquires, either directly or indirectly, predominant control (30% or more of the voting rights) over a public limited liability company having its registered office in the Netherlands whose shares are admitted to trading on a regulated market, shall make a public takeover bid for all the shares. However, by the adoption of the below resolution for agenda item 5 with a majority of at least 90% of the votes cast, excluding the votes of the acquirer Luzon Group and the Shareholder(s) acting in concert with the Luzon Group, this requirement for Luzon Group and the persons controlling or controlled by Luzon Group to make a public takeover bid for all Shares may be irrevocably waived by the EGM.

Since the position of Luzon Group will not materially change as a result of the Share restructuring and the Transaction, Shareholders are invited to waive the requirement for Luzon Group and the persons controlling or controlled by Luzon Group to make a public takeover bid for all Shares.

Resolution for agenda item 5.

To consent to the acquisition of a controlling interest in the capital of the Company without making a public offer by Luzon Group or any person directly or indirectly controlling or controlled by Luzon Group, as provided in the Decree providing for Exemptions in respect of Takeover Bids (Vrijstellingsbesluit overnamebiedingen Wft).



4. The Transaction

4.1. Strategic rationale for the Transaction and the decision-making process

Recently there has been uncertainty on the position of the Company's major Shareholder. ITR 2012 has indicated that it wishes to sell its interest. A sale by the major Shareholder of such a large interest at WSE would most likely have a negative impact on the Share price. In addition, the Company would like to continue its relationship with GCH.

This uncertainty has come to an end with the Transaction. ITR 2012 and the Company have agreed to end ITR 2012's shareholding while continuing a strategic relationship between the Company and GCH. Luzon Group supports the Transaction and will remain an important Shareholder in the Company. The Company sees the Transaction as a way to (i) buy back Shares at a discount to the recent Share price and equity value of the Shares and sell the Nova Project with a profit, (ii) strengthen its mutually beneficial relationship with GCH and (iii) increase the free float of the Shares.

The Boards thoroughly considered the merits of the Transaction. During the transaction process, after careful review, they arrived at the conclusion that the Transaction was in the best interest of the Company, the Shareholders and other stakeholders, such as employees, customers and suppliers of the Company.

In reaching their decision to agree to the Transaction and to recommend that the Shareholders vote in favour of the Proposed Resolutions, the Management Board and the Supervisory Board consulted with their advisors and the Special Committee. The Management Board and the Supervisory Board considered both the financial and non-financial consequences of the Transaction, as detailed in Part 4.3 (*Description of the Transaction*), Part 4.4 (*Option on Development and Minority Co-Investment ROFO*) and Part 4.5 (*Financial aspects of the Transaction*).

4.2. Special Committee

From 29 September 2016 onwards, the independent members of the Supervisory Board (being Yair Nahman Shilhav, Przemyslaw Kowalczyk and Reuben Sharoni) formed the Special Committee to make a recommendation to the Boards regarding the Transaction.

The members of the Special Committee do not have a business relationship with major Shareholders and do not serve on any board of, or are in any other way connected to, major Shareholders or any of their associated companies (other than the Company and its subsidiaries).



The Special Committee met on 29 September and 10 October 2016.

The full Terms of Reference of the Special Committee are attached to this Circular in Appendix B. The Special Committee has engaged Weil, Gotshal & Manges and Houthoff Buruma as Polish and Dutch legal advisors, respectively, and Cushman & Wakefield as independent real estate appraiser to assist in conducting the review of the Transaction.

The Members of the Supervisory Board (including the members of the Special Committee) will attend the EGM and the pre-meeting and address the Shareholders with its recommendations for the Transaction.

4.3. Description of the Transaction

On 9 November 2016, the Company and ITR 2012 entered into the Master Agreement, which sets out the details of the Transaction. Below is a summary of the main elements of the Master Agreement.

- ITR 2012 will purchase from the Company the shares in several project companies and a land bank company which jointly hold the Nova Project (the "**Project Companies**") and acquire an IP License (as defined below) for a consideration consisting of:
 - (i) the Buyback Shares, valued at PLN 140,853,943.10; and
 - (ii) an additional cash payment reflecting part of expenditures on the Nova Project prior to completion of the Transaction (the "**Additional Cash Consideration**").
- The Transaction is subject to (w) the resolutions for agenda items 3 and 5 being adopted by the EGM and (x) certain consents in respect of the finance facilities relating to the Nova Project, (y) certain security existing in relation to the Nova Project being released, and (z) a share restructuring at shareholder level being completed by no later than the completion of the Transaction.
- The Company will provide limited representations and warranties in respect of the shares in the Project Companies and real estate that forms part of the Nova Project.



Share Buyback

The Company will buy back all 108,349,187 of the Buy-Back Shares that ITR 2012 currently holds in the Company (constituting 39.8% of the Shares) for the purchase price of PLN 1.30 per Share (in total PLN 140,853,943.10) in exchange for: (i) the sale by the Company of the Nova Project to ITR 2012 for the purchase price of approximately PLN 161.8 million; and (ii) the payment by ITR 2012 of the Additional Cash Consideration.

The Nova Project

The Nova Project is being developed on a 17,100 m² strip of land located along Jaśminowa Street in the Mokotów district in Warsaw, Poland. The first stage of this project will comprise up to 98 apartments and 8 commercial units with an aggregate floor space of 10,600 m², which will be developed in smaller sections that may be completed separately. The construction of the Nova Project commenced in June 2016, while the completion of the first section is expected in the fourth quarter of 2017. The full Nova Project is expected to complete in 2022.

The Additional Cash Consideration

As part of the consideration for the sale of the Nova Project and granting the IP License, the Company will be entitled to receive from ITR 2012 an additional cash payment reflecting part of expenditure on the Nova Project prior to completion of the Transaction (the “**Additional Cash Consideration**”). The Additional Cash Consideration is expected to be approximately PLN 21 million.

Conditions precedent

The Company, GCH and Luzon Group have agreed that the Transaction will be subject to a limited set of conditions precedent only:

- the adoption by this EGM of the resolutions for agenda items 3 and 5;
- a consent executed by the bank financing the Nova Project under the finance facilities (the “**Project Finance Facilities**”) in relation to the Transaction;
- certain security existing in relation to the Nova Project being released; and
- a Share restructuring at Shareholder level being completed by no later than the completion of the Transaction.



Grant of IP Licence

As part of the Transaction, the Company will grant to each Project Company and each member of GCH's group a fully paid-up, royalty free, irrevocable perpetual licence (the "**IP Licence**") to use the names "Ronson", "Nova" and "Nova Krolikarnia", including any variation, translation or transliteration thereof, in connection with the development and/or sale of the Nova Project.

Tax payable in connection with the Transaction

The Company and ITR 2012 have agreed to share, on a 50/50 basis, any capital gains taxes resulting from the Transaction after use of any available allowances. Part of the purchase price for the Nova Project comprises ITR 2012's share of these taxes.

Termination of the Master Agreement

ITR 2012 may terminate the Master Agreement prior to completion of the Transaction in the event of certain material breaches of the warranties given under the Master Agreement and the covenants regarding the interim period from signing to completion of the Transaction given under the Master Agreement.

Governing law and jurisdiction

The Master Agreement is governed by Dutch law and the Dutch Courts will have exclusive jurisdiction in respect of any disputes arising out of or in connection with the Master Agreement.

4.4. Option on Development and Minority Co-Investment ROFO

The Company will receive an option in relation to the development of residential real estate projects in Poland that GCH and its affiliates will undertake or enter into other than the Nova Project (the "**Option on Development**"). The Company will have the right to acquire a 50% interest in such projects based on the market value of the property at such time as prepared by a third party real estate appraiser. If the Company wishes to participate in a project, it will also fund 50% of the amount required to develop the project.

The Company has a right of first offer to acquire a minority interest that GCH and its affiliates wish to sell in any residential real estate projects in Poland (the "**Minority Co-Investment ROFO**"). The Company will have the right to acquire such interest at the acquisition price and funding and other terms as proposed by GCH. If the Company and GCH and its affiliates fail to agree on the terms or the Company indicated that it does not wish to invest, GCH and its affiliates may permit a third party co-investor to invest, provided the terms of such investment



are no more favourable in any material respect to such co-investor than the terms proposed to the Company.

These arrangements will terminate upon the earlier of (x) the fourth anniversary of the completion of the Transaction, (y) Luzon Group no longer holding more than 50% of the Shares (excluding any Shares held in treasury), or (z) a material breach by the Company, Luzon Group or their respective groups of the Master Agreement or an agreement dated 9 November 2016 between Luzon and ITR 2012 in relation to the implementation of the Master Agreement.

4.5. Financial aspects of the Transaction

The aggregate consideration to be paid for the Nova Project is expected to be around PLN 161.8 million (depending on the amount of expenditure on the Nova Project prior to Completion). As a result of the Transaction the Company is expected to realise a profit of PLN 45 million on the sale of the Nova Project.

The Company is buying back its Shares at a discount of 23.1% below the Share equity value, which is expected to improve the equity per Share from PLN 1.68 per Share (as at 30 June 2016) to PLN 2.16 per Share, representing a 28.3% increase.

This calculation is based on the decrease in shareholder equity of PLN 140.9 million (the treasury shares) and the increase of PLN 36.6 million from the sale of the Nova Project. The Buyback Shares acquired by the Company under the Transaction, 108,349,187 Shares in total, are disregarded for the purpose of this calculation.

Following the Transaction, the Company's net debt is expected to decrease by the amount of the Additional Cash Consideration. According to the Company's projections, the net debt to equity ratio will remain at a level below 50% for the forecasted future.

Valuation of the Shares

The Company will buy back the Buyback Shares for a purchase price of PLN 1.30 per Share. This represents a discount of 1.5% in respect of the closing price on 9 November 2016 and a discount of 22.6% in respect of the equity value per Share as of 30 June 2016.

The average closing price per Share, as derived from FactSet, for the last six months from 9 May 2016 until 9 November 2016 (being the last business day prior to the circulation of this circular) is PLN 1.42 which represents a discount of 8.3%.

Valuation of the Nova Project

An independent valuation of the Nova Project was conducted at the request of the Company by Cushman and Wakefield. Cushman and Wakefields' main findings are as follows:

Location/Situation: The Property is located in the Mokotów district of Warsaw on Jaśminowa Street in close proximity to Królikarnia Park. The



neighbourhood is a combination of residential and undeveloped greenfield areas.

Description: Development land consisting of 37 land plots constituting three divided complexes with a total area of 82,699 m² designated for development of a multi-family residential estate including internal roads and green areas. The planned total usable area is 40,800 m². Rights to the property are described in 12 perpetual books.

As at the valuation date Phase I has a building permit and construction is underway with 15% of costs, including some utility connections, already expended.

The property has access to Jasminowa Street which is a public road. Access to utilities is limited and available at the Property's border.

Planning: In the Master Plan the subject site is zoned for single-family and multi-family uses, partly for services (sport, tourism and education) with 13% of land designated for internal roads.

Tenure: The interest valued is that of Ownership.

Methods of valuation: Comparable / residual

Market value: PLN 147,200,000

4.6. Indicative Timetable

For information purposes, the proposed timetable for the Transaction is:

Date	Event
10 November 2016	Publication of this Circular
19 December 2016	EGM pre-meeting in Warsaw, Poland
22 December 2016	EGM in Rotterdam, the Netherlands
23 December 2016	Expected completion of the Transaction



5. Support and Recommendation of the Boards

The Management Board and the Supervisory Board unanimously determined, on the basis of various considerations (including those set out in Part 4.3 (*Description of the Transaction*), Part 4.4 (*Option on Development and Minority Co-Investment ROFO*) and Part 4.5 (*Financial aspects of the Transaction*), that the Transaction is in the best interests of the Company, the Shareholders and other stakeholders, such as employees, customers and suppliers of the Company. For this purpose, the Boards have conducted discussions with their legal advisors, Weil, Gotshal & Manges and Houthoff Buruma and the independent real estate appraiser Cushman & Wakefield acting for the Company.

Accordingly, the Boards unanimously recommend that the Shareholders vote in favour of the Proposed Resolutions.



6. Additional Information

6.1. Directors and registered office

Directors and their principal functions are as follows:

Name	Current Position
Tomasz Lapinski	Managing Director A, Chief Financial Officer (independent)
Andrzej Gutowski	Managing Director A, Sales & Marketing Director (independent)
Shraga Weisman	Managing Director A, Chief Executive Officer (independent)
Erez Hanoch Yoskovitz	Managing Director B
Roy Vishnovizki	Managing Director B
Mark Segall	Supervisory Director
Yair Nahman Shilhav	Supervisory Director (independent)
Reuben Sharoni	Supervisory Director (independent)
Przemyslaw Kowalczyk	Supervisory Director (independent)
Amos Luzon	Supervisory Director

The registered office of Ronson Europe N.V. is Weena 210-212, 3012 NJ Rotterdam, the Netherlands.

6.2. Substantial Shareholders

Based on notifications made by the Shareholders, the following Shareholders have pre-existing interests in the Company of 3% or more in the capital of the Company:

Shareholder	Number of Shares <i>(as of 9 November 2016)</i>	% of Shares <i>(as of 9 November 2016)</i>
ITR 2012	87,449,187	32.10%
I.T.R. Dori B.V.	87,449,187	32.10%
RN Residential B.V. ¹	41,800,000	15.34%
Metlife Otwarty Fundusz	N/A	between 3%-5%
Nationale Nederlanden Otwarty Fundusz Emertalny	N/A	between 5%-10%

¹ RN Residential B.V. is a Dutch company jointly controlled by Luzon Group and ITR 2012.



6.3. Significant or material changes

Save as disclosed in this Circular, there has been no significant change in the financial or trading position of the Company since 30 June 2016 (the date up to which the latest interim financial report has been prepared).

The value of the Shares is subject to stock market and exchange rate fluctuations, and the WSE or global markets or the Company may experience a material adverse effect due to reasons beyond its control.

6.4. Documents available for inspection

Your attention is drawn to the following documents (or parts thereof) that are incorporated by reference into this Circular and copies of which have been made available for viewing by Shareholders on the Company's website at www.pwp.ronson.pl:

- a. the Articles,
- b. the Company's annual report for the financial year 2015, and
- c. the Company's semi-annual report dated 30 June 2016.

The documents referred to above are also available for Shareholders' inspection at the Company's offices in the Netherlands at Weena 210-212, 3012 NJ Rotterdam and at the Company's offices in Poland at 57 Komisji Edukacji Narodowej Avenue, Warsaw during business days, Monday through Friday, between 9:00 and 17.00 CET.

Appendix A Definitions

Unless the context requires otherwise, the following terms and expressions used in this Circular shall have the following meanings (with terms and expressions defined in the singular having a corresponding meaning when used in the plural and vice versa):

Additional Cash Consideration	an additional cash payment reflecting part of expenditure on the Nova Project prior to completion of the Transaction
Agenda	the agenda for the EGM, as included in the Convocation
Articles	the articles of association of the Company dated 30 June 2011
Boards	the Management Board and the Supervisory Board jointly
Buyback Shares	108,349,187 Shares, being 39.78% of the Shares, held by ITR 2012
Circular	this shareholders' circular
Company	Ronson Europe N.V.
Convocation	the convening notice with respect to the EGM, as included in this Circular
EGM	the extraordinary General Meeting to be held on 22 December 2016 on 11:00 CET in Rotterdam, the Netherlands
GCH	Global City Holdings B.V.
IP Licence	a fully paid-up, royalty free, irrevocable perpetual licence to use the names "Ronson", "Nova" and "Nova Krolikarnia", including any variation, translation or transliteration thereof, in connection with the development and/or sale of the Nova Project
ITR 2012	I.T.R. 2012 B.V.
Management Board	the management board (<i>bestuur</i>) of the Company
Master Agreement	that certain agreement between ITR 2012 and the Company to carry out and perform the Transaction
Minority Co-Investment ROFO	the right of first offer to acquire any minority interest that GCH and its affiliates wish to sell in residential real estate projects in Poland
Nova Project	the real estate interests in the Nova Krolikarnia project located in the Mokotów district in Warsaw at Jaśminowa Street



Option on Development	the option in relation to the joint development of residential real estate projects in Poland that GCH and its affiliates will undertake or enter into other than the Nova Project
Purchase Price	PLN 1.30
Project Companies	several project companies and a land bank partnership which jointly hold the Nova Project
Project Finance Facilities	the finance facilities relating to the Nova Project
Proposed Resolutions	resolutions for agenda items 3, 4 and 5 provided in Part 3 (<i>Agenda and Proposed Resolutions</i>)
Shareholders	holders of Shares
Shares	the bearer shares in the capital of the Company, having a nominal value of EUR 0.02 each
Special Committee	the special committee established by the Supervisory Board on 29 September 2016 to identify, develop, evaluate and consider alternatives and make recommendations regarding the Transaction
Supervisory Board	the supervisory board (<i>raad van commissarissen</i>) of the Company
Transaction	the transaction as set out in the Master Agreement
WSE	Warsaw Stock Exchange



Appendix B Special Committee Terms of Reference

SPECIAL COMMITTEE TERMS OF REFERENCE

for

RONSON EUROPE N.V. (THE "COMPANY")

Terms of Reference of the special committee consisting of independent Supervisory Directors

1. FORMATION AND COMPOSITION

- 1.1. The Company considers entering into a transaction with Global City Holdings B.V. ("**GCH**") and I.T.R. 2012 B.V. ("**ITR 2012**"), which is an indirect subsidiary of GCH, whereby the Company, among other things, will buy-back all shares in the Company held by ITR 2012, being 39.78% of the issued and outstanding share capital of the Company, in exchange for its interests in the Nova Krolikarnia real estate project (the "**Nova Project**") to ITR 2012 (the "**Transaction**").
- 1.2. The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognises that related party transactions can present a risk of actual or apparent conflicts of interest of the members of the Company's management board (the "**Managing Directors**"), members of the Company's supervisory board (the "**Supervisory Directors**") and directors et cetera, with the interest of the Company.
- 1.3. The supervisory board of the Company (the "**Supervisory Board**") resolved on 29 September 2016 to establish a special committee consisting of independent Supervisory Directors (the "**Special Committee**"). The purpose of the Special Committee shall be to consider the Transaction independent from major shareholders of the Company and the Managing Directors and Supervisory Directors appointed at their direction and recommend the Transaction to the Management Board, the Supervisory Board and the general meeting of the shareholders of the Company for approval.
- 1.4. The Special Committee shall have the terms of reference set out herein and which were adopted by the Supervisory Board on 6 October 2016. The Special Committee shall not have executive power.



- 1.5. Each Supervisory Director and Managing Director has counter-signed a copy of these terms of reference to acknowledge and confirm his understanding of and intention to comply with these terms of reference to the fullest extent.
- 1.6. Each Supervisory Director who is a member of the Special Committee has duly confirmed that he meets the independence criteria under article 20.2 of the articles of association of the Company.
- 1.7. The Supervisory Director may call each meeting of the Special Committee, which may be called at short notice, and will set the agenda for each meeting.
- 1.8. The Special Committee may request that any Managing Director, director, officer or other key employee of the Company's group, or any other individuals whose advice and counsel are sought by the Special Committee, attend all or part of any meeting and provide such relevant information as the Special Committee requires and the Special Committee shall be authorised to get any assistance and/or answers from any such key members of the Company.

2. RESPONSIBILITY AND AUTHORITY

- 2.1. The Supervisory Board has delegated to the Special Committee responsibility for considering the Transaction.
- 2.2. The Special Committee shall:
 - a. consider whether:
 - (i) the Transaction is in the interests of the Company and its stakeholders, including its independent shareholders (being those shareholders not forming part of or being in any way related to the controlling shareholders);
 - (ii) the terms and conditions of the Transaction are fair and on arm's length basis, and whether the terms and conditions would be applied on the same basis if the Transaction did not involve a controlling shareholder;
 - (iii) there are any compelling business reasons for the Company to enter into the Transaction;
 - (iv) the Transaction would affect the independence of an independent Supervisory Director; and
 - (v) the Transaction includes any potential reputational risk issues that may arise as a result of or in connection with the Transaction;
 - b. seek any information or materials it requires from the Company relevant for the assessment of the Transaction;
 - c. solicit the views of the Company's executive team regarding the terms and conditions of the Transaction (or any reports, studies or information relating



thereto) in order to assist it in its review and evaluation of such terms and conditions;

- d. call any group employee or officer to be present at its meetings as and when required; and
 - e. authorise the release of any document, announcement, advertisement, script or other communication in connection with the Transaction.
- 2.3. The Special Committee shall provide its recommendations in respect of the Transaction to the Management Board, the Supervisory Board and the general meeting of the shareholders of the Company.

3. BOARD CONFIRMATIONS

- 3.1. The Management Board will use its best endeavours to procure the prompt cooperation of the Managing Directors, the Company and its directors, officers, employees and advisers to ensure that the Special Committee can carry out its responsibilities and exercise the authorities set out in paragraph 2 above. Where the prior approval of the Special Committee is required in relation to the publication or release of a document or communication, a reasonable period of time must be given to the Special Committee to review such document or communication. No document or communication is published or released independently by the Special Committee without the prior approval of the Management Board and the legal counsellor of the Company.
- 3.2. The Company shall ensure that:
- a. no director, officer, employee or adviser of the Company takes any action or deliberately omits to take any action which may or could have a material impact on the Transaction without obtaining the prior consent of the Special Committee;
 - b. any communications received by the Management Board or the Supervisory Board in relation to the Transaction or any matter which may or could have a material impact on the Transaction are immediately passed on to the Special Committee;
 - c. no shareholder recommendation is made or document, communication or announcement published or released in relation to the Transaction or any matter which may or could have a material impact on the Transaction without the prior approval of the Special Committee;
 - d. the Special Committee is informed of any material developments relating to the Company or any member of its wider group.



4. QUORUM AND ADMINISTRATION

- 4.1. The quorum necessary for the transaction of business at Special Committee meetings shall be two thirds of the members of the Special Committee (one of whom shall be the Chairman or his designate, as the case may be).
- 4.2. A duly convened meeting of the Special Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Special Committee.
- 4.3. The Special Committee shall meet whenever necessary to fulfil its responsibilities.
- 4.4. Meetings of the Special Committee may be conducted when the members are physically present or in the form of either video or audio conferences.

5. DURATION

The Special Committee shall remain in place until the earlier of completion of the Transaction and 31 March 2017.



Appendix C Convocation

General Meeting of Shareholders of Ronson Europe N.V. in Rotterdam, the Netherlands

The management board of Ronson Europe N.V. with its corporate seat in Rotterdam, the Netherlands (the "**Company**"), in accordance with its articles of association (the "**Articles**"), is pleased to inform you that an extraordinary general meeting of the Company's shareholders (the "**EGM**") has been convened for 22 December 2016 at the Company's offices at Weena 210-212, Rotterdam, the Netherlands, at 11:00 CET.

The General Meeting agenda is as follows:

- 1) Opening of the EGM
- 2) Discussion on the transaction related to, *inter alia*, the buyback by the Company of all shares in the Company held by I.T.R. 2012 B.V. ("**ITR 2012**") in exchange for its interest in the Nova Krolikarnia real estate project (the "**Nova Project**") to ITR 2012. The purchase price for the Buyback Shares will be PLN 1.30 (the "**Transaction**").
- 3) Authorisation of the Management Board to acquire shares in the capital of the Company, subject to the resolution for agenda item 5 being adopted by the EGM*
- 4) Cancellation of the Shares, subject to the acquisition of the Shares by the Company**
- 5) Consent to the acquisition, directly or indirectly, of a controlling interest in the capital of the Company without a public offer made by Amos Luzon Development and Energy Group Ltd. (the "**Luzon Group**") or any person directly or indirectly controlling or controlled by Luzon Group, as would otherwise be required in the Decree providing for Exemptions in respect of Takeover Bids (*Vrijstellingsbesluit overnamebiedingen Wft*)***
- 6) Any other business
- 7) Closing of the EGM

* *This item requires a resolution to be passed at the General Meeting.*

** *This item requires a resolution to be passed at the General Meeting.*

*** *This item requires a resolution to be passed at the General Meeting, adopted with a majority of at least 90% of the votes cast, excluding the votes of the Luzon Group and the shareholder(s) acting in concert with the Luzon Group.*

With reference to article 33.5 of the Articles, a shareholders' circular with annexes



(the "**Circular**"), has been prepared in order to inform the EGM of all facts and circumstances relevant to the resolutions. The Circular has been published and is available on the Company's website at www.pwp.ronson.pl.

All other documents prepared for the purpose of the EGM (both in English and in Polish) have been published and are available on the Company's website at www.pwp.ronson.pl, including:

- A. the General Meeting agenda and appertaining documents;
- B. a description of the proxy-voting procedure through the proxy indicated by the Company, the form of a power of attorney together with draft voting instructions.

Pre-Meeting of the Company's Shareholders in Warsaw, Poland

The management board of the Company has also convened a pre-meeting of the shareholders (the "**Pre-Meeting**") for 19 December 2016 in the Company's office in Warsaw, Poland at 57 Komisji Edukacji Narodowej Avenue at 15:00 CET. The Pre-Meeting agenda will mirror the above-mentioned agenda for the EGM, except for the voting on the adoption of the resolutions in agenda items 3,4 and 5.

Registration

In accordance with article 38 of the Articles, only shareholders of the Company who deposit, not later than on the 7th day before the EGM, being 15 December 2016 by 17:00 CET, original registered depository certificates issued by authorised financial intermediaries in Poland maintaining securities accounts of those shareholders, which will evidence their shareholding in the Company on the 28th day before the EGM, 24 November 2016:

- at the Company's offices in Poland at 57 Komisji Edukacji Narodowej Avenue, Warsaw (on business days, Monday through Friday, between 9:00 and 17:00 CET); or
 - at the Company's offices in the Netherlands at Weena 210-212, 3012 NJ Rotterdam (on business days, Monday through Friday, between 09.00 and 17.00 CET),
- will be entitled to participate in the EGM, provided that a deposited registered depository certificate has not been collected from the Company by such a shareholder before the EGM. Shareholders intending to participate in the Pre-Meeting must deposit the original registered depository certificate as described above with the Company at either address above also not later than on 15 December 2016, 17:00 CET.

Each Shareholder may participate in the Pre-Meeting and the EGM respectively, and exercise the shareholder's rights, including the voting rights at the EGM, in person or by



an authorised representative or proxy, including a proxy indicated by the Company; the respective authorisation should be given or evidenced in writing. Shareholders may authorise a proxy indicated by the Company to attend the EGM and vote their shares on their behalf in observance of the voting instructions by completing the proxy form available on the Company's website at www.pwp.ronson.pl and delivering it to the Company at the Pre-Meeting or sending it to the Company's offices in the Netherlands and in Poland at the addresses specified above.

Shareholders are advised that they should carefully read all the information relating to the EGM and the Pre-Meeting which are available at the Company's website www.pwp.ronson.pl, and are kindly asked to address all queries with respect to the Pre-Meeting and the EGM to the Management Board with the reference: the EGM of Ronson Europe N.V., at one of the following addresses:

In the Netherlands:

Ronson Europe N.V.
Weena 210-212
3012NJ Rotterdam
The Netherlands
Fax: +31 10 201 36 08
email: relacje@ronson.pl

In Poland:

Ronson Europe N.V.
c/o Ronson Development Management Sp. z o.o.
57 Komisji Edukacji Narodowej Avenue
Warsaw
Fax: + 48 (22) 823 97 99
email: relacje@ronson.pl

Rotterdam, 10 November 2016
The Management Board