



**CPI PROPERTY GROUP**

*Société Anonyme*  
40, rue de la Vallée  
L-2661 Luxembourg  
R.C.S. LUXEMBOURG B 102254  
(THE "COMPANY")

**DRAFT RESOLUTIONS PROPOSED TO  
THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY  
TO BE HELD ON 26 MAY 2016**

Dear Shareholders,

Please find below draft resolutions that will be proposed to the shareholders at the extraordinary general meeting of the shareholders of the Company (the "**Meeting**") to be held at the registered office of the Company, 40, rue de la Vallée, L-2661 Luxembourg, on **26 May 2016 at 11:00 CET**, to discuss and to vote on the agenda (the "**Agenda**") indicated below.

The Agenda of the Meeting is the following:

**AGENDA**

1. **Decision to decrease the corporate capital of the Company by the amount of EUR 55,069,491.50 by means of cancellation of 550,694,915 shares held in treasury by the Company, without distribution of the reduction proceeds to the shareholders of the Company, such reduction proceeds being allocated to a non-distributable reserve of the Company. The purpose of this capital decrease is to cancel some of the shares of the Company held in treasury by the Company.**
2. **Decision to approve the report issued by the board of directors according to article 32-3 (5) of the LCA, relating to the possibility for the board of directors to cancel or limit any preferential subscription right of the shareholders upon the increases of capital in the framework of the authorised share capital as mentioned in point 3 of the agenda.**
3. **Subject to approval of the point 2 of the agenda, decision to modify, renew and replace the existing authorised share capital and to set it to an amount of one billion euros (EUR 1,000,000,000.00) for a period of five (5) years from the date of the general meeting of the shareholders held on 26 May 2016 (or in case of adjourning or reconvening the general meeting because no quorum has been reached, the date of the adjourned or reconvened general meeting), which would authorize the issuance of up to ten billions (10,000,000,000) new ordinary shares in addition to the shares currently outstanding. Decision to grant to the board of directors of the Company, based on the report drawn up by the board of directors as referred to in Article 32-3 (5) of the LCA, all powers for a period of five (5) years in order to carry out capital increases within the framework of the authorised capital under the conditions and methods it will set with the possibility to cancel or limit any preferential subscription right of the shareholders on the issue of new shares to be issued within the framework of the authorised corporate capital, being understood that all financial instruments carrying an entitlement to, or the right to subscribe for, shares issued until the expiry of that period may still be converted or exercised subsequently to that date.**
4. **Decision to acknowledge and ratify the capital increases paid up by the contribution in kind of bonds issued by the Company and the Company's fully owned subsidiary Czech Property**



Investments, a.s implemented between 21 April 2016 and the date of the Meeting, through the existing authorized share capital of the Company and realized within the framework of the EUR 350 million share capital raising goal approved by the board of directors of the Company on 30 March 2016 (the "In Kind Increases").

5. Subject to approval of the points 2 and 3 of the agenda, decision to acknowledge, approve and ratify the decision of the board of directors of the Company of 20 April 2016 approving in principle the capital raising goal of EUR 330,376,830.- of the Company, such additional EUR 330,376,830.- to be raised through the new authorized share capital of the Company pursuant to points 2 and 3 of the agenda, by giving to the Company shareholders a possibility to participate at a future capital increase of the Company, on terms to be further determined, through contributions in cash for a global amount of EUR 330,376,830.- at an issue price of EUR 0.10 per new share to be issued, such issue price being equivalent to the par value of the Company's existing shares and equal to the issue price of the shares that have been issued through the In Kind Increases. This capital increase would be realized by offering to all the shareholders of the Company, who are shareholders as at 23:59 CET (end of day) on 20 April 2016, the possibility to subscribe for cash to additional shares in the Company pro rata to their shareholding as at 23:59 CET (end of day) on 20 April 2016, being understood however that the terms of this capital increase are to be further determined and that this capital increase is also subject to final approval of the board of directors of the Company as well as to further legal and regulatory requirements, including the prospectus approved by the Luxembourg *Commission de Surveillance du Secteur Financier*.
6. Subject to approval of the points 1, 2 and 3 of the agenda, decision to amend the articles of association of the Company to reflect points 1, 2 and 3 above.

#### **PROPOSED RESOLUTIONS**

1. Decision to decrease the corporate capital of the Company by the amount of EUR 55,069,491.50 by means of cancellation of 550,694,915 shares held in treasury by the Company, without distribution of the reduction proceeds to the shareholders of the Company, such reduction proceeds being allocated to a non-distributable reserve of the Company. The purpose of this capital decrease is to cancel some of the shares of the Company held in treasury by the Company.

**Proposed resolution:**

*The Meeting resolves to decrease the corporate capital of the Company by the amount of EUR 55,069,491.50 by means of cancellation of 550,694,915 shares held in treasury by the Company as of the date of the Meeting, without distribution of the reduction proceeds to the shareholders of the Company, such reduction proceeds being allocated to a non-distributable reserve of the Company. The purpose of this capital decrease is to cancel some of the shares of the Company held in treasury by the Company.*

2. Decision to approve the report issued by the board of directors according to article 32-3 (5) of the LCA, relating to the possibility for the board of directors to cancel or limit any preferential subscription right of the shareholders upon the increases of capital in the framework of the authorised share capital as mentioned in point 3 of the agenda.

**Proposed resolution:**



*The Meeting resolves to approve the report issued by the Company's board of directors according to article 32-3 (5) of the LCA, relating to the possibility for the board of directors of the Company to cancel or limit any preferential subscription right of the shareholders of the Company upon the increases of capital in the framework of the authorised share capital as mentioned in point 3 of the agenda.*

3. Subject to approval of the point 2 of the agenda, decision to modify, renew and replace the existing authorised share capital and to set it to an amount of one billion euros (EUR 1,000,000,000.00) for a period of five (5) years from the date of the general meeting of the shareholders held on 26 May 2016 (or in case of adjourning or reconvening the general meeting because no quorum has been reached, the date of the adjourned or reconvened general meeting), which would authorize the issuance of up to ten billions (10,000,000,000) new ordinary shares in addition to the shares currently outstanding. Decision to grant to the board of directors of the Company, based on the report drawn up by the board of directors as referred to in Article 32-3 (5) of the LCA, all powers for a period of five (5) years in order to carry out capital increases within the framework of the authorised capital under the conditions and methods it will set with the possibility to cancel or limit any preferential subscription right of the shareholders on the issue of new shares to be issued within the framework of the authorised corporate capital, being understood that all financial instruments carrying an entitlement to, or the right to subscribe for, shares issued until the expiry of that period may still be converted or exercised subsequently to that date.

**Proposed resolution:**

*The Meeting resolves to modify, renew and replace the existing authorised share capital and to set it to an amount of one billion euros (EUR 1,000,000,000.00) for a period of five (5) years from the date of the general meeting of the shareholders held on 26 May 2016 (or in case of adjourning or reconvening the general meeting because no quorum has been reached, the date of the adjourned or reconvened general meeting), which would authorize the issuance of up to ten billions (10,000,000,000) new ordinary shares in addition to the shares currently outstanding. The Meeting further resolves to grant to the board of directors of the Company, based on the report drawn up by the board of directors as referred to in Article 32-3 (5) of the LCA, all powers for a period of five (5) years in order to carry out capital increases within the framework of the authorised capital under the conditions and methods it will set with the possibility to cancel or limit any preferential subscription right of the shareholders on the issue of new shares to be issued within the framework of the authorised corporate capital, being understood that all financial instruments carrying an entitlement to, or the right to subscribe for, shares issued until the expiry of that period may still be converted or exercised subsequently to that date.*

4. Decision to acknowledge and ratify the capital increases paid up by the contribution in kind of bonds issued by the Company and the Company's fully owned subsidiary Czech Property Investments, a.s. implemented between 21 April 2016 and the date of the Meeting, through the existing authorized share capital of the Company and realized within the framework of the EUR 350 million share capital raising goal approved by the board of directors of the Company on 30 March 2016 (the "In Kind Increases").

**Proposed resolution:**

*The Meeting resolves to acknowledge and ratify the In Kind Increases.*

5. Subject to approval of the points 2 and 3 of the agenda, decision to acknowledge, approve and ratify the decision of the board of directors of the Company of 20 April 2016 approving in principle the capital raising goal of EUR 330,376,830.- of the Company, such additional EUR 330,376,830.- to be raised through the



new authorized share capital of the Company pursuant to points 2 and 3 of the agenda, by giving to the Company shareholders a possibility to participate at a future capital increase of the Company, on terms to be further determined, through contributions in cash for a global amount of EUR 330,376,830.- at an issue price of EUR 0.10 per new share to be issued, such issue price being equivalent to the par value of the Company's existing shares and equal to the issue price of the shares that have been issued through the In Kind Increases. This capital increase would be realized by offering to all the shareholders of the Company, who are shareholders as at 23:59 CET (end of day) on 20 April 2016, the possibility to subscribe for cash to additional shares in the Company pro rata to their shareholding as at 23:59 CET (end of day) on 20 April 2016, being understood however that the terms of this capital increase are to be further determined and that this capital increase is also subject to final approval of the board of directors of the Company as well as to further legal and regulatory requirements, including the prospectus approved by the Luxembourg Commission de Surveillance du Secteur Financier.

**Proposed resolution:**

*The Meeting resolves to acknowledge, approve and ratify the decision of the board of directors of the Company of 20 April 2016 approving in principle the capital raising goal of EUR 330,376,830.- of the Company, such additional EUR 330,376,830.- to be raised through the new authorized share capital of the Company introduced pursuant to points 2 and 3 of the agenda above, by giving to the Company's shareholders a possibility to participate at a future capital increase of the Company, on terms to be further determined, through contributions in cash for a global amount of EUR 330,376,830.- at an issue price of EUR 0.10 per new share to be issued, such issue price being equivalent to the par value of the Company's existing shares and equal to the issue price of the shares that have been issued through the In Kind Increases. The Meeting acknowledges that this capital increase would be realized by offering to all the shareholders of the Company, who are shareholders as at 23:59 CET (end of day) on 20 April 2016, the possibility to subscribe for cash to additional shares in the Company pro rata to their shareholding as at 23:59 CET (end of day) on 20 April 2016, being understood however that the terms of this capital increase are to be further determined and that this capital increase is also subject to final approval of the board of directors of the Company as well as to further legal and regulatory requirements, including the prospectus approved by the Luxembourg Commission de Surveillance du Secteur Financier.*

6. Subject to approval of the points 1, 2 and 3 of the agenda, decision to amend the articles of association of the Company to reflect points 1, 2 and 3 above.

**Proposed resolution:**

*The Meeting resolves to amend and restate article 5, clauses 5.1 and 5.2. of the articles of association of the Company, which shall henceforth read as follows.*

**ARTICLE 5:**

**5.1. Issued Share Capital:**

*The corporate capital is fixed at [amount of the share capital of the Company as at the date of Meeting less the amount of the capital decrease referred to in point 1 of the agenda to be included], represented by [number of shares in issuance at the time of the Meeting less number of shares cancelled by the capital decrease referred to in point 1 of the agenda to be included] shares having a par value of ten eurocents (EUR 0.10).*



*The shares may be registered or bearer shares, at the option of the holder, except those shares for which the Law prescribes the registered form.*

*The corporation's shares may be created, at the owner's option, in certificates representing single shares or two or more shares.*

*The corporation may repurchase its own shares under the conditions provided by law.*

## **5.2. Authorised capital**

*In addition to the issued and subscribed corporate capital of [amount of the share capital of the Company as at the date of Meeting less the amount of the capital decrease referred to in point 1 of the agenda to be included] the Company has also an authorised, but unissued and unsubscribed share capital set at one billion euros (EUR 1,000,000,000.00) (the "**Authorised Capital**").*

*The Board of Directors is authorized and empowered within the limits of the Authorised Capital to (i) realize any increase of the share capital or equity of the Company with or without the issuance of new shares it being understood that the Board of Directors is authorized to issue such new shares in one or several issues and (ii) issue bonds, preferred equity certificates, warrants, options or other instruments convertible, exchangeable or exercisable into new shares and to issue new shares further to the conversion or exercise of the above mentioned instruments, it being understood that (a) if such instruments are issued before or during the period set forth in the paragraph below, the new shares upon the conversion or exercise of such instruments may be issued after the expiry of said period and (b) the Board of Directors is authorized to issue such new shares in one or several issues. For the avoidance of doubt, any increase of the share capital or equity of the Company, as well as any issue of bonds, preferred equity certificates, warrants, options or other instruments convertible, exchangeable or exercisable into new shares decided by the Board of Directors prior to 26 May 2016 under the former authorised share capital of the Company but not realized, converted or exercised at this date remains validly approved and can be realized, issued, converted or exercised under this new Authorised Capital.*

*Such authorisation conferred to the Board of Directors will expire five (5) years after the date of the general meeting of shareholders held on 26 May 2016 and can be renewed in accordance with the applicable legal provisions, it being understood that the Board of Directors can proceed to an increase of share capital or issue of the above mentioned instruments as of the date of the general meeting of shareholders held on 26 May 2016.*

*The new shares and the instruments to be issued in accordance with the above provisions may be paid up through contributions in cash or in kind, by the incorporation of reserves, issue premiums or retained earnings, including in the three latter cases in favour of new shareholders. The new shares to be issued in accordance with the provisions of this article 5 may be issued with or without share premium, it being understood that (i) such shares shall not be issued at a price below the accounting par value and (ii) if the consideration payable to the Company for such newly issued shares exceeds their accounting par value, the excess is to be treated as share premium in respect of such shares in the books of the Company.*

*The Board of Directors is specially authorised to issue such new shares and, where applicable, the instruments to be issued in accordance with the provisions of this article 5 without reserving (i.e. by cancelling or limiting) for the existing shareholders the preferential right to subscribe for such shares and instruments.*



*The Board of Directors is authorised to determine the place and date of the issue or the successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares (referred to in this article 5) and, if applicable, the duration, amortization, other rights (including early repayment), interest rates, conversions rates and exchange rates of the aforesaid instruments (referred to in this article 5) as well as all the other conditions and terms of such instruments including as to their subscription, issue and payment.*

*The Board of Directors is authorised to do all things necessary to amend this article 5 of the present articles of association in order to record the change of issued and authorised share capital following any increase pursuant to the present article. The Board of Directors is empowered to take or authorise the actions required for the execution and publication of such amendment in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended. Furthermore, the Board of Directors may delegate to any duly authorised person, the duties of accepting subscriptions, conversions or exchanges and receiving payment for shares, bonds, preferred equity certificates, warrants, options or instruments and to do all things necessary to amend article 5 of the present articles of association in order to record the change of issued and authorised share capital following any increase pursuant to the present article.*

\* \* \*