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## Extraordinary General Meeting

28 June 2012

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**ORCO**  
PROPERTY GROUP

## OVERVIEW OF EXTRAORDINARY GENERAL MEETING

1. This Extraordinary General Meeting was convened on 26 May 2012 with 7 agenda points to approve the equitization of the Orco Property Group bonds and also to allow the Company to update and improve its Articles of Association in accordance with Luxembourg law.
2. On 5 June 2012 Maple Leaf Macro Volatility Master Fund, a shareholder holding at least five percent of the share capital of the Company, proposed a modification to the wording of resolution 1 of the agenda (regarding the authorized share capital) and also added a point 8 to the agenda (regarding the Board size and composition).
3. Given that more than 50% of the outstanding shares of the Company are either present or represented today, we have a valid quorum and can proceed to vote.
4. For points 1 through 7 of the agenda, given that these are proposed modifications to the Articles, resolutions must be adopted by two-thirds or 66.67% of the votes cast.
5. For point 8 of the agenda, given that this involves the composition of the Board of Directors and is therefore not a modification to the Articles, the resolution must be adopted by only one-half or 50% of the votes cast.

## POINT 1: INCREASE OF THE AUTHORIZED SHARE CAPITAL (1/5)

**Decision to increase the authorized share capital by EUR 63,582,861.50 (with possibility for the board of directors of the Company to limit or cancel the preferential subscription rights, where applicable), which equates to 15,508,015 new ordinary shares, so that the Company has sufficient authorized share capital to implement the substitution of approximately 89.9% of the bonds issued by the Company (the "OPG Bonds") into shares of the Company (as detailed in item 2 of the agenda), the issuance of new shares of the Company as the second payment on the bonds convertible into shares, the issuance of new shares of the Company to other creditors of the Company under the *Plan de Sauvegarde* and the issuance of new shares of the Company to the holders of warrants issued by the Company.**

## POINT 1: INCREASE OF THE AUTHORIZED SHARE CAPITAL (2/5)

### *What is the reason for this increase in the authorized share capital?*

- The Company currently has an authorized share capital of EUR 410,000,000 with an accounting par value of EUR 4.10/share such that ***the Company has an authorized share capital of up to 100 million shares.***
- On 14 May 2012, to its outstanding 17 million shares, the Company added 18.4 million more shares as a result of the first conversion of the OG Bonds such that ***today the Company has 35.4 million shares outstanding.***
- As such, ***today under the current Articles the Company can only issue (100 million – 35.4 million) a total of 64.6 million shares.***
- To implement the OG and OPG Bond equitization and ensure sufficient shares are available to implement other operations, the Company needs to be able to issue 80.1 million shares, such that ***today we are asking to increase the authorized share capital by 15.5 million shares to a total of 115.5 million shares.***

## POINT 1: INCREASE OF THE AUTHORIZED SHARE CAPITAL (3/5)

***Why does the Company need to be able to issue an additional 80.1 million shares which would necessitate the authority to create an additional 15.5 million shares?***

- 65 million shares to equitize approximately 89.9% of the OPG bonds;
- 7.85 million shares for the “second conversion” regarding the OG bonds where the remaining 30% of the OCA issued to the former OG bondholders will be converted into OPG shares;
- 2.25 million shares for non-bondholder safeguard creditors; and
- 5 million new shares to cover the Company’s outstanding 2012 and 2014 warrants.
  - 2012 warrants: 28,144 warrants, 1 warrant = 1.03 shares, exercise price EUR 7.21
  - 2014 warrants: 2,871,021 warrants, 1 warrant = 1.73 shares, exercise price EUR 11.20

## POINT 1: INCREASE OF THE AUTHORIZED SHARE CAPITAL (4/5)

### *What modification to this resolution has Maple Leaf Macro Volatility Master Fund proposed?*

- By letter dated 5 June 2012 Maple Leaf Macro Volatility Master Fund proposed to modify the resolution regarding the proposed increase in authorized share capital by removing the reference to the 5 million shares need to cover the Company's outstanding warrants.
- As such, rather than increasing the authorized share capital by EUR 63.6 million represented by 15.5 million new shares, Maple Leaf Macro Volatility Master Fund proposes to increase the authorized share capital by only EUR 43.1 million represented by 10.5 million new shares.

## POINT 1: INCREASE OF THE AUTHORIZED SHARE CAPITAL (5/5)

### *Is there a recommendation regarding Maple Leaf Macro Volatility Master Fund's proposed modification to this resolution?*

- The recommendation is to vote in favor of the Company's proposed resolution and against the resolution proposed by Maple Leaf Macro Volatility Master Fund because the Company needs to have enough authorized share capital to cover the warrants in the event warrant holders decide to exercise.
- Pursuant to the warrants prospectus, when a warrant holder exercises warrants, the Company has 20 days in which to deliver the shares. If the Company does not have sufficient authorized share capital to do so, it needs to convene a general assembly which will take at least 30 days.
- Warrant holders could contest the validity of today's extraordinary general assembly if a vote takes place that prejudices their ability to exercise their warrants.
- Under Luxembourg law, the Company needs sufficient shares to cover the warrants.

## POINT 2: EQUITIZATION OF COMPANY BONDS INTO COMPANY SHARES

**Decision to convert 89.9% of the bonds issued by the Company into up to 65,000,000 new ordinary shares and to approve the Company's share capital increase related thereto, and to delegate the power to the board of directors of the Company to implement such capital increase within the framework of the authorized share capital of the Company, as it may be amended from time to time.**

- In the context of the Company's restructuring, equitization of 89.9% of the OPG bonds into shares was approved by 2010, 2013 and 2014 bondholder general meetings on 27 April 2012, by the 2011 bondholder general meeting on 30 April, by the 2012 bondholder general meeting on 15 May 2012, and by Paris commercial court on 21 May 2012 and now needs to be approved by the OPG shareholders.
- Shareholders are asked to approve the increase of the share capital from EUR 145,203,164.60 by up to EUR 266,500,000 through the creation and issue of up to 65,000,000 new ordinary shares of the Company against the conversion and contribution in kind to the Company of around 89.9% of the bonds issued by the Company valued at approximately EUR 493.3 million to be implemented by the Board of Directors.

## POINT 3: CORPORATE ARTICLE AMENDMENTS REGARDING POINTS 1 & 2

**Decision to amend Article 5 of the Company's Articles of Association to reflect the decisions rendered in points 1 and 2 above.**

- Article 5 of the Corporate Articles of Association must be amended, if applicable, to reflect the resolutions adopted on points 1 (increase in the authorized share capital) and 2 (conversion of OPG bonds into shares and capital increase) of the agenda.
- The amended Article 5 will state the authorized share capital of the Company depending on whether the resolution proposed by the Company is adopted or the resolution of Maple Leaf Macro Volatility Master Fund is adopted.
- The amended Article 5 will state the corporate capital of the Company and number of shares outstanding in the event that 65 million new shares are created as a result of the conversion of OPG bonds into shares.
- The rest of Article 5 would remain unchanged.

## POINT 4: DELEGATION OF POWERS BY BOARD OF DIRECTORS

**Decision to amend article 13, paragraph 2 of the Company's articles of association to reflect recent changes in Luxembourg law regarding the delegation of powers to managing directors.**

- Article 13 deals with the delegation of powers from the Board of Directors to Managing Directors charged with the daily management of the Company.
- Recently, Luxembourg law has changed such that this designation no longer needs to be approved by the shareholders' general assembly.
- This proposed resolution therefore would put Article 13 paragraph 2 of the Company's Articles in conformity with Luxembourg law such that the Board of Directors will be able to delegate power to the Managing Directors without requiring approval by the shareholders' general assembly.
- The rest of Article 13 would remain unchanged.

## POINT 5: ORDINARY GENERAL MEETING CHANGES (1/4)

### **Decision to amend article 19 of the Company's articles of association to reflect recent changes in Luxembourg law regarding ordinary general meetings.**

Article 19 deals with the organization, convening, and procedures surrounding ordinary general meetings.

Recently, Luxembourg law has changed regarding ordinary general meetings and the Company is therefore proposing several changes to its Articles of Association such that Article 19 will be substantially modified and in conformity with these changes.

Many of these items the Company has already been doing and has done regarding today's meetings. Below is an overview of the proposed changes to the Articles of Association:

- Ensure equal treatment of all shareholders in the same position regarding voting rights.
- President shall chair the meeting and be appointed by the board of directors.
- Copies of the minutes, unless done by a notary, shall be certified by the President of the meeting.

## POINT 5: ORDINARY GENERAL MEETING CHANGES (2/4)

- An ordinary general meeting must be convened if one or more shareholders acting together representing at least 10% of the shares requests it (used to be 20%).
- One or more shareholders acting together representing at least 5% of the shares can request additions to the agenda or modifications to proposed resolutions.
  - The Company must acknowledge the proposal in writing within 48 hours.
  - The Company shall prepare a revised agenda 15 days before the meeting.
- Convening notices must be sent out 30 days before the meeting (used to be 2 x 8 days).
- If a quorum is needed but is not obtained, convening notice must be sent out 17 days before the meeting (used to be 2 x 15 days).
- Convening notices must also be sent to registered shareholders, the board and approved independent auditors.

## POINT 5: ORDINARY GENERAL MEETING CHANGES (3/4)

- Once a convening notice has been published, the Company must publish the following documents on its website:
  - The convening notice;
  - The total number of shares and voting rights;
  - Documents to be submitted to the general meeting;
  - Draft resolutions; and
  - Forms to vote by proxy or correspondence.
- Clarify Articles of Association so they are in conformity with Luxembourg law stating that an abstention reduces the denominator proportionally when performing the voting calculations.
- Shareholders may ask questions during the general meeting but can also ask questions up to 5 days in advance of the meeting on the Company's website.
- Shareholders may vote in person or by proxy through a document which must be received 5 days before the meeting unless the period is shortened by the board.

## POINT 5: ORDINARY GENERAL MEETING CHANGES (4/4)

- Shareholders may also vote by correspondence through a voting form that must be filled in and received 5 days before the meeting unless the period is shortened by the board.
- Only shareholders who are shareholders on the Record Date (14 days before the general meeting) have the right to participate provided they timely submit their Record Date Confirmation.
- Shareholders must submit a Proof of Shareholding stating the number of shares held at midnight 14 days before the meeting. While there is no longer any “blocking certificate” requirement, this Proof of Shareholding serves a similar purpose.
- The board can postpone meetings by 4 weeks on its own and must do so if one or more shareholders acting together holding more than 20% of the shares requests it. Any postponement cancels any decisions made before the postponement.
- Within 15 days of the meeting, the Company must publish the results of the voting on its website.

## POINT 6: CHANGE OF ORDINARY ANNUAL GENERAL MEETING DATE

**Decision to amend article 20 of the Company's articles of association to change the Company's annual meeting beginning in 2013 to the last Thursday in May at 2:00pm, or if that day is a legal holiday, to the previous business day.**

- Article 20 of the Company's Articles of Association sets the date and time of the ordinary annual general meeting.
- At present, the ordinary annual general meeting is scheduled on the last Thursday of April at 2:00 p.m.
- Historically, this has proven to be a difficult date to achieve for practical reasons including the fact that the Company is preparing its accounts at this time.
- As such, we propose to modify the Articles such that the ordinary annual general meeting beginning in 2013 will be held on the last Thursday in May at 2:00 p.m.
- The rest of Article 20 would remain unchanged.

## POINT 7: EXTRAORDINARY GENERAL MEETING CHANGES

### **Decision to amend article 23 of the Company's Articles of Association to reflect recent changes in Luxembourg law regarding extraordinary general meetings.**

- Article 23 of the Company's Articles of Association deals with extraordinary general meetings.
- Luxembourg law has changed such that if a quorum of 50% of the outstanding shares is not obtained at an initial extraordinary general meeting then the second meeting must now be convened with a 17 days notice period (as opposed to two 15 day notice periods).
- Clarify Articles of Association so they are in conformity with Luxembourg law stating that an abstention reduces the denominator proportionally when performing the voting calculations.
- Modifications to the corporate purpose or legal form of the Company need to also be approved by the bondholders. Clarify Articles of Association to state that this approval is not required in the case of a merger, division or operations assimilated thereto.
- The rest of Article 23 would remain unchanged.

## POINT 8: MAPLE LEAF'S BOARD COMPOSITION PROPOSAL

**Decision to remove 4 members of the board, without replacement, namely:**

- **Mr. Robert Coucke,**
  - **Mr. Gabriel Lahyani,**
  - **Mr. Richard Lonsdale-Hands,**
  - **Mr. Silvano Pedretti.**
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- On 5 June 2012 Maple Leaf Macro Volatility Master Fund, a shareholder holding at least five percent of the share capital of the Company requested the addition of this point 8 to the agenda regarding the board of directors composition and size.
  - Maple Leaf Macro Volatility Master Fund argues that the size of the Company's board of directors is too big when compared to the size of boards of similar sized companies and that as such, the board should be reduced from 12 to 8 directors.
  - This agenda point must be approved by 50% of the votes cast as it would not change the Articles.