



Emirates Reit

Notice of Annual General Meeting

Emirates REIT (CEIC) Limited
("Emirates REIT" or the "REIT")

28th May 2015

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the shareholders of Emirates REIT (CEIC) Limited (the "REIT") will be held at **11:00 am on Sunday, 21st June 2015** at the **Jumeirah Emirates Towers**, Dubai, United Arab Emirates to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 1

To approve the declaration of a final dividend of USD 0.04 per ordinary share for financial year ending 31 December 2014, such dividend to be paid on or before 30th June 2015 to shareholders on the register on 16th June 2015.

Resolution 2

To receive and approve the annual report and the accounts of the REIT for the year ended 31 December 2014 together with the director's report and auditor's report on those accounts.

Resolution 3

To re-appoint PricewaterhouseCoopers (Dubai Branch) ("PwC") as auditors of the REIT to hold office until the conclusion of the next annual general meeting at which accounts are laid before the shareholders.

Resolution 4

To authorise the REIT and Emirates REIT Management (Private) Limited (the "REIT Manager") on behalf of the REIT to enter into transactions with Affected Persons (as defined in the Dubai Financial Services Authority ("DFSA") Collective Investment Rules ("CIR")) in accordance with the modified version of Rule 8.3.2 of the CIR set out in the DFSA Modification Notice issued on 6th March 2014 (the "Modification Notice").

Note: Please refer to the explanatory notes set out below for the full text of the modified version of Rule 8.3.2 of the CIR (as set out in the Modification Notice).

Resolution 5

To authorise the REIT and REIT Manager on behalf of the REIT to enter into transactions with Affected Persons (as defined in the CIR) in accordance with the modified version of Rule 13.4.16 of the CIR set out in the Modification Notice.

Note: Please refer to the explanatory notes set out below for the full text of the modified version of Rule 13.4.16 of the CIR (as set out in the Modification Notice).

Resolution 6

To authorise the REIT and REIT Manager on behalf of the REIT to enter into transactions with Affected Persons (as defined in the CIR) in accordance with the modified version of Rule 13.4.17 of the CIR set out in the Modification Notice.

Note: Please refer to the explanatory notes set out below for the full text of the modified version of Rule 13.4.17 of the CIR (as set out in the Modification Notice).

By order of the Board, 28th May 2015,

Abdulla Al Hamli
Chairman



GENERAL NOTES

(1) Right to attend and vote at the Annual General Meeting

Only those shareholders registered in the register of shareholders of the REIT at 2:00 pm on Tuesday, 16th June 2015 shall be entitled to attend and /or vote at the meeting or any adjournment thereof, in respect of the number of shares registered in their name at that time.

In each case, changes to the register of shareholders after such time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

(2) Documents Handling

For the handling of the documents, our Tabulation Agent, your broker or custodian are referred to as "your Document Agent". Your Document Agent is as follows:

- If you have a NIN account*, all documents should be sent to our Tabulation Agent.
- If you do NOT have a NIN account*, all documents should be sent to your broker or custodian.

* A NIN account is an account set-up for shareholders directly with the NASDAQ Dubai Central Securities Depository (CSD).

(3) Attendance In Person

If you would like to attend the Annual General Meeting in person, please complete the **Attendance Request Form** and return it signed and dated to your Document Agent (*refer to Section 2 - Documents Handling*).

Attendance Request Forms must be submitted by no later than the date required by your Document Agent or **6:00 pm, Tuesday 16th June 2015** (whichever is earlier).

In order to enable smooth registration at the Annual General Meeting, you will need to provide valid proof of identification in the form of photo identification (e.g. passport or Emirates ID) at the registration desk.

Please note that you will not be able to vote in person at the Annual General Meeting if you have not registered for attendance as outlined above.

(4) Proxy Appointment

Any shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to exercise all or any of the rights of the shareholder to attend, speak and vote on their behalf at the Annual General Meeting. A proxy need not be a shareholder of the REIT.

If you would like to vote without attending the Annual General Meeting in person, please complete the **Proxy Form** and return it signed and dated to your Document Agent (*refer to Section 2 - Documents Handling*), as soon as possible but no later than the date required by your Document Agent or **6:00 pm, Tuesday 16th June 2015** (whichever is earlier).

To be effective, a **Proxy Form**, must be received together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of such power or authority. Completion and return of the Proxy Form will not prevent a shareholder from attending in person and voting at the Annual General Meeting provided you have subsequently changed your instruction to register your attendance at the meeting in person in the manner specified above.

Any corporation which is a shareholder may, by resolution of its directors or other governing body, authorize a person(s) to act as its representative(s) at the Annual General Meeting. The REIT (or any person acting on its behalf) may require any representative of a corporation to produce a certified copy of the resolution authorizing him to act as such or other satisfactory evidence of his authority before permitting him to exercise his powers.

(5) Tabulation Agent

Our Tabulation Agent is **Link Market Services** (EMEA) (DIFC) Limited and can be contacted in the following way:

Email paula.rakei@linkmarketservices.com

Tel +971 4 401 9983

Fax +971 4 401 9985

(6) Availability of Documents

A copy of this Notice, the Proxy Form and all other documents referenced in this Notice can be found on the REIT's website at www.reit.ae.

(7) Notice of Adjourned Meeting

In the event that the first session fails to reach the required legal quorum, a second session will be held in the offices of the REIT on Sunday, 28th June 2015 at 11:00 am.

(8) Assistance

If you have any special access requirements or other needs, please contact the Company Secretary, Tiruselvi Krishnan and we will be pleased to provide appropriate help.

Email tiruselvi.krishnan@reit.ae

Tel +971 4 405 7360



EXPLANATORY NOTES

The notes below give an explanation of the resolutions that will be proposed at the Annual General Meeting.

Ordinary Resolution 1 – Final Dividend

On 20th May 2015, the Board recommended a final dividend of USD 0.04 per ordinary share, amounting in aggregate to USD 11.98 million. Subject to approval by the shareholders, the final dividend will be paid on or before 30th June 2015 to shareholders on the register at 2:00 pm on Tuesday, 16th June 2015.

Ordinary Resolution 2 – Annual Report and Accounts

The REIT is required to present to the shareholders the accounts of the REIT for the year ended 31 December 2014, the director's report and auditor's report to these accounts. This provides the shareholders with an opportunity to discuss the performance of the REIT during the year, its management and prospects for the future.

Ordinary Resolution 3 – Auditor

The REIT is required to appoint or re-appoint its auditor at each annual general meeting at which the accounts are presented. Ordinary Resolution 3 proposes the re-appointment of PricewaterhouseCoopers (Dubai Branch) as auditors of the REIT to hold office until the conclusion of the next annual general meeting.

Ordinary Resolution 4 – Approval of modified version of CIR Rule 8.3.2

CIR Rule 8.3.2 set outs various requirements as regards transactions with Affected Persons (as defined in the CIR) which includes a requirement for approval by a Special Resolution of a proposed transaction with an Affected Person when the total consideration or value of the investment opportunity is five per cent (5%) or more of the most recent net asset value ("NAV") as disclosed in the latest published audited accounts of the Fund ("Latest NAV").

The REIT Manager believes that any such requirement for such approval by Special Resolution would be seriously detrimental to the ability of the REIT to conduct its business as convening a general meeting of

Shareholders would:

- (a) take a minimum of 21 days;
- (b) require the REIT to enter into a conditional acquisition contract; and
- (c) make details of the proposed transaction publicly available before it is completed.

The characteristics of the market in the UAE and Dubai in particular are such that conditional acquisition contracts are not common and the REIT Manager believes that this, coupled with the potential loss of confidentiality leading to competing bids for transactions, would result in the REIT missing out on a significant number of acquisition opportunities. As a result of these significant issues the REIT Manager requested of the DFSA, and was granted, a modification of CIR Rule 8.3.2. The continued applicability of the modification is conditional upon shareholder approval at every AGM of the REIT.

The modified text of CIR Rule 8.3.2 set out in the Modification Notice is as follows:

"CIR Rule 8.3.2

- (1) *"A Fund Manager must not enter into a Transaction in respect of the Fund Property with an Affected Person unless it is in accordance with the requirements in this Rule.*
- (2) *A Fund Manager must ensure that any transaction in respect of the Fund Property undertaken with an Affected Person is on terms at least as favourable to the Fund as any comparable arrangement on normal commercial terms negotiated at arm's length with an independent third party.*
- (3) *The Fund Manager must ensure that, before entering into a transaction with an Affected Person:*
 - (a) *if the total consideration or value of the proposed transaction is 5% or more of the most recent net asset value of the Fund as described in the latest published audited accounts of the Fund:*
 - i. *the investment committee of the Fund (appointed under CIR Rule 13.4.3) states that it has no objection to the terms of the proposed transaction as such terms are at least as favourable to the Fund as any similar transaction entered into with an independent third party on commercial terms; and*
 - ii. *the oversight provider appointed to the Fund (in accordance with CIR section 10.3) approves in writing the transaction as in accordance with the requirements in CIR Rule 8.3.2(2) and any other requirements that are applicable to such a transaction; and*
 - (b) *if the total consideration or value of the proposed transaction is less than 5% but more than 0.25% of the most recent net asset value of the Fund as described in the latest published audited accounts of the Fund, it provides the DFSA with a written notice, as soon as possible after the relevant transaction, setting out the relevant terms of the transaction and why those terms are considered fair*

and reasonable by the investment committee or oversight provider of the Fund.

(4) *The Fund Manager must:*

(a) include a brief summary of the Affected Person transactions in the Fund's next published interim or annual report; and

(b) include, in the annual report of the Fund, the total value of any Affected Person transactions, their nature and the identities of the Affected Persons with whom such transactions were made. Where there is no such transaction conducted during the financial year covered by the annual report, an appropriate negative statement to that effect must be made in the annual report”,

which, for the avoidance of doubt, shall mean that the prior approval of the shareholders of the REIT shall not be required in connection with the REIT or the REIT Manager entering into transactions with Affected Persons provided that the REIT and the REIT Manager comply with the foregoing in respect of such transactions.

Ordinary Resolution 5 – Approval of modified version of CIR Rule 13.4.16

The REIT Manager must ensure that any Affected Party transactions in the nature of services provided relating to the real property of the REIT in the ordinary and usual course of estate management, including renovation and maintenance work, are contracted on normal commercial terms. The REIT has been granted a waiver by the DFSA of the requirement that the terms of ordinary and usual course services with Affected Parties are subject to prior approval of the Oversight Committee as follows.

Subject to shareholder approval at every AGM of the REIT, then (i) in respect of the provision of such services where it is envisaged that the Affected Party would be paid a total consideration less than five per cent (5%) of the Latest NAV and such services are contracted on normal commercial terms, no prior approval of the Oversight Committee is required; and (ii) in respect of the provision of such services where it is envisaged that the Affected Party would be paid a total consideration equal to or greater than five per cent (5%) of the Latest NAV then prior to the engagement of the Related Party to carry out such services the terms of such engagement must be approved by the Oversight Committee. The modification is conditional upon shareholder approval at every AGM of the REIT.

The modified text of CIR Rule 13.4.16 set out in the Modification Notice is as follows:

“The Fund Manager must ensure that any Affected Person transactions in the nature of services provided relating to the Real Property of the Fund in the ordinary and usual course of estate management, including renovation and maintenance work, are:

- (a) *contracted on normal commercial terms; and*
- (b) *if the total consideration or value of the transaction is 5% or more of the most recent net asset value of the Fund as described in the latest published audited accounts of the Fund, subject to the prior approval of the Trustee or other oversight function.”*

Ordinary Resolution 6 – Approval of modified version of CIR Rule 13.4.17

CIR 13.4.17 prohibits the engagement of Affected Persons as property agents for rendering services (including advisory or agency services) to the REIT in property transactions. The REIT has, however, been granted a modification by the DFSA as regards the application of this rule. The characteristics of the market in the UAE and Dubai in particular are such that a significant number of the property agents with whom the REIT must engage if it is to ensure that it is being made aware of the most attractive potential transactions are Affected Persons. If the REIT was not able to deal with these property agents, the REIT Manager believes that the REIT would be at a significant commercial disadvantage. As a result of this, the REIT Manager was granted a significant modification of CIR 13.4.17 by the DFSA as set out below. The continued applicability of the modification is conditional upon shareholder approval at every AGM of the REIT.

“The Fund Manager and, if appointed, the Trustee must not engage Affected Persons as property agents for rendering services to the Fund, including advisory or agency services in property transactions unless it complies with the following:

- (a) *if the total consideration or value of the proposed transaction is 5% or more of the most recent net asset value of the Fund as described in the latest published audited accounts of the Fund:*
 - i. *the investment committee of the Fund (appointed under CIR Rule 13.4.3) states that it has no objection to the terms of the proposed transaction as such terms are at least as favourable to the Fund as any similar transaction entered into with an independent third party on commercial terms; and*
 - ii. *the oversight provider appointed to the Fund (in accordance with CIR section 10.3) approves in writing to the transaction in accordance with the requirements in CIR Rule 8.3.2(2) and any other requirements that are applicable to such a transaction; and*
- (b) *if the total consideration or value of the proposed transaction is less than 5% but more than 0.25% of the most recent net asset value of the Fund as described in the latest published audited accounts of the Fund, it provides the DFSA with a written notice, as soon as possible after the relevant transaction, setting out the relevant terms of the transaction and why those terms are considered fair and reasonable by the investment committee or oversight provider of the Fund.”*