

Grand City Properties S.A.
société anonyme
1, Avenue du Bois,
L-1251 Luxembourg
R.C.S. Luxembourg: B 165560

CONVENING NOTICE TO ALL SHAREHOLDERS

All shareholders of Grand City Properties S.A. (the “**Company**”) are hereby given notice upon instruction of the board of directors of the Company (the “**Board of Directors**”) that the

ANNUAL GENERAL MEETING 2020 OF THE COMPANY

(the “**AGM**” or “**General Meeting**”)

will be held on 24 June 2020, at 11.00 a.m. (Central European Summer Time, “**CEST**”) with the agenda as set out below.

Important information:

In accordance with article 1 (1) of the Grand Ducal Regulation of 20 March 2020 introducing measures concerning meetings in companies and other legal entities, the Company will not hold a physical meeting. Shareholders have the opportunity to follow the AGM live via an audio webcast which will be available on 24 June 2020 at <https://webcasts.egs.com/grandcity20200624> starting at 11.00 a.m. CEST. Shareholders may refer to the section “*Attendance and Registration Procedures*” in this convening notice for further information.

AGENDA AND PROPOSED RESOLUTIONS FOR THE AGM

1. Presentation of the management report of the Board of Directors in respect of the statutory financial statements of the Company and the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019.

No resolutions required.

2. Presentation of the reports of the independent auditor of the Company in respect of the statutory financial statements of the Company and the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019.

No resolutions required.

3. Presentation and approval of the statutory financial statements of the Company for the financial year ended on 31 December 2019.

Resolution proposed by the Board of Directors:

“The General Meeting, after having reviewed the management report of the Board of Directors and the report of the independent auditor of the Company, approves the statutory financial statements of the Company for the financial year ended on 31 December 2019 in their entirety.”

4. Presentation and approval of the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019.

Resolution proposed by the Board of Directors:

“The General Meeting, after having reviewed the management report of the Board of Directors and the report of the independent auditor of the Company, approves the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019 in their entirety.”

5. Allocation of the statutory financial results for the financial year ended on 31 December 2019.

Resolution proposed by the Board of Directors:

“The General Meeting notes and acknowledges the statutory net loss of the Company in the amount of EUR 19,858,000 for the financial year ended on 31 December 2019 and resolves to carry it forward to the next financial year.”

6. Discharge to be granted to each of the members of the Board of Directors in respect of the performance of their duties during the financial year ended on 31 December 2019.

Resolution proposed by the Board of Directors:

“The General Meeting resolves to grant discharge to each of the members of the Board of Directors in respect of the performance of their duties during the financial year ended on 31 December 2019.”

7. Renewal of the mandate of KPMG Luxembourg, *société coopérative*, as independent auditor of the Company whose mandate will automatically expire on the date of the annual general meeting of the shareholders of the Company to be held in 2021.

Resolution proposed by the Board of Directors:

“The General Meeting resolves to renew the mandate of KPMG Luxembourg, société coopérative, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, registered with the RCSL under number B 149133, as independent auditor of the Company in relation to the statutory financial statements of the Company and the consolidated financial statements of the Company and its group for a term which will expire at the end of the annual

general meeting of the shareholders of the Company called to approve the statutory financial statements of the Company and the consolidated financial statements of the Company and its group for the financial year ending on 31 December 2020.”

8. Distribution of a dividend in the amount of EUR 0.8238 (gross) per share.

Resolution proposed by the Board of Directors:

“The General Meeting, upon the proposal of the Board of Directors, resolves to approve the distribution of a dividend from the share premium account of the Company relating to the financial year ended on 31 December 2019 in the amount of EUR 0.8238 (gross) per share for the holders of record in the security settlement systems on 26 June 2020.”

Assuming that the shareholders adopt this resolution, the Board of Directors hereby offers to shareholders the choice of receiving the dividend either in cash or in the form of new shares in the Company. The cash dividend is expected to be paid on 14 July 2020 and the new shares to be delivered on 20 July 2020. For further information in relation to the dividend payment, please refer to the prospectus exemption document and to the document “Information on the Scrip Dividend”, both will be published on the Company’s website at <https://www.grandcityproperties.com/investor-relations/general-meeting/agm-2020/>.

9. Presentation and approval on an advisory non-binding basis (advisory vote) of the remuneration report for the financial year ended on 31 December 2019.

Resolution proposed by the Board of Directors:

“The General Meeting approves on an advisory non-binding basis the remuneration report of the Company for the financial year ended on 31 December 2019 in its entirety.”

10. Presentation and approval on an advisory non-binding basis (advisory vote) of the remuneration policy established by the Board of Directors of the Company.

Resolution proposed by the Board of Directors:

“The General Meeting approves on an advisory non-binding basis the remuneration policy established by the Board of Directors of the Company in its entirety.”

11. Decision to approve a buy-back programme of the Company enabling the redemption of the Company’s own shares.

Resolution proposed by the Board of Directors:

“The General Meeting grants all powers to the Board of Directors, with option to delegate, to buy-back, either directly or through a subsidiary of the Company, shares of the Company for a period of five (5) years following the date of the present General Meeting. In particular, the General Meeting resolves that the

aggregate nominal amount of the shares of the Company which may be acquired may not exceed 20% of the aggregate nominal amount of the issued share capital of the Company from time to time, at the date of exercise of the present authorisation.

In each individual case, the buy-back is to be conducted, at the choice of the Board of Directors (i) through the stock exchange, or (ii) by means of a purchase offer addressed to all shareholders, or (iii) by means of a public invitation to submit a sale offer, or (iv) by means of issuing tendering rights to shareholders.

- i. To the extent that the buy-back is conducted through the stock exchange, the repurchase price per share (excluding any ancillary buy-back costs and without any tax gross-up obligation) paid by the Company may not exceed by more than 20% or fall short of 50% of the price for a share of the Company in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange ascertained on the trading day by the opening auction;
- ii. To the extent that the buy-back is conducted through a purchase offer addressed to all shareholders (the “Offer”), the repurchase price per share (excluding any ancillary buy-back costs and without any tax gross-up obligation) offered and paid by the Company may not exceed or fall short of, by more than 20% of the average of the closing prices of shares of the Company in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last two exchange trading days before the date of the publication of the Offer. In the event that a significant change in the share price occurs after the publication of the Offer, the Offer may be adjusted. In case of an adjustment, the reference price is the closing price of the last exchange trading day before the date of the publication of the adjustment, and the 20% limit for exceeding or falling short shall be applied to this price. In the event that an Offer is oversubscribed, the buy-back may be conducted in accordance with the proportion of the shareholdings held by the tendering shareholders in relation to each other (shareholding quotas) or in accordance with the proportion of the tendered shares (tendering quotas). In addition, (i) in order to avoid fraction of shares, rounding may be applied and (ii) a preferential acceptance of small numbers of shares may be provided for. The Offer may also stipulate additional conditions;
- iii. To the extent that the buy-back is conducted through a public invitation to all shareholders to submit a sale offer, the Company will determine a price range per share within which the sales offers can be submitted. The purchase price per share offered and paid by the Company (excluding incidental acquisition costs) may not exceed or fall short of, by more than 20% of the average closing prices of shares of the Company in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last two exchange trading days before the date of the publication of the public invitation to submit a sale offer. If after the publication of invitation to submit a

sale offer there are significant deviations in the relevant share price, the invitation to submit sale offer may be adjusted. In case of an adjustment, the relevant reference price shall be the closing price of the last trading day prior to the date of the publication of the adjustment. In the event that not all sales offers of an equal value can be accepted due to the volume limitation, the buy-back may be conducted in accordance with the proportion of the shareholdings held by the tendering shareholders in relation to each other (shareholding quotas) or in accordance with the proportion of the tendered shares (tendering quotas). In addition, (i) in order to avoid fraction of shares, rounding may be applied and (ii) a preferential acceptance of small numbers of shares may be provided for. The public invitation may also stipulate additional conditions;

- iv. To the extent that the buy-back is conducted through issuing tender rights to the shareholders, these shares can be allocated per share held in the Company. In accordance with the ratio of the Company's share capital to the volume of shares to be repurchased by the Company, a correspondingly fixed number of tender rights entitles the holder to sell one of the Company's shares to the Company. Tender rights may also be issued in such manner that one tender right is issued for a number of shares determined on the ratio of the Company's share capital to the buy-back volume. Fractions of tender rights shall not be issued and in this case, the corresponding fractional tender rights shall be excluded. The price or the limit values of the offered purchase price range (each without incidental acquisition costs) at which a share can be sold to the Company upon exercising the tender right is determined in accordance with the provisions of paragraph (iii) above, with the relevant determination date being that of the publication of the repurchase offer granting tender rights, and be adjusted as necessary, with the relevant adjustment date being that of the publication of the adjustment, if any. The Board of Directors, with option to delegate, shall determine the details of the tender rights, in particular their content, term, and, if applicable, tradability.*

The Company is authorized to use the shares that have been or will be acquired as a result of this authorization or by any other reasons, in addition to selling them on the stock exchange, for all other legally permissible purposes, in particular, but not exclusively, for the following purposes:

- i. The shares may be sold against cash or against contributions in kind for any purposes or used in order to fulfil obligations or to secure obligations or rights to acquire shares in the Company, in particular under convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations thereof issued by the Company or the companies within the Company's group; or*
- ii. The shares may be offered for acquisition or be promised and/or transferred, as part of any management incentive programme to employees of the Company or the companies within the Company's group, to members of the Company's Board of Directors as well as to members of the managing bodies of the companies within the Company's group; or*

- iii. *The shares may be offered to all shareholders, so that they may acquire shares of the Company in exchange for the (also partial) assignment of their claim to the payment of the dividend, which comes into existence with the resolution of the Company's annual general meeting of shareholders (scrip dividend).*

Any acquired shares under the buy-back authorization shall be held by the Company or by a subsidiary of the Company as treasury shares with their voting and dividend rights being suspended for the period of time they are held by the Company or by a subsidiary of the Company and are available for distribution by the Board of Directors at its full discretion without applying a principle of equality among shareholders.

This authorisation may be exercised by and all powers are granted to the Board of Directors, with the power to delegate, to ensure the implementation of this authorization."

QUORUM AND MAJORITY REQUIREMENTS

There is no quorum of presence requirement for the AGM. The agenda items are adopted by a simple majority of the votes validly cast by shareholders duly present or represented. Each share is entitled to one vote.

SHARE CAPITAL AND VOTING RIGHTS

At the date of convening of the AGM, the Company's subscribed share capital equals EUR 16,791,777.10 and it is divided into 167,917,771 shares having a par value of EUR 0.10 each, all of which are fully paid up. The Company's subscribed share capital may vary at the date of the AGM due to capital increase(s).

AVAILABLE INFORMATION AND DOCUMENTATION

The following documents will be available for inspection by the shareholders at the registered office of the Company at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg, starting on the day of publication of this convening notice in the Luxembourg electronic gazette (*Recueil Electronique des Sociétés et Associations – RESA*) and on the Company's website at <https://www.grandcityproperties.com/investor-relations/general-meeting/agm-2020/>:

- (a) this convening notice including the draft resolutions proposed to be adopted;
- (b) the total number of shares and attached voting rights issued by the Company as of the date of publication of this convening notice;
- (c) the Proxy Form (as further mentioned below);
- (d) the management report of the Board of Directors in respect of the statutory financial statements and the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019;

- (e) the report of the independent auditor of the Company in respect of and contained in the statutory financial statements of the Company and the report of the independent auditor of the Company in respect of and contained in the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019;
- (f) the statutory financial statements of the Company for the financial year ended on 31 December 2019 and the consolidated financial statements of the Company and its group for the financial year ended on 31 December 2019;
- (g) the remuneration report for the financial year ended on 31 December 2019 (available under the section “Corporate Governance”); and
- (h) the remuneration policy established by the Board of Directors (available under the section “Corporate Governance”).

ATTENDANCE AND REGISTRATION PROCEDURES

a) Attendance

In accordance with article 1 (1) of the Grand Ducal Regulation of 20 March 2020 introducing measures concerning meetings in companies and other legal entities, **the Company will not hold a physical general meeting. Shareholders or their proxies will not be able to attend the AGM in person.**

b) Webcast

Shareholders may follow the AGM remotely via the live audio-webcast of the AGM, which will be available on 24 June 2020 at <https://webcasts.egs.com/grandcity20200624> starting at 11.00 a.m. CEST.

c) Voting

Shareholders can exercise their voting rights only by authorising the secretary of the AGM to cast votes on their behalf in accordance with their instructions or in the secretary’s discretion using the Proxy Form. In order to exercise voting rights in the AGM, shareholders must provide the Company with (i) the Record Date Confirmation, as indicated below, and (ii) the duly completed, dated and signed Proxy Form, as indicated below, at the latest until 19 June 2020 at midnight (24:00) (CEST).

Record Date Confirmation: Only shareholders who were holders of record of shares on the fourteenth (14th) day prior to the AGM at midnight, i.e. on 10 June 2020 at midnight (24:00) (CEST) (the “**Record Date**”), can participate in and vote by proxy at the AGM. Shareholders are obliged to obtain a confirmation letter (the “**Record Date Confirmation**”) issued by the depository bank that is safe-keeping their shares in the Company stating the number of shares held by the shareholder on the Record Date. The Record Date Confirmation must be made in writing and sent by e-mail to agm2020@grandcity.lu or by postal services to Grand City Properties S.A., Attn. AGM 2020/Katrin Petersen and Kathrin Lampen, 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg.

Proxy Form: All shareholders who plan to participate in and vote by proxy at the AGM shall duly complete and sign the proxy form (the “**Proxy Form**”), which can be retrieved from the Company’s website at <https://www.grandcityproperties.com/investor-relations/general-meeting/agm-2020/> specifying the number of shares held by the represented shareholder on the Record Date. The dated and signed Proxy Form shall be sent by e-mail to agm2020@grandcity.lu or by postal services to Grand City Properties S.A., Attn. AGM 2020/Katrin Petersen and Kathrin Lampen, 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg.

Please note that only persons who are shareholders of the Company at the Record Date and who have timely submitted the Record Date Confirmation and the Proxy Form shall have the right to participate in and vote by proxy at the AGM.

ADDITIONAL IMPORTANT INFORMATION FOR SHAREHOLDERS

Transfer of shares after the Record Date

Shareholders are hereby informed that exercise of voting rights is exclusively reserved to such persons that were shareholders on the Record Date (or their duly appointed proxyholders). Transfer of shares after the Record Date is possible subject to usual transfer limitations, as applicable. However, any transferee having become owner of the shares after the Record Date has no right to vote at the AGM.

Ability to add agenda items or table alternative resolutions

One or more shareholders holding together at least 5% of the issued share capital of the Company have the right to add items to the agenda of the AGM and/or to table draft resolutions for items included or to be included on the agenda of the AGM. Any such request must:

- be received by the Company before 2 June 2020 at midnight (24:00) (CEST);
- be made in writing and sent by e-mail to agm2020@grandcity.lu or by postal services to Grand City Properties S.A., Attn. AGM 2020/Katrin Petersen and Kathrin Lampen, 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg;
- be accompanied by either (a) the text of the new agenda item and/or draft resolution and a background explanation or (b) an alternative resolution for an existing agenda item, with a clear identification of the agenda item concerned, the text of the proposed alternative resolution and a background explanation;
- include the name of a contact person and a postal address or e-mail address at which the Company can confirm receipt within 48 hours; and
- be followed by a Record Date Confirmation (as defined above under Attendance and Registration Procedures), proving that the requesting shareholder is a shareholder of the Company on the Record Date (as defined above under Attendance and Registration Procedures) holding alone or together with other requesting shareholders at least 5% of the issued share capital of the Company.

The Company will publish a revised agenda at the latest on 9 June 2020.

Right to ask questions

Shareholders have the right to ask questions about items on the agenda of the AGM before the meeting. In accordance with the Grand Ducal Regulation of 20 March 2020 introducing measures concerning meetings in companies and other legal entities, shareholders may submit their questions electronically. The Company asks shareholders wishing to exercise this right to send their questions by e-mail to agm2020@grandcity.lu at least ten (10) business days prior to the AGM together with evidence establishing the holding of shares on the Record Date. The Company will respond on a best efforts basis to the questions with respect to the AGM, in particular respecting the good order of the AGM and its business interests.

Publication of voting results

The results of the vote will be published on the Company's website within fifteen (15) days following the AGM. After the AGM, a shareholder can obtain upon request and within a period not exceeding two months from the date of the vote, confirmation that his/her vote has been registered and counted by the Company.

For further information you may contact Katrin Petersen and Kathrin Lampen, telephone: +352 287 787 86, email: agm2020@grandcity.lu.

Further information about the processing of data in connection with the AGM is available on the Company's website at <https://www.grandcityproperties.com/investor-relations/general-meeting/agm-2020/>.

Luxembourg, 25 May 2020

Grand City Properties S.A.

The Board of Directors