

**THIS DOCUMENT AND THE FORM OF PROXY AND FORM OF INSTRUCTION WHICH ACCOMPANY IT ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on corporate matters before taking any action. The whole of this document should be read.**

If you have sold or transferred all of your Ordinary Shares please forward this document, together with the Form of Proxy and/or Form of Instruction, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other party through whom the sale or transfer was effected for transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK if to do so would constitute a violation of the relevant law and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your registered holding of Ordinary Shares, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares. The only purpose of this document is to seek Shareholders' approval of the Resolutions.

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# **KIMBERLY ENTERPRISES N.V.**

*(Incorporated in the Netherlands, registered with the Dutch Chamber of Commerce with number 34138775)*

## **Proposed Cancellation of Admission of Ordinary Shares to trading on AIM Amendment to the Articles Notice of Extraordinary General Meeting**

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**You are recommended to read the whole of this document, but your attention is drawn, in particular, to the letter from the Directors of the Company explaining the background to, and reasons for, the proposed cancellation of admission of the Company's Ordinary Shares to trading on AIM which is set out on page 7 of this document.**

Notice of an extraordinary general meeting of the Company to be held on 25 January 2018, commencing at 11.00 a.m. (CET) is set out at the end of this document. Shareholders should ensure that the enclosed Form of Proxy is completed and returned in accordance with the instructions printed on it to Kimberly Enterprises N.V., Laurierstraat 71 HS, 1016PJ Amsterdam, The Netherlands on or before 11.00 a.m. (CET) on 23 January 2018 or 48 hours before any adjourned meeting. Depositary Interest holders should ensure that the Form of Instruction is received by Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom no later than 11.00 a.m. (CET) on 22 January 2018 or 72 hours before any adjourned meeting. Completion and return of a Form of Proxy or a Form of Instruction will not preclude a Shareholder or a Depositary Interest holder from attending in person and voting at the Extraordinary General Meeting.

Cairn Financial Advisers LLP ("**Cairn**"), which is authorised and regulated in the United Kingdom by the FCA, is the Company's nominated adviser for the purposes of the AIM Rules and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Cairn's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and not to any other person. Cairn has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by Cairn, nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. Cairn expressly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this document.

## **FORWARD-LOOKING STATEMENTS**

This document contains “forward-looking statements” which includes all statements other than statements of historical fact including, without limitation those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “might”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

## CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
SHARE INFORMATION	4
DEFINITIONS	5
PART I: LETTER FROM THE DIRECTORS OF KIMBERLY ENTERPRISES N.V.	7
PART II: NOTICE OF EXTRAORDINARY GENERAL MEETING	13
 <b>APPENDICES</b>	
FORM OF INSTRUCTION	
FORM OF PROXY	

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2018

Notice given to London Stock Exchange notifying it of proposed cancellation	4 January
Publication of this document	9 January
Notice convening Extraordinary General Meeting	9 January
Latest time and date for receipt of Form of Instruction	11.00 a.m. (CET) on 22 January
Latest time and date for receipt of Form of Proxy	11.00 a.m. (CET) on 23 January
Extraordinary General Meeting	11.00 a.m. (CET) on 25 January
Announcements of results of Extraordinary General Meeting	25 January
Expected last day of dealings in Ordinary Shares on AIM	7 February
Expected time and date that the Admission to trading of the Ordinary Shares on AIM will be cancelled	With effect from 7.00 a.m. on 8 February

If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules) announcement.

## SHARE INFORMATION

Number of Existing Ordinary Shares in issue at the date of this document	87,777,778
ISIN code for Existing Ordinary Shares	NL 0000051043
TIDM code for AIM	KBE.L

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>“Admission”</b>	the admission of the Ordinary Shares to trading on AIM
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange and as amended from time to time
<b>“Articles”</b>	the articles of association ( <i>statuten</i> ) of the Company in force at the date of this document
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this document, whose names are set out on page 7 of this document
<b>“Business Day”</b>	any day other than a Saturday or Sunday, where banks in the UK are open for the transaction of normal banking business
<b>“Cancellation”</b>	the cancellation of the Admission in accordance with Rule 41 of the AIM Rules
<b>“Cairn” or “Nomad”</b>	Cairn Financial Advisers LLP, the Company’s nominated adviser
<b>“CET”</b>	Central European Time
<b>“certificated” or “in certificated form”</b>	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
<b>“Letter from the Directors”</b>	the letter from the Directors on page 7 of this document
<b>“Company”</b>	Kimberly Enterprises N.V, a company incorporated in the Netherlands with registration number 34138775
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the same regulations
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>“Depositary”</b>	Computershare Investor Services Plc, whose registered office is at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom
<b>“Depositary Interests” or “DI”</b>	the CREST depositary interests representing an entitlement to Ordinary Shares
<b>“ERD”</b>	Engel Resources and Development Limited, which indirectly owns 68.35 per cent. of the issued share capital of the Company
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company convened for 11.00 a.m. (CET) on 25 January 2018 by the Notice to be held at Laurierstraat 71 HS, 1016PJ Amsterdam, The Netherlands for the purpose of considering and, if thought fit, passing the Resolutions

<b>“FCA”</b>	the Financial Conduct Authority of the UK
<b>“Form of Instruction”</b>	the form of instruction for use in relation to the Extraordinary General Meeting which accompanies this document
<b>“Form of Proxy”</b>	the form of proxy for use in relation to the Extraordinary General Meeting which accompanies this document
<b>“Group”</b>	together, the Company and its subsidiary undertakings
<b>“ISIN”</b>	International Securities Identification Number
<b>“JP Jenkins”</b>	J P Jenkins Limited, a company registered in England & Wales with registration number 08014724
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Notice”</b>	the notice convening the Extraordinary General Meeting on page 13 of this document
<b>“Ordinary Shares”</b>	the 87,777,778 ordinary shares of €0.01 each in the capital of the Company which are in issue at the date of this document
<b>“Proposals”</b>	the proposed cancellation of the Company’s shares from trading on AIM and increased authority for the Directors to issue Ordinary Shares and amendment to the Articles
<b>“Registrar”</b>	Computershare Investor Services (Channel Islands) Limited
<b>“Regulatory Information Service”</b>	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies
<b>“Resolutions”</b>	the Resolutions to be proposed at the Extraordinary General Meeting as set out in the Notice
<b>“Shareholders”</b>	registered holders of Ordinary Shares and Depositary Interests
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

## PART I

### LETTER FROM THE DIRECTORS OF KIMBERLY ENTERPRISES N.V.

*(Incorporated in the Netherlands registered with the Dutch Chamber of Commerce with number 34138775)*

*Directors*

Mr Sagee Kadosh (*Executive Director*)  
(*Director A*)  
Mr Terry Roydon (*Non-executive Director*)  
(*Director B*)  
Mr Marius van Eibergen Santhagens (*Non-executive Director*)  
(*Director B*)

*Registered Office*

Laurierstraat 71  
1016 PJ Amsterdam  
The Netherlands

9 January 2018

Dear Shareholder,

#### **Proposed Cancellation of Admission of Ordinary Shares to trading on AIM Amendment to the Articles Notice of Extraordinary General Meeting**

##### **1. Introduction**

On 9 January 2018, the Company announced that it is proposing to seek Shareholder consent to cancel the admission of the Company's Ordinary Shares to trading on AIM, to amend the Articles and to authorise the Directors to issue new Ordinary Shares on a non pre-emptive basis ("Proposals").

This letter sets out the background to and reasons for the Proposals, additional information on the implications of the Proposals for the Company and its Shareholders and why the Board believes the Proposals to be in the best interests of the Company and of the Shareholders as a whole. Having disclosed their interests in the Company and their intentions with regard to their individual holdings, the Directors unanimously recommend the Proposals.

Pursuant to Rule 41 of the AIM Rules for Companies, the Company is required to obtain the consent of not less than 75 per cent. of the votes cast by Shareholders at a general meeting in order to request that the Company's Ordinary Shares are cancelled from trading on AIM. Also included in this letter is a notice of an extraordinary general meeting which has been convened for 11.00 a.m. (CET) on 25 January 2018 at Laurierstraat 71HS, 1016 PJ Amsterdam, The Netherlands in order that the Proposals may be put to Shareholders.

##### **2. Current Financial Position**

As at 30 June 2017, the Company had total assets of €3.9 million, total liabilities of €28.0 million and negative net assets of €24.1 million. The total liabilities included a debt of €26.5 million which is owed by the Company to ERD. As at 31 December 2017, the Company's debt to ERD stood at €26.1 million. Consequently the Company's Ordinary Shares have negligible value. ERD indirectly owns 68.35 per cent. of the Company's issued share capital.

The Company has for some time now been reliant on the continued support from ERD. The Company has now disposed of the large majority of its real estate assets.

The Company is now examining various alternatives regarding settlement of the debt from ERD, including a possible debt for equity swap with ERD.

### **3. Cancellation of Admission**

#### *Reasons for proposed Cancellation*

The Company's Ordinary Shares were admitted to trading on AIM on 15 December 2005 to enable it to raise capital to invest in the development of residential property in Eastern Europe. However since 2008, the Eastern European property market has performed poorly, and the Company has incurred substantial losses on its property activities. More recently, the Company's lease agreement in respect of its flagship Marina Dorcol project was terminated. The Board has consequently been considering the Company's options in respect of reducing its costs and restructuring its balance sheet.

The Company has for some time now been reliant on the continued support from ERD. In the light of the continuing uncertainty regarding the Company's future, it is not possible for the Company to raise new capital on AIM. In addition, there is a significant cost in maintaining the Admission. The Board has concluded that there is now no longer any benefit to the Company or its Shareholders to maintaining its Admission and is therefore seeking Shareholders consent to cancel the Admission, which will result in significant cost savings for the Company.

#### *Effects of Cancellation*

In the event that the Resolutions are passed and the Admission of the Company's Ordinary Shares to trading on AIM is cancelled, Shareholders will no longer be able to buy and sell shares in the Company through a public stock market and thereafter liquidity in the Company's shares will be limited. Upon the Cancellation becoming effective, Cairn will cease to be nominated adviser to the Company and the Company will no longer be required to comply with the rules and corporate governance requirements to which companies admitted to trading on AIM are subject, including the AIM Rules.

The Company has set up a matched bargain facility, to be available from the date of Cancellation and administered by JP Jenkins, who will, where possible, match trades in respect of the Depositary Interests between willing buyers and willing sellers, acting as a central point for negotiation between UK stockbrokers. JP Jenkins is a part of Peterhouse Corporate Finance Limited, which is authorised and regulated by the FCA and is a member of the London Stock Exchange.

The Company intends to maintain the Depositary facility for the time being to enable Shareholders to settle any trades in their Depositary Interests through CREST. Shareholders who wish to buy or sell Depositary Interests in Ordinary Shares through JP Jenkins must do so via a stockbroker; JP Jenkins is unable to deal directly with members of the public.

Shareholders should be aware that the JP Jenkins matched trade service will not offer the same liquidity as AIM as this service is not an investment exchange, nor a public market, nor is it recognised or designated by the FCA or any other regulatory authority anywhere in the world. Transactions effected by JP Jenkins will be conducted "off-exchange".

Further information about the matched bargain dealing facility, including indicated prices and a history of transactions, will be available on the J P Jenkins website which is located at [www.jpjenkins.com](http://www.jpjenkins.com).

Holders of Depositary Interests who wish to retain an interest in the Company but not through the holding of Depositary Interests may, after the Cancellation, request that the Depositary transfers the Ordinary Shares it holds to the holder of the Depositary Interests. This will be effectuated by the execution of a notarial deed before a Dutch civil law notary (*notaris*). Following the transfer of the Ordinary Shares, the Depositary will cancel the Depositary Interests that were issued for such Ordinary Shares and the holding in Ordinary Shares will be registered in the Company's shareholder register. It should be noted that a transfer of Ordinary Shares after the Cancellation can only be effectuated by a notarial deed executed before a Dutch civil law notary.

The Company will bear the costs of the first notarial deed whereby the Depositary transfers the underlying Ordinary Shares to a holder of Depositary Interests (excluding the costs for powers of attorney and notarisation thereof).

In the event that the Shareholder, after the first transfer, wishes to effectuate any subsequent transfers of Ordinary Shares, the costs of transfer (including the notarial deed) will be borne by the Shareholder.



Registered Shareholders cannot trade their Ordinary Shares (not represented by Depositary Interests) on a market nor through the facility J.P. Jenkins is offering (see above).

#### *Post-cancellation matters – general*

As stated in paragraph 2 of this Part 1 above, post-Cancellation, the Company contemplates to effectuate a debt for equity swap with ERD. This debt for equity swap once effectuated, will most likely lead to the minority Shareholders (i.e. those not related to ERD) being substantially diluted. For this, specific reference is made to agenda point 7 of the upcoming Extraordinary General Meeting. The debt for equity swap is likely to lead to the situation that ERD (or ERD and its group companies jointly) will hold at least 95 per cent. of the Company's issued share capital. In that case, ERD (or ERD and its group companies jointly) will consider to start a squeeze-out procedure pursuant to Dutch law by initiating proceedings against the holders of the remaining Ordinary Shares. The price to be paid for such remaining Ordinary Shares will be, pursuant to section 2:92a paragraph 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) determined by the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeal. Shareholders should take this possibility in due consideration when deciding upon retention of their interest in the Company after the Cancellation.

#### **4. Cancellation Process**

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange plc of the proposed Cancellation.

Pursuant to AIM Rule 41, the Cancellation can only be effected by the Company after securing a resolution of Shareholders in a general meeting passed by a requisite majority, being not less than 75 per cent. of the votes cast by Shareholders (in person or by proxy). The Cancellation Resolution is Resolution 5 in the notice of Extraordinary General Meeting set out in Part II of this document.

Under the AIM Rules, the Cancellation can only take place after the expiry of a period of twenty Business Days from the date on which notice of the Cancellation is given. In addition, a period of at least five Business Days following the Shareholder approval of the Cancellation is required before the Cancellation may be put into effect. Accordingly, if the Resolution to cancel the Admission is approved, the last day of dealings in the Ordinary Shares on AIM will be 7 February 2018, and the Cancellation will become effective at 7.00 a.m. on 8 February 2018.

#### **5. Amendment to Articles**

It is proposed that the Company's articles of association will be amended to reflect the fact that, after passing of Resolution 5, the Company's ordinary shares will not be admitted to trading on AIM. Furthermore, with the exception of the name change from "Engel East Europe N.V." to "Kimberly Enterprises N.V." in 2012, the articles of association of the Company have not been amended since 9 December 2005 and should, on certain matters, be made compliant with the provisions of prevailing Dutch law. The proposal for the amendment of the articles of association of the Company inter alia includes an increase of the Company's authorised share capital (*maatschappelijk kapitaal*) which is proposed to enable a contemplated debt for equity swap with ERD. The new draft of the articles of association is further updated to reflect all applicable provisions of prevailing Dutch mandatory law and further provides for the relevant provisions for the Company to be a private (non-publicly traded) company.

The draft deed of the amendment of the Company's articles of association, contains the full text of the proposed amendments. The draft deed of amendment of the Company's articles of association is available for inspection, in the Dutch and in the English language, from the date of this circular until the end of the meeting at (i) the offices of the Company, Laurierstraat 71H, 1016 PJ Amsterdam, The Netherlands, and (ii) on the Company's website at [www.kimberly-enterprises.com](http://www.kimberly-enterprises.com).

## 6. Extraordinary General Meeting

Part II of this document includes a copy of the notice convening the Extraordinary General Meeting to be held at Laurierstraat 71 HS, 1016PJ Amsterdam, The Netherlands at 11.00 a.m. (CET) on 25 January 2018 at which the following resolutions will be proposed (the actual text of the Resolutions and the full text of the agenda and explanatory notes thereto are set out in the notice):

### *Resolutions on financial statements*

- Resolution 1: Proposal to approve the Company's Dutch statutory annual accounts (*jaarrekening*) and directors' report (*bestuursverslag*) being drawn up in the English language.
- Resolution 2: to adopt (*vaststellen*) the Company's Dutch statutory annual accounts for the financial year ended 31 December 2016.
- Resolution 3: not to distribute any dividend in respect of the year ended 31 December 2016.

### *Discharge from liability*

- Resolution 4: to discharge the Directors of the Company from their liability for the conduct of business for the financial year ended 31 December 2016.

### *Resolutions on corporate matters*

- Resolution 5: to cancel the Admission of the Company's Ordinary Shares to trading on AIM. The requisite majority for Resolution 5 to be passed is not less than 75 per cent. of the votes cast by Shareholders (in person or by proxy).
- Resolution 6: to amend the Company's articles of association (*statuten*) in conformity with the draft of the notarial deed of amendment to the articles of association as available for inspection at the offices of the Company from the date of this notice until the end of the meeting and to authorise each managing director of the Company and also each employee of law firm Buren N.V., jointly as well as severally, to have the deed of amendment of the articles of association executed, and to perform all things necessary and formalities pertaining thereto or in connection therewith. The requisite majority for Resolution 6 to be passed is not less than 75 per cent. of the total number of Ordinary Shares carrying voting rights in the Company.

### *Shares*

- Resolution 7: to authorise the Board, generally and unconditionally to exercise all powers of the Company to allot equity securities (including rights to acquire equity securities) in the Company up to an aggregate nominal value of €27,000,000 (*twenty seven million euro*) being 2,700,000,000 ordinary shares, comprising an extension of more than 30 times of the Company's issued share capital as at the date of the notice for the Extraordinary General Meeting, provided that such authority shall expire on the conclusion of the Annual General Meeting to be held in 2018 unless previously renewed, varied or revoked by general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
- Resolution 8: conditional on passing resolution 7, to give a special instruction to the Board authorising it to disapply the pre-emption rights set out in article 6 of the Company's articles of association, such power to expire at the conclusion of the Annual General Meeting to be held in 2018, and the Board may allot equity securities following an offer or agreement made before the expiry of the authority and provided that the authority is limited to the allotment of equity securities (including rights to acquire equity securities) up to a maximum aggregate nominal amount of €27,000,000 (being 2,700,000,000 (*two billion seven hundred million*) ordinary shares, comprising an extension of over 30 times of the Company's issued share capital as at the date of the notice for the Extraordinary General Meeting).

### *Board matters*

- Resolution 9: Proposal to appoint Mr. Sagee Kadosh as executive director (*uitvoerend bestuurder*) of the Company, subject to the deed of amendment of the Company's articles of association being executed (item 6 of the agenda).
- Resolution 10: Proposal to appoint Mr. Terry Rene Roydon as non-executive director (*niet uitvoerend bestuurder*) of the Company, subject to the deed of amendment of the Company's articles of association being executed (item 6 of the agenda).
- Resolution 11: Proposal to appoint Mr. Marius Willem van Eibergen Santhagens as non-executive director of the Company, subject to the deed of amendment of the Company's articles of association being executed (item 6 of the agenda).

The Company specifies that only those members registered on the Company's register of members at:

- 11.00 a.m. (CET) on 23 January 2018; or
- if the Extraordinary General Meeting is adjourned, at 11.00 a.m. (CET) on the day that is two days (not including non-working days) prior to the adjourned meeting,

shall be entitled to attend and vote at the Meeting.

## **7. Action to be taken**

### *For holders of Ordinary Shares*

A Form of Proxy for use at the Extraordinary General Meeting accompanies this document. Shareholders should read the forms carefully to ensure that the correct form is used to allow them to vote at the meeting. If you are unable to attend the meeting, you are requested to complete and sign the enclosed Form of Proxy and return it to the Company, together with any power of attorney (if any) or other authorisation under which it is signed (if any), at Laurierstraat 71 HS, 1016PJ Amsterdam, The Netherlands as soon as possible, but, in any event, so as to be received by the Company no later than 11.00 a.m. (CET) on 23 January 2018.

You may appoint more than one proxy in relation to the Extraordinary General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. Additional Forms of Proxy may be obtained by contacting Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom on 0370 707 4040 from within the UK or +44 370 707 4040 if calling from outside the UK (the Shareholder Helpline is open between 8.30 a.m. and 5.30 p.m. UK time Monday to Friday excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline cannot provide advice on the merits of any matter to be proposed at the Extraordinary General Meeting nor give any financial, investment, legal or tax advice. You will need to state clearly on each Form of Proxy the number of Ordinary Shares in relation to which the proxy is appointed.

The completion and return of a Form of Proxy will not preclude Shareholders from attending the Extraordinary General Meeting and voting in person should they so wish. Further details relating to voting by proxy are set out in the notes of the Notice and in the Form of Proxy.

### *For holders of Depositary Interests*

Any holders of Depositary Interests should instruct Computershare Investors Services PLC to vote in respect of the holder's interest using the Form of Instruction enclosed. The completed Form of Instruction must be received by Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom together with the original or notarially certified copy of any power of attorney or other power under which it is executed (if any) not later than 11.00 a.m. (CET) on 22 January 2018.

Any holder of Depositary Interests who would like to attend the Extraordinary General Meeting should contact the Depositary whose contact details can be found on the Form of Instruction.

## **8. Recommendation**

**The Board considers that the passing of the Resolutions set out in the Notice is in the best interests of the Company and its Shareholders as a whole.**

**Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting,** as the Directors intend to do in respect of their own beneficial shareholdings in the Company, amounting, in aggregate, to 92,593 Ordinary Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of the Company.

Yours faithfully

**The Directors**

## PART II

### NOTICE OF EXTRAORDINARY GENERAL MEETING

of

#### KIMBERLY ENTERPRISES N.V.

(the "Company")

(Incorporated in the Netherlands, registered with the Dutch Chamber of Commerce with number 34138775)

Laurierstraat 71 HS  
1016 PJ, Amsterdam  
The Netherlands

Tel.: +31 20 778 4141

Fax: +31 20 330 5444

Notice is given that the Extraordinary General Meeting of the shareholders of Kimberly Enterprises N.V. (incorporated in the Netherlands with registered number 34138775), will be held at 11am (CET) on 25 January 2018 at the offices of the Company at Laurierstraat 71H, 1016 PJ Amsterdam, the Netherlands.

#### AGENDA

A. *Opening and announcements*

B. *Review of the 2016 financial year and remuneration in 2016*

- (i) Report by the board of managing directors of the Company (the "**Board**") of the 2016 financial year and consideration of the Company's Dutch statutory annual accounts and the directors' report for the year ended 31 December 2016
- (ii) Report on remuneration in the year ended 31 December 2016

1. Proposal to approve the Company's Dutch statutory annual accounts (*jaarrekening*) and directors' report (*bestuursverslag*) being drawn up in the English language (**Resolution**).

C. *Resolutions on Financial statements for the financial year 2016*

2. Proposal to adopt (*vaststellen*) the Company's Dutch statutory annual accounts for the financial year ended 31 December 2016 (**Resolution**).
3. Proposal to not distribute any dividend in respect of the year ended 31 December 2016 (**Resolution**).

D. *Discharge from liability*

4. Proposal to discharge the managing directors of the Company from their liability for the conduct of business for the financial year ended 31 December 2016 (**Resolution**).

E. *Resolutions on corporate matters*

5. Proposal to approve the contemplated cancellation of the admission of the Company's ordinary shares to trading on AIM (**Resolution**).
6. Proposal to amend the Company's articles of association (*statuten*) in conformity with the draft of the notarial deed of amendment to the articles of association as available for inspection at the offices of the Company from the date of this notice until the end of the meeting and to authorize each managing director of the Company and also each employee of law firm Buren N.V., jointly as well as severally, to have the deed of amendment of the articles of association executed, and to perform all things necessary and formalities pertaining thereto or in connection therewith (**Resolution**).

F. Shares

7. Proposal to authorise the Board, generally and unconditionally to exercise all powers of the Company to allot equity securities (including rights to acquire equity securities) in the Company up to an aggregate nominal value of €27,000,000 (*twenty seven million euro*), being 2,700,000,000 (*two billion seven hundred million*) ordinary shares, comprising an extension of over 30 times of the Company's issued ordinary share capital as at the date of this notice (being EUR 877,777.78 *eight hundred seventy seven thousand seven hundred seventy seven euro and seventy eight eurocent*) provided that such authority shall expire on the conclusion of the annual General Meeting to be held in 2018 unless previously renewed, varied or revoked by the general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired (**Resolution**).
8. Proposal, conditional on passing resolution 7, to give a special instruction to the Board authorising it to disapply the pre-emption rights (*voorkeursrechten*), such power to expire at the conclusion of the annual General Meeting to be held in 2018, and the Board may allot equity securities following an offer or agreement made before the expiry of the authority and provided that the authority is limited to the allotment of equity securities (including rights to acquire equity securities) up to a maximum aggregate nominal amount of €27,000,000 (*twenty seven million euro*), being 2,700,000,000 (*two billion seven hundred million*) ordinary shares, comprising an extension of over 30 times of the of the issued ordinary share capital of the Company as at the date of this notice (being EUR 877,777.78 *eight hundred seventy seven thousand seven hundred seventy seven euro and seventy eight eurocent*) (**Resolution**).

G. Resolutions on Board matters

9. Proposal to appoint Mr. Sagee Kadosh as executive director (*uitvoerend bestuurder*) of the Company, subject to the deed of amendment of the Company's articles of association being executed (item 6 of the agenda) (**Resolution**).
10. Proposal to appoint Mr. Terry Rene Roydon as non-executive director (*niet uitvoerend bestuurder*) of the Company, subject to the deed of amendment of the Company's articles of association being executed (item 6 of the agenda) (**Resolution**).
11. Proposal to appoint Mr. Marius Willem van Eibergen Santhagens as non-executive director of the Company, subject to the deed of amendment of the Company's articles of association being executed (item 6 of the agenda) (**Resolution**).

By order of the Board

*Mr. Terry Roydon*

**Director**

9 January 2018

## EXPLANATION TO THE AGENDA AND RECOMMENDATION

### B. *Review of the 2016 financial year and remuneration in 2016*

- (i) The Board will give a presentation of the performance of the Company in 2016. Subsequently, the shareholders will be invited to discuss this performance (as described in more detail in the Company's 2016 directors' report).

The Company presents its Dutch statutory annual accounts (including the consolidated accounts) and directors' report for the year ended 31 December 2016. The annual accounts and the directors' report and other related information required pursuant to section 2:392 of the Dutch Civil Code (*Burgerlijk Wetboek*) are available for inspection from the date of this notice until the end of the meeting at the offices of the Company, Laurierstraat 71H, 1016 PJ Amsterdam, the Netherlands. In addition, the Company's directors' report is available on the Company's website ([www.kimberly-enterprises.com](http://www.kimberly-enterprises.com)). Shareholders may request a hardcopy of the documents at no cost.

- (ii) This agenda item provides for a discussion and explanation by the Board on the implementation, in 2016, of the Company's remuneration policy for the Board.

### C. *Resolutions on Financial statements for the financial year 2016*

#### **Resolution 1**

Pursuant to section 3:391 paragraph 1 of the Dutch Civil Code (*Burgerlijk Wetboek*) the directors' report of a Dutch company should be drawn up in the Dutch language, unless the general meeting of shareholders approves the use of a different language. The Company is therefore requesting shareholders' approval for the directors' report being prepared in the English language.

#### **Resolution 2**

Pursuant to section 2:101 paragraph 3 of the Dutch Civil Code, the general meeting (*algemene vergadering*, "**General Meeting**") is the corporate body entitled to adopt the Company's Dutch statutory annual accounts. It is proposed that the General Meeting adopt the Company's Dutch statutory annual accounts for the year ended 31 December 2016. In respect of the availability of the underlying documents, please see the comments under item B(i) 2 above.

#### **Resolution 3**

Pursuant to article 28 of the Company's articles of association, the Board will determine which part of the profits of the Company will be distributed to shareholders and other persons entitled to profit. The Board proposes to the General Meeting that, given the financial situation of the Company as appears from the annual accounts for the year ended 31 December 2016, not to distribute any dividends.

### D. *Discharge from liability*

#### **Resolution 4**

As is customary for Dutch companies, it is proposed that shareholders discharge the Company's directors from their liability for the conduct of business during the previous financial year, to the extent that such exercise is apparent from the financial statements or has been otherwise disclosed to the General Meeting prior to the approval of the 2016 financial statements. Pursuant to Best Practice Provision IV.1.6. of the Dutch Corporate Governance Code (*Nederlandse Corporate Governance Code*), this item is included as a separate agenda item. This item will discharge all current members of the Board.

### E. *Resolutions on corporate matters*

#### **Resolution 5**

Proposal to approve the contemplated cancellation of the admission of the Company's ordinary shares to trading on AIM.

## Resolution 6

It is proposed that the Company's articles of association will be amended to reflect the fact that, after passing of resolution 5, the Company's ordinary shares will not be admitted to trading on AIM. Furthermore, with the exception of the name change from "Engel East Europe N.V." to "Kimberly Enterprises N.V." in 2012, the articles of association of the Company have not been amended since 9 December 2005 and should, on certain matters, be made compliant with the provisions of prevailing Dutch law. The proposal for the amendment of the articles of association of the Company *inter alia* includes an increase of the Company's authorized share capital (*maatschappelijk kapitaal*) which is proposed to enable a contemplated debt for equity swap with Engel Resources and Developments Limited (as referred to in the Shareholder Circular, as defined below). The new draft of the articles of association is further updated to reflect all applicable provisions of prevailing Dutch mandatory law and further provides for the relevant provisions for the Company to be a private (non-publicly traded) company.

The draft deed of the amendment of the Company's articles of association, contains the full text of the proposed amendments. The draft deed of amendment of the Company's articles of association is available for inspection, in the Dutch and in the English language, from the date of this notice until the end of the meeting at (i) the offices of the Company, Laurierstraat 71H, 1016 PJ Amsterdam, The Netherlands, and (ii) on the Company's website ([www.kimberly-enterprises.com](http://www.kimberly-enterprises.com)).

The amendment of the Company's articles of association requires a majority of 75 per cent. of the votes cast of all the outstanding shares of the Company, voting in favour of the proposal.

### F. Shares

## Resolution 7

In accordance with the current best practice and to effectuate the extension of the Company's issued share capital after the cancellation of the admission to AIM, the Board of Directors is requesting the authority to issue new shares and rights to acquire shares. The authority will extend to an increase of the of the Company's issued share capital as at the date of the notice for this Extraordinary General Meeting, by over 30 times of the current issued capital. The envisaged extension of issued share capital is given in connection with the debt for equity swap with Engel Resources and Development Limited, as described in the shareholder circular that has been made available to all shareholders on 9 January 2018 (the "**Shareholder Circular**"). Reference is made to the Shareholder Circular.

## Resolution 8

In accordance with the current best practice, the Board of Directors is requesting the authority to disapply pre-emption rights. Pursuant to article 6 of the Company's current articles of association and section 2:96a paragraph 1 of the Dutch Civil Code, shareholders have pre-emption rights solely for shares issued for cash. No pre-emption rights exist in respect of shares issued against a contribution in kind. No pre-emption rights exist in respect of shares issued to the Company's employees or to employees of a group company. The resolution to authorize the Board to disapply pre-emption rights is conditional to Resolution 7 being passed.

### G. Board matters

## Resolutions 9 up to and including 11

Pursuant to legislation that came into force in the Netherlands on 1 January 2013, a statutory basis has been created in Dutch law for a one tier board, a statutory board of directors comprising executive and non-executive board members. Though this concept had not been formally implemented in Dutch law prior to 1 January 2013, the Company has been operating with a one tier board from 2005 onwards. Though this is not uncustomary for Dutch multinational companies, the board structure should comply with prevailing law. The amendment of the Company's articles of association formalizes the one-tier board structure and creates a distinction between executive directors and non-executive directors. In order to formally record the position of the directors (executive or non-executive) it is required that each director of the Company be appointed by the general meeting of shareholders as an executive director or as a non-executive director. This appointment does not lead to any changes in the composition of the current Board of directors or their respective tasks and responsibilities. The appointment by the general meeting of shareholders shall be subject to the amendment of the Company's articles of association. To enable the appointment, all directors will voluntarily resign immediately prior to the amendment of the articles of association.



**Recommendation**

Your Board of Directors considers that each of the resolutions set out in the Agenda is in the best interests of shareholders as a whole and recommends that you vote in favour of each resolution, as each of the directors who holds shares in the Company intends to do in respect of his own beneficial holding.

## Notes on Voting

### Holders of Ordinary Shares:

1. All holders (the "**Shareholders**") of ordinary shares in the Company (the "**Shares**") have the right to attend, speak and vote at the Meeting. A Shareholder is entitled to appoint not more than two (2) proxies to exercise all or any of his or her rights to attend and to speak and vote in his or her place. A proxy need not be a member of the Company. Completion of the form of proxy will not preclude a Shareholder from attending, speaking and voting in person. Only those Shareholders entered on the Company's register of members for the Shares as at 48 hours before the Meeting or, if the Meeting is adjourned, as at 48 hours before the time of the adjourned Meeting, shall be entitled to attend, speak and vote at the Meeting or any adjournment in relation to their Shares.
2. Registered Shareholders should complete the Form of Proxy provided with the Notice of Extraordinary General Meeting. The Form of Proxy must be deposited in hard copy form by post, by courier or by hand at Kimberly Enterprises N.V., Laurierstraat 71 HS, 1016PJ, Amsterdam, The Netherlands no later than 11.00 a.m. (CET) on 23 January 2018 or 48 hours before any adjourned meeting.
3. If you wish to appoint as your proxy someone other than the Chairman of the Meeting, complete the box at the top of the second page of the Form of Proxy with the full name of your proxy and the number of shares they will be representing. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman of the Meeting) and give your instructions directly to them.
4. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he or she thinks fit on the resolution and, unless instructed otherwise, the person appointed proxy may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to the Resolutions) which may properly come before the Meeting.
5. On a poll you have one vote in respect of each Share you hold. You do not have to cast all of your votes in the same way and if you wish to split your votes you can enter the number of votes you wish to vote for and against in the boxes next to the resolution. The total number of votes must not exceed the total number of votes you hold. If you simply enter a tick in one of the boxes for the resolution you will be deemed to vote all your votes in that way. If you tick more than one box but do not indicate how many of your Shares you wish to vote in such manner, you will be deemed to vote an equal proportion of your Shares for each box ticked.
6. This form must be signed and dated by the Shareholder or his/her attorney duly authorised in writing. If Shares in the Company are held by a nominee(s), a form(s) of proxy must be completed and signed by the nominee(s). If the Shareholder is a company, it may execute under its common seal, by the signature of a director and its secretary or two directors or other authorised signatories in the name of the company or by the signature of a duly authorised officer or attorney. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
7. To appoint more than one proxy to vote in relation to different Shares within your holding, you may photocopy both sides of this form. Please indicate on each copy of the form the proxy's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the appointment of a proxy is one of multiple appointments being made. All such forms should be signed and returned together in the same envelope. When two or more valid but differing appointments of proxy are delivered or received for the same Share for use at the same Meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that Share.

### Holders of Depositary Interests:

1. Any holders of Depositary Interests should instruct Computershare Investors Services PLC to vote in respect of the holder's interest using the Form of Instruction enclosed. The completed Form of Instruction must be received by Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom together with the original or notarially certified copy of any power of attorney or other power under which it is executed (if any) not later than 11.00 a.m. (CET) ON 22 January 2018 or 72 hours before any adjourned meeting.
2. If you hold your Shares via the depositary interest arrangement and would like to attend the Meeting, please contact the depositary, contact details of which are set out in the Form of Instruction.

