

Ordinary Shareholders Meeting of Eastern Property Holdings Limited  
to be held on 29 June 2010 at 11:00 AM at the Andaz Liverpool Street Hotel, 40, Liverpool Street,  
London, England, EC2M 7QN

**AGENDA**

1. Annual report for the year ended 31 December 2009

It is proposed by the Board of Directors to approve the annual report of the Company for the year ended 31 December 2009. The annual business report and the auditors' report are available for examination by the Shareholders at the head office of the Company and at the office of the Paying agent in Switzerland, or on the Company website: [www.easternpropertyholdings.com](http://www.easternpropertyholdings.com)

2. Election of Ernst & Young AG, Zürich

It is proposed to elect Ernst & Young, Zürich for the audit of the financials of the Company for the year ended 2010.

3. Dividend

It is proposed that for the year ended 31 December 2009, no dividend will be paid.

4. Adoption of updated and amended Investment Guidelines

It is proposed by the Board of Directors to adopt the attached Investment Guidelines.

5. Miscellaneous

Registered shareholders can request an entry card by contacting:

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General Meetings  
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The Board of Directors of Eastern Property Holdings Limited

## **EPH INVESTMENT GUIDELINES**

*(Proposed for adoption at the 2010 Annual Shareholders Meeting, 29 June 2010)*

### **1. Objective**

The objective of Eastern Property Holdings (the “Company”) is to invest directly, through subsidiaries, or via participation in other companies, in real estate in Russia, the CIS, and other formerly socialist countries or their successors in Central or Eastern Europe in order to provide capital appreciation and dividend income to its shareholders. Investments may be existing properties or development projects which are intended to provide capital appreciation and/ or rent income. The Company may also purchase participations in other companies with real estate related activities and provide real estate financing, real estate management, sale and leaseback of real estate and enter into real estate related financial transactions.

### **2. Investments**

#### 2.1: Real estate investments

Investment targets are commercial, residential and industrial properties located in Russia and other CIS countries which provide a reasonable risk/ return ratio. The main criteria to be considered are as follows:

- Potential for value appreciation;
- Current profitability;
- Quality of location;
- Occupancy;
- Quality of tenants;
- Economic outlook;
- Infrastructure;
- Architecture;
- Standard of fittings;
- Flexibility of usage.

#### 2.2: Development projects

Development projects might be new construction or refurbishing of existing buildings. If development projects are undertaken with a partner, special care must be to protect the interests of the Company through the structure and contractual framework of the endeavor.

#### 2.3: Financing of real estate investments

The Company intends to optimise the return on its investments through the conservative use of leverage. Interest expenses will be considered on a consolidated basis.

#### 2.4: Participations in companies

The Company can also invest in majority or minority participations in other companies with real estate related activities, including real estate management.

## 2.5: Real estate financing

The Company may provide real estate financing secured by mortgages or other adequate guarantees.

## 2.6: Financial investments

For temporary or defensive purposes, the Company's assets can also be invested in financial instruments, such as stock, listed shares, bonds, investment funds and other liquid financial instruments. The investment in options, futures and other derivatives is only permitted for hedging purposes. The Company may furthermore engage into other financial transactions such as currency and interest rate forwards and swaps for hedging purposes.

## 2.7: Other investments

The Company can also, subject to approval of the Board of Directors, invest up to 10% of its total assets in non-real estate-related investments. Up to 20% of the Company's total assets can be invested in real estate investments outside the Company's primary geographic area of focus.

## 3. Valuation

The entire real estate portfolio will be appraised once a year by an independent real estate appraiser. The results of the yearly appraisal will be used as the basis for valuation in the Company's annual report. For the purpose of the half year report, a simplified valuation method will be applied.

## 4. Investment Process

### 4.1 Approval by the Board of Directors

All purchases or sales of properties and all investments in other assets in excess of US\$ 10.00 million, with the exception of financial investments for temporary or cash management purpose must be approved by the Board of Directors.

### 4.2 Analysis

Prior to Board approval, the Management Committee will present a comprehensive analysis any potential transaction, including financing. Analysis must be based on conservative cost, timing, and rent or sale assumptions.

## 5. Changes to, and Compliance with the Investment Guidelines

The Investment Guidelines can be changed by resolution of the Board of Directors. Compliance with the Investment Guidelines is verified periodically by the Board of Directors.

The Investment Guidelines will be posted on the Company's website:  
*www.easternpropertyholdings.com*.