



**RONSON EUROPE N.V.  
SHAREHOLDERS CIRCULAR  
DATED 17 MAY 2012**

**Introduction**

This document is prepared under article 33.5 of the Articles of Association of Ronson Europe N.V. (the "AoA") with its corporate seat in Rotterdam, the Netherlands (the "Company") and contains the draft resolutions to be adopted by the General Meeting of Shareholders ("GM") at the occasion of the Annual General Meeting of Shareholders, to be held on 28 June, 2012 in Rotterdam at Weena 210-212, 3012 NJ Rotterdam, at 10.00 hours CET ("AGM"), as well as the explanatory notes thereto. This document must be read in conjunction with the AoA and the Annual Report for 2011 as published by the Company and made available to all shareholders (the "Annual Report 2011").

This document and the documents it refers to are available for all shareholders via the Company's website ([www.ronson.pl](http://www.ronson.pl)) and are also available for shareholders' inspection at the Company's offices in the Netherlands in Rotterdam at Weena 210-212, 3012 NJ Rotterdam and at the Company's offices in Poland in Warsaw at 57 Komisji Edukacji Narodowej Avenue.

**Agenda**

For the AGM the following agenda is adopted on the basis of article 33.4 by the Board of Managing Directors and the Board of Supervisory Directors in accordance with article 33.2 of the AoA as follows:

- 1) Opening of the General Meeting
- 2) Discussion on the Company's Annual Report for the financial year 2011, including the report of the Management Board and the report of the Supervisory Board and its committees
- 3) Adoption of the annual accounts for the financial year 2011 \*
- 4) Discussion on the policy on additions to the reserves and dividends
- 5) Appropriation of the net profit for the financial year 2011 \*
- 6) Discharge from liability ('*decharge*') of the members of the Management Board for their management tasks during the financial year 2011 \*
- 7) Discharge from liability ('*decharge*') of the members of the Supervisory Board for their supervisory tasks during the financial year 2011\*
- 8) Authorization of the Board of Supervisory Directors to appoint the Company's external auditor for the financial year 2012\*
- 9) Discussion of the corporate governance policy as set out in the Company's Annual Report for the financial year 2011
- 10) Re-Appointment of a member of the Board of Supervisory Directors\*:  
Re-appointment of Mr. Reuben Sharoni
- 11) Re-appointment of four members of the Board of Managing Directors\*:
  - a) Re-appointment of Mr. Shraga Weisman as Managing Director A and member of the Board of Managing Directors
  - b) Re-appointment of Mr. Tomasz Lapinski as Managing Director A and member of the Board of Managing Directors
  - c) Re-appointment of Mr. Andrzej Gutowski as Managing Director A and member of the Board of Managing Directors
  - d) Re-appointment of Mr. Karol Pilniewicz as Managing Director B and member of the Board of Managing Directors
- 12) Authorization of the Board of Managing Directors under article 5 of the Company's articles of association to issue shares in the Company\*
- 13) Any other business
- 14) Closing of the General Meeting

**Proposed Resolutions**

With a view to agenda items 3, 5, 6, 7, 8, 10, 11 and 12, marked with an asterisk to indicate that these require a shareholders' resolution, the following resolutions are proposed by the Board of Managing Directors and the Board of Supervisory Directors. Both Boards unanimously recommend that the GM adopt these resolutions.

After each resolution a short explanation is given for consideration by the GM before voting on the adoption of the resolutions. The main agenda item for the GM is the adoption of the annual accounts of the Company for financial year 2011. Most of the other agenda items are closely related to the adoption of the annual accounts..



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For the relevant facts and circumstances to be considered by the GM reference is further made to the Annual Report 2011. Shareholders are explicitly invited to take cognizance of the Annual Report 2011. In addition, Shareholders are also invited to consider the prevailing AoA, in particular as to the provisions governing the GM and the preparation and adoption of the annual accounts.

***Resolution for agenda item 3***

*3. To adopt the annual accounts of the Company for the financial year 2011 in accordance with the accounts included in the Annual Report 2011.*

Explanation

For the relevant facts and circumstances for this resolution reference is made to the Annual Report 2011. The accounts are audited and approved by Ernst & Young Accountants LLP. The GM is authorized to adopt the annual accounts on the basis of article 28.4 of the AoA.

***Resolution for agenda item 5***

*5. To acknowledge the decision by the Board of Managing Directors to add the net profit of the Company for financial year 2011 in the amount of PLN 6,757,000 to the retained earning and to resolve to declare a dividend at nil for the financial year 2011 in accordance with the proposal of the Board of Managing Directors included in the Annual Report 2011.*

Explanation

For the relevant facts and circumstances for this resolution reference is made to the Annual Report 2011. The Board of Managing Directors is authorized under article 30.1 of the AoA to determine which portion of the profits shall be reserved. The GM is authorized to determine the dividend on the basis of article 30.5 of the AoA upon a proposal by the Board of Managing Directors, approved by the Board of Supervisory Directors, which approval was granted on 6<sup>th</sup> of March 2012.

***Resolution for agenda item 6***

*6. To grant discharge from liability ("décharge") to the members of the Board of Managing Directors for the management during the financial year 2011.*

Explanation

This agenda item is an annually recurring item, scheduled on the basis of article 31.2 of the AoA and in accordance with Dutch law. For the relevant facts and circumstances for this resolution reference is made to the Annual Report 2011. The GM is authorized to resolve regarding discharge. Discharge does not extend to facts and circumstances that are not disclosed to or not otherwise reasonably known by the GM.

***Resolution for agenda item 7***

*7. To grant discharge from liability ("décharge") to the members of the Board of Supervisory Directors for the supervision during the financial year 2011.*



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Explanation

This agenda item is an annually recurring item, scheduled on the basis of article 31.2 of the AoA. For the relevant facts and circumstances for this resolution reference is made to the Annual Report 2011. The GM is authorized to resolve regarding discharge. The discharge would extend to all persons having been supervisory director of the Company in 2011

***Resolution for agenda item 8***

*8. To authorize the Board of Supervisory Directors to appoint the Company's external auditor for the financial year 2012.*

Explanation

The GM is authorized to appoint the auditor on the basis of article 27.1 of the AoA. Under Dutch law, appointment of an auditor is mandatory for the Company. If the GM would fail to appoint an auditor the Board of Managing Directors and the Board of Supervisory Directors are obliged and authorized to do so. It is the Company's policy to schedule the appointment of the auditor each year for the AGM. The appointment right of the AGM includes the right to authorize an other corporate body to take a decision. The Company is currently evaluating the audit of the annual accounts for 2011. After completion of this process the Board of Managing Directors will make a recommendation to the Board of Supervisory Directors to appoint the auditor for FY 2012. Each of the big four firms (including E&Y, PWC, Deloitte and KPMG) are eligible for such appointment and the Boards intend to recommend and select one of these firms.

The recommendation and selection will be made, upon the recommendation of the Audit Committee, having consulted management and having conducted a thorough assessment of the functioning of external auditing within the Company.

***Resolution for agenda item 10***

*10. To re-appoint Mr. Reuben Sharoni as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years to expire on the date of the AGM in the fourth year.*

Explanation

Mr. Reuben Sharoni was appointed in 2008 for a four year term and his re-appointment is scheduled for renewal of his term for 4 more years to expire on the date of the AGM in the fourth year.

Under article 21 of the AoA, supervisory directors are appointed by the general meeting of shareholders of the Company. In accordance with article 21.1 of the AoA the Board of Supervisory Directors has prepared a list of two nominees for each appointment of a member of the Board of Supervisory Directors. The nominated persons are Mr. Sharoni and Mr. Hessel van der Kolk. The nomination is binding upon the general meeting of shareholders but may be disregarded by the meeting with a vote of two thirds of the votes cast representing more than 50% of the outstanding shares. The general meeting of shareholders is free in its choice for either of the nominated candidates. The resume's of Mr. Sharoni and the other information required by article 21.6 of the AoA are included in the Company's Annual Report 2011. Such information for Mr. Van der Kolk is included in annex 1 to this circular. Given their experience and expertise, the Board of Supervisory Directors believes that the appointment of either nominee would fit the Board of Supervisory Directors' profile drawn up in accordance with article 21.3 of the AoA and available on the Company's website and will to the board's conviction meaningfully contribute to and complement the board's expertise for the benefit of the Company and its



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business. Following this (re-)appointment both Mr. Sharoni and Mr. Van der Kolk would qualify as independent member of the Board of Supervisory Directors in accordance with article 20.2 of the AoA and the Company's prevailing Corporate Governance Policy. Without prejudice to the foregoing the Managing Board and the Board of Supervisory Directors are recommending to re-appoint the first nominee for the appointment. As member of the Board of Supervisory Directors the appointee will be entitled to remuneration in accordance with the remuneration policy and - program of the Company for members of the Board of Supervisory Directors.

By this (re-)appointment the GM confirms that the number of members of the Board of Supervisory Directors remains set at 6. By re-appointment as proposed, the GM acknowledges and confirms the Company's policy that four year terms expire on the date of the AGM in the fourth year of the term.

***Resolution for agenda item 11 a, 11b, 11c and 11d***

*11 a) To appoint Mr. Shraga Weisman as Managing Director A and member of the Board of Managing Directors for a term of four years to expire on the date of the AGM in the fourth year*

*11 b) To appoint Mr. Tomasz Lapinski as Managing Director A and member of the Board of Managing Directors for a term of four years to expire on the date of the AGM in the fourth year*

*11 c) To appoint Mr. Andrzej Gutowski as Managing Director A and member of the Board of Managing Directors for a term of four years to expire on the date of the AGM in the fourth year*

*11 d) To appoint Mr. Karol Pilniewicz as Managing Director B and member of the Board of Managing Directors for a term of four years to expire on the date of the AGM in the fourth year*

**Explanation**

Messrs Weisman, Lapinski, Gutowski and Pilniewicz are currently members of the Company's Board of Managing Directors and were appointed in 2008. Their re-appointments are now scheduled in view of the expiration of their for year terms which term, in line with the Company's policy, expires on the date of the AGM of the fourth year. Each re-appointment requires a separate vote and resolution.

Under article 13 of the AoA, managing directors are appointed by the general meeting of shareholders of the Company. In accordance with article 13.2 of the AoA the Board of Supervisory Directors has prepared a list of two nominees for each appointment of a member of the board of managing directors. The nominated persons are Mr. Weisman and Mr. Lapinski for the first appointment, Mr. Lapinski and Mr. Gutowski for the second appointment, Mr. Gutowski and Mr. Pilniewicz for the third appointment and Mr. Pilniewicz and Mr. Wilbert van Twuijver for the fourth appointment. Under the AoA, the nomination is binding upon the general meeting of shareholders but may be disregarded by the meeting with a vote of two thirds of the votes cast representing more than 50% of the outstanding shares. The general meeting of shareholders is free in its choice for either of the nominated candidates. The resume's of the nominees except Mr. Van Twuijver and the other information required by the AoA are included in the Company's annual report. Such information for Mr. Van Twuijver is included in annex 2 to this circular. Given their experience and expertise, the Board of Supervisory Directors believes that the appointment of either nominee would fit the Board of Managing Directors and will to the board's conviction meaningfully contribute to and complement the board's expertise for the benefit of the Company and its business. All candidates would qualify but without prejudice to the foregoing the Board of Managing Directors and the Board of Supervisory Directors are recommending to appoint the first nominees for each appointment. As member of the Board of Managing Directors the appointees will be entitled to remuneration in accordance with the remuneration policy and - program of the Company for members of the Board of Managing Directors. By these (re-)appointments as proposed, the GM acknowledges and confirms the Company's policy that four year terms expire on the date of the AGM in the fourth year of the term.



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***Resolution for agenda item 12***

*12. To authorize the Board of Managing Directors under article 5.1 of the Company's articles of association for a period of 5 years (expiring 28 June 2017) to issue shares in the Company with a maximum calculated by deducting the total number of outstanding shares at the time of the issue from the total number of shares as authorized at the time of the issue by the Authorized share capital of the Company and to authorize the Board of Managing Directors under article 6.5 of the Company's articles of association to exclude or restrict, to the Board's full discretion, the pre-emption right of shareholders under article 6.2 of the articles of association, provided that all relevant resolutions of the Board of Managing Directors regarding issue of shares and exclusion or restriction of pre-emption rights will be subject to prior approval by the Board of Supervisory Directors.*

Explanation

It is the prerogative of the GM to resolve to issue new shares in the Company. Under article 5 of the AoA, the GM may mandate another corporate body to issue shares. Such mandate may be granted for a period of maximum 5 years. The GM has mandated the Board of Managing Directors before, which mandate has expired on 9 October 2011. It is now proposed to renew such mandate to 28 June 2017 as follows and thus authorize the Board of Managing Directors to issue new shares with the discretion to exclude or restrict the shareholders' pre-emption right. Such authorization will allow the Company to issue new shares in the context of employee incentive plans or for general corporate purposes if the capital structure and/or capital needs of the Company would so require. The proposal is approved by the Board of Supervisory Directors in accordance with articles 5.3 and 6.5 of the AoA and any decisions by the Board of Managing Directors to issue new shares and the shareprice and other terms and conditions thereof will be subject to such prior approval as well. During FY 2011 the Board of Managing Directors has not used the authorization to issue shares and restrict pre-emption rights and it is currently not envisaged that the board will do so in FY 2012 and any plan or intention to so issue shares will be published in accordance with and with due observance of the AoA and other relevant rules and regulations. It is noted that a resolution to authorize the Board of Managing Directors to exclude or restrict the shareholders' pre-emption rights will require a two third majority of the votes cast in the GM, unless more than 50% of the outstanding shares is present or represented in the GM, in which case a simple majority will suffice.

Rotterdam, 17 May 2012

Board of Managing Directors

Board of Supervisory Directors

*This document is of informative nature only and should be read in conjunction with the Company's Articles of Association and applicable provisions of Dutch law. Shareholders are kindly asked to read and consider carefully all the information concerning the AGM which has been made available by the Company, including the Annual Report 2011 containing the Company's annual accounts.*