

Chapter D – Additional Information on the Corporation

Company: Kardan NV registered in the Netherlands (hereinafter: “Kardan NV” or the “Company”)

Company number with the Dutch Commercial Register at the Chamber of Commerce: 34189974

Date of statement of financial position: December 31 2018

Reporting period: January 1 2018 - December 31 2018

Reporting date: March 27, 2019

1. Regulation 25A:

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2. Regulation 8b - Evaluation

For more information regarding the valuation, please see Section 9 in the Board Of Directors' and Management's Report – Part B of the 2018 Periodic Report.

3. Regulation 9B - Report on Effectiveness of Control over Financial Reporting and Disclosure

Attached to Part E to the 2018 Periodic Report is an annual report regarding the effectiveness of control over financial reporting and the disclosure in accordance with Regulation 9B(a), as well as the statements of the CEO and the most senior Company officeholder in the field of finance.

4. Regulation 9C - The Corporation's Standalone Financial Statements

Attached to Chapter C to the Periodic Report are the Company's standalone financial statements with an auditor's report of the Company's independent auditor.

5. Regulation 9d - Report Regarding the Status of the Corporation's Liabilities by Maturity Dates

See Form T-126, which is published close to the date of publication of the Periodic Report; the information included in this form is incorporated into this report by way of reference

6. Regulation 10 – Directors' Report on the State of the Company's Affairs

The Directors' Report on the State of the Company's Affairs for the year 2018 is attached as Chapter B of the Periodic Report.

7. Regulation 10A: Condensed Statements of Comprehensive Income

Set forth below is a table presenting the condensed statement of comprehensive income of Kardan NV for each of the quarters in the reporting period, in thousands of Euros:

	Q1	Q2	Q3	Q4	Total for 2018
Revenues , from sale of apartments	61,627	3,764	3,780	3,540	72,711
Rent and maintenance	972	930	956	1,004	3,862
Other income	477	838	732	837	2,884
Expenses , cost of sale of apartments	(60,384)	(3,392)	(2,771)	(2,455)	(69,002)
Maintenance of buildings to rent	(415)	(218)	(157)	(355)	(1,145)
Other expenses, net	(595)	(1,078)	(293)	(851)	(2,817)
Gross profit	1,682	844	2,247	1,720	6,493
Selling and marketing expenses	(1,027)	(1,149)	(1,057)	(850)	(4,083)
General and administrative expenses	(2,480)	(1,519)	(2,683)	(1,488)	(8,125)
Operating income (loss) before adjustments, fair value and disposal of assets	(1,825)	(1,824)	(1,448)	(618)	(5,715)
Increase (decrease) in value of investment property, net	---	(2,105)	---	(6,505)	(8,610)
Gain (loss) from disposal of assets and other income	---	---	---	1,507	1,507
Income (loss) before financing expenses and taxes on income	(1,825)	(3,929)	(1,448)	(5,616)	(12,818)
Financing income (expenses), net	6,346	(14,121)	(11,905)	(4,023)	(23,703)
Income (loss) before Company's share in profits or associates, net	4,521	(18,050)	(13,353)	(9,639)	(36,521)
Company's share in profits (losses) of associates, net	1,238	688	(66)	(368)	1,492
Income (loss) before taxes on income	5,759	(17,362)	(13,419)	(10,007)	(35,029)
Taxes on income (tax benefits)	1,627	(375)	406	(1,910)	(604)
Net income (loss) from continuing operations	4,132	(16,987)	(13,825)	(7,745)	(34,425)
Net income from discontinued operations	636	2,877	1,413	(5,237)	(311)
Net income (loss)	4,768	(14,110)	(12,412)	(12,982)	(34,736)
Attributed to: Company's shareholders	4,269	(15,343)	(12,914)	(12,787)	(36,775)
Minority interest	499	1,233	502	(195)	2,039
Statement of comprehensive income, net income (loss)	4,768	(14,110)	(12,412)	(12,982)	(34,736)
Other comprehensive income (loss): adjustments from translation of financial statements of foreign operations	(7,947)	1,572	(12,303)	2,380	(16,298)
Gain (loss) in respect of cash flow hedges, net of tax effect	(208)	(180)	(182)	(181)	(751)
Other comprehensive income (loss), net	(8,155)	1,392	(12,485)	2,199	(17,049)
Total comprehensive income (loss)	(3,387)	(12,718)	(24,897)	(10,873)	(51,785)
Attributed to: Company's shareholders	(1,821)	(13,051)	(24,036)	(10,709)	(49,617)
Non-controlling interests	(1,566)	333	(861)	(74)	(2,168)

8. Regulation 10C: Using Consideration for Securities in Reference to the Consideration's Goals as per the Prospectus

N/A

9. Regulation 11 (1)-(3): List of Investments in Material Subsidiaries and Associates as of Statement of Financial Position Date¹

No.	Company name	Share type	Number of shares ²	Total par value ³	Value in the standalone financial statements (in thousands of euros)	Outstanding loans (in thousands of euros)	Holding rate		
							% of share capital ⁴	% of voting rights ⁵	% of the power to appoint directors ⁶
1.	GTC Real Estate Holding B.V.(The Netherlands)	Ordinary	18,000	EUR 18,000	203,358	---	100	100	100
2.	Kardan Land China Limited (Hong Kong)	Ordinary	48,250	HKD 48,250	--- ⁸	---	100	100	100
3.	Kardan Land Dalian (HK) Limited (Hong Kong)	Ordinary	99	HKD 100	--- ⁸	---	100	100	100
4.	Kardan Land Dalian Ltd. (China)	Ordinary	990,000,000	RMB 990,000,000	--- ⁸	---	100	100	100
5.	Kardan Financial Services B.V. (The Netherlands)	Ordinary	42,010,038	EUR 15,123,614	22,007	---	100	100	100
6.	Tahal Group International B.V. (The Netherlands)	Ordinary	24,700	EUR 24,700	40,878	---	98.43	98.43	100
7.	Tahal Group B.V. (The Netherlands)	Ordinary	18,160	EUR 18,160	--- ⁹	---	98.43	98.43	100
8.	Tahal Consulting Engineers Ltd. (Israel)	Ordinary	1,101	NIS 110	--- ⁹	---	98.43	98.43	100
9.	Tahal Group Assets B.V. (The Netherlands)	Ordinary	18,000	EUR 18,000	--- ⁹	---	98.43	98.43	100
10.	Emerging Investments XII B.V. (The Netherlands)	Ordinary	18,000	EUR 18,000	65,247	---	100	100	100

¹ All companies listed in the table are private companies.

² The number of shares presented in this column is presented for the holding company.

³ Total par value presented in this column is presented for the holding company.

⁴ The equity holding rates presented in this column represent indirect holdings and do not include potential dilution due to convertible securities.

⁵ The percentages of voting rights presented in this column represent indirect voting rights.

⁶ The percentage of voting rights in votes on appointment of directors as presented in this column refer to the directors' appointment powers conferred upon the holding company.

⁷ GTC RE extended Emerging Investments XII B.V. a loan, whose outstanding balance as at December 31 2018 was EUR 9,718 thousand

⁸ Held by GTC RE and is therefore included in GTC RE's value in the financial statements.

⁹ Held by Tahal Group International B.V. and is therefore included in Tahal Group International B.V.'s value in the financial statements.

10. Regulation 12: Changes in Investments in Material Subsidiaries and Associates in the Reported Year

No changes have taken place in investment in subsidiaries and material associates during the reported year.

Subsequent to the reporting period, Kardan Financial Services B.V. entered into an agreement and completed a transaction for the sale of all of its holdings in TBIF DAN Leasing Limited¹⁰ (hereinafter: "TDLL") and a shareholders' loan it had extended to TDLL for a total of USD 14.2 million. Following the transaction, the company is expected to record a EUR 2 million loss in its financial statements (a EUR 3.3 million loss in the financial statements as at December 31, 2018 and a gain from the release of a EUR 1.3 million capital reserve in the financial statements as at March 31, 2019). For more information, please see Section 11.2 of Part A of the 2018 Periodic Report.

¹⁰ TDLL holds all of AVIS Ukraine's shares.

11. Regulation 13: Revenues of Material Subsidiaries and Associates and Revenues Therefrom (in thousands of euros)

Company's name	Net income (loss) for the year		Other income (loss)		Comprehensive income (loss) for the year		Dividend		Financing income (expenses)		Management fees	
	Attributed to Company's shareholders	Attributed to non-controlling interests	Attributed to Company's shareholders	Attributed to non-controlling interests	Attributed to Company's shareholders	Attributed to non-controlling interests	Received in 2018	Received or the right of receipt thereof was established subsequent to the date of the statement of financial position through the date of its publication	Received in 2018	Received or the right of receipt thereof was established subsequent to the date of the statement of financial position through the report publication date	Received in 2018	Received or the right of receipt thereof was established subsequent to the date of the statement of financial position through the date of its publication
GTC Real Estate Holding B.V.	(27,455)	-	(7,220)	-	(34,675)	-	-	-	-	-	404	101
Tahal Group International B.V.	76	2,071	(9,135)	(145)	(9,059)	1,926	-	-	-	-	99	25
Kardan Financial Services B.V.	(2,308)	-	409	-	(1,899)	-	-	-	-	-	100	25
Emerging Investments XII B.V.	13,830	-	-	-	13,830	-	17,500 ¹¹	-	-	-	10	2.5

¹¹ Complex loan agreement for a total of EUR 15 million from Kardan Land China Limited and repayment of approximately EUR 2.5 million in loans extended to Tahal Group International B.V.

12. Regulation 14: List of loans

The provision of loans is not the principal field in which the Company is engaged.

13. Regulation 20: Trading on the Tel Aviv Stock Exchange Ltd.

No securities issued by the Company were listed on the stock exchange in the reported year. Furthermore, except for temporary suspensions, the trade of the Company's securities was not suspended during the reported period.

Without derogating from the aforementioned, it should be noted that on February 5, 2018 NIS 190,566,929 p.v. in Series B debentures were written-off since repayment (partial redemption) of Series B debentures at the said amount, which was due to take place on that date, did not take place. The unpaid balance of Series B debentures as of that date was recorded solely in the Stock Exchange's clearing house as 'Kardan NV debentures B account18/2'. For further details, see the notice issued by the Tel Aviv Stock Exchange (TASE) Stock Exchange of February 1, 2018.

14. Regulation 21:¹² Remuneration to interested parties and senior officeholders

The five highest-paid officeholders in the Company and companies under its control:

Details of remuneration recipients					Remuneration for services* (In thousands of euro)							Other remuneration*			Total (including share-based payment) (In thousands of euro)	Total (Excluding share-based payment) (In thousands of euro)
Name	Title	Full or part-time position	Percent age of holding in corporation's share capital	Salary ¹³	Bonus	Share-based payment	Management fees	Consulting fees	Commission	Other	Interest	Rental fees	Other			
1	Ariel Hasson	CEO and Director of Kardan NV	100%	---	290 ⁽¹⁾	--- ⁽¹⁾	--- ⁽¹⁾	63 ⁽¹⁾	---	---	---	---	---	---	353	353
2	Saar Bracha	CEO and Executive Director TGI Group International B.V CEO of Tahal Consulting Engineers Ltd.	100% (50%-TGI and 50% Tahal)	---	262 ⁽²⁾	63 ⁽²⁾	178 ⁽²⁾	240 ⁽²⁾	---	---	---	---	---	---	743	565
3	Naama Zeldis	CFO of Tahal Consulting Engineers Ltd.	100%	---	296 ⁽³⁾	16 ⁽³⁾	38 ⁽³⁾	---	---	---	---	---	---	---	350	312
4	Walter Van Damme	CEO of Kardan Land China Ltd. (Formerly) ¹⁴	100%	---	301 ⁽⁴⁾	-	-	-	---	---	---	---	---	---	301	301
5	Shmuel Hibel	CEO of Kardan Land China Ltd. ¹⁵	100%	---	238 ⁽⁵⁾	79 ⁽⁵⁾	-	80 ⁽⁵⁾	---	---	---	---	---	---	397	397

* In terms of cost

¹² Including an undertaking to remunerate, whether directly or indirectly, and including money or money-equivalent, salary, bonus, management fees, consulting fees, rental fees, commission, interest, share-based payment, a non-pension retirement payment, a benefit and any other favor, all except dividend.

¹³ Including payroll-related terms, such as vehicle maintenance, telephone, social benefits, provisions for employee rights upon retirement and any income charged to payroll due to a benefit component awarded to the employee.

¹⁴ Mr. Walter Van Damme served as the CEO of Kardan Land China Ltd. until August 2018.

¹⁵ Mr. Shmuel Hibel served as the CFO of Kardan Land China Ltd. until August 2018, and on that date he started serving as the CEO of Kardan Land China Ltd..

Notes to table

(1) Ariel Hasson

Pursuant to his employment agreement and services agreement entered into with a company under his control, the Company pays Ariel Hasson (hereinafter in this paragraph: “**Mr. Hasson**”) for his service as the Company’s CEO as from April 15 2016 and as an executive director thereof,¹⁶ for services he renders to the Company a fixed monthly remuneration at a total annual cost of app. EUR 353,000. The aforesaid monthly remuneration includes social and generally acceptable related benefits, including a vehicle, mobile phone, etc. The term of the agreement is five years. During the term of the agreement, each party may terminate the engagement by giving a six (6)-month advance notice (hereinafter in this paragraph: the “**Advance Notice Period**”). Should Mr. Hasson decide to terminate the engagement, he will be entitled to remuneration in respect of the Advance Notice Period so long as he will continue to render services to the Company, unless the Company’s Board of Directors decides that Mr. Hasson’s services are not needed during the Advance Notice Period, in which case he will be entitled to full remuneration in respect of the Advance Notice Period. Should the Company terminate the engagement, Mr. Hasson shall be entitled to full remuneration in respect of the Advance Notice Period even if he is asked by the Company not to render his services during this period. Should Mr. Hasson’s employment by the Company or the services he renders thereto be terminated “For Cause” as defined in the Company’s agreements with him, he will not be entitled to remuneration during the Advance Notice Period as described above¹⁷.

Pursuant to Mr. Hasson’s employment terms, the Company’s Board of Directors may suggest the award of a bonus to Mr. Hasson in respect of each calendar year, based on his performance during that year and taking into account his overall remuneration package. Such suggestion by the Board of Directors is subject to approval of the Company’s General Meeting. In accordance with the approval of the Company’s general meeting of October 22, 2018, Mr. Hasson is entitled to receive an annual bonus of up to EURO 400,000 (gross) in respect of 2018 subject to achievement of success targets, price targets and time table targets (hereinafter in this section: the “**Bonus Targets**”) which were set in connection with the execution of a transaction for the sale of a material holding of the Company (hereinafter in this paragraph: the “**Sale Transaction**”). The aforesaid annual bonus will be paid to Mr. Hasson upon completion of the Sale Transaction (provided that Mr. Hasson will be employed by the Company as of that date).¹⁸ As of the date of publication of the report, the entitlement to receive the bonus has not yet been established.

Mr. Hasson’s remuneration is in line with the Company’s remuneration policy (as outlined in Section 9.2 to Part A of the 2018 Annual Report).

(2) Saar Bracha

In 2012, TGI Group International B.V (hereinafter: “**TGI**”) entered into agreements with Mr. Saar Bracha (hereinafter: “**Mr. Bracha**”) and with a foreign company under his ownership (hereinafter in this paragraph: the “**Service Provider**”). Under the said agreements, which were revised in 2015 and 2018, as from September 1 2011 Mr. Bracha serves as an Executive Director in TGI and the Service Provider renders advisory and management services to TGI (through Mr. Bracha). Mr. Bracha is entitled to salary and management fees in respect of the aforesaid services; such payments are linked to the Dutch consumer

¹⁶ On May 26 2016, the Company’s General Meeting appointed Mr. Hasson as an executive director of the Company.

¹⁷ For more information regarding the Company’s General Meeting’s approval of Mr. Hasson’s annual remuneration, see immediate reports published by the Company on April 14 2016 and May 26 2016 (reference no.: 2016-01-049327 and 2016-01-035538, respectively), in which the information is included by way of reference.

¹⁸ For more information about the terms of Mr. Hasson’s bonus, see the Company’s immediate reports of September 13 2018 and October 22 2018 (reference no.: 2018-01-084022 and 2018-01-095659, respectively), which have incorporated into this report by way of reference.

price index. Mr. Bracha is also entitled to related expenses incurred in the course of his work. The agreements are valid until August 31 2019, but each of the parties may terminate them at any time by giving a three-month advance notice (hereinafter in this paragraph: the “**Advance Notice Period**”). In addition to the Advance Notice Period, upon termination of the engagement (unless the engagement was terminated “For Cause” as defined in the agreements), the Service Provider is also entitled to an adaptation grant at an amount equivalent to four-months’ management fees.

Furthermore, according to Mr. Bracha’s employment agreement with TGI Consulting Engineers Ltd. (hereinafter “**TCE**”), as signed in February 2012 and revised in 2015 and 2018, as from the Effective Date (as defined below) Mr. Bracha works part time (50% position) as TCE’s CEO in consideration for monthly salary, generally acceptable social benefits and other related benefits, including mobile phone and vehicle (fully grossed-up for tax purposes). The employment agreement is valid until August 31 2019, but each of the parties may terminate it at any time by giving a three-month advance notice (hereinafter in this paragraph: the “**Advance Notice Period**”). In addition to the Advance Notice Period, upon termination of the engagement (unless the engagement was terminated “For Cause” as defined in the agreement), Mr. Bracha is also entitled to an adaptation grant at an amount equivalent to three-months’ wages.

The Service Provider is entitled to an annual bonus at an amount equivalent to 3% of TGI’s annual pre-tax income as per its annual consolidated and audited financial statements. The said bonus will be paid to the Service Provider within 30 days of the approval date of TGI’s annual financial statements. Should Mr. Bracha’s employment be terminated during the reported year, he will be entitled to the proportionate portion of the said bonus. The bonus to which Mr. Bracha is entitled in respect of 2018 is app. EUR 65 thousand as presented in the table.

In August and September 2012 Bracha and the Service Provider (hereinafter jointly: the “**Offerees**”) were awarded 797 TGI options (app. half of which were awarded pursuant to the provisions of Section 102 of the Income Tax Ordinance, 1961 (hereinafter: “**Section 102 of the Income Tax Ordinance**”), exercisable into TGI shares and constituting app. 3% of TGI’s issued and paid share capital (hereinafter in this note: the “**Initial Options**”). According to the terms of the Initial Options, all Initial Options have vested and will be exercisable until September 30 2019. The exercise price of each option is EUR 1,456 (after adjustments). The Offerees may select one of the following two routes of exercising the Initial Options: (a) receipt of all shares arising from exercise of the Initial Options against payment in full of the exercise price; or (b) receipt of shares at an amount equivalent only to the benefit component plus the shares’ par value, against payment of the par value of the shares allotted to the offerees (cashless exercise). In the event of termination of the engagement between the parties as described above, the Offerees will be entitled to exercise the Initial Options over a one-year period from termination date. Furthermore, the Offerees will have the right to convert the shares arising from exercise of the Initial Options into Kardan NV shares under the terms set in the agreement over a one-year period from the termination of the engagement between the parties and TCE and/or TGI and/or other TGI group company, provided that no TGI shares were issued to the public.

In March 2016 the Offerees were awarded 560 further TGI options (app. half of which were awarded under the capital gains track pursuant to the provisions of Section 102 of the Income Tax Ordinance); those options are exercisable into TGI shares and constitute app. 2% of TGI’s issued and paid share capital (on a fully diluted basis) (hereinafter in this note: the “**New Options**”). The New Options will vest in four equal tranches on May 31st of each of the years 2015-2018. The Offerees may exercise the New Options as from vesting date through May 31 2021. Furthermore, upon the occurrence of certain events, the vesting of the New Options will be accelerated. The exercise price of each of the New Options was set at \$2,590. The New Options may be exercised using one of the two routes applicable to the Initial Options, as described above. In the event of termination of the engagement between the parties as described

above, the Offerees will be entitled to exercise the Initial Options over a one-year period from termination date.

Upon entering into the agreements for the award of the New Options, the Company and the Offerees also entered into put option agreements, whereunder the Offerees will have the option to sell the shares arising from the exercise of the New Options to Kardan NV in consideration for cash at the amount and terms set out in the agreement; the put option will be in effect for a one-year period from the termination of the engagement and under circumstances set in the agreement. In March 2018, the parties entered into agreement cancelling the put option in relation to half of the New Options.

(3) Naama Zeldis

Ms. Zeldis serves as TAHAL's CFO since December 1 2013. In respect of her service Ms. Zeldis is entitled to salary as set out in the above table (hereinafter in this Section: "**Eligible Salary**"), generally acceptable social benefits and other related benefits, such as vehicle, reimbursement of mobile phone expenses and reimbursement of expenses and subsistence allowance abroad.

Ms. Zeldis' term of employment is not fixed and any of the parties may terminate her employment agreement by giving a 90-day written advance notice.

Ms. Zeldis is entitled to an annual bonus at an amount equivalent to 0.75% of TGI's annual pre-tax income. The bonus to which Ms. Zeldis is entitled in respect of 2018 amounts to app. EUR 16 thousand, as set out in the table.

In November 2014, Ms. Zeldis was awarded 197 TGI options, with retroactive effect to August 18 2014 (award date); the options were awarded pursuant to the provisions of Section 102 of the Income Tax Ordinance, 1961) (hereinafter: "**Section 102 of the Income Tax Ordinance**") (hereinafter in this note – the "**Options**"). According to the Options' terms, they will vest in 3 annual tranches (50% at the end of the second year from the award date; 25% at the end of the third year from award date and 25% at the end of the fourth year from award date). Each such tranche will be exercisable for a period of up to 5 years from award date. In the event of IPO or change of control in TGI, all Options will be exercisable. The exercise price of each option is EUR 1,847 (after adjustments). Subject to receipt of exercise notice, TGI may select one of the following two routes of exercising the Options: (a) receipt of all shares arising from exercise of the Options against payment in full of the exercise price; or (b) receipt of shares at an amount equivalent only to the benefit component plus the shares' par value, against payment of the par value of the shares allotted to the offeree (cashless exercise). In the event of termination of the engagement between the parties by TAHAL, Ms. Zeldis will be entitled to exercise the Options over a one-year period from termination date (and over a three-month period if the engagement is terminated by Ms. Zeldis). Under the Options' terms, Kardan NV will have a right of first refusal and a Drag Along right in the event that control over TGI is sold.

(4) Walter Van Damme

Mr. Walter Van Damme serves as the CEO of Kardan Land China Ltd. from February 13 2015 through August 2018.

In February 2015, Kardan Land China Ltd. (hereinafter: "**KLC**") and Mr. Walter Van Damme (hereinafter: "**Mr. Van Damme**") entered into employment agreement whereunder Mr. Van Damme has been serving as KLC's CEO as from January 13, 2015. In respect of his service, Mr. Van Damme was entitled to remuneration from KLC comprising of a monthly salary, social benefits and related benefits as generally acceptable in KLC, including mobile phone, vehicle, travel expenses, rent and tuition fees in respect of his

relocation. Mr. Van Damme was also entitled to reimbursement of expenses he incurred in the course of his work.

According to his employment agreement, Mr. Van Damme is entitled to an annual bonus whose amount will not exceed four monthly salaries. Mr. Van Damme's entitlement to annual bonus shall be determined at the discretion of KLC's Board of Directors according to predetermined targets. The Company did not pay Mr. Van Damme a bonus in respect of 2018.

(5) **Shmuel Hibel**

Mr. Shmuel Hibel served as KLC's CFO until August 2018 and since that date he has been serving as KLC's CEO.

Pursuant to employment and services agreements signed between KLC group companies (hereinafter jointly: "**KLC**") and Mr. Hibel and a company under his control, as applicable, in consideration for Mr. Shmuel Hibel's (hereinafter: "**Mr. Hibel**") services as KLC's CFO, KLC paid him a monthly salary, including social benefits and related benefits as generally acceptable in KLC (including mobile phone expenses, reimbursement of vehicle expenses, health insurance, his children's tuition fees and an annual home leave). Furthermore, Mr. Hibel is entitled to reimbursement of expenses he incurred in the course of his work. As of September 1, Mr. Hibel's monthly salary was raised by another USD 2,800.

Mr. Hibel is also entitled to an annual bonus according to KLC's targets and at the discretion of KLC's Board of Directors. A provision for a bonus of approximately EUR 79 thousands was made for Mr. Hibel in respect of 2018.

The agreements are in effect until December 31 2019, renewable for a period of one year, as the case may be. During the term of the agreements, each of the parties may terminate them by giving advance notice (of two to three months).

The three highest-paid officeholders in the corporation are not included in the table above

Details of remuneration recipients				Remuneration for services							Other remuneration*			Total (Including share-based payment) (In thousands of Euros)	Total (Excluding share-based payment) (In thousands of Euros)
Name	Title	Full or part-time position	Percentage of holding in corporation's share capital	Cost of payroll (In thousands of Euros)	Bonus (In thousands of Euros)	Share-based payment (In thousands of Euros)	Management fees (In thousands of Euros)	Consulting fees	Commission	Other	Interest	Rental fees	Other		
Einat Oz-Gabber (1)	CFO of Kardan NV	100%	0.02%	240	---	4	---	---	---	---	---	---	---	244	240
Daniel Berger	Finance Director Kardan NV	100%	-	115	-	-	-	-	-	-	-	-	-	115	115

* In terms of costs

Notes to table:

- (1) **Ms. Einat Oz-Gabber serves as the Company's CFO.** For her service, Ms. Oz-Gabber is entitled to generally acceptable social benefits and other related benefits according to the normal practice in the Company including mobile phone, vehicle expenses, etc. Pursuant to Ms. Oz-Gabber's employment agreement, each of the parties may terminate the engagement at any time at its discretion, by giving a written notice to the other party, in accordance with the Dutch law at that time.

On January 21 2014, the Company allotted 100,000 options to Ms. Oz-Gabber; the options are exercisable into Company shares without consideration and pursuant to the terms of the Company's management share-option plan. Pursuant to the Board of Directors' resolution of August 25 2015, the basic exercise price of each option is EUR 0.2807, subject to adjustments in the event of distribution of dividends, bonus shares, etc. The aforementioned options are exercisable in two equal tranches: the first tranche will be exercisable as from December 31 2016 and the second tranche will be exercisable as from June 30 2018 (hereinafter: the "**Entitlement Dates**"). Each vested option may be exercised as from vesting date over a 4-year period starting June 30 2015 (i.e., until June 30 2019) or within 30 days from the date of termination of the engagement between Ms. Oz-Gabber and the Company. For details regarding the management share-option plan, see amendment to the private offering report published by the Company on September 8 2015 (reference no. 2015-01-116880), which is incorporated into this report by way of reference.

- (2) **Mr. Daniel Berger serves as the Company's financial controller.** In respect of his service Mr. Berger was paid a salary as set out in the above table, including generally acceptable social benefits and other related benefits as normally practiced in the company, including mobile phone, travel expenses, etc.

Interested parties in the corporation remunerated by Kardan NV or companies under its control¹⁹

Set forth below is information on remuneration paid by the Company or a company under its control to interested parties in the reporting year²⁰:

Details of remuneration recipients				Remuneration for services (in thousands of euro)*							Other remuneration*			Total (Including share-based payment) (In EUR thousands)
Name	Title	Full or part-time position	Percentage of holding in corporation's share capital	Salary	Bonus	Share-based payment	Management fees	Advisory fees	Commission	Other	Interest	Rental fees	Other	
Peter Sheldon	Chairman of the Board of Directors	---	---	58	---	---	---	---	---	---	---	---	---	58
Avi Schnur ^{21***}	Company director	---	14.47%	5.7	---	---	---	---	---	---	---	---	---	5.7
Eytan Rechter ^{22***}	Company director	---	1.51%	26	---	---	---	---	---	---	---	---	---	26
Yosef Grunfeld ^{23***}	Company director	---	17.17%	26	---	---	---	---	---	---	---	---	---	26

¹⁹ Interested parties not listed in Sections 15.1-15.2 above.

²⁰ On May 28 2015, the General Meeting of the Company's shareholders decided, at the recommendation of the Remuneration, Nominations and Elections Committee and after approval by the Company's Board of Directors, that the remuneration payable to non-executive directors who serve in Board of Directors' committees will be as follows: each non-executive director will be paid EUR 26 thousand per annum; for service as chairperson of a committee, a non-executive director will be paid further EUR 10 thousand per annum. An additional amount of EUR 8 thousand per annum will be paid for membership in any of the Board of Directors' committees. For more information see the Company's immediate report of April 15 2015 (reference no: 079801-01-2015) and May 28 2015 (reference no: 104631-01-2015), which are incorporated into this report by way of reference.

²¹ Since March 21 2018, Mr. Schnur no longer serves as a Company director. For more information see immediate report of March 21 2018 (reference no. 2018-01-022017), which is incorporated into this report by way of reference.

²² On May 24 2017, the Company's General Meeting reappointed Mr. Eytan Rechter as a non-executive director and approved his remuneration – amounting to EUR 26 thousand per annum, according to the Company's remuneration policy. For more information, see immediate reports published by the Company on April 12 2017 (reference no. 2017-01-040092) and on May 24 2017 (reference no. 2017-01-043780).

²³ On May 24 2017, the Company's General Meeting reappointed Mr. Yosef Grunfeld as a non-executive director and approved his remuneration – amounting to EUR 26 thousand per annum, according to the Company's remuneration policy. For more information, see immediate reports published by the Company on April 12 2017 (reference no. 2017-01-040092) and on May 24 2017 (reference no. 2017-01-043780).

Max I. Groen ²⁴	Company director	---	---	2.2	---	---	---	---	---	---	---	---	---	2.2
Cornelis Hendrik van den Bos ²⁵	Company director	---	---	36	---	---	---	---	---	---	---	---	---	36
Cécile Tall ²⁶	Company director	---	---	35.2	---	---	---	---	---	---	---	---	---	35.2
Ferry Houterman ²⁷	Company director	---	---	15.2	---	---	---	---	---	---	---	---	---	15.2

* In terms of cost

*** Messrs. Avi Schnur, Yosef Grunfeld and Eytan Rechter are controlling shareholders of the Company as defined in the Securities Law, 1968. For more information, see Regulation 21A above.

²⁴ As of February 1 2018, Mr. Groen no longer serves as an independent director. For more information, see immediate report of January 15 2018 (reference no. 2018-01-004857), which is incorporated into this report by way of reference.

²⁵ On May 24 2017, the Company's General Meeting reappointed Mr. van Den Bos as a non-executive director and approved his remuneration – amounting to EUR 26 thousand per annum plus an additional remuneration of EUR 10 thousand per annum for his service as Chairman of the Audit Committee, according to the Company's remuneration policy. For more information, see immediate reports published by the Company on April 12 2017 (reference no. 2017-01-040092) and on May 24 2017 (reference no. 2017-01-043780).

²⁶ On September 12 2017, the Company's General Meeting approved the appointment of Ms. Cécile Tall as a non-executive director and approved her remuneration – amounting to EUR 26 thousand per annum, according to the Company's remuneration policy. For more information, see immediate reports published by the Company on August 1 2017 (reference no. 2017-01-066277) and on September 12 2017 (reference no. 2017-01-092103), which are incorporated in this report by way of reference.

²⁷ On May 30 2018, the General Meeting approved the appointment of Mr. Ferry Houterman as a non-executive independent director and approved the payment of a remuneration amounting to NIS 26 million per annum to Mr. Houterman, in accordance with the Company's remuneration policy. For more information, see immediate reports published by the Company on April 17 2018 (reference no. 2018-01-031980) and on May 30 2018 (reference no. 2018-01-053623), which are incorporated in this report by way of reference.

15. Regulation 21A: Company's controlling shareholders

To the best of the Company's knowledge, as of the date of this report, the Company's controlling shareholders are Messrs. Yosef Grunfeld,²⁸ Avner Avraham Schnur²⁹ and Eytan Rechter,³⁰ who hold directly and through companies under their control approximately 17.17%, 14.36% and 1.51% of the Company's share capital and voting rights. Messrs. Grunfeld, Schnur and Rechter and private companies under their control have in place an agreement in connection with their holdings in Company's shares and they are therefore considered as "joint holders" as defined in the Securities Law, as described below.

Furthermore, Kardan Israel Ltd. is controlled by Messrs. Schnur, Grunfeld and Rechter and therefore it may be deemed as "joint holder" of Company's shares, together with Messrs. Schur, Grunfeld and Rechter, and as one of the Company's controlling shareholders.

In April 2006, the Company's controlling shareholders (Talromit Financial Holdings (1999) Ltd, Yosef Grunfeld, Raitalon Ltd., Mr. Avi Schnur, Shamait Ltd. and Mr. Eytan Rechter) entered into a shareholders' agreement in connection with some of their holdings in Company's shares (hereinafter: the "**Shareholders' Agreement**" and the "**Company's Controlling Interest**", respectively), which includes, among other things, restrictions regarding share transfers, provisions regarding the appointment of company directors and the manner of voting in the Company's General Meeting.

As to the transfer or sale of Company shares (or a corporation holding those shares) by any of the parties to the Shareholders' Agreement to a third party or to another party of the Shareholders' Agreement, it is stipulated that transfer or sale of shares out of the Controlling Interest is allowed only to the extent that it does not constitute a "Breach Event", as defined in the Shareholders' Agreement and subject to the right of first refusal and the tag along right that will be conferred upon the parties to the Shareholders' Agreement, under the conditions set out in the Shareholders' Agreement. On the date on which Mr. Grunfeld's debt arrangement was completed, as described below, a mutual waiver agreement came into effect between the parties to the Shareholders' Agreement, Messrs. Grunfeld, Schnur, Rechter and the relevant companies controlled by them, as to mutual restrictions applicable to Company's shares in connection with first right of refusal, tag along right and/or a right to place other restrictions on the sale of the shares owned by any of the controlling shareholders.

²⁸ It should be noted that to the best of the Company's knowledge Mr. Grunfeld's holding of 21,119,927 Company shares constituting approximately 17.17% of the Company's share capital is held directly by Mr. Grunfeld and his wife and indirectly through Talromit Financial Holdings (1999) Ltd., a private company fully owned by Mr. Grunfeld. To the best of the Company's knowledge, all of Mr. Grunfeld's Company shares (held directly and indirectly) are pledged: 11,591,189 of Mr. Grunfeld's shares are pledged to Bank Hapoalim, 9,053,738 of his shares are pledged to Bank Leumi and the remaining balance of his shares is pledged to three other entities. It should be noted that Mr. Grunfeld is one of Kardan Israel Ltd.'s controlling shareholders and serves and the Chairman of the Board of Directors of Kardan Israel Ltd.

For more information regarding Mr. Grunfeld's ownership interest in the Company, see Regulation 21a below.

²⁹ The holding is an indirect holding through Raitalon Ltd., private company no. 512597303, a private company incorporated in Israel and fully owned by Mr. Schnur. It should be noted that Mr. Schnur also serves as a director in Kardan Israel Ltd. and is one of Kardan Israel's controlling shareholders.

³⁰ The shares are held as follows: 150,884.59 shares are held directly by Mr. Eytan Rechter; and 1,711,571.04 shares are held through Aloterra Ltd. (private company no. 513701805), a company held through Shamait Ltd. (90%) (private company no. 512826611), a private company fully-owned by Mr. Eytan Rechter and his wife and by Mr. Alon Nathan Rechter (10%) (Mr. Eytan Rechter's son). It should be noted that Mr. Rechter serves as a director in the Company and as the CEO and director in Kardan Israel Ltd. and is one of the controlling shareholders of Kardan Israel Ltd.

As to the manner of voting in the Company's General Meeting, the Shareholders' Agreement stipulates that a preliminary meeting will be convened prior to the convening of each General Meeting and the manner of voting will be determined in such preliminary meeting according to the position of holders of the majority of the shares constituting the Controlling Interest, who attend such meeting.

In connection with Mr. Yosef Grunfeld's interest in the Company, it should be noted that on August 12 2015, the Tel Aviv District Court granted the petition of Bank Leumi of Israel Ltd. (hereinafter: "**Bank Leumi**") and issued a receiving order for the assets of Mr. Yosef Grunfeld. The Official Receiver was appointed as receiver of Mr. Grunfeld's assets, all execution proceedings against him were suspended and Bank Leumi's representative was appointed as permanent special administrator of Mr. Grunfeld's assets (hereinafter: the "**Special Administrator**"). On August 27 2015, the Tel Aviv District Court issued a resolution approving a procedural arrangement whereby an attorney on behalf of Bank Hapoalim Ltd. (hereinafter: "**Bank Hapoalim**") will be appointed as receiver to enforce the specific charge registered in favor of Bank Hapoalim in connection with Company shares held by Mr. Grunfeld and pledged in favor of Bank Hapoalim.

On December 14 2015, the District Court granted the Special Administrator's request to extend its powers so as to enable the Special Administrator to take any action in order to maintain the value of the holdings of Mr. Grunfeld's wholly-owned private companies (through one of which Mr. Grunfeld holds most of his Company shares).

On January 2 2019, the Court approved the debt arrangement between Mr. Grunfeld and his creditors (hereinafter: the "**Grunfeld Arrangement**"). In accordance with information provided to the Company, the Grunfeld Arrangement was completed on March 3 2019. In accordance with information provided to the Company, 9,053,738 Company shares held by Mr. Grunfeld (directly and through a company under his control) and 11,591,189 Company shares held by Mr. Grunfeld are pledged to Bank Leumi and to Bank Hapoalim Ltd. (hereinafter: "**Poalim**"), respectively, as security to the credit extended to Mr. Grunfeld or anyone acting on his behalf by the aforesaid banks. The remaining company shares held by Grunfeld are pledged to guarantee Grunfeld's liabilities to three additional entities. Pursuant to the Grunfeld Arrangement, the charges and receivership procedures that were instigated by Bank Leumi and Bank Hapoalim Ltd. remained in force with each of the banks entitled to exercise the charges registered in its favor and sell Company's shares which are pledged in its favor, at its sole discretion, whether by itself or by a receiver acting on its behalf. Furthermore, under the Grunfeld Arrangement, Mr. Grunfeld undertook to purchase from each of the banks – Bank Leumi and Bank Hapoalim, at the demand of the banks, up to a total of 2,500,000 Company shares (in respect of both banks) out of the shares pledged in favor of the banks in consideration for NIS 8 million during a period set in the Grunfeld Arrangement. Furthermore, to complete the Grunfeld arrangement, the parties to the shareholders agreement signed an agreement for mutual waiver of any mutual restriction between the parties in connection with the disposal of shares, as aforementioned. For more information, see the Company's immediate reports of January 3 2019 (reference no. 2019-01-001231) and March 4 2019 (reference no. 2019-01-018699), which are incorporated into this report by way of reference.

16. Regulation 22: Transactions with controlling shareholders

16.1 Transactions under Section 270(4) of the Companies Law, 1999³¹

- (a) On May 26, 2016, the Company's General Meeting approved the reappointment of Mr. Avraham Avner Schnur as Company director for a four-year period ending on the date of the Company's 2020 Annual General Meeting. Furthermore, the said General Meeting approved the payment of an annual remuneration totaling EUR 26 thousand to Mr. Schnur according to the Company's remuneration policy as adopted in 2015. For more information regarding the remuneration paid by the Company to Mr. Schnur, please see Section 15.3 above.³² It should be noted that as from March 21 2018 Mr. Schnur no longer serves as a Company director. For more details see footnote 17 above.
- (b) On May 24 2017 the Company's General Meeting approved the reappointment of Messrs. Yosef Grunfeld and Eytan Rechter, two of the Company's controlling shareholders, as Company directors for a four-year period ending on the date of the Company's 2021 Annual General Meeting. The said General Meeting also approved the payment of an annual remuneration of EURO 26 thousand to each of the aforementioned Messrs. in respect of their services as Company directors.³³ For more information regarding the remuneration payable to Messrs. Grunfeld and Rechter, see Section 15.3 above.
- (c) In May 2005, the Company and Kardan Israel Ltd., a company owned by the Company's controlling shareholders, entered into an agreement, which was revised from time to

³¹ Kardan NV is a company incorporated in the Netherlands and as such it is not subject to the Companies Law, 1999 (hereinafter: the "**Companies Law**"), including to the Fifth Chapter of its Sixth Part. The transactions referred to in this Chapter meet the criteria set in Section 270(4) of the Companies Law, although, as aforesaid, the Company is not subject to the said Section and to other Sections of the Companies Law, which stipulate the manner of approval of transactions that fall within its scope. It should be noted that the Company adopted, in its Articles of Association, provisions which are similar (but not identical) to the Companies Law's provisions in connection with approval of transactions with controlling shareholders.

³² Mr. Schnur's remuneration was approved by a simple majority of members of Company's General Meeting according to the provisions of the Company's Articles of Association, since the remuneration paid to him as a director does not exceed the lowest remuneration paid to another Company director. According to a relief (exemption) set in the Company's Articles of Association, such remuneration does not require approval by a special majority of members of Company's General Meeting; rather, it may be approved by a simple majority. The controlling shareholders who have a personal interest in this engagement are Mr. Schnur, who is a party to the engagement, and Messrs. Grunfeld and Rechter, since they – as well as Mr. Schnur - are parties to the Company's Shareholders' Agreement.

³³ Messrs. Grunfeld and Rechter's remuneration was approved by a simple majority of members of Company's General Meeting, since the remuneration paid to them as directors does not exceed the lowest remuneration paid to another Company director. Under these circumstances, according to a relief (exemption) set in the Company's Articles of Association, whereby such remuneration does not require approval by a special majority of members of Company's General Meeting; rather, it should be approved by a simple majority. The controlling shareholders who have a personal interest in this engagement are Messrs. Grunfeld and Rechter, who are parties to the engagement, and Mr. Schnur, since he – as well as Messrs. Grunfeld and Rechter - are parties to the Company's Shareholders' Agreement.

time, whereby Kardan Israel provides various services to the Company, the scope and nature of which are determined by the Company.³⁴

On May 30 2018 (and after approval by the Company's Board of Directors on September 4 2017 and April 17 2018 and approval by the competent organs of Kardan Israel), a special majority³⁵ of the General Meeting of the Company's shareholders approved the Company's engagement is a revised services agreement with Kardan Israel for a three-year period starting on September 1 2017 (retroactively) – i.e., through August 31 2020 (hereinafter – the “Revised Services Agreement”); the services agreement was revised due to changes in the business and organizational structure of Kardan Yazamut (Kardan Israel's controlling shareholder) and the Company and as a consequence of an additional assessment of the services rendered to the Company by Kardan Israel and the scope of those services.³⁶

Pursuant with the revised services agreement, Kardan Israel shall render the following services to the Company, such they include the following components (hereinafter: the “Services Components”): (a) economic services and contacts with the domestic capital markets; (b) accounting and bookkeeping services; and (c) secretariat services, in consideration for reduced consulting fees of NIS 200,000 per year (i.e., NIS 50,000 per quarter), linked to the CPI for July 2017. The services shall be rendered by employees of Kardan Israel and/or Kardan Israel group companies or by service providers thereof. The revised services agreement also stipulates that the rendering of the services or any whole component thereof may be terminated by any of the parties' giving notice to that effect 60 days in advance.

All services described above are rendered by Kardan Israel according to instructions issued from time to time by the Company. Kardan Israel may not carry out any actions or make any decisions in connection with the services it renders without prior approval of the Company.

Kardan Israel has undertaken to indemnify the Company in respect of any taxes levied on the Company (such as national insurance, job seekers allowance and similar taxes) in connection with amounts paid to Kardan Israel or to Kardan Israel's employees who render the services.

³⁴ For details regarding the services rendered under the original services agreement, please see Regulation 22 of Part D of the Company's 2017 Periodic Report (published on March 28, 2018 (Ref. No. 2018-01-032242)), which is incorporated into this report by way of reference.

³⁵ As defined in the Company's articles of association: means an absolute majority of the votes, where: 1) this majority includes supporting votes of more than half of the total votes of the shareholders attending the meeting, which, according to information available to the Board of Directors, do not have a personal interest, assuming the absentees will not be taken into account when counting the total number of votes [of the shareholders] or 2) opposing votes of shareholders attending the meeting which, according to information available to the Board of Directors, do not have a personal interest, shall not constitute more than two percent (2%) of total potential votes in a General Meeting of the Company's shareholders.

³⁶ The engagement in the revised services agreement as from September 1 2017 through August 31 2020 was approved by a special majority of the General Meeting of the Company's shareholders on May 30, 2018, after approval thereof by the Company's Board of Directors on April 17 2018 and by the competent organs of Kardan Israel, as required by law. The controlling shareholders who have a personal interest in the engagement described above in this Section are Messrs. Yosef Grunfeld, Avi Schnur and Eytan Rechter, since they are the controlling shareholders of Kardan Israel. For more information, see immediate reports published by the Company on April 17 2018 (reference no. 2018-01-031980) and on May 30 2018 (reference no. 2018-01-053623), which are incorporated in this report by way of reference.

No other changes were made to the terms of the agreement, including in connection with the Capital Raising Fee payable to Kardan Israel.

The Company paid a total of approximately NIS 200 thousand in respect of the services rendered by Kardan Israel to the Company in the reported period; the Company paid a total of approximately NIS 50 thousand on account of services rendered to the Company by Kardan Israel subsequent to the date of the statement of financial position and through the date of publication of the report.

16.2 Kardan NV group insurance and indemnification

- (a) Company's directors and officeholders are covered by directors and officeholders' professional liability insurance policy taken out by the Company. As of the date of this report, the liability limit is EURO 12.5 million per claim and per insurance period and the policy is valid worldwide. The insurance policy applies retroactively as from establishment date of the relevant company (hereinafter in this Section: the "Policy").

In August 2017, the Company approved the renewal of the Policy for a 12-month period starting on September 15 2017 with a liability limit of EURO 40 million per claim and per insurance period (for all insured companies), in consideration for a (pre-tax) premium of app. EUR 169 thousand for the whole group in respect of the period from September 2017 to September 2018. In August 2018, a special majority of the Company's Board of Directors approved the renewal of the policy by additional 12-month period starting on September 15 2018; the liability limit is EUR 12.5 million and the premium is approximately EUR 329 thousand (before tax). All other terms of the policy have not changed.

- (b) The Company gave indemnity letters to directors.³⁷ In the indemnity letters, the Company undertook to indemnify its directors in respect of legal proceedings (including administrative proceedings, investigation proceedings, warnings, etc.) and expenses of any kind arising from a claim or proceedings relating to the performance of their duties as members of the Board of Directors, except in the case of an intentional violation, fraud, bad faith or in case a member of the Board should have reasonably assumed an action was not in favor of the company.

³⁷ On March 25 2014 the Company's Board of Directors approved the wording of the indemnity letter to be given to Company's directors and officeholders; the said letter stipulates the implementation of the indemnity provisions of the Company's Articles of Association. With regard to indemnification of directors who are controlling shareholders, the indemnification agreement stipulates that it will be valid subject to obtaining the required approvals, i.e., approval by a special majority of members of the Board of Director and members of the General Meeting. As of the date of this report, the Company's controlling shareholders were not given indemnity letters. It should be noted that on May 30 2018, the General Meeting of the Company's shareholders approved the discharge of the directors from their liability in connection with the performance of their role in fiscal year 2017. The said discharge will only apply to the performance of roles that were reflected in the Company's 2017 annual financial statements or which were brought to the attention of the General Meeting prior to approval of the 2017 financial statements. The discharge does not apply to third parties and it does not condition the provisions of securities laws applicable in Israel; the discharge constitutes a standard and generally acceptable procedure in annual general meetings of shareholders in the Netherlands, the country in which the Company incorporated, as described in footnote 28 above. For more information, please see the Company's immediate report of May 30 2018 (reference no. 2018-01-031980), which is incorporated into this report by way of reference.

No indemnification shall be granted if, according to a ruling handed down by a court in the Netherlands, a member of the Board has acted intentionally, fraudulently, in bad faith or should have reasonably assumed that an action was not in favor of the company, in which case the Board member shall not be entitled to indemnification by the company, or in case indemnification was granted by a third party. In such a case, all payments made by the Company under the indemnity letter shall be regarded as advances and the director shall repay these advances to the Company with the addition of statutory interest as from the date that should be deemed as the payment date of each such advance payment.

16.3 Other transactions not listed in Section 270(4) of the Companies Law³⁸

In February 2010, Water Planning for Israel Ltd., a private company whose shares are indirectly held by the Company (hereinafter: “TAHAL”) and Kardan Real Estate Enterprise and Development Ltd., a subsidiary controlled by Kardan Israel (hereinafter: “Kardan Real Estate”), entered into lease agreement (hereinafter: the “Lease Agreement”), whereunder TGI leases from Kardan Real Estate non-partitioned office space at the total area of app. 5.5 thousand square meters and parking spaces at Beit Kardan.³⁹ The first lease period was set at sixty months from September 1 2010 through August 30 2015 and TGI exercised an option to extend the lease period for a further sixty-month period from September 1 2015 through August 30 2020 (hereinafter: the “Option Period”), under the same lease terms as those agreed for the first lease period, except for a 10% increase in lease fees compared with the lease fees paid for the last month of the first lease period.

In 2013, TGI sub-leased the leased property, pursuant to its rights to do so. According to the Lease Agreement, Kardan Real Estate approved the sub-lease. The terms of the agreement with TGI did not change.

In respect of leasing the offices in 2018, TGI paid a total of approximately NIS 5,868 thousand.⁴⁰ In respect of leasing the offices during the period from January 1 2019 through the date of publication of this report, TGI paid a total of approximately NIS 1,478 thousand.⁴¹ Furthermore, TGI entered into a management agreement with the building’s management company - Mekdan Management and Maintenance Ltd., 40% of which are held by Kardan Real Estate, according to which TGI pays management fees of Cost + 15% in respect of the leased property.

³⁸ Please see footnote 28 above.

³⁹ On the engagement’s approval date, Kardan NV was the controlling shareholder of Kardan Israel, Kardan Real Estate and TAHAL; therefore, as far of Kardan NV was concerned the engagement in the Lease Agreement did not require any special approvals. On April 8 2010 Kardan Israel’s General Meeting approved the Lease Agreement between Kardan Real Estate and TGI as a transaction with a controlling shareholder according to Section 270(4) of the Companies Law; the said approval was granted after Kardan Israel’s Board of Directors and Audit Committee approved the Lease Agreement due to the fact that the transaction was a land combination transaction by consideration.

As of the report date, Kardan NV is no longer Kardan Israel’s controlling shareholder, but rather Kardan Israel’s sister company and both companies are controlled by the same controlling shareholders. Furthermore, as described in Regulation 21 above, Kardan Israel may be deemed as one of the Company’s controlling shareholders. Therefore, the Lease Agreement constitutes a transaction in which controlling shareholders of Kardan NV have an interest (since a company they control – Kardan Real Estate – is a party to this transaction).

⁴⁰ Kardan Real Estate’s share in the 2018 lease fees, net of the share of Migdal Insurance Company Ltd., which holds half of the rights in “Beit Kardan” (hereinafter: “Migdal”), is NIS 2,934 thousand.

⁴¹ Kardan Real Estate’s share, net of Migdal’s share in the building is NIS 739 thousand.

As described above, as from May 1 2013 TGI leases the leased property to a third party under identical terms to the terms of the lease agreement (Back to Back), such that the amounts paid by TGI to Kardan Real Estate are identical to the amount paid to TGI by the lessee.

16.4 Negligible transactions

In November 2009 and March 2010, the Company's then-serving Executive Board of Directors decided to adopt guidelines and rules for the classification as a negligible transaction of a transaction between the Company or a subsidiary thereof with an interested party therein as set out in Regulation 41(a)(6) of the Securities Regulations (Annual Financial Statements), 2000 (hereinafter: the "**Financial Statements Regulations**"). In March 2019, the Company's Audit Committee approved the rules for classification of transactions as negligible, as outlined below. These rules and guidelines will serve to assess the scope of disclosure in the financial statements regarding a transaction between the Company, a corporation controlled thereby and a related company thereof and a controlling shareholder, or a transaction in which the controlling shareholder has a personal interest as set out in Regulation 22 to the Securities Regulations (Periodic and Immediate Reports), 1970 (hereinafter: "**Periodic Reports Regulations**") (the types of transactions listed in the Financial Statements Regulations and in the Periodic Report Regulations, hereinafter: "**Interested Party Transactions**"). In the reported period, companies controlled by the Company entered into transactions with the Company's controlling shareholders and/or their relatives and/or companies which are interested parties therein, which are classified by the Company as negligible transactions according to the guidelines set out below, such as: lease of office space and parking spaces, receipt of office and car parks' management and maintenance services, vehicle leasing, receipt of mobile and related services.

The guidelines set out below constitute the updated guidelines, as follows:

- [a] The Company and its subsidiaries conduct or may conduct Interested Party Transactions in the ordinary course of their business and have or may have obligations to conduct such transactions. The Company's Board of Directors has determined that a transaction shall be considered as a negligible transaction if all of the following conditions are met in respect thereof on an accrual basis:
 - [1] It is not an extraordinary transaction (as defined in the Company's Articles of Association).
 - [2] The transaction is under market conditions - for this purpose, two price quotes were received from parties - which are unrelated to the Company or to the controlling shareholders - for the provision of the services under similar terms and scope, the consideration for which does not exceed the one offered by the interested party.
 - [3] There are no special qualitative considerations which preclude its inclusion as a negligible transaction.
 - [4] The transaction's scope in relation to the relevant criterion will be less than 0.3%. Notwithstanding the aforesaid, a transaction whose amount exceeds NIS 2.5 million shall not be deemed a negligible transaction.

- [5] In multi-year transactions (for example: an agreement for several years), the transaction's negligibility shall be assessed on an annual basis (i.e., whether the annual amount stemming from the agreement exceeds the amounts set out in this procedure).
- [6] Each transaction shall be assessed on a standalone basis, but the negligibility of combined or contingent transactions shall be assessed on an aggregate basis.
- [7] The relevant criterion for the assessment of the transaction's relative scope shall be determined according to the transaction's nature. The criterion may and shall be: total Company's assets, income/loss, total liabilities, equity attributed to Company's shareholders, total revenues and total expenses as described below.

The relevant criterion [one or more] for the calculation of the transaction's relative scope shall be determined according to the transaction's nature, as follows:

Criterion	Calculation of negligibility
Assets ratio	The scope of the assets which are the subject matter of the transaction (purchased or sold assets) divided by total assets as presented in the most recent consolidated financial statements.
Contribution to profit/loss	Income/loss from the transaction divided by annual income attributed to Company's shareholders according to the average consolidated annual income for the last three years (not calendar years, but rather the most recent 12 quarters), for which financial statements were published.
Liabilities ratio	The liabilities which are the subject matter of the transaction divided by the total liabilities as per the most recent consolidated financial statements.
Equity ratio	Increase or decrease in equity as a result of the transaction divided by the equity attributed to the Company's shareholders as per the most recent financial statements.
Revenues ratio	The revenues which are the subject matter of the transaction divided by total annual consolidated revenues, calculated based on the most recent four quarters for which financial statements were published.
Expenses ratio	The expenses which are the subject matter of the transaction divided by total annual consolidated revenues, calculated based on the most recent four quarters for which financial statements were published.

Without undermining the Company's judgment as to the relevant criterion for calculation as aforesaid, the following criteria shall be deemed relevant for the following transactions:

Asset purchase: assets ratio

Asset sale: contribution to profit/loss and also equity ratio.

Assuming liabilities (loans): liabilities ratio.

Provision of services (including office lease): revenues ratio.

Receipt of services (including office lease): expenses ratio.

The guidelines described above were set and implemented, among other things, after considering the scope of the Company's assets and businesses, including with respect to the activity which is relevant for the transaction's classification and the frequency of the relevant transactions. Those guidelines may be reviewed from time to time by the Company's Board of Directors as a consequence, among other things, of changes in the Company's business policy and/or market conditions, and the Company's Board of Directors may change them from time to time and/or add additional guidelines or transaction types.

In cases where according to the Company's judgement the above-mentioned criteria are not relevant for the assessment of the transaction, the Company shall set an appropriate alternative criterion. In calculating the alternative criteria, the relative scope of the transaction will also be less than 0.3% (in words: three tenths of one percent). The Company shall set the relevant criterion (one or more) for the calculation as described above after taking the advice of Company's professionals and/or external professionals.

17. Regulation 24: Interested parties and senior officeholders' holdings

a. Holdings of Company's interested parties

For information regarding the other shares and securities held by each of the Company's interested parties as of December 31 2018 to the best of the Company's knowledge, as well as Company's dormant shares and securities convertible into dormant shares held by the Company or a subsidiary thereof, see immediate report published by the Company on January 15, 2019 (reference no. 2019-01-004873), which is incorporated into this report by way of reference.

Set forth below is a breakdown of interested parties' holding in Company's securities close to the date of the report:

Shareholder's name	Holdings in Company's shares	Holding rate	Holding of warrants	Holding rate on a fully diluted basis	Holding of debentures	Rate of debenture holding
Avraham Avner Schnur ⁴²	17,662,860.34	14.36%	---	14.35%	---	---
Eytan Rechter ⁴³	11,862,455.63	1.51%	---	1.51%	78,447.86 Series B Debentures	0.01%
Yosef Grunfeld ⁴⁴	21,119,927	17.17%	---	17.15%	---	---
Kardan Israel Ltd.	12,300,330.1	10%	---	9.98%	---	---
GTC Real Estate Holding B.V. ⁴⁵	---	---	---	---	26,666,666.76 Series A Debentures	8.96%
Emerging Investments XII B.V. ⁴⁶	---	---	---	---	109,839,448.46 Series A Debentures 120,381,450 Series B Debentures	Series A Debentures - 36.92% Series B Debentures – 12.63%
Einat Oz-Gabber	27,945	0.02%	100,000 employee options	0.08%	---	---

b. Agreements between Company's interested parties regarding their holding of Company's shares

See Regulation 21A above.

⁴² Indirect holding through Raitalon Ltd., a private company incorporated in Israel and fully-owned by Mr. Schnur. It should be noted that Mr. Schnur also serves as a director in Kardan Israel Ltd. and is one of the controlling shareholders of Kardan Israel Ltd.

⁴³ The shares are held as follows: 150,884.59 shares are held directly by Mr. Eytan Rechter; and 1,711,571.04 shares are held through Aloterra Ltd., a company held through Shamait Ltd. (90%), a private company fully-owned by Mr. Eytan Rechter and his wife and by Mr. Alon Nathan Rechter (10%) (Mr. Eytan Rechter's son). It should be noted that Mr. Rechter serves as a director in the Company and as the CEO and director in Kardan Israel Ltd. and is one of the controlling shareholders of Kardan Israel Ltd.

⁴⁴ The shares are held directly by Mr. Grunfeld's wife and indirectly through Talromit Financial Holdings (1999) Ltd., a private company fully owned by Mr. Grunfeld. All Company shares held by Mr. Grunfeld are pledged. 11,591,189 of Mr. Grunfeld's shares are pledged to Bank Hapoalim, 9,053,738 of his shares are pledged to Bank Leumi and the remaining balance of his shares is pledged to three other entities. For details regarding Mr. Grunfeld's receivership procedures and debt arrangement, see Regulation 21 above.

⁴⁵ GTC Real Estate Holding B.V. is a subsidiary of the Company.

⁴⁶ Emerging Investments XII B.V is a subsidiary of the Company

c. Company's interested parties' holding of shares or other securities of Company's investees, if their activity is material to the Company

Interested party's name	I.D. Number	Subsidiary/related company held by the interested party	Security type	Number of securities	Holding rate in % (non-diluted)		Holding rate in % (fully diluted)	
					Of equity	Of voting rights	Of equity	Of voting rights
Saar Bracha	027779180	Tahal Group International B.V.	Warrants	797	0%	0%	3%	3%
				560	0%	0%	2%	2%
Naama Zeldis	057783771	Tahal Group International B.V.	Warrants	197	0%	0%	0.78%	0.78%

18. Regulation 24A: authorized capital, issued capital and convertible securities

For details regarding authorized and issued share capital and convertible securities, see Note 16 to the financial statements.

19. Regulation 24B: Shareholders' Register

For the shareholders' register, employees' options, register of Company's Series A and Series B debenture holders, see report published by the Company on April 5 2017 (reference no. 2017-01-030517), which is incorporated into this report by way of reference.

20. Regulation 26: Company's directors⁴⁷

Name	Yosef Grunfeld (non-executive director) ⁴⁸	Eytan Rechter (non-executive director) ⁴⁹	Peter Sheldon (Chairman of the Board, non-executive director)	Cornelis Hendrik van den Bos (Non-executive director)	Ariel Hasson (Company's CEO and Executive Director) ⁵⁰	Cecile Tall (Non-Executive Director)	Ferry Houterman (non-executive director)
ID No/ Passport No.:	004399960	47355342	341221471	NXB21D8R8	29008169	15CP46838	NUR26F607
Date of birth	November 13 1942	October 26, 1949	June 11, 1941	September 22, 1952	June 6, 1973	August 12, 1967	September 30, 1949
Address	62 Pinkas Street, Tel Aviv	12 Harakafot Street, Kfar Shmaryahu	13 Jabotinsky St., Jerusalem	Erasmusweg 2, 2202CC Noordwijk aan Zee, The Netherlands.	Trompenburg 20, 1181 NN, Amstelveen, The Netherlands.	24 rue d'Aumale, 75009 Paris, France	Van Eeghenstraat 131, Amsterdam, The Netherlands.
Citizenship	Israeli	Israeli	British and Israeli	Dutch	Dutch	French	Dutch
Member of Board Of Directors' committees	No	No	Member of the Audit Committee and the Remuneration, Nominations and Elections Committee.	Chairman of the Audit Committee	No	Chairwoman of the Remuneration, Nominations and Elections Committee.	No
Is he/she an Independent Director as defined in the Company's Rules and Regulations?	No	No	Yes	Yes	No	Yes	No
Does he/she knowledgeable in financial management and accounting?	No	Yes	Yes	Yes	Yes	No	Yes

⁴⁸ For more information, see Regulation 21A above.

⁴⁹ For more information, see Regulation 21A above.

⁵⁰ It should be noted that in addition to his service as a Company director, Mr. Hasson also serves as the Company's CEO as from April 15 2016. For more information, see immediate reports published by the Company on March 16 2016 and on April 15 2016, reference no.: 2016-01-007413 and 2016-01-049423, respectively, which are incorporated into this report by way of reference.

Name	Yosef Grunfeld (non-executive director) ⁴⁸	Eytan Rechter (non-executive director) ⁴⁹	Peter Sheldon (Chairman of the Board, non-executive director)	Cornelis Hendrik van den Bos (Non-executive director)	Ariel Hasson (Company's CEO and Executive Director) ⁵⁰	Cecile Tall (Non-Executive Director)	Ferry Houterman (non-executive director)
An employee of the Company, a subsidiary, related company or an interested party and his/her position	Serves as an active Chairman and director in several Kardan NV Group companies and in the Kardan Israel Ltd. Group, as described below.	Serves as a CEO and director in several Kardan NV Group companies and Kardan Israel Ltd. Group companies as described below.	No	No	Company's CEO and director in various Kardan Group companies.	No	No. Nevertheless, Mr. Houterman is a member of the supervisory board of Tahal Group International B.V. a subsidiary controlled by the Company.
Date of commencement of term of office	February 6 2013; reappointed on May 24 2017	February 6 2013; reappointed on May 24 2017	May 31 2012; reappointed on May 26 2016	February 6 2013; reappointed on May 24 2017	26.5.2016	September 12 2017	30.5.2018
Education and the institution in which education, degree or professional certificate were acquired	High school	BA in Psychology and Economics, the Hebrew University of Jerusalem.	Associate Chartered Accountant; Fellow Chartered Accountant	Master in Business of Economics, Erasmus University Rotterdam; Master in Auditing Accountancy, Erasmus University Rotterdam.	BA in Management and Economy, Tel Aviv University, MBA Northwestern University.	Master degrees in corporate law, international and European law, and public and private law at the University of Paris Sorbonne and University of Paris II-Assas. In addition, she graduated with a master's degree in tax and finance from the ESCP Business School	Teaching degree business administration and the NIMA marketing certificates A and B

Name	Yosef Grunfeld (non-executive director) ⁴⁸	Eytan Rechter (non-executive director) ⁴⁹	Peter Sheldon (Chairman of the Board, non-executive director)	Cornelis Hendrik van den Bos (Non-executive director)	Ariel Hasson (Company's CEO and Executive Director) ⁵⁰	Cecile Tall (Non-Executive Director)	Ferry Houterman (non-executive director)
Employment during the past five years:	Chairman of the Board of Directors of Kardan Israel, Kardan Yazamut (2011) Ltd., Universal Motors Israel Ltd. and Kardan Real Estate Enterprise and Development Ltd., director in various companies as described below.	CEO and director in Kardan Israel Ltd., CEO and Chairman of the Board of Directors of Kardan Technologies Ltd.; Chairman of the Board of Directors of UTS – Universal Transportation Solutions Ltd. (formerly: Kardan Vehicle Ltd.), CEO and director in Kardan Yazamut (2011) Ltd.; provides advisory services to Kardan Communications through a company under his ownership; director in various companies as described below.	Non-executive board member of BATM Advanced Communications Ltd.	Vice Chairman of the Supervisory Board and chairman of the Audit Committee of ASR NEDERLAND N.V.;	Executive director in various Kardan NV group companies as described below, senior officeholder in a controlled corporation with material influence on the Company: CEO of TBIF and KFS.	Group General Counsel, Polyconcept Investments BV. President and board member of subsidiaries in Europe and Far East, Polyconcept Holding, Paris Founder and consultant, Poseidon Consulting, Paris.	Member of various boards of directors: Rabobank Amsterdam, Eden Hampshire Hotel Group, TGI Group International B.V., RAI Amsterdam, CNV Trade Union, Metropole Orchestra.

Name	Yosef Grunfeld (non-executive director) ⁴⁸	Eytan Rechter (non-executive director) ⁴⁹	Peter Sheldon (Chairman of the Board, non-executive director)	Cornelis Hendrik van den Bos (Non-executive director)	Ariel Hasson (Company's CEO and Executive Director) ⁵⁰	Cecile Tall (Non-Executive Director)	Ferry Houterman (non-executive director)
Additional corporations in which he/she serves as a director:	Kardan Land China, Kardan Israel Ltd., Kardan Real Estate Enterprise and Development Ltd., Kardan Services (1993) Ltd., Kardan Communications Ltd., and several inactive companies.	Supervisory Board member of TGI Group International B.V., Kardan Israel Ltd., Kardan Real Estate Enterprise and Development Ltd., Kardan Real Estate USA Ltd., Rechter Brothers (1995) Ltd. Shamait Ltd., Aloterra Ltd., Water Planning for Israel Ltd., Tahal Consulting Engineers Ltd., Kardan Communications Ltd., BFTV IL Ltd., BFTV LLC, Ltd. and several inactive companies.	-	As detailed above	Executive director in the following companies: Kardan Financial Services B.V., GTC Real Estate Holding B.V, Chairman of the Supervisory Board of TGI Group International B.V. and Chairman of the Board of Directors of Kardan Land China Ltd.	Mygreenbrands BV Mygreenbrands SAS Poseidon SAS	As detailed above.
Is he/she a relative of another interested party in the corporation?	No	No	No	No	No	No	No

21. Regulation 26A (Company's senior officeholders)⁵¹

Name	Einat Oz-Gabber	Daniel Berger	Naama Zeldis	Saar Bracha	Shmuel Hibel ⁵²
Title	CFO	Controller	Senior officeholder in a controlled corporation with material influence on the Company; CFO of the TGI Group.	Senior officeholder in a controlled corporation with material influence on the Company; CEO of Tahal Consulting Engineers Ltd. and Tahal Group International B.V.	Senior officeholder in a controlled corporation with material influence on the Company; serves as CEO of subsidiary Kardan Land China Ltd.
ID No/ Passport No.:	NM5B3J065	043498856	057783771	027779180	022016265
Date of birth	January 27 1971	January 6 1982	April 16 1963	October 17 1970	September 5 1965
Date of commencement of term of office	June 19 2008	January 1 2018	December 1 2013	September 1 2011	August 1 2018
His position in the Company, subsidiary, related company or interested party thereof.	CFO of Kardan NV and director in various Kardan Group companies	Controller and director in various NV Group companies	CFO in TGI Group and Director in various Kardan NV Group companies.	CEO of Tahal Consulting Engineers Ltd. and Tahal Group International B.V, member of Executive Board of Directors and service provider as CEO and director in various Kardan Group companies.	CEO of subsidiary - Kardan Land China Ltd. – and a director in various Kardan Group companies.
Is he an interested party in the company or a relative of another Company senior officeholder or of an interested party in the Company?	No	No	No	No	No
Education	BA in Economics and Accounting, Tel Aviv University.	BA in Accounting Tel Aviv University.	BA in Economics, the Hebrew University of Jerusalem, MBA, the Hebrew University of Jerusalem and BA in Accounting Tel Aviv University.	LLB and BA in Business Administration from Interdisciplinary Center, Herzliya.	BA in Accounting and Finance, The College of Management.
Employment during the past five years	CFO of Kardan NV	Assistant Controller in the Company; Assistant Controller in Microsoft Israel	CFO of the TGI Group	CEO of Tahal Consulting Engineers Ltd. and Tahal Group International B.V.	CFO of subsidiary - Kardan Land China Ltd.

⁵¹ List of senior officeholders as of December 31 2018, whose details were not listed under Regulation 26 above. As from August 1 2018, Mr. Walter Van Damme no longer serves as the CEO of KLC. For more information about Mr. Walter Van Damme, see Regulation 26A in Part D of the 2017 Periodic Report, which incorporated by way of reference.

⁵² Through August 1 2018, Mr. Hibel served as the CFO of Kardan Land China, and as from the aforesaid date he serves as the CEO of Kardan Land China.

22. Regulation 26B: Independent Authorized Signatories on Behalf of the Corporation

None⁵³.

23. Regulation 27: The Company's Independent Auditors

In the Netherlands: PricewaterhouseCoopers Accountants N.V

Thomas R. Malthusstraat 5, 1066JR Amsterdam

In Israel: PricewaterhouseCoopers, PwC Israel, CPAs

Trade Tower, 25 Hamered Street, Tel Aviv

24. Regulation 28: Changes to Memorandum of Association or Regulations

None.

25. Regulation 29 – Board of Directors' Recommendations and Resolutions

(a) Board of Directors recommendations to the General Meeting and Resolutions not Requiring the Approval of the General Meeting

- (1) Payment of dividend or other distribution, as defined in the Companies Law, or distribution of bonus shares

For details regarding the General Meeting's decision in connection with this issue, see the General Meeting's resolutions below.

- (2) Changes to the Company's authorized or issued share capital

For details regarding the General Meeting's decision in connection with this issue, see the General Meeting's resolutions below.

- (3) Changes in the Company's Memorandum of Association or Articles of Association

None.

- (4) Redemption of redeemable securities, as defined in Section 312 to the Companies Law

None.

- (5) Early redemption of debentures

None.

- (6) A transaction not in accordance with market conditions between the Company and an interested party thereof

None.

Solely for the sake of caution, see description of the above in Regulation 22 above.

⁵³ The Company has no authorized signatory whose signature can bind the corporation or a controlled corporation in an amount exceeding 5% of total balance sheet of the corporation.

(b) Company's General Meeting resolutions passed contrary to the recommendations of the Board of Directors

None.

(c) Company's General Meeting Resolutions

- (1) The following resolutions were passed in the annual General Meeting of the Company's shareholders convened on May 30, 2018:
- (a) To adopt the Company's 2017 annual statutory financial statements,
 - (b) To reappoint PricewaterhouseCoopers Accountants N.V. Amsterdam and PricewaterhouseCoopers Israel (hereinafter jointly: "PwC"), as the Company's joint independent auditors charged with the audit of the 2018 financial statements.
 - (c) To approve the discharge of the directors from their liability in connection with the performance of their role in fiscal year 2017, in accordance with the terms listed in the report on the convening of the meeting published on April 17 2018 (reference no. 2018-01-031980), which is incorporated by way of reference.⁵⁴
 - (d) To approve the amendment of the Company's services agreement with Kardan Israel retroactively as from September 1 2017 through August 31 2020. For more information, see Regulation 22 above.
 - (e) To approve the appointment of Mr. Ferry Houterman as a non-executive independent director in the Company's Board of Directors.
 - (f) To approve the payment of annual remuneration to Mr. Ferry Houterman in respect of his service in the Company's Board of Directors, at the total amount of EUR 26,000 and the payment of remuneration in respect of his service as member of Board of Directors' committees (should he be appointed) at the amounts set in the Company's Remuneration Policy.
 - (g) To extend by one further year, through May 28 2021, the period during which the Company's board of directors has the power (subject to the provisions of the law and the Company's Articles of Association) to allocate shares and to award rights to allocate shares that will constitute up to 10% per year of the Company's authorized share capital, as it shall be as of the date of resolution, and to increase the said rate by up to further 5% of the Company's authorized share capital, as it shall be as of the date of resolution.
 - (h) To vest in the Company's Board of Directors (subject to the provisions of the law and the Company's Articles of Association) – for an 18-month period as from May 30 2018 – the power to purchase Company shares as part of on-floor or off-floor transactions that will not constitute (together with the Company's shares held by its subsidiaries) more than 10% of the Company's issued and paid share capital, at a price that will range between the shares' par value and 110% of the "shares' market price",⁵⁵ and to revoke the power vested in the

⁵⁴ It should be noted that this is a standard and generally acceptable procedure in annual general meetings of shareholders in the Netherlands.

⁵⁵ The highest average price of the Company's shares during each of the last 5 trading days in the Amsterdam Euronext prior to the purchase date, as published in the Daily Official List of Euronext Amsterdam.

Company's Board of Directors in connection with purchase of shares during the 2017 annual General Meeting.

For more information regarding the resolutions passed in the annual General Meeting held in May 2018, see immediate reports of: April 17 2018 (reference no. 2018-01-031980), May 22 2018 (reference no. 2018-01-041205) and on May 30 2018 (reference no. 2018-01-052623), which are incorporated in this report by way of reference.

(2) The following resolution was passed in the annual General Meeting of the Company's shareholders convened on October 22, 2018:

(a) To approve an annual bonus in respect of 2018 at the total amount of up to EUR 400 thousand to the Company's CEO, Mr. Ariel Hasson, the payment of which will be subject to achievement of economic and time table targets in connection with the execution of a transaction for the sale of a material holding of the Company.

For more information regarding the resolutions passed in the annual General Meeting held in October 2018, see immediate reports published by the Company on September 5 2018 (reference no. 2018-01-082657) and October 22 2018 (reference no. 2018-01-095659), which are incorporated in this report by way of reference.

26. Regulation 29A: Company's resolutions

(a) Approval of officeholders' actions pursuant to Section 255 to the Companies Law

N/A The Company is a Dutch company and therefore it is not subject to the provisions of the Companies Law.

(b) Approval of officeholders' actions pursuant to Section 254(a) to the Companies Law

N/A The Company is a Dutch company and therefore it is not subject to the provisions of the Companies Law.

(c) Extraordinary transactions that require special approvals pursuant to Section 270(1) of the Companies Law

N/A The Company is a Dutch company and therefore it is not subject to the provisions of the Companies Law.

For the sake of caution, for details regarding transactions in which Company officeholders may have interest, see Regulations 21 and 22 above.

(d) Exemption, insurance and indemnification to Company's officeholders as of the date of this report

For more information regarding the Company's undertakings regarding indemnification, exemption and professional liability insurance in respect of directors and officeholders, see Regulation 22 above.

March 27 2019

Date

Kardan N.V.

Names of signatories:

Ariel Hasson, CEO and director

Einat Oz-Gabber, CFO

Peter Sheldon, Chairman of the Board of Directors