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## RECORDS OF A MEETING.

On the twentieth day of May two thousand and nine, I, Martine Bijkerk, civil-law notary in Amsterdam, at the request of the management board of the public limited liability company: **Kardan N.V.**, with corporate seat in Amsterdam, having its place of business at (1082 MD) Amsterdam, Claude Debussylaan 30, Viñoly building thirteenth floor ("**Company**" or ("**Kardan**")), attended a general meeting of shareholders of the Company, held in Amsterdam (the meeting of the shareholders as well as the corporate body consisting of the shareholders present thereat both called: "**Meeting**"), with the intent to make records of the Meeting. -----

I, civil-law notary, have recorded the following: -----

### 1. Opening -----

Mr. Joseph Krant, born in Bussum on the thirtieth day of March nineteen hundred forty-eight, living in (1081 CK) Amsterdam, De Cuserstraat 21, chairman of the supervisory board of the Company ("**Supervisory Board**"), acted as chairman of the Meeting ("**Chairman**"). -----

The Chairman opened the Meeting at five minutes past three post meridiem, welcomed the attendants, explained about the Meeting simultaneously in Tel Aviv, and proposed that the language of the Meeting would be English. He explained that if someone would prefer to address the Meeting in the Dutch language, his or her words would be simultaneously translated into English, and requested anyone wishing to address the Meeting to state his name. Subsequently the Chairman declared that: -----

- in calling the Meeting, all statutory requirements had been met and that advertisements had been placed on the twenty-ninth day of April two thousand and nine in The Netherlands in the newspapers called "Het Financieele Dagblad" and "de Officiële Prijscourant" and in Israel in the newspapers called "Ha'aretz" and "Hazofe" on the thirtieth day of April two thousand and nine; -----
- the notice calling the Meeting stated that the agenda and the notes thereto, the annual report of the Company for the year two thousand and eight ("**Annual Report**") and the draft deed of amendment of the Company's Articles of Association could be obtained free of charge as of the twenty-ninth day of April two thousand and nine at the Company's offices in the Netherlands and in Tel Aviv and the offices of ING Bank in Amsterdam and the Company's website; -----
- Mrs Liron Eliyahu was appointed to check the identity of the beneficial shareholders participating in the Meeting in Tel Aviv; -----
- according to the signed registration list, seventy million four hundred one



thousand seven hundred and seventy-four (70,401,747) shares, having a nominal value of twenty eurocents (€ 0.20), in turn representing the same number of votes, were represented at the Meeting, representing approximately seventy percent (70%) of the issued and outstanding share capital of the Company; -----

- the Company's external auditor, Mr. A. Buisman from Ernst & Young, was present at the Meeting. -----

**2. Presentation by the management board of the annual report on the Company's group activities for the financial year two thousand and eight -----**

With respect to the Company's group activities for the financial year two thousand and eight the Chairman gave the floor to Mr. Alain Ickovics, chairman of the management board of the Company ("**Management Board**"). -----

Mr. Ickovics presented the Meeting with the organisational structure of the Kardan group of companies, its vision and mission, the Company's strategy, the operational developments for the financial year two thousand and eight, the Company's strategy for two thousand and nine and an overview of financial data. Mr. Ickovics finally mentioned that a complicated legal merger had been effectuated in two thousand and eight between the Company, its subsidiaries GTC Real Estate Holding B.V. and GTC Real Estate N.V. -----

After Mr. Ickovics ended his presentation the Chairman gave the floor to the attendants of the Meeting for asking questions. -----

Mr Smit of the Vereniging voor Effectenbezitters expressed his concern about the transparency of Kardan and its group companies, an issue already raised by him in a previous shareholders meeting. He suggested the Board to improve the transparency with regard to the divisional structure, the responsibilities within the Management Board, the history of Kardan and the synergy between the divisions of the group. More specifically he raised the following questions: -----

- 1) which revaluation policy has been applied within GTC with respect to the real estate property; -----
- 2) what is the Company's view of doing business in Eastern Europe in these days; -----
- 3) how is management able to manage the activities of the Company in distant countries. -----

The Chairman replied to Mr Smit that the Company strives to continue to improve its transparency and to be as open and transparent as possible and permissible. -----

Mr. Ickovics explained the responsibilities of the five Members of the Management Board and referred to pages numbered twelve and thirteen of the annual report two thousand and eight. -----

With respect to all activities in emerging markets every time the same approach is taken by Kardan, meaning that it avoids high-tech business, it looks for possibilities with calculated risk and high potential and it focuses in three sectors only. -----



Although in the past revaluations of real estate took place only once a year, nowadays a full revaluation is conducted by an external party twice a year and, in addition, a management revaluation is performed three months after each such external revaluation. All revaluations take into account the applicable IFRS rules. ---- Finally the Chairman mentioned that the Company sticks to its strategy of doing business in Central Eastern Europe, notwithstanding the recent economic developments in that region. -----

Mr. Heinemann mentioned that according to the Company's annual accounts the real estate business shows positive results whereas the financial services business has done poorly. He assumed these two businesses would be linked and asked for an explanation. In addition, he asked why both the solvency and the return on equity have decreased with almost one-third. -----

Mr. Ickovics explained that although the results of the real estate business are positive, it could have done much better. There is no connection between the real estate and the financial services division since the Company's mortgage portfolio has been reduced to almost zero as a result of the difficult situation in the consumer loans business in the Ukraine and Russia. -----

Mr. Slootweg added that as the profits of the Company went down, the return on equity went down as well. Considerable impairments had to be made by the Company. -----

Mr. Heinemann continued by asking why the automotive business has done well in Israel. -----

Mr. Ickovics explained that the financial crisis arrived in Israel a bit later than in the rest of the world but that now the Israeli economy has been affected by the crisis in the same manner as the rest of the world. -----

Mr. Schouten asked the Management Board to elaborate on the Company's activities in the water sector. -----

According to Mr. Ickovics the water related activities of the Company focus on China, and referred to the Company's annual accounts for two thousand and eight where a considerable growth could be shown in that area. However, due to capital limitations further grow in this field may be limited -----

The Chairman informed the Meeting that the Company is very optimistic about the water sector. The awareness in China of the importance of water is increasing rapidly, and the availability is limited. -----

Mr. Schouten subsequently asked for what reason the Management Board called the legal merger which took place in two thousand and eight complicated. In addition, he asked what was done by the Company to stop the increase of non-performing loans.

Mr. Ickovics explained that the Company has been really active since the start of the financial crisis in trying to limit the risk for the Company related to non-performing loans by carefully reviewing the portfolio, restructuring commercial loans and by collection of consumer loans. Whether or not more loss will have to be taken in this



area will depend on the economic developments. -----  
Mr. Van Damme shortly summed up some of the complicated elements of the legal merger of the previous calendar year. -----

Mr. Schouten reminded the Meeting that the Company acquired real property last year in Poland and wondered whether this has been a good investment for the Company. -----

Mr. Ickovics told that this transaction has indeed been a good investment. The Company sold real estate in Poland around the same time, and has in fact replaced the previously owned real estate for property at a better location. -----

Mr. Schouten subsequently asked to explain the difference between the figure for the basic earnings and the diluted earnings as set out in the annual report, page eleven. Mrs. Oz-Gabber told that the diluted earnings figure is based on the number of shares on a fully diluted basis. There were certain options on shares that were likely to be exercised by the end of two thousand eight, but which have not been exercised after all. Reference was made to note 48 to the accounts. -----

Mr. Smit wondered whether the fact that the Company looks for new partners in China means that the Company is prepared to take a minority position in projects. The Chairman denied this to be the case and told the Meeting that the Company looks for investments in which it holds at least a fifty percent stake. -----

No further questions were asked, neither in Israel. -----

### **3. Adoption of the statutory annual accounts for the financial year two thousand and eight** -----

The Chairman stated that the annual accounts of the Company for the financial year two thousand and eight ("**Annual Accounts**") that have been prepared in accordance with IFRS have already been approved by the Supervisory Board and published on the thirty-first day of March two thousand and nine -----

Mr. Heinemann wondered whether the difference between IFRS and GAAP has a negative impact on the annual accounts of the Company. The Chairman explained that this is not the case. -----

Mr. Smit asked how the Management Board is able to follow the financial results and developments within all the Kardan group companies in the world. -----

The Chairman mentioned that the financial developments are closely followed, that the Company's auditor Ernst & Young has presence in all the countries in which the Company is present. -----

The Chairman proposed the Meeting to adopt the statutory Annual Accounts. -----

The proposal was put to the voting and adopted. -----

### **4. Dividend Policy** -----

The Chairman informed the Meeting that in light of the current global economic downturn and in line with the Company's dividend policy to take into account the liquidity and capital position and future financing requirements when determining a divided distribution, the Management Board has decided, with the approval of the



Supervisory Board, to allocate the entire profit of the financial year two thousand and eight to the reserves and therefore no dividend will be declared for that financial year. Mr. Heinemann asked whether the Company is willing to consider, if the results of next year are better, to make good for this years lack of dividend. The Chairman regarded this to be a sympathetic proposal which he thought the Company would take into consideration. Mr. Heinemann stressed that the regular payment of dividend has its impact on the stock price, so that a subsequent payment of dividend will be beneficial for the Company. -----

Mr. Schouten stated, as he has done in the past, that he would have preferred the Company to repurchase the shares in its own capital and distribute these as stock dividend. -----

No further questions were asked, neither in Israel. -----

**5. Corporate Governance, including the adoption of the Remuneration Policy** ---

The Company has made some changes in its corporate governance structure, in relation to which the Chairman invited the General Meeting of Shareholders, in accordance with the Dutch Corporate Governance Code, to discuss the chosen approach as set out in the chapter on corporate governance in the Annual Report. The Chairman pointed out two items, being the Adoption of the Remuneration Policy and the Assessment of Ernst & Young accountants. -----

**5a. Adoption of Remuneration Policy** -----

Mr. Smit declared to detect half-heartedness in the Remuneration Policy; in his view the policy gives the impression of being the policy of a privately owned company, in which the interests of certain majority shareholders are clearly reflected. He wondered whether the Company has reviewed the Remuneration Policies of its peers. -----

The Chairman stressed that the Company treats all of its shareholders in an equal manner and never deviates from that policy. In addition, Mr. Slootweg explained that every time the Company has a meeting with analysts or major shareholders, the presentation given to those persons is made available at the Company's website. Subsequently, the Chairman informed the Meeting about the review made with respect to the relevant policies of peers of the Company -----

The proposal was put to the voting and was adopted. -----

**5b. Assessment Ernst & Young accountants** -----

The Chairman informed the Meeting that an assessment has been made by the audit committee and the Management Board with respect to the functioning of the Company's external auditors Ernst & Young. The overall conclusion was that both are satisfied with the work done by the auditor and therefore the proposal is made to nominate Ernst & Young as the Company's external auditor for the financial year two thousand and nine. -----

**6. Appointment of external auditor for the financial year two thousand and nine**

The Chairman proposed to nominate Ernst & Young as the Company's external



auditor for the financial year two thousand and nine -----

The proposal was put to the voting and was adopted. -----

**7. Discharge from liability** -----

7a. Discharge of the members of the Management Board in respect of their management during the financial year two thousand and eight -----

The Chairman remarked that probably by now the Company's shareholders in Israel would be familiar with the Dutch concept of discharge since it has been on the agenda of all previous general meetings of the Company. -----

The Chairman proposed to the Meeting to decide that the members of the Management Board be granted full discharge for their management during the past financial year, as far as described by the Annual Report and the information provided during the Meeting. -----

The proposal was put to the voting and was adopted. -----

7b. Discharge of the members of the Supervisory Board in respect of their supervision during the financial year two thousand and eight -----

The Chairman proposed to the Meeting to decide that the members of the Supervisory Board be granted full discharge for their supervision during the past financial year, as far as described by the Annual Report and the information provided during the Meeting. -----

The proposal was put to the voting and was adopted. -----

**8. Reappointment of Mr. M.I. Groen as member of the Supervisory Board** -----

The Chairman proposed to the Meeting that in accordance with the nomination of the Supervisory Board, Mr. Max Groen be reappointed as a member of the Supervisory Board for a term of four years, ending at the annual general meeting of shareholders to be held in two thousand and thirteen. -----

The proposal was put to the voting and was adopted. -----

**9. Reappointment of Mr. A. Ickovics as member of the Management Board** -----

The Chairman proposed, in accordance with the nomination of the Supervisory Board, to reappoint Mr. Ickovics as member of the Management Board, as chairman, for a term of three years ending at the end of the annual general meeting of shareholders to be held in two thousand and twelve. -----

The proposal was put to the voting and was adopted. -----

**10. Remuneration for the Management Board** -----

10a. Determination of the remuneration of the members of the Management Board -----

The Chairman proposed the Meeting to determine, in accordance with a proposal of the Supervisory Board, the remuneration of the members of the Management Board and explained that an increase of the remuneration of five percent effective is being proposed, a little bit more than the inflation rate. -----

The proposal was put to the voting and was adopted -----

10b. 2008 bonuses for members of the Management Board -----

The Chairman proposed the Meeting to determine, in accordance with the proposal of



the Supervisory Board, the bonuses for the members of the Management Board as set out in the explanatory notes to the agenda. The amounts represent a bonus of a one month salary for each member of the Management Board, except for Mr. Van Damme for whom it is proposed to grant a bonus of one and a half month salary. -----  
The proposal was put to the voting and was adopted. -----

**11. Amendment of the Company's Articles of Association -----**

The Chairman proposed to the Meeting to resolve to partially amend the Articles of Association of the Company in accordance with the draft deed of amendment prepared by Houthoff Buruma N.V., which had been made available to the shareholders. The proposed changes were explained in detail in the explanatory notes. In accordance with the new corporate governance code the Company proposed to vote each element of the amendment separately. -----

**11a. Amendment article 20 -----**

The proposal was put to the voting and was adopted. -----

**11b. Amendment article 31, 35 en 36 -----**

The proposal was put to the voting and was adopted. -----

**11c. Amendment article 47 -----**

The proposal was put to the voting and was adopted. -----

**12. Authorisation of the Management Board to issue shares, to grant rights to subscribe for shares and to restrict or exclude pre-emptive rights -----**

**12a. Authorisation of the Management Board to resolve to issue shares and to grant rights to subscribe for shares -----**

It was proposed to authorise the Management Board, subject to the approval of the Supervisory Board, for a period of five years as of the twentieth day of May two thousand and nine and within the limits of the law and the Company's Articles of Association, to resolve to issue shares in the capital of the Company and to grant rights to subscribe for such shares, relating to annually ten percent of the non-issued shares of the Company's authorized capital at the time of such decision -----

The proposal was put to the voting and was adopted. -----

**12b. Authorisation of the Management Board to resolve to restrict or exclude pre-emptive rights -----**

The proposal was made to the Meeting to authorise the Management Board, subject to the approval of the Supervisory Board, for a period of five years as of the twentieth day of May two thousand and nine and within the limits of the law and the Company's Articles of Association, to resolve to restrict or exclude pre-emptive rights when issuing shares or granting rights to subscribe for shares. -----

The proposal was put to the voting and was adopted. -----

**13. Authorization of the Management Board to resolve for the Company to acquire its own shares -----**

The Chairman proposed the Meeting to resolve to authorise the Management Board, subject to the approval of the Supervisory Board, up to eighteen months after the



twentieth day of May two thousand and nine and within the limits of the law and the Company's Articles of Association, to resolve for the Company to acquire, on the stock exchange or otherwise, shares in the capital of the Company at a price lying between the par value of such shares and one hundred ten percent of the market value, whereby market value has the meaning as set out in the explanatory notes to the agenda -----

The proposal was put to the voting and was adopted. -----

**14. Any other business** -----

There was no other business to be dealt with. -----

**15. Closing** -----

The Chairman closed the Meeting at five hours and thirty five minutes post meridiem. The votes at the Meeting were cast as laid down in the list attached to these records as Annex I. -----

In order to proof his approval of the minutes of the Meeting, the Chairman will sign this deed. -----

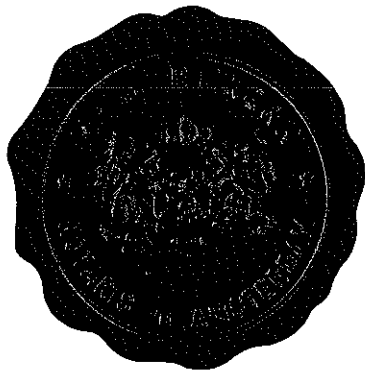
THIS DEED, -----

is executed in Amsterdam on the eighteenth day of August two thousand and nine. --

After the substance of this deed, and thereupon an explanation, had been communicated to the Chairman, he declared that he had taken cognizance of its contents and was in agreement therewith and with its limited reading. -----

The Chairman and I, civil law notary, subsequently signed the deed after its limited reading, according to law. -----

(Signatures follow). -----



FOR CERTIFIED COPY:  
*[Handwritten signature]*