



RECORDS OF A MEETING.

On the twenty-sixth day of May two thousand and ten, 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 fifteen hours and ten minutes, 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 a translator was available for simultaneous translation. -----

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 ten 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 ten; -----
- 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 nine ("**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 ten 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; -----
- the minutes of last year's annual general meeting were available at the entrance of the Meeting; -----
- Mrs. Ayelet Weller 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 eight hundred and



thirty thousand eighty-nine (70,830,089) 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 sixty-nine percent (69%) 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 nine -----**

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

Mr. Ickovics gave a presentation of the organisational structure of the Kardan group of companies, its vision and mission, the Company's strategy, how the Company managed through the crisis, the operational developments for the financial year two thousand and nine and an outlook for two thousand and ten. After Mr. Ickovics ended his presentation the Chairman gave the floor to Mr. Slootweg who continued the presentation, more specifically on the contribution to the equity of the Company's businesses, the balance sheet, the maturities of financial liabilities, and a value indication. -----

After the end of the presentation, the Chairman gave the attendants of the Meeting the opportunity to ask questions. -----

Mr. Heinemann asked the Management Board to explain how it is able to manage the Company and its subsidiaries, given the enormous number and range of activities in different areas in which the group is involved. Mr. Ickovics explained that in almost every country and in every sector the Company built local platforms, responsible for local day to day management. The Management Board mainly monitors the budgets of the local businesses, and decides on strategic matters. -----

Subsequently, Mr. Heinemann gave an analysis of the situation in eastern Europe and of the cultural differences in that area, and asked how the Management Board could bring these different cultures together. The Chairman answered that as a result of the decentralized management through the local platforms, the cultural aspects mainly play a role at each local level, not at the level of the Company. -----

Mr. Heinemann wondered whether the Company did consider to leave the difficult countries of eastern Europe where it supposedly had to deal with bribery, and concentrate instead on Brazil, China or India. The Chairman answered that the Company cannot be active in every country in the world, that years ago investing in Poland was considered difficult as well but that the Polish investments were now among the Company's most successful investments. He agreed that the Company met with difficulties because it did not want to have any involvement in bribery, but was convinced that in the long term the Company would be successful -----

Finally, Mr. Heinemann wondered whether the result of the revaluation of real estate



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were the consequence of currency exposure or prices. The Chairman replied that currency differences did not play a role. Because the yields have gone up in real estate, the prices have gone down. -----

Mrs. Verbunt of the Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO), the Dutch association of investors for sustainable development, asked whether the Company will follow the global reporting guidelines, whether it has sustainability goals and if so, whether these can be included in the annual report. She furthermore asked whether the Company has a code of conduct which deals with environmental issues and if it is used in the Company's relationship with its suppliers. The Chairman explained that the Company is relatively young and not centrally organized. Sustainability issues are frequently discussed by the management, but it is not feasible to at this stage report on the basis of the global reporting guidelines in the annual report. -----

Mr. Van Damme added that the same applies to the sustainability goals, it is not yet feasible to determine these. He referred to the Company's code of conduct as published on the Company's website, which indeed includes a paragraph on environmental issues. He explained that it is inherent to the Company's strategy to have a long term view on, inter alia, sustainability. The management listens to customer demands, for example in relation to environment friendly real estate and infrastructure projects. Sustainability is often one of the criteria for rewarding real estate and infrastructure projects, and therefore important to the Company. -----

Mr. Verhagen asked for an explanation of the Hungarian occupancy rate range set out on page forty-seven of the Annual Report. Mr Ickovics informed the Meeting that the occupancy rate of one project in Hungary is twenty-nine percent (29%), whereas for all other Hungarian projects this rate is in excess of approximately seventy-five percent (75%). Because of this one project, the range mentioned on page forty-seven is very wide. In addition, he explained that the original cost price, set out on the same page of the Annual Report, represents the amount of the investment, whereas the project value expresses the value of the property once developed and let. -----

Mr. Edelstein agreed with Mr. Heinemann that the attention of the management is spread on many different activities. Mr. Edelstein is of the opinion that the main potential is in the infrastructural activities of Tahal and the real estate in China and argues that therefore the focus of the management should be on those activities. Tahal is a very old and skilful business but has a much smaller share in the market than it should have. He also noticed that the Company is planning to raise finance for Tahal through FIMI. He mentioned that he could not see FIMI as a strategic partner, and wondered why they get, unlike other shareholders, upon a listing of Tahal twenty-five percent discount. -----

Mr. Ickovics gave examples of other activities of the group which are doing better or are more stable than Tahal, and which are also very important and do demand management attention. Tahal was acquired approximately ten years ago, for a small



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percentage of what it is right now. Enormous investments have been made since then. It provides a very promising platform and is given proper attention by Kardan. As to the loan by FIMI, Mr. Ickovics pointed out that the loan is very cheap, but that in return FIMI wishes to share in the upside in case of future success. He is convinced that it is a fair deal. -----

Mr. Edelstein considered the financing activities are not very profitable or important and wondered whether, if there is a need for raising cash for developing Tahal, Kardan could as an alternative to the FIMI proposal sell its financing business, possibly even to FIMI. He, as a shareholder, has also invested in the Company and yet does not get the same discount as FIMI upon a listing of Tahal. The Chairman answered that Mr. Edelstein has a valid point to which he could not answer immediately, but promised to discuss it at the next board meeting and to take Mr. Edelstein's suggestion into consideration as a serious matter. -----

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

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

The Chairman gave the floor to the attendants of the Meeting for asking questions. -- Mr. Heinemann asked whether the Company or its subsidiary have participated in structured financial products. Mr Ickovics denied that this is the case - the financial business is very straightforward and limited to attracting deposits and lending out money to consumers and small businesses. -----

The Chairman subsequently 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, the Management Board had decided, with the approval of the Supervisory Board, to allocate the entire result of the financial year two thousand and nine to the reserves and therefore no dividend will be declared for that financial year. -----

No questions were asked. -----

### **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 Meeting, 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. -----

No questions were asked. -----

### **6. Adoption of an amendment of the Remuneration Policy -----**



The Chairman explained that as described in the Remuneration Policy as adopted by the Meeting in the annual general meeting of two thousand and nine, a share plan would be developed to appropriately incentivize the members of the Company's Management Board and other key employees ("**New Share Plan**"). In view of the proposed structuring of the New Share Plan, it was proposed to amend the Remuneration Policy as adopted in two thousand and nine in respect of the obligatory retention period. The Supervisory Board has taken the view that with this measure the long-term character of the share remuneration and retention of management are sufficiently met. The other proposed changes to the Remuneration Policy are to properly reflect the New Share Plan as shares under that plan can only be awarded to the members of the Management Board once every three years (instead of annually), upon fulfillment of the long term targets. Subsequently, the Chairman informed the Meeting about the review made with respect to the relevant policies of peers of the Company. -----

No questions were asked. -----

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

**7. Adoption of the Kardan N.V. 2010 Share Incentive Plan** -----

The Chairman explained that the proposal is to adopt the 2010 Share Incentive Plan, which in due course will replace the Kardan Stock Option Plan two thousand and six. The mechanism of the proposed 2010 Share Incentive Plan has been set forth in more detail in the notes to the agenda and was repeated by the Chairman in broad outline -----

The Chairman gave the floor to the attendants of the Meeting for asking questions. --

Mr. Heinemann asked about the number of key employees who will participate in the 2010 Share Incentive Plan. The Chairman replied that the total number of participants to the 2010 Share Incentive Plan will be approximately fifteen, being five members of the Management Board and approximately ten key employees. The participants will be rewarded shares, not options. A selling restriction of three to five years will apply. -----

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

**8. Appointment of external auditor for the financial year two thousand and ten** -

The Chairman proposed to nominate Ernst & Young as the Company's external auditor for the financial year two thousand and ten. -----

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

**9. Discharge from liability** -----

9a. Discharge of the members of the Management Board in respect of their management during the financial year two thousand and nine -----

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



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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. -----

**9b. Discharge of the members of the Supervisory Board in respect of their supervision during the financial year two thousand and nine** -----

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. -----

**10. Reappointment of Mr. H. Benjamins as member of the Supervisory Board** ---

The Chairman proposed to the Meeting that in accordance with the nomination of the Supervisory Board, Mr. Benjamins 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 fourteen. On a question of Mrs. Ayelet Weller on behalf of the Israeli shareholders, the Chairman explained that Mr. Benjamins has, like the other persons nominated to be appointed during the Meeting, not been convicted of any criminal offence, nor has he been prosecuted. -----

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

**11. Remuneration for the Supervisory Board** -----

**11a. Determination of the remuneration of the members of the Supervisory Board** ----

The Chairman proposed the Meeting to determine an increase in the remuneration for the members of the Supervisory Board, effective as from the first day of June two thousand and ten in accordance with the proposal set out in the notes to the agenda to the Meeting. -----

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

**11b. Approval of the remuneration of Mrs. Rechter** -----

The Chairman explained that as Mrs. Rechter is the spouse of a controlling shareholder, her remuneration needs to be approved by the Meeting in accordance with the Special Approval Procedure as set out in the articles of association of the Company. -----

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

**12. Reappointment of Mr. A. Shlank as member of the Management Board** -----

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

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

**13. Reappointment of Mr. W. van Damme as member of the Management Board**

The Chairman proposed, in accordance with the nomination of the Supervisory



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Board, to reappoint Mr. Van Damme as member of the Management Board, for a term of three years ending at the end of the annual general meeting of shareholders to be held in two thousand and thirteen. -----

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

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

**14a. 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 in accordance with the proposal set out in the notes to the agenda to the Meeting ----

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

**14b. 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 proposal was put to the voting and was adopted. -----

**15. Approval of the Remuneration Report** -----

The Chairmen explained that on the basis of the recommendation of Eumedion, Kardan submits for approval to the Meeting the Remuneration Report attached to the notes to the agenda. -----

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

**16. 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, 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. -----

**16a. Amendment article 44.1** -----

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

**16b. Amendment article 20 and 24.1** -----

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

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

**17a. 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 twenty-sixth day of May two thousand and ten 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 (10%) of the non-issued shares of the Company's authorized capital at the time of such decision -----



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

**17b. 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 twenty-sixth day of May two thousand and ten 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. -----

**18. 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 twenty-sixth day of May two thousand and ten 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. -----

**19. Any other business** -----

The Chairman invited the attendants of the Meeting to raise other matters, if any. -----

Mr. Heinemann asked the Management Board to consider compensation in future years for the lack of dividend distribution in relation to the financial year two thousand and nine. The Chairman promised to take the suggestion for dividend compensation into consideration if and when the financial results of the Company allow for dividend distribution. -----

Mr. Verhagen asked if there would be any impact on the Company of the decrease of the Euro. Mr. Ickovics explained, in carefully chosen words, his view on the possible impact. -----

**20. Closing** -----

The Chairman closed the Meeting at seventeen hours and ten minutes. -----

The votes at the Meeting were cast as laid down in the list attached to these records 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 twenty-ninth day of July two thousand and ten. -----

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 -----

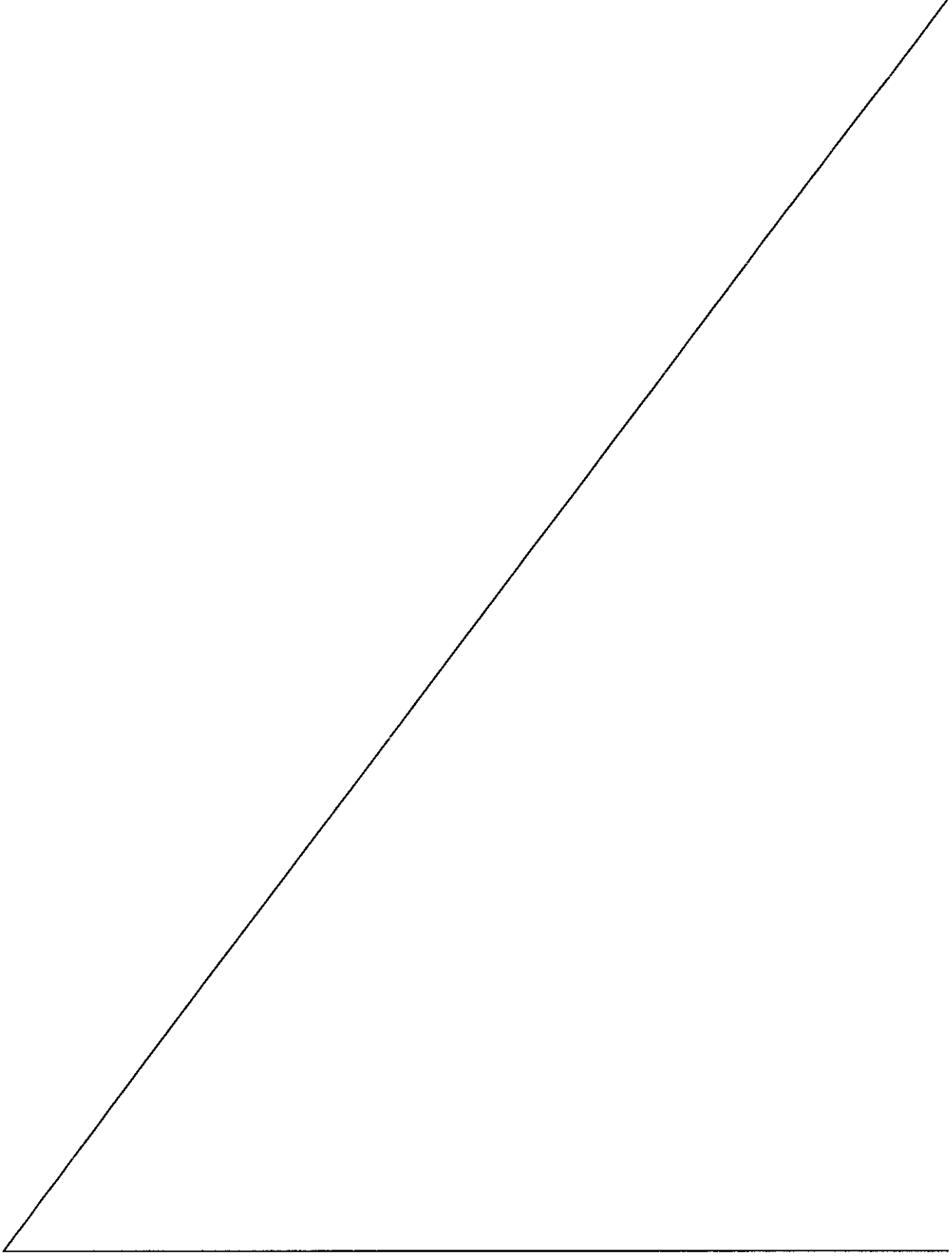
The Chairman and I, civil law notary, subsequently signed the deed after its limited





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reading, according to law. -----  
(Signatures follow). -----  
Attached document follows. -----





**Voting results of the Annual General Meeting of Shareholders of Kardan N.V. on  
May 26, 2010**

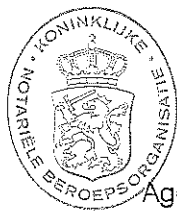
	<b>Number</b>	<b>Number of votes</b>
Issued ordinary shares	111,824,638	101,318,528
Present ordinary shares	70,815,889	70,815,889
<b>Result of the votes</b>		
<b>Agenda item 3</b>		
For	61,896,173	61,896,173
Against	0	0
Abstain	8,919,716	8,919,716
Total	<u>70,815,889</u>	<u>70,815,889</u>
<b>Agenda item 6</b>		
For	69,425,331	69,425,331
Against	1,390,558	1,390,558
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
<b>Agenda item 7</b>		
For	68,922,165	68,922,165
Against	1,893,724	1,893,724
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
<b>Agenda item 8</b>		
For	61,320,627	61,320,627
Against	0	0
Abstain	9,495,262	9,495,262
Total	<u>70,815,889</u>	<u>70,815,889</u>
<b>Agenda item 9a</b>		
For	51,727,402	51,727,402
Against	19,088,487	19,088,487
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
<b>Agenda item 9b</b>		
For	51,727,402	51,727,402
Against	19,088,487	19,088,487
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
<b>Agenda item 10</b>		
For	68,715,026	68,715,026
Against	996,918	996,918
Abstain	1,103,945	1,103,945
Total	<u>70,815,889</u>	<u>70,815,889</u>



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Agenda item 11a		
For	68,944,353	68,944,353
Against	1,871,536	1,871,536
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 11b		
For	68,974,594	68,974,594
Against	1,841,295	1,841,295
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 12		
For	69,123,810	69,123,810
Against	446,140	446,140
Abstain	1,245,939	1,245,939
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 13		
For	69,123,810	69,123,810
Against	446,140	446,140
Abstain	1,245,939	1,245,939
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 14a		
For	67,393,213	67,393,213
Against	3,422,676	3,422,676
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 14b		
For	66,184,982	66,184,982
Against	4,630,907	4,630,907
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 15		
For	61,683,412	61,683,412
Against	818,380	818,380
Abstain	8,314,097	8,314,097
Total	<u>70,815,889</u>	<u>70,815,889</u>
Agenda item 16a		
For	70,717,348	70,717,348
Against	98,541	98,541
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>

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Agenda item 16b

For	70,717,348	70,717,348
Against	98,541	98,541
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>

Agenda item 17a

For	66,219,074	66,219,074
Against	4,596,815	4,596,815
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>

Agenda item 17b

For	66,253,691	66,253,691
Against	4,562,198	4,562,198
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>

Agenda item 18

For	68,010,682	68,010,682
Against	2,805,207	2,805,207
Abstain	0	0
Total	<u>70,815,889</u>	<u>70,815,889</u>

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FOR CERTIFIED COPY:  
of a notarial deed with  
attachment.

A large, stylized handwritten signature in black ink, written over the text "FOR CERTIFIED COPY: of a notarial deed with attachment." The signature is highly cursive and loops around the text.