



RECORDS OF A MEETING.

On the thirty-first day of May two thousand and eleven, 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, chairman of the supervisory board of the Company ("**Supervisory Board**"), acted as chairman of the Meeting ("**Chairman**"). -----

The Chairman opened the Meeting at thirteen hours, welcomed the attendants, explained about the Meeting simultaneously in Tel Aviv, and proposed that the language of the Meeting would be English. Subsequently the Chairman declared that:

- in calling the Meeting, all statutory requirements had been met and that advertisements had been placed on the fifteenth day of April two thousand and eleven in The Netherlands in the newspaper called "Het Financieele Dagblad" and in Israel in the newspapers called "Ha'aretz" and "Hazofe"; -----
- 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 ten ("**Annual Report**") and the draft deed of amendment of the Company's Articles of Association could be obtained free of charge as of the fifteenth day of April two thousand and eleven at the Company's offices in the Netherlands and in Tel Aviv and the offices of ING Bank in Amsterdam and on the Company's website; -----
- the minutes of last year's annual general meeting were available on the Company's website as of the first day of August two thousand and ten; -----
- 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-six million six hundred twenty-nine thousand one hundred fifty-four (76,629,154) shares, having a nominal value of twenty eurocents (€ 0.20) each, in turn representing the same number of votes, were represented at the Meeting, representing approximately sixty-eight and five tenth percent (68.5%) of the issued and outstanding share capital of the Company; -----

h-



- Ernst & Young, the Company's external auditor, represented by Mr. A. Buisman and Mr. W. Van Hoeven, 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 ten -----

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

Mr. Ickovics gave a presentation on the Company as a unique investment gateway to emerging markets, the structure of the Kardan group of companies, the background for its focus on emerging markets, the Company's criteria for investments and the strategy focus. Subsequently, Mr. Ickovics gave an overview of the main events of the past financial year and expected events for two thousand and eleven. -----

Mr. Slootweg of the Management Board continued by presenting a breakdown of the profits of Kardan, the financial developments in two thousand and ten and an outlook for two thousand and eleven. -----

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

Mr. Verhagen asked the Chairman whether he could identify a trend with respect to the revaluation of real estate. The revaluation of real estate has fluctuated strongly over the past years. -----

Mr. Ickovics explained that he wished he knew and that he noticed that in some, but not all, markets yields had gone down. Especially in Poland, Kardan has leased very well and managed to increase rental revenues with thirty percent (30%) In China, Kardan has revaluation gains not because of a change in the yields, but as a consequence of completion of projects; the value of the projects moved from 'under construction' to value upon completion -----

Mr. Van der Velden from Vereniging van Beleggers voor Duurzame Ontwikkeling first complimented the Management Board with its performance and good intentions with respect to sustainability. He asked whether the Company's subsidiaries report quantitative on non-financial indicators. -----

Mr. Van Damme of the Management Board answered that the subsidiaries of Kardan do not report in quantitative data but stressed that they are increasingly aware of the importance of the subject They follow internal and external guidelines. Mr. Van Damme added that obviously a large difference exists between the Group's different activities. In water infrastructure, sustainability guidelines and measures have been fully embedded, also as sustainability requirements are part of tenders and financing agreements. As to real estate, it is still work in progress. -----

The Chairman stressed that Kardan is a holding company and that sustainability has been put high on the agenda of the Supervisory Board of Kardan, in terms of renewable energy, diversity and related items. The Management Board of Kardan has produced a memo for discussion on local boards and this approach is supported



1

by the Supervisory Board The Chairman mentioned an increasing awareness of the subject among Management Board and employees of subsidiaries, and although there is always room for improvement, progress was being made. The Chairman also mentioned that the Company meets frequently with institutional investors who have the same demands in terms of sustainability and the Company welcomes the pressure for quick implementation. -----

Mr. Verhagen asked whether the Company could give any explanation as to the differences in the banking business in Russia and in the Ukraine. -----

Mr. Ickovics informed the Meeting that in his view, businesses and individuals in the Ukraine all suffer heavily The macro-economics and political instability are much worse than in surrounding countries such as Russia. The Russian central bank actively helped out distressed banks, as a result of which the situation improved very fast and wealth came back quickly both in businesses and for privates. -----

Mr. Heinemann, after thanking Mr. Ickovics for his very clear presentation, asked whether the Company should not bring much more focus in its business. The Company is, in his opinion, involved in businesses in too many industries in too many countries, resulting in overload for central management and too much overhead. -----

Mr. Ickovics explained that Kardan works with local platforms which indeed means overhead but at the same time it gives high returns on investment. The Company prefers to manage its risks with these platforms and accepts the downside of relatively large overhead. This approach allows management to invest in many small and medium sized companies, which diversifies risks for the group. He invited Mr Heinemann to consider Kardan's return on book equity which since its listing in the Netherlands in two thousand and three remained at a level of seventeen per cent (17%) percent per annum of book equity return, despite costs. -----

In answer to Mr. Heinemann's question whether Kardan should not try to export Israel's water knowledge, he answered that this is indeed what the Company is doing via Tahal. The Company bought Tahal from the Israeli government in two thousand and one and developed it to a company which focuses on private projects. -----

There being no other questions the Chairman turned to item 3 on the Agenda. -----

3. Adoption of the annual accounts for the financial year two thousand and ten

The Chairman referred to the presentation of Mr. Ickovics and Mr. Slootweg, and the documents published and made available to the shareholders. There being no questions, the proposal to adopt the annual accounts for the financial year two thousand and ten was put to the vote and adopted unanimously. -----

4. Dividend Policy -----

Taking into the accounts the negative results for the financial year two thousand ten and Kardan's dividend policy, no dividends will be declared for the financial year two thousand and ten. No questions were raised. -----

5. Corporate Governance -----

The Chairman mentioned that no significant changes were made to the governance



2

structure of the Company since this item was last discussed, and invited the Meeting to raise questions. No questions were raised. -----

6. Appointment of external auditor for the financial year two thousand and eleven -----

The Management Board and Supervisory Board proposed to reappoint Ernst & Young in the Netherlands and in Israel as the external auditors. There being no questions, the proposal to reappoint Ernst & Young as the external auditors for the financial two thousand eleven was put to the vote and adopted, with thirty-nine thousand one hundred and fifty-six (39,156) votes issued against the proposal and eleven million, seventy-one thousand and two hundred fifty (11,071,250) abstentions.

7. Discharge from liability -----

A. Discharge of the members of the Management Board in respect of their management during the financial year two thousand and ten. -----

The Chairman referred to his explanation in previous years on the nature of the Dutch concept of discharge. There being no questions the proposal to grant discharge of the members of the Management Board in respect of their management in the past financial year was put to the vote and adopted, with twenty-four million one hundred seventy-eight thousand and forty-six (24,178,046) votes issued against the proposal, and no abstentions. -----

B. Discharge from the Supervisory Board in respect of their supervision during the financial year two thousand and ten. -----

There being no questions, the proposal to grant discharge of the members of the Supervisory Board in respect of their supervision in the past financial year was put to the vote and adopted, with twenty-four million one hundred seventy-eight thousand and forty-six (24,178,046) votes issued against the proposal, and no abstentions -----

8. Reappointment of members of the Supervisory Board -----

A. Reappointment of Mr. Fink as member of the Supervisory Board. -----

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

There being no questions the proposal to reappoint Mr. Fink was put to the vote and adopted, with one million seven hundred seventy-three thousand four hundred and eight (1,773,408) votes issued against the proposal and six hundred seventy-four thousand and seven hundred eight (674,708) abstentions. -----

B. Reappointment of Mr. Krant as member of the Supervisory Board. -----

The Chairman proposed, in accordance with the nomination of the Supervisory Board, to reappoint Mr. Krant as member of the Supervisory Board, for a term of four years ending at the end of the annual general meeting of shareholders to be held in two thousand and fifteen. There being no questions the proposal to reappoint Mr. Krant was put to the vote and adopted, with fourteen million two hundred seventy-six



-2-

thousand and forty-nine (14,276,049) votes issued against the proposal and six hundred seventy-four thousand and seven hundred eight (674,708) abstentions. -----

C. Reappointment of Mrs. Rechter as member of the Supervisory Board. -----

The Chairman proposed, in accordance with the nomination of the Supervisory Board, to reappoint Mrs. Rechter as member of the Supervisory Board, for a term of one year ending at the end of the annual general meeting of shareholders to be held in two thousand and twelve. There being no questions the proposal to reappoint Mrs. Rechter was put to the vote and adopted, with one million nine hundred thousand eight hundred and thirty-seven (1,900,837) votes issued against the proposal and six hundred seventy-four thousand and seven hundred eight (674,708) abstentions. -----

D. Reappointment of Mr. Schnur as member of the Supervisory Board. -----

The Chairman proposed, in accordance with the nomination of the Supervisory Board, to reappoint Mr. Schnur as member of the Supervisory Board, for a term of four years ending at the end of the annual general meeting of shareholders to be held in two thousand and fifteen, There being no questions the proposal to reappoint Mr. Schnur was put to the vote and adopted with fourteen million three hundred ninety-nine thousand seven hundred and fifteen (14,399,715) votes issued against the proposal and six hundred seventy-four thousand and seven hundred eight (674,708) abstentions. -----

9. Reappointment of Mrs. Oz-Gabber as member of the Management Board. -----

The Chairman proposed, in accordance with the nomination of the Supervisory Board, to reappoint Mrs. Oz-Gabber 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 fourteen. -----

There being no questions the proposal to reappoint Mrs. Oz-Gabber was put to the vote and adopted, with one million four hundred thirty-three thousand two hundred forty-five (1,433,245) votes issued against the proposal and thirty seven thousand three hundred and forty-eight 37,348 abstentions. -----

10. Reappointment of Mr. Slootweg as member of the Management Board -----

The Chairman proposed, in accordance with the nomination of the Supervisory Board, to reappoint Mr. Slootweg 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 fourteen. -----

There being no questions the proposal to reappoint Mr. Slootweg was put to the vote and adopted, with one million six hundred ninety-four thousand three hundred and forty-nine (1,694,349) votes issued against the proposal and thirty seven thousand three hundred and forty-eight 37,348 abstentions. -----

11.A. Determination of the remuneration of members of the Management Board

The Chairman presented to the Meeting the proposed amounts of the remuneration of each of the members of the Management Board. There being no questions the proposal for determination of the remuneration of the members of the Management



2

Board was put to the vote and adopted, with six hundred seven thousand two hundred forty-five (607,243) votes issued against the proposal and two thousand six hundred (2,600) abstentions. -----

11.B. 2010 Bonuses for members of the Management Board -----

The Chairman presented to the Meeting the proposed amounts for the bonuses for the members of the Management Board, and explained that the Supervisory Board considered the proposal made to the Meeting fair and reasonable given the results of the past year. He mentioned that half of the proposed bonus would be payable immediately and the other half at the sole discretion of the Supervisory Board sometime during two thousand eleven. -----

There being no questions the proposal to grant a bonus to the members of the Management Board was put to the vote and adopted, with twenty-three million one hundred twenty-two thousand and ninety-five (23,122,095) votes issued against the proposal and two thousand six hundred (2,600) abstentions. -----

12. Approval of the remuneration report -----

The remuneration report was made available to the shareholders together with the agenda. There being no questions the proposal was put to the vote and adopted, with twenty-three million six hundred and fifty-seven thousand seven hundred and ninety-six (23,657,796) votes issued against the proposal and one hundred twenty-eight thousand three hundred and thirty-two (128,332) abstentions. -----

13. Amendment of the Company's Articles of Association -----

The Chairman referred to the draft deed of amendments dated March twenty-four, two thousand and eleven as presented to the shareholders, and asked the Meeting whether they had any questions with respect to any of the respective sub items for the amendment of the Articles of Association. -----

There being no questions the proposal for amendment of certain articles of the articles of association of the Company and to grant proxy to Houthoff Buruma to do anything necessary for applying for ministerial approval and execution of the deed was each put to the vote separately and adopted, with eighteen million, four hundred fifty-seven thousand and one hundred forty-one (18,457,141) votes against and eight thousand five hundred and fifty (8,550) abstentions with respect to item a., four hundred twenty-two thousand nine hundred and seventy-eight (422,978) votes against and three million one hundred thirty-four thousand and eight hundred and forty-three (3,134,843) abstentions with respect to items b. through g. and four hundred ninety-nine thousand nine hundred thirty-two (491,932) votes against and eight thousand five hundred and fifty (8,550) abstentions with respect to item h. -----

14. Approval of employment agreement Yuval Rechter pursuant to the Special Approval Procedure as set out in the Company's Articles of Association. -----

Due to the listing of the Company on the Tel Aviv Stock Exchange, the Company included in its Articles of Association certain clauses which give rights to minority shareholders in connection with the approval of transactions with Holders of Control



-J

(as defined in the Articles of Association), similar to the rights they would have under the Israeli Companies Law. -----

In relation to this special approval procedure the Meeting was requested to approve that Milgam Cellular Parking Ltd. ("Milgam"), an Israeli private company indirectly controlled by the Company would enter into a three-year contract relating to the terms of employment of Mr. Yuval Rechter, the son of Mr. Eytan Rechter, who is a Holder of Control in the Company. Mr. Yuval Rechter would serve as business development manager of Milgams businesses outside of Israel, and would be stationed in Israel. -----

After setting out the details of the employment agreement the Chairman asked the Meeting whether there were any questions. -----

Mr. Verhagen asked for further detail of the activities of Mr. Yuval Rechter. Mr. Ickovics explained that Mr. Yuval Rechter will be involved in business development for Milgam which company was originally solely involved in water business and is now moving towards solar energy in Israel as well as parking through cellular phones. -----

Subsequently the Chairman puts the proposal to approve the employment agreement of Mr. Yuval Rechter to the vote and the proposal was adopted, with one hundred seventy-three thousand eight hundred and fifty-nine (173,859) votes issued against the proposal and no abstentions. -----

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

15.A. Authorisation of the Management Board to resolve to issue shares and to grant rights to subscribe for shares -----

The Chairman repeated the proposal for authorizing the authorize the Management Board, subject to the approval of the Supervisory Board, for a period of five years, within the limits of the law and the articles of association, to resolve to issue shares in the capital of the Company and to grant the right to subscribe for shares, relating to ten per cent (10%) of the non-issued shares of the Company's authorized capital at the time of such decision. There being no questions, the proposal was put to the voting and was adopted, with twenty-three million three hundred and six thousand seven hundred and thirteen (23,306,713) votes issued against the proposal and no abstentions. -----

15.B. Authorisation of the Management Board to resolve to restrict or exclude pre-emptive rights -----

The Chairman proposed to authorize the Management Board, subject to the approval of the Supervisory Board, for a period of five years, within the limits of the law and the articles of association, to resolve to restrict or exclude pre-emptive rights when issuing shares or granting rights to subscribe for shares, with twenty-three million eighty-eight thousand two hundred and eight-nine (23,088,289) votes issued against the proposal and no abstentions -----



There being no questions, the proposal was put to the voting and was adopted unanimously. -----

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

The Chairman proposed to authorize the Management Board, subject to the approval of the Supervisory Board, for a period of eighteen months, within the limits of the law and the articles of association, to acquire, on the stock exchange or otherwise in return for payment, shares in the capital of the Company at a price lying between the par value of such shares and one hundred and ten per cent of the market value, whereby market value has the meaning as indicated in the notes to the agenda for the Meeting. -----

Mr. Heinemann noticed that the same proposal to authorise the Management Board subject to the approval of the Supervisory Board was made and adopted last year. The Chairman explained that with the present delegation the Management Board and Supervisory Board could resolve to repurchase shares for the next eighteen months. There being no other questions, the proposal was put to the voting and was adopted, with twenty-three million one hundred seventy-one thousand three hundred and thirty-eight (23,171,338) votes issued against the proposal and one million and thirty-seven thousand two hundred and thirty-five (1,037,235) abstentions. -----

17. Any other business -----

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

Mr. Verhagen pointed out that the free float of the shares of the Company was relatively small and asked whether this would be increased. The Chairman answered that the item had been discussed in the Supervisory Board. The Supervisory Board identified that the free float could be increased by reduction of stakes of the large shareholders or by issuing new shares. The Supervisory Board did not have any indication that the current shareholders would be willing to lower their interest, especially not against the present share price and taking into consideration their optimistic view regarding the future of the Company. The Company does not intend to issue new shares, but focuses its efforts to increase the float to better research and better marketing of the shares in the Company. -----

18. Closing -----

There being no further questions the Chairman closed the Meeting at fourteen hours and fifty 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 seventeenth day of August two thousand and eleven. -----

After the substance of this deed, and thereupon an explanation, had been

1



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) -----



[Handwritten signature]
FOR CERTIFIED COPY: