

**RECORDS OF A MEETING**

**Kardan N.V.,**

with its registered office in Amsterdam,  
which was held on 15 September 2011.



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## RECORDS OF A MEETING.

On the fifteenth day of September 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 shortly past half past two, welcomed the attendants, explained about the Meeting simultaneously held 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 by posting the convening notice at the Company's website and by placing advertisements on the fourth day of August two thousand and eleven in Israel in the newspapers called "Ha'aretz" and "Hazofe"; -----
- the notice calling the Meeting stated that the agenda and the notes thereto, could be obtained free of charge as of the fourth day of August 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; -----
- 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, sixty-six million six hundred fifty-four thousand three hundred and eighty-four (66,654,384) 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 fifty-nine and six tenth percent (59.6%) of the issued and outstanding share capital of the Company. -----

In answer to a request to such effect from Israel, the Chairman said that shareholders or holders of a power of attorney who had not registered for the Meeting in time could not exercise their voting rights in the Meeting. However, the



Chairman would allow those shareholders or proxy holders to attend the Meeting and to participate in the discussions so that their views could be taken into consideration in the decision making process. -----

**2. Distribution in kind of the issued shares in the capital of Kardan Yazamut (2011) Ltd ("Yazamut") which will hold prior to the distribution a direct stake of approximately seventy-four per cent (74%) in Kardan Israel Limited and an indirect stake of ninety-seven per cent (97%) in Milgam Municipal Services Ltd.**

The Chairman gave in broad terms the background for the proposal, following which Mr Ickovics, chairman of the management board of the Company ("**Management Board**"), gave a presentation in which he elaborated on the proposal in more detail. - Kardan's strategy is to initiate, develop and operate business in emerging markets, with a focus on real estate and water infrastructure. Israel is (no longer) considered an emerging market, and the business activities in Israel are not within the indicated focus areas. The majority of Kardan's Israeli activities are concentrated in Kardan Israel Limited and Milgam Municipal Services Ltd. Kardan intends to sell to Yazamut its seventy-four per cent (74%) stake in Kardan Israel Limited and its one hundred per cent (100%) stake in Kardan Municipal Services Ltd., which latter company is shareholder of a ninety-seven per cent (97%) of the issued capital in Milgam Municipal Services Ltd. The deal value totals approximately sixty-two million euro (€ 62,000,000), while the cash consideration to be paid by Yazamut amounts to approximately forty-one million euro (€ 41,000,000), the difference being an equity contribution to be made by the Company on its shares in Yazamut. The cash amount will be used by the Company to further deleverage at the level of the intermediate (holding) companies. -----

It is being proposed to, after the abovementioned Israeli activities of Kardan have been transferred to Yazamut, distribute to all of Kardan's shareholders, on a share for share basis, the entire issued share capital in Yazamut out of Kardan's share premium reserves. Kardan's Management Board and Supervisory Board currently estimate that there are sufficient freely distributable reserves for the effectuation of the Distribution, based on Kardan's condensed interim consolidated financial statements for the thirtieth day of June two thousand and eleven, that were published on the thirtieth day of August two thousand and eleven. -----

The shares in Yazamut are intended to be registered for trading on the Tel Aviv Stock Exchange one day after the date of distribution, currently planned on the fifth day of October. For this purpose, a prospectus was published under Israeli law, an informal English translation of which has been made available on the Company's website. -----

The effect of the distribution on the Company's equity is expected to be limited due to the fact that the shares in the Company held by Kardan Israel Ltd., which are for accounting standards regarded as treasury shares, will be unlocked as a result of the distribution. -----



After Mr Ickovics completed his presentation, the Chairman invited the attendants of the Meeting to ask questions or give their comments. -----

No questions being raised, the Chairman put the proposal to the vote. The proposal was adopted with sixty-three million seven hundred thirty-three thousand seven hundred seventy-four (63,733,747) votes in favour, and two million nine hundred twenty thousand six hundred and thirty-seven (2,920,637) votes against, and no abstentions. -----

**3. Closing** -----

There being no further questions the Chairman closed the Meeting shortly past three. 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 third day of October two thousand and eleven. -----

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). -----



CERTIFIED TRUE COPY issued by me, Barbara Gabriëlle Nederhof, a candidate civil-law notary, substituting for Martine Bijkerk, a civil-law notary in Amsterdam, who is on leave.

Amsterdam, 4 October 2011