



RECORDS OF A MEETING.

On the sixth day of February two thousand and thirteen, I, Martine Bijkerk, civil-law notary in Amsterdam, at the request of the 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 an extraordinary 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. Peter Sheldon, born in Chesterfield, the United Kingdom, on the eleventh day of June, nineteen hundred forty-one, chairman of the board of the Company ("**Board**"), acted as chairman of the Meeting ("**Chairman**"). -----

The Chairman opened the Meeting shortly past eleven hours ante meridian, 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, the Meeting has been announced on the Company's website on the twenty-ninth day of November two thousand and twelve, and that advertisements had been placed on the thirtieth day of November two thousand and twelve in Israel in the newspapers called "Haaretz" and "Makor Reashon Hazoffe"; -----
- the notice calling the Meeting stated that the agenda and the explanatory notes thereto have been available, free of charge, since the twenty-ninth day of November two thousand and twelve 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. Liron Eliyahu was appointed to check the identity of the persons participating in the Meeting in Tel Aviv; -----
- according to the signed registration list, seventy-one million seventy-seven thousand two hundred and ninety-nine (71,077,299) 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-three and fifty-six hundredth percent (63.56%) of the issued and outstanding share capital of the Company. -----

Subsequently, the Chairman moved to the following item on the agenda, being -----

2. Changes to the composition of the Board -----



The Chairman explained that the Board is of the unanimous view that the composition of the Board would be improved by appointing four new members, two of whom are major shareholder of the Company and two other highly experienced professionals. Each proposal was dealt with separately: -----

a. Appointment of Mr. C. van den Bos as non-executive member of the Board -----

It was proposed to appoint Mr. Van den Bos for a term of four years, ending on the annual general meeting to be held in two thousand and seventeen. The Chairman noted that Mr. Van den Bos is an experienced business professional with a background in the insurance sector, whose background has been set out in more detail in the explanatory notes to the agenda of the Meeting. Mr. Van den Bos currently does not hold shares in the capital of the Company. -----

There being no questions, the proposal was adopted. -----

b. Appointment of Mrs. E. Seinstra as non-executive member of the Board -----

It was proposed to appoint Mrs. Seinstra for a term of four years, ending on the annual general meeting to be held in two thousand and seventeen. The Chairman noted that Mrs. Seinstra has a legal background and has broad experience with international regulated companies. Mrs. Seinstra's experience complements the knowledge currently present in the Board, as has been set out in more detail in the explanatory notes to the agenda of the Meeting. Mrs. Seinstra currently does not hold shares in the capital of the Company. -----

There being no questions, the proposal was adopted. -----

c. Appointment of Mr. Y. Grunfeld as non-executive member of the Board -----

It was proposed to appoint Mr. Grunfeld for a term of four years, ending on the annual general meeting to be held in two thousand and seventeen. The Chairman noted that Mr. Grunfeld has extensive knowledge of the Company's business and has a long-term involvement in the Company, as has been set out in the explanatory notes to the agenda of the Meeting. Mr. Grunfeld holds approximately nineteen and eighty-seven hundredth per cent (19.87%) of the issued capital of the Company. -----

There being no questions, the proposal was adopted. -----

d. Appointment of Mr. E. Rechter as non-executive member of the Board -----

It was proposed to appoint Mr. Rechter for a term of four years, ending on the annual general meeting to be held in two thousand and seventeen. The Chairman noted that Mr. Rechter has extensive knowledge of the Company's business and has a long-term involvement in the Company, as has been set out in the explanatory notes to the agenda of the Meeting. Mr. Rechter holds approximately three and sixty-seven hundredth per cent (3.67%) of the issued capital of the Company. -----

There being no questions, the proposal was adopted. -----

3. Remuneration -----

a. Determination revised incentive plan CEO -----

The Chairman proposed to amend the exercise price of Mr. Oren's option package to six new Israeli shekels and one hundred and thirty-six agorot (NIS 6.136) per share



whilst respecting the other terms of the option package approved by the annual shareholders meeting of last May. The Chairman referred to explanatory notes for the reasons for amending the exercise price, and expressed the belief of the Board that a lowered exercise price would provide a genuine incentive for Mr. Oren to create future value for the Company. The Chairman furthermore noted that the share price would have to increase substantially for the revised exercise price to start to have genuine value for Mr. Oren. -----

There being no questions, the proposal was adopted. -----

b. Remuneration Mr. C. van den Bos -----

It was proposed, in line with the remuneration of the present non-executive board members, to grant Mr. Van den Bos annual remuneration in the amount of twenty-six thousand Euros for his membership of the Board, and another four thousand Euros for his membership of the audit committee of the Board. -----

There being no questions, the proposal was adopted. -----

c. Remuneration Mr. Y. Grunfeld -----

It was proposed to grant Mr. Grunfeld annual remuneration in the amount of twenty-six thousand Euros for his membership of the Board. -----

There being no questions, the proposal was adopted. -----

d. Remuneration Mr. E. Rechter -----

It was proposed to grant Mr. Rechter annual remuneration in the amount of twenty-six thousand Euros for his membership of the Board. -----

There being no questions, the proposal was adopted. -----

e. Remuneration Mrs. E. Seinstra -----

It was proposed to grant Mrs. Seinstra annual remuneration in the amount of twenty-six thousand Euros for her membership of the Board, and another four thousand Euros for her membership of the remuneration, appointment and selection committee of the Board. -----

There being no questions, the proposal was adopted. -----

4. Any other business -----

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

Mr. Stevense of Stichting Rechtsbescherming Beleggers asked whether he had understood correctly from the recent press release of the Company on its reaching an understanding with representatives of the debenture holders that in relation to the financial year two thousand and twelve the Company would not be paying any dividends. -----

The Chairman and Mr. Oren explained that no formal agreement has been signed in relation to the debentures yet as, under Israeli rules and regulations, the understanding reached with representatives of the debenture holders is subject to formal approval of the meetings of debenture holders, which meetings have not been held yet. One of the elements of the understanding is that, until repayment or prepayment of the principal repayment of the debentures, which is scheduled to take



place in February two thousand fifteen, no dividend will be paid to the shareholders. The Chairman pointed out that - given the present circumstances and the need for improvement of the Company's financial situation - it would be irresponsible for the Company to pay any dividends in relation to the past financial year, regardless of any agreement with the debenture holders. -----

5. Closing -----

There being no further questions the Chairman closed the Meeting at approximately half past eleven. -----

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 thirteenth day of March two thousand and thirteen. - 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]