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## RECORDS OF A MEETING.

On the twenty-eighth day of May two thousand and fourteen, 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 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. Peter Sheldon, born in Chesterfield, the United Kingdom, on the eleventh day of June, nineteen hundred and forty-one, chairman of the board of the Company ("**Board**"), acted as chairman of the Meeting ("**Chairman**"). -----

The Chairman opened the Meeting shortly past ten, welcomed the attendants, apologized for the absence of Board member Mr. May, informed the Meeting that Mr. Grünfeld attended by telephone, 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 sixteenth day of April two thousand and fourteen, and that advertisements had been placed on the seventeenth day of April two thousand and fourteen in Israel in the newspapers called "Ha'Aretz" and "Hamevaser"; -----
- the notice calling the Meeting stated that the agenda and the explanatory notes thereto and the annual report of the Company for the year two thousand and thirteen ("**2013 Annual Report**") could be obtained free of charge as of the sixteenth day of April two thousand and fourteen 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 within the statutory period of publication and copies can be obtained at the entrance of the venue 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, fifty-seven million seven hundred fifty-two thousand seven hundred and fifty-three (57,752,753) 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-one and six/tenth percent (51.6%) of the issued and outstanding share capital of the Company; -----

- the Company's external auditor, Mr. De Pater of Ernst & Young, was present at the Meeting. -----

After making some further practical announcements, the Chairman continued with the following item on the agenda. -----

**2. Presentation by the CEO on the Company's group activities for the financial year two thousand and thirteen and discussion of the report of the Board on the financial year two thousand and thirteen.** -----

With respect to the Company's group activities for the financial year two thousand and thirteen the Chairman gave the floor to the Company's chief executive officer, Mr. Shouky Oren. -----

Mr. Oren presented a power point presentation with the highlights of the Kardan group of companies in two thousand and thirteen, the financial and operational highlights, several major assets and projects of Kardan Land China, Tahal Group, and the Kardan Financial Services activities, and finished his presentation with a brief outlook for two thousand fourteen. -----

After Mr. Oren finished his presentation, the Chairman invited the attendants at the Meeting to raise questions relating to the presentation by Mr. Oren. -----

Mr. Stevense (*Stichting rechtsbescherming beleggers*) raised questions on, inter alia:

- the risk, if any, in relation of the sale of the property in Dalian, China, that the sale agreement would not be signed, and how that would affect Kardan's financial position. -----

Mr. Oren informed the Meeting that he expected that the final sale agreement would be signed within a few days after the Meeting. -----

- the intended sale by Kardan of Avis Ukraine to a related party, which sale Avis Europe has not endorsed as yet. -----

Mr. Oren explained that the sale of Avis Ukraine is not critical for Kardan as it is a small size company, and that he believed that Kardan still has good chances to sell the shares in Avis Ukraine. If and when the sale of the shares in Avis Ukraine would occur to Avis Israel, it would qualify as a related party transaction and consequently a shareholders' meeting will be convened and the shareholders will be requested to grant approval as required under the Articles of Association of the Company. -----

- the consequences for the Company of its downgrade to iIB/negative by Standard & Poor's/Maalot. -----

Mr. Oren explained that he was not aware of any new information on the rating of the Company. As the Company had not agreed on any covenants related to its rating, the downgrade did not have any direct negative effect. ---

Mr. Heinemann mentioned that, in his opinion, the business of Kardan is too



diversified and suggested to bring on more focus. Mr. Oren explained that the Company had done and still is doing exactly that what was being suggested by Mr. Heinemann, by resolving to divest its real estate (except in China) and selling GTC S.A. Once the results of the financial services activities have improved even more, these may in due time be sold as well, depending on the developments. -----

**3. Remuneration Report** -----

No questions were raised on the remuneration report. -----

**4. Adoption of the annual accounts for the financial year two thousand and thirteen (the "2013 Annual Accounts")** -----

There being no questions, the proposal to adopt the 2013 Annual Accounts was adopted. -----

**5. Dividend policy** -----

The Chairman informed the Meeting that, taking into account the negative results for the past financial year and the commitments of the Company towards its debenture holders, the Board has decided not to propose to make any distributions to the shareholders of the Company. -----

No questions were raised. -----

**6. Corporate Governance** -----

The Chairman informed the Meeting that in two thousand and thirteen no major changes were made to the Company's governance framework. He invited the attendees to discuss the governance structure and implementation of the Dutch Corporate Governance Code as set out in the relevant chapter of the 2013 Annual Report. -----

No questions were raised. -----

**7. Appointment of the external auditor** -----

The Chairman informed the Meeting that the Board proposed to reappoint Ernst & Young as the Company's external auditors for the financial year two thousand and fourteen. -----

The proposal to reappoint Ernst & Young as the external auditors was adopted. -----

**8. Discharge from liability** -----

The Chairman referred to the notes to the agenda for an explanation of the nature of the Dutch concept of discharge. -----

There being no questions the proposal to grant discharge of the members of the Board in respect of their duties for the financial year two thousand and thirteen was adopted. -----

**9. CEO Bonus** -----

The Chairman referred to the notes to the agenda and explained that it was proposed that Mr. Oren be granted a bonus of seven hundred and twenty-five thousand euro following the end of the financial year two thousand and fourteen, dependent on the Company having raised sufficient cash to redeem the debentures due for repayment in February two thousand and fifteen, plus the repayment of a bank loan of twenty-



eight million euro due for repayment by the end of two thousand and fourteen, in total an estimate amount of one hundred and twenty-five million euro. -----

Mr. Heinemann asked why the bonus was not proposed to be paid in shares in the Company, but in cash. The Chairman shortly gave the considerations of the Board proposing a cash amount. -----

There being no further questions, the proposal to grant a bonus to the CEO was put to the vote and adopted. -----

**10. Amendment of the Articles of Association -----**

A technical change to the Articles of Association as set out in the notes to the agenda was proposed to be made, as well as a authorization to execute the deed of amendment. -----

There being no questions, the proposal to amend the Articles of Association of the Company and to grant authorization to execute the deed of amendment was put to the vote and adopted. -----

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

The Chairman proposed to authorize the Board for a period of eighteen months as of the date of the Meeting, within the limits of the law and the Company's Articles of Association, to acquire shares in the Company's capital up to the Company and its subsidiaries holding ten per cent of the Company's capital, 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 percent of the market value, whereby market value has the meaning as indicated in the notes to the agenda for the Meeting. -----

There being no questions, the proposal to authorize the Board to repurchase shares in the capital of the Company was put to the vote and adopted. -----

**12. Any other business -----**

The Chairman invited the attendants of the Meeting to raise other matters, if any. ----- After answering a few technical questions, the Chairman thanked the attendants for their presence. -----

**13. Closing -----**

There being no further questions the Chairman closed the Meeting at eleven hours and thirty minutes. -----

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-sixth day of August two thousand and fourteen. -----

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. -----



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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: