



RECORDS OF A MEETING

On the thirtieth day of May two thousand and eighteen, 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 (1081 CN) Amsterdam, De Cuserstraat 85B ("**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 after thirteen hours, welcomed the attendants, explained about the Meeting simultaneously in Tel Aviv, and proposed that the language of the Meeting be English. -----

Subsequently the Chairman declared that: -----

- in calling the Meeting, all statutory requirements had been met, the Meeting had been announced on the Company's website on the seventeenth day of April two thousand and eighteen; -----
- 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 seventeen ("**2017 Annual Report**") could be obtained free of charge as of the seventeenth day of April two thousand and eighteen at the Company's offices in the Netherlands and in Tel Aviv, the offices of ING Bank in Amsterdam and on the Company's website; -----
- the minutes of last year's annual general meeting, held on the twenty-fourth day of May two thousand and seventeen, were available on the Company's website within the statutory period of publication and copies could be obtained at the entrance of the venue of the Meeting; -----
- the minutes of last year's extraordinary general meeting, held on the twelfth day of September two thousand and seventeen, were available on the Company's website within the statutory period of publication and copies could be obtained at the entrance of the venue of the Meeting; -----
- Gad, Kardan's legal counsel in Israel was appointed to check the identity of the beneficial shareholders participating in the Meeting in Tel Aviv; -----



- according to the signed registration list, thirty-five million five hundred eighty thousand and four (35,580,004) shares, having a nominal value of twenty eurocent (€ 0.20) each, in turn representing the same number of votes, were represented at the Meeting, representing approximately twenty-eight and eighty-nine/hundredth per cent (28.89%) of the issued and outstanding share capital of the Company; -----
- the Company's external auditor, PricewaterhouseCoopers Accountants represented by Mr. Korver and Mr. Zoon, is 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 seventeen and discussion of the report of the Board on the financial year two thousand and seventeen. -----

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

Mr. Hasson presented the current status on the debenture discussions, the financial highlights of the Kardan group of companies in two thousand and seventeen, the Company's equity position, the highlights of Kardan Land China and Tahal Group International, and finished his presentation informing the Meeting that the financials for the first quarter of two thousand eighteen had just before the Meeting been made available to the shareholders. He presented the main highlights thereof to the Meeting. -----

3. Discussion on the equity position of the Company -----

According to Dutch law, a company must convene a shareholders meeting in the event that it has become plausible that its equity has decreased to or is less than half of its issued and paid up capital, in which meeting possible measures can be discussed that could be taken. -----

The Chairman invited Mr. Hasson to inform the Meeting in this respect. Mr. Hasson explained that on the short term a potential transaction regarding the water infrastructure business could be concluded, at a price materially above book value. There is also, in the view of the Board, unrealized profit in the real estate assets of the Company. As a result, the Board is of the opinion that the business of Kardan can be managed in a positive manner and that the going concern position can be maintained without taking any specific measures. The Chairman added that, for now, the debenture holders have agreed to continue to operate the Company and to maximize its assets. -----

4. Remuneration Report -----

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

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



seventeen (the "2017 Annual Accounts") -----
No questions were raised and the proposal to adopt the 2017 Annual Accounts was adopted. -----

6. Dividend policy -----
The Chairman informed the Meeting that, given the Company's loss over the past financial year, the Board had decided not to propose to distribute dividends to the shareholders of the Company. -----

No questions were raised. -----
7. Corporate Governance -----

The Chairman informed the Meeting that in two thousand and seventeen 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 2017 Annual Report. -----

No questions were raised. -----

8. Appointment of the external auditor -----

The Chairman informed the Meeting that the Board proposed to reappoint PricewaterhouseCoopers Accountants, Amsterdam, the Netherlands and PricewaterhouseCoopers, Tel-Aviv, Israel, as the Company's external auditors responsible for auditing the financial statements for the financial year two thousand and seventeen. -----

The auditor, Mr. Korver, briefly led the Meeting through the insights of the auditors' report and the scope of the work performed by him and his team. Special attention was given to the going concern position of the Company as it is formally in default of paying terms due to the debenture holders. -----

The Chairman thanked the auditor and continued to explain, in answer to a question raised by one of the shareholders, the financial position of the Company, being in default vis-à-vis the debenture holders, and technically insolvent but not bankrupt and operating as going concern. He said that, although not wanting to play down the seriousness of the financial situation, the Board is convinced of the value of the assets of the Company. -----

There being no further questions, the proposal to appoint PricewaterhouseCoopers as the external auditors for the financial year two thousand eighteen was adopted. ---

9. Discharge from liability of the member of the board -----

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

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

10. Approval of amendment to the services agreement with Kardan Israel



Limited -----

The Chairman reminded the Meeting of the requirements of the special general meeting majority in relation to the proposal to amend the services agreement with Kardan Israel Limited. -----

There being no questions or remarks, the proposal to amend the services agreement with Kardan Israel Limited was adopted with the required special majority. -----

11. Appointment of Mr. Houterman as non-executive member of the Board -----

The Chairman gave a brief introduction of Mr. Houterman. There being no questions or remarks, the proposal to appoint Mr. Houterman was adopted. -----

12. Remuneration of Mr. Houterman -----

In line with the Company's remuneration policy, it was proposed to determine the remuneration of Mr. Houterman at twenty-six thousand euro (EUR 26,000) per year plus an additional fee if and when Mr. Houterman would be appointed as a member of a committee of the Board. -----

There being no questions or remarks, the resolution to determine the remuneration of Mr. Houterman was adopted. -----

13. CEO Bonus -----

The Chairman informed the Meeting that the Board had decided, following representations to the Board by some shareholders, not to put the proposal to determine a bonus for the chief executive officer up for a vote. The Board will be reviewing the size of and the conditions applicable to the bonus and will bring it back to the Meeting for adoption in due course. -----

14. Authorization of the Board to resolve to issue shares and to grant rights to subscribe for shares -----

In the annual general meeting of the Company held in two thousand and fifteen, the Board was authorized to resolve to issue shares and to resolve to grant rights to acquire shares for a period of five years, up to ten per cent of the total number of the issued shares at the time of such decision, and in case of a resolution to grant rights to acquire shares, up to five per cent of the total number of the issued shares at the time of such decision. -----

The Chairman proposed to extend the period of authorization with one year, until the twenty-eighth day of two thousand and twenty-one, all under the same terms as set in two thousand and fifteen. -----

There being no questions or remarks, the resolution was adopted. -----

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

The Chairman proposed to authorize the Board to resolve to acquire shares in the Company for a period of eighteen months as of the date of the present Meeting. -----

There being no questions or remarks, the resolution was adopted. -----

16. Any other business -----

