

## MINUTES OF THE EXTRAORDINARY MEETING OF SHAREHOLDERS OF:

**Kardan N.V.**, a company with limited liability (*naamloze vennootschap*), incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands and its place of business at De Cuserstraat 85B, (1081 CN) Amsterdam, the Netherlands, registered with the trade register under number 34189974 ("**Company**" or "**Kardan**"),

held electronically by means of a video conference enabled by Zoom, in accordance with the bill on temporary provisions in the area of the Dutch Ministry of Justice and Security in connection with the coronavirus (COVID-19) outbreak ("**Emergency Act**") on 13 January 2021 (the meeting of the persons entitled to be present at the annual general meeting as well as the corporate body consisting of the shareholders present thereat both called: "**Meeting**").

### 1. Opening

Mr. Peter Sheldon, born in Chesterfield, the United Kingdom, on 11 June 1941, chairman of the board of the Company ("**Board**"), acted as chairman of the Meeting ("**Chairman**"). At the request of the Board, Dr. Paul Pieter de Vries, civil-law notary in Amsterdam, attended the Meeting with the intent to make records of the Meeting ("**Secretary**").

The Chairman opened the Meeting at 14:02 hours Amsterdam time, welcomed the attendants joining by video conference, and proposed that the language of the Meeting be English.

Subsequently the Chairman declared that:

- shareholders of the Company have been asked to cast their votes electronically before the Meeting or to issue a proxy;
- the notice calling the Meeting has granted the shareholders the opportunity to ask written or electronic questions about the items on the agenda no later than 72 hours in advance of the Meeting; none of the shareholders has used this opportunity;
- in calling the Meeting, all statutory requirements and requirements under the Emergency Act have been met, the Meeting has been announced in the

Netherlands and Israel, in the Dutch newspaper and on the Company's website on 1 December 2020;

- the notice calling the Meeting stated that the agenda and the explanatory notes thereto, the proposed amendments to the articles of association of the Company, both the Dutch official versions as well as the English fair translations thereof and a form of proxy for representation and voting the Meeting could be obtained free of charge as of 1 December 2020 on the Company's website, at the Company's offices in Amsterdam and at the offices of the Company's secretary in Israel, Shimonov & Co. law firm;
- at the date of this Meeting, 123,022,256 shares, with a nominal value of EUR 0.20 each, are outstanding in the share capital of the Company;
- according to the registration list 18,777,179 shares, having a nominal value of EUR 0.20 each, in turn representing the same number of votes, were represented at the Meeting, representing approximately 15.26% of the issued and outstanding share capital of the Company.

Subsequently, at the proposal of the Chairman the Meeting unanimously agreed that items 4 and 5 of the agenda will be dealt with by the Meeting prior to the other items of the agenda. In the remainder of these minutes reference to items will be made in accordance with their original numbering.

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

#### **4. Appointment of Mr. Guy Y. Elias as executive member of the Board (decision)**

The Chairman referred to the notes to the agenda setting out the personal details and background of Mr. Guy Y. Elias and informed the Meeting that the Board nominated Mr. G.Y. Elias for appointment as executive member of the Board according to the recommendation of the Debenture Holders.

There being no questions or remarks, the Chairman established that the proposal to appoint Mr. G.Y. Elias as executive member of the Board, for a period ending at the end of the general meeting to be held in two thousand and twenty-four was adopted by the Meeting.

#### **5. Determination of remuneration of Mr. G.Y. Elias and grant of indemnity**

### **agreement (decision)**

The Chairman informed the Meeting that it has been proposed that effective as of the date of his appointment as CEO of the Company, Mr. Elias will receive an annual fixed remuneration of NIS 1,027,000 (approximately EUR 250,000). The remuneration will be paid in 12 equal monthly payments from 1 October 2020. Furthermore, the Company's RAS Committee will formulate a variable remuneration plan for Mr. Elias within the principles of the Remuneration Policy of the Company, with defined and identifiable criteria. Such variable remuneration will be brought to the approval of the relevant organs, including the General Meeting.

In addition, it has been proposed to grant Mr. Elias an agreement which includes a commitment for indemnification in respect of actions he will perform in his capacity as CEO and / or director of the Company, which indemnification has been included in the Meeting materials.

No questions were raised. The Chairman established that the proposals of item 5 were adopted by the Meeting.

## **2. Debt settlement and related resolutions**

### **2.a. Agreement with debenture holders (information only)**

With respect to the settlement which has been agreed upon with the debenture holders of the Company ("**Debenture Holders**"), the Chairman gave the floor to the Company's chief executive officer, Mr. Guy Elias.

Mr. Elias presented the principles of the debt settlement agreed with the Debenture Holders, which can be summarised as follows:

- The current contractual debt of Kardan stands at approximately EUR 370,000,000. This figure includes the principal amount, interests and penalties, and this figure may vary over time.
- The Debenture Holders will agree to convert more than 50% of the debt.
- For the conversion of debt-to-equity Kardan will issue to the Debenture Holders new shares which, after their issuance, will constitute 89.9% of the issued capital of the Company.
- The remaining debt will be structured as a bullet repayment by 31 December 2023.
- Current contractual interest will remain as today (approximately 6.8%) and will be the same for both series of the debentures (series A and B).

- Kardan will be required to use proceeds from divestment of assets and from dividends to make early repayments upon availability of such proceeds.
- Kardan will be entitled to retain amounts to cover its running general and administrative expenses.

No questions were raised after the presentation on the debt settlement.

**2.b. Approval of a Reverse Stock Split and approval of the resulting amendments of the articles of association of the Company in view of such Reverse Stock Split and capital reduction (decision)**

The Chairman informed the Meeting that as part of the debt settlement discussed under agenda item 2.a. the Company intends to issue shares to the Debenture Holders.

The Chairman referred to the notes to the agenda for an explanation of the proposed reverse stock split and related amendments to the articles of association of the Company.

The Chairman informed the Meeting that the Board proposed to:

- I. consolidate each 50 existing shares in the Company into 1 share in the Company;
- II. reduce the Company's capital on account of losses incurred, by decreasing the nominal value of the consolidated shares to EUR 0.10 per share without repayment;
- III. amend the articles of association of the Company in accordance with the first deed of amendment as included in the Meeting materials;
- IV. delegate powers to the Board as well as certain other people as mentioned in the agenda of the Meeting to execute the first deed of amendment.

No questions were raised. The Chairman established that proposal 2.b. was adopted by the Meeting with the required majority.

**2.c. Amendments of the articles of association of the Company in view of (possible) increase of authorised capital (decision)**

The Chairman informed the Meeting that in view of the issuance of shares as part of the debt settlement the Company intends to increase the authorized capital of the Company sufficiently to implement the issuance.

The Chairman informed the Meeting that the Board proposed to:

- I. amend the articles of association with a second deed of amendment, to increase the authorized capital of the Company to EUR 10,000,000, consisting of 100,000,000 shares with a nominal value of EUR 0.10 per share. The second deed of amendment will be executed after the execution of the first deed of amendment of the articles of association;
- II. delegate powers to the Board as well as certain other people as mentioned in the agenda of the Meeting to execute the second deed of amendment.

No questions were raised. The Chairman established that proposal 2.c. was adopted by the Meeting with the required majority.

#### **2.d. Authorization to issue shares and limit or exclude pre-emptive rights (decision)**

The Chairman informed the Meeting that the Board proposed to authorize the Board for a period of 12 months to:

- I. resolve to issue up to 22,000,000 shares with a nominal value of EUR 0.10 to the relevant Debenture Holders consistent with the terms of the Debt Settlement as explained under agenda item 2.a.;
- II. limit or exclude pre-emptive rights in connection with the foregoing, which authorization can be revoked.

No questions were raised. The Chairman established that proposal 2.d. was adopted by the Meeting with the required majority.

#### **3. Amendments to the articles of association of the Company (decision)**

The Chairman informed the Meeting that the Board proposed to adopt certain amendments to the articles of association in view of the Company's delisting from Euronext Amsterdam and therefore to:

- I. amend certain provisions of the articles of association as explained in the explanatory notes to the Meeting's agenda and included in the third deed of amendment;
- II. delegate powers to the Board as well as certain other people as mentioned in the agenda of the Meeting to execute the third deed of amendment.

No questions were raised. The Chairman established that proposal 3. was adopted by the Meeting with the required majority.

The Chairman informed the Meeting that the Company is in the process of preparing a

further revision of the articles of association to bring them in line with the relevant requirements under Israeli Company law which will be brought before the meeting of shareholders of the Company as soon as reasonably possible.

## **6. Appointment of the auditor (decision)**

The Chairman informed the Meeting that the Board, after recommendation by the Audit Committee) proposed to appoint IUS Audit Coöperatie U.A. (together with PWC Israel) as statutory auditor for the Company's statutory annual accounts for the financial year 2020.

No questions were raised. The Chairman established that the proposal to appoint IUS Audit Coöperatie U.A. as statutory auditor for the Company's statutory annual accounts for the financial year 2020 was adopted by the Meeting with the required majority.

## **7. Any other business**

The Chairman invited the attendees of the Meeting to raise any other matters.

The first question was posed by Mr. Martijn Kok, who is a Dutch shareholder. Mr. Kok asked how his shares previously traded in Amsterdam could be transferred to Tel Aviv traded shares.

Ms. Einat OZ-Gabber explained that Kardan was not aware of issues on the side of Dutch brokers before, and that Kardan is working on the move of its shares to the Israeli depositary. This move will likely cater for non-Israeli shareholders to trade on the Tel Aviv Stock Exchange.

Subsequently Mr. Jos van Erum, also a shareholder, posed the following question: Will there still be any shareholders meetings of Kardan in Amsterdam in the future?

Ms. Eliane Koelmans explained that Kardan is a Dutch limited liability company, and that it is a mandatory requirement to hold a general meeting in Amsterdam, the Netherlands.

The Chairman added that as long as the coronavirus (COVID-19) outbreak lasts, meetings will be held virtually, but that he looks forward to the time that travel restrictions will be lifted and physical meetings can again be safely attended.

## **8. Closing**

There being no further questions, the Chairman thanked all members of the Board and the professional staff for their outstanding work, and all attending the Meeting for their presence, and closed the Meeting shortly around 14:45 hours Amsterdam time.

#### **ABSENCE OF NOTARIAL MINUTES**

The minutes of the general meetings of the Company are usually laid down in a notarial deed, which notarial deed is signed by a civil-law notary practising in the Netherlands and, in the presence of the civil-law notary, by the chairman of the meeting, all in accordance with article 40.2 of the articles of association of the Company ("**Articles**"). Due to the coronavirus (COVID-19) outbreak, the Chairman is unable to appear before a civil-law notary practising in the Netherlands in the foreseeable future. Therefore (i) the Chairman and the Secretary will sign these non-notarial minutes of the Meeting in accordance with article 40.1 of the Articles, and (ii) minutes of the Meeting will be laid down in a notarial deed when the Chairman is again able to appear before a civil-law notary practising in the Netherlands, in accordance with article 40.2 of the Articles.

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These minutes were drawn up and signed in counterparts by the Chairman and the Secretary.

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by: Peter Sheldon  
title: Chairman  
place:  
date:

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by: Paul Pieter de Vries  
title: Secretary  
place:  
date: