

**Amended Trust Deed**

**Made and signed in Tel Aviv on July 2, 2015**

**Amending and superseding the Trust Deed dated February 22, 2007 (and its amendments dated May 21, 2007, September 28, 2008, March 14, 2013 and January 19, 2015)**

**Between:**

**Kardan N.V.**

**A publicly traded company registered in the Netherlands, Registration No. 34189974**

**c/o Kardan Israel Ltd. of 154 Menachem Begin Road, Tel Aviv**

**(hereinafter: the "Company")**

**As the First Party;**

**And:**

**Aurora Fidelity Trust Co. Ltd.**

**Private company no. 513605576**

**of 1 Azriely Center, Tel Aviv 67021**

**(hereinafter: the Trustee)**

**As the Second Party;**

**Since** on February 22, 2007 has signed a Trust Deed with the Trustee so he will act as a trustee to the holders of the Debentures (Series A) of the Company, and on September 28, 2008, March 14, 2013 and January 19, 2015 the Trust Deed was amended (the Trust Deed dated February 2007, and all of its foregoing amendments, including all addenda and appendices thereto, shall be termed hereinafter: the "**Original Trust Deed**");

**And since** the Company offered the Debenture Holders (Series A) to amend the Original Trust Deed, in accordance with the agreement in principle detailed in Immediate Report No. 2014-01-233811 published by the Company on December 31, 2014 (hereinafter: the "**Agreement in Principle**" and the "**Date of Publication of the Agreement in Principle**", respectively);

**And since** the Debenture Holders (Series A), in their decision dated January 6, 2015 (published in Immediate Reports Nos. 2015-01-004855 and 2015-01-005104) ordered the Trustee to hold negotiations for an arrangement in accordance with the Agreement in Principle, and at the conclusion of these negotiations, the Parties have formulated an arrangement, expressed in this Trust Deed and its Appendices;

**And since** as part of the foregoing it was agreed that, subject to the entry into effect of this Deed, the Original Trust Deed shall be amended in such a manner, so that this Trust Deed shall supersede the Original Trust Deed, all without derogating from any right or claim or cause that any of the Debenture Holders may have, if any, by virtue of the Original Trust Deed;

**And since** on May 19, 2015 the Debenture Holders' Meeting (Series A) approved the wording of this Trust Deed and its appendices;

**And since** the Trustee shall continue to act as such for the Debenture Holders (Series A) and shall sign this Trust Deed as the Trustee for the Debenture Holders (Series A), and he declares that there is no prevention under the Securities Law, or any other law, from his further engagement with the Company pursuant to this Trust Deed, and that he complies with the requirements and terms of eligibility set in the Securities Law for serving as a trustee for the Debentures under this Trust Deed;

**Now, therefore, the parties declare, stipulate and agree as follows:**

**1. Preamble, Interpretation and Entry into Effect**

- 1.1 The Preamble to this Trust Deed and the appendices attached thereto form an integral part thereof.
- 1.2 The division of this Trust Deed into sections and the inclusion of section headings are intended for ease of reading and for reference only, and shall not be used in any interpretation.
- 1.3 In case of any contradiction between the provisions of this Trust Deed and the provisions of the Debenture Certificate (the first addendum) or between the provisions of this Trust Deed and the provisions of the second addendum – the provisions of this Deed shall prevail .
- 1.4 In this Trust Deed, the plural form shall also mean the singular, and vice versa, and the masculine shall also mean the feminine, and vice versa, and anything stated with respect

to a person shall also mean a corporation, this unless this Trust Deed includes a contrary explicit or implicit provision, and unless the content or context require otherwise.

- 1.5 Correspondence and drafts or any type or kind exchanged between the parties and their representatives in connection with this Deed shall not have any effect with regard to the interpretation and meaning of this document and all matters related to it.

## 2. Definitions

The following terms shall have in this Trust Deed the meanings assigned to them hereunder, unless another intention is implied by the content or context, and unless explicitly stated otherwise:

- 2.1 "**Debentures A**" or the "**Debentures**" – the Company's Debentures (Series A) (Stock Exchange Security No. 1105535 );
- 2.2 "**Debentures B**" – the Company's Debentures (Series B) (Stock Exchange Security No. 1113034);
- 2.3 **The "Stock Exchange"** – the Tel Aviv Stock Exchange Ltd.;
- 2.4 "**Interested Party**" - He who holds five percent or more of the Company's issued capital or of its voting writes, he who has the power to appoint at least one director or the CEO, or one who serves as a director or CEO of the Company;
- 2.5 "**Controlling Shareholder**" – A controlling shareholders as defined below, including he who holds twenty five percent or more of the voting rights in the Company's general meeting provided there is no other person who holds more than fifty percent of the voting rights in the Company; regarding the issue of holding, if two or more persons hold voting rights in the Company and each of them has a vested interest (as defined below) in approving the same transaction brought before the Company for approval, they shall be considered joint holders;
- 2.6 **The "Chinese Banks"** – two Chinese banking corporations which have granted KLD the Chinese Loan (as defined below);;
- 2.7 "**The "Chinese Loan"** – loans taken by KLD (as defined below) from the Chinese Banks, the loan documents for which were last amended on February 27, 2014, in the total amount of RMB 900 million, and the balance of whose principal, as of March 31,

2015, stands at a total of RMB 900 million, and whose details are provided in Line Item 7.17.1.3 of the Company's 2014 periodic report;

- 2.8 The "**Company**" – Kardan N.V.;
- 2.9 The "**Debt**" – any financial debt of the Company by virtue of this Trust Deed, including the unpaid balance of the Debentures A principal and interest thereon; and including linkage differences for the principal and for the interest
- 2.10 "**Special Decision**" – a decision made in a Series A Debenture Holders Meeting, attended by, whether in person or by proxy, the holders of at least 50% of the par value balance of outstanding Series A Debentures, or a postponed meeting attended by, whether in person or by proxy, the holders of at least 10% of such balance, made (whether in the original meeting or in a postponed meeting) with a majority of at least 75% of the number of votes of participants and those counted in the vote, excluding abstaining votes;
- 2.11 "**Ordinary Decision**" – a decision made in a Debenture Series A Holders Meeting, attended by, whether in person or by proxy, the holders of at least 10% of the par value balance of outstanding Series A Debentures, or a postponed meeting attended by at least one Series A Debenture Holder, whether in person or by proxy, regardless of the par value of the Debentures he holds, made (whether in the original meeting or in a postponed meeting) with a majority of at least 50% of the number of votes of participants and those counted in the vote, excluding abstaining votes;
- 2.12 The "**Issued Shares**" - as defined in section 4.2 below;
- 2.13 The "**Allocated Shares**" - as defined in section 4.1 below;
- 2.14 The "**Registry**" – the registry in which the holders of Debentures (Series A) of the Company are listed as specified in section 40 below;
- 2.15 The "**Trustee**" – the trustee referred to in the Preamble to this Deed, Aurora Fidelity Trust Company Ltd., or any person serving, from time to time, as the Trustee for the Series A Debenture Holders pursuant to this Trust Deed;
- 2.16 The "**Trustees**" – the Trustee and the trustee for the Series B Debenture Holders (jointly);
- 2.17 The "**Agreed Assets**" – as this term is defined in Appendix 2.17 to this Deed;

- 2.18 The "**Pledged Assets**" – all assets and rights of any type or kind (including the accounts and the right to the repayment of loans) pledged (or to be pledged) to the benefit of the Trustees as detailed in this Deed;
- 2.19 The "**Relief Conditions**" –this means meeting both of the following two cumulative conditions: (1) the Company has repaid (also taking into account the purchase of Debentures occurring after the Completion Date, under the conditions detailed below) 55% of the par value of the Series A and Series B Debentures (which are not held by the Company or by a corporation under its control), in existence on December 31, 2014;<sup>1</sup> (2) according to the Company's most recent stand-alone financial statements (quarterly or annual, according to the relevant date), the "Company's Coverage Ratio" (as this term is defined below) stands at more than 180%;
- 2.20 " The **Entitled for the Allocated Shares** "– Debenture Holders A and B of the Company (which hold Debentures A and B of the Company except EMERGING AND GTC RE) or Debentures B of the Company on the Effective /which will hold Debentures A and ;(as defined below) Date for Allocation of the Allocated Shares
- 2.21 "**Lucky Hope Companies**" –all of the following companies: Rainfield Development Ltd.; GTC Lucky Hope Dadong Ltd.; Green Power Development Ltd.; Shenyang Taiying Real Estate Development Ltd.; Shaanxi GTC Lucky Hope Real Estate Development Ltd., which are all the corporations through which KLC holds rights and projects in the joint venture with companies of the Hong Kong Lucky Hope Group;
- 2.22 The "**Companies Law**" – the Companies Law, 5759-1999 and regulations thereof as shall be from time to time;
- 2.23 The "**Securities Law**" – the Securities Law, 5728-1968 and regulations thereof as shall be from time to time;
- 2.24 "**Business Day**" – a day on which most banks in Israel are open and execute Stock Exchange transactions;

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<sup>1</sup> Regarding this matter, the Company confirms that the total par value of the Debentures as of December 31, 2014 is 595,000,001 p.v. of Debentures A and 1,143,401,182 p.v. of Debentures B: out of which the Company and its subsidiaries held, as of December 31, 2014, 273,012,230 p.v. of Debentures A and 144,457,732 p.v. of Debentures B. Accordingly, the condition is considered to have been met if at least NIS 726,512,171 p.v. Debentures (A and/or B) not held by the Company and its subsidiaries have been repaid.

- 2.25 The "**Company's Coverage Ratio**" – the total value of assets in the Company's stand-alone statement, divided by the total liabilities in the Company's stand-alone statement. When calculating the Company's Coverage Ratio, cash and cash equivalents shall be neutralized from the assets and liabilities. In addition, the Series A and Series B Debentures held by the Company or any corporation under its control shall be neutralized from the assets and liabilities, insofar as these were not neutralized from the liabilities in the Company's stand-alone statement. For example: according to the above definition, the Company's Coverage Ratio as of December 31, 2014 is 1.263<sup>2</sup>;
- 2.26 The "**Consumer Price Index**" or the "**Index**" – the price index known as the "Consumer Price Index", including fruits and vegetables, published by the Central Bureau of Statistics, including that index even if it is published by another agency or official institute in lieu of the Central Bureau of Statistics, and also including any official index that replaces it, whether or not based on the same data and calculations on which the current index is based. If it is replaced with different index published by such an agency or institution, and that agency or institution does not determine the ratio between it and the replaced index, then the ratio shall be determined by the Central Bureau of Statistics, and in case such a ratio is not determined, then the Trustee and the Company, in agreement, shall determine, in consultation with economic experts of their choice, the ratio between the other index and the replaced index;
- 2.27 The "**Payment Index**" – the most recent Consumer Price Index published before the date of the actual execution of any payment on account of the principal or interest;
- 2.28 "**Base Index**" – The Consumer Price Index published on February 15, 2007 for January 2007, with a value of 94.1960038 (average base for 2008);
- 2.29 "**Effective date for the Allocation of the Allocated Shares**" - the Completion Date (as defined below), or any other date if required by the Stock Exchange on which whoever holds the Company's Debentures (excluding EMERGING and GTC RE) shall be entitled to his share in the Allocated Shares and in the Additional Agreed Compensation (as

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<sup>2</sup> For this matter, the Company confirms that the total of stand-alone assets as of December 31, 2014 was EUR 458,965 thousand, from which were deducted cash and cash equivalents in the amount of EUR 605 thousand and the Company's Debentures held by its subsidiaries in the amount of EUR 14,190 thousand; and the total of liabilities as of that date were EUR 366,564 thousand, from which were deducted cash and cash equivalents in the amount of EUR 605 thousand and the Company's Debentures held by a subsidiary in the amount of EUR 14,190 thousand.

defined in section 3.5 below) (the said date shall be published by the Company prior to the allocation of the Allocated Shares);

2.30 [Deleted]

2.31 The "**Completion Date**" – a date to be determined by the Company in coordination with the Trustees (and, if required, with the Stock Exchange) as the date of completion, which shall be set, as far as possible, within 14 business days from the date on which all of the preconditions, as detailed in Section 18 (the Completion Date shall be published by the Company prior to the Completion Date);

2.32 "**The Date on which the Preconditions have been Met**" – the date on which the last of the preconditions, as detailed in Section 19 below (i.e., so that all of the other preconditions will also be met by that date), have been met, and which shall appear in an immediate report published by the Company immediately thereafter;

2.33 This "**Deed's Publication Date**" – May 7, 2015;

2.34 "**This Deed's Date**" – the Completion Date;

2.35 The "**Holder/s**" or "**Debenture Holder/s**" – whoever is registered on the relevant date in the Registry as the owner of Series A Debentures (and in case of joint holders – the joint holder listed first in the Registry);

2.36 "**Officeholder**" – a Chief Executive Officer, Deputy CEO, VP, and any officer even if its position is otherwise described, as well as director or manager who reports directly to the CEO;

2.37 "**Material Officeholder**" – as defined in Section 16.8.1 below;

2.38 "**Vested Interest**" – a vested interest of a person in an action or transaction of a company, including a vested interest of a relative of his and of another corporation in which he or his relative are interested parties, excluding vested interest arising from the very holding of the company's shares, including the vested interest of a person voting by power of appointment on behalf of one who has a vested interest in the voting of the person with the vested interest, and all whether or not the voter votes at its sole discretion;

2.39 The "**KWIG Transaction**" – a transaction for the sale of TGA's remaining rights in KWIG, which is part of a transaction for the sale of all (100%) of TGA's rights in KWIG,

as detailed in the Company's reports dated January 15, 2015 (Reference No. 2015-01-012406) dated January 19, 2015 (Reference No. 2015-01-014302) and dated March 6, 2015 (Reference No. 2015-01-045298);

- 2.40 The "**GTC Poland Transaction**" – a transaction for the sale of all of GTC RE's holdings (100%) in Globe Trade Centre S.A., as reported in the Company's immediate reports dated November 17, 2013 (Reference No. 2013-01-192585) and November 22, 2013 (Reference No. 2013-01-199761);
- 2.41 The "**Pumped Storage Project**" – a project for the production of electricity using pumped storage technology, located in Israel, in which a wholly owned subsidiary of TG holds 40.5% of the issued and paid-in capital of the company fully owning the project;
- 2.42 The "**Dalian Project**" – the Europark Dalian Project, located at Dalian, China, and wholly owned by KLD, through a wholly owned (100%) subsidiary of KLD;
- 2.43 "**KWIG**" – Kardan Water International Group (HK) Ltd., a private company incorporated in Hong Kong, in which TGA holds 25%;
- 2.44 The "**Kardan Group**" – the Company and all corporations under its control, whether directly or indirectly;
- 2.45 "**Principal**" – the total par value of the Debentures;
- 2.46 "**Interest in Arrears**" – annual interest at the interest rate customary for overdrafts in a current loan account at Bank Hapoalim Ltd.;
- 2.47 "**This Deed**" or "**This Trust Deed**" – this Trust Deed including all addenda and appendices attached hereto, forming an integral and inseparable part thereof;
- 2.48 The "**Original Trust Deed B**" – the Trust Deed of Series B dated May 26, 2008, including all of its amendments, which include all of its addenda and appendices;
- 2.49 "**Trust Deed B**" – the trust deed for Series B (including its appendices and addenda) published on the MAGNA on 29.6.2015, which replaces the "**Original Trust Deed B**";
- 2.50 The "**Original Trust Deeds**" – the Original Trust Deed and the Original Trust Deed B;
- 2.51 "**Control**" – as this term is defined in the Securities Law;



- 2.52 "**Corporation under the control of**" – a corporation which is under the control, whether directly or indirectly, of another corporation (as relevant), unless explicitly stated otherwise;
- 2.53 The "**Debenture Certificate**" – the Debenture Certificate the version of which appears in the **First Addendum** to this Deed;
- 2.54 "**EMERGING**" - Emerging Investments XII B.V., a private company incorporated in the Netherlands, wholly owned (100%) by the Company, which according to the Company's declaration is (1) the sole beneficiary entitled to the repayment of all loans granted by the Company to corporations under the Company's control (as detailed in **Appendix 8.1.2** to this Deed); and – (2) Emerging, together with GTC RE, are the only corporations in the Kardan Group holding the Company's Debentures A and Debentures B;
- 2.55 "**GTC RE**" – GTC Real Estate Holding B.V., a private company incorporated in the Netherlands, wholly owned (100%) by the Company;
- 2.56 "**KLC**" – Kardan Land China Ltd., a private company incorporated in the Netherlands, wholly owned (100%) by the Company;
- 2.57 "**KLC**" – Kardan Land China Ltd., a private company incorporated in Hong Kong, wholly owned (100%) by the GTC RE;
- 2.58 "**KLD**" – Kardan Land Dalian (HK) Ltd., a private company incorporated in Hong Kong, wholly owned (100%) by KLC;
- 2.59 "**TBIF**" – TBIF Financial Services B.V., a private company incorporated in the Netherlands, wholly owned (100%) by KFS;
- 2.60 "**TG**" – Tahal Group B.V., a private company incorporated in the Netherlands, wholly owned (100%) by TGI;
- 2.61 "**TGA**" – Tahal Group Assets B.V., a private company incorporated in the Netherlands, wholly owned (100%) by TGI;
- 2.62 "**TGI**" – Tahal Group International B.V., a private company incorporated in the Netherlands, owned at a rate of 98.43% by the Company.

### 3. **Terms of the Debentures**

- 3.1 The balance of the Company's Series A Debentures principal as of the Completion Date is NIS 573,054,735 par value<sup>3</sup>.
- 3.2 The Series A Debentures' Principal shall be due for payment in 2 consecutive annual payments, on February 25 of each of the years 2017 and 2018, in accordance with the repayment schedule attached to this Deed as Appendix 3.2.
- 3.3 The unpaid balance of the Series A Debentures' Principal (as it may be from time to time) shall bear fixed annual interest to be paid once a year (in addition to linkage difference for that interest), on February 25 of each of the years 2016 to 2018, up to and including. The annual interest to be paid on February 25, 2016 for the period from February 25, 2015 is at the rate of 6.04169% (hereinafter, the "**Weighted Interest**"). The annual interest to be paid on February 25, 2017 and the annual interest paid on February 25, 2018 is at a rate of 6.325% (the "Annual Interest"). The interest shall be paid on each payment date for the ended calendar year, i.e. the period starting on February 25 of each calendar year and ending on February 24 of the following calendar year.
- 3.4 In addition, for deferring the principal for Debenture Holders A and Debenture Holders B as compared to the terms and conditions of the Original Trust Deeds, the Company shall pay the Entitled for the Allocated Shares, a one-time amount (for both series) of EUR 2,234,734.6 (hereinafter: the "**First Agreed Compensation**"), and this on the Date of the Allocation of the Allocated Shares. The First Agreed Compensation shall be paid only as described in Section 4.7 below.
- 3.5 In addition, for deferring the principal for Debenture Holders A and Debenture Holders B as compared to the terms and conditions of the Original Trust Deeds, the Company shall pay the Entitled to the Allocated Shares<sup>4</sup>, an additional one-time amount (for both series) of EUR 750,000 (hereinafter: the "**Additional Agreed Compensation**"), which will be paid on the Date of the Allocation of the Allocated Shares, in New Israeli Shekels, according to the exchange rate on the Completion Date.

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<sup>3</sup> The balance of the Company's Debentures Series A principal as of the date of this Deed's publication is NIS 573,054,735 par value.

<sup>4</sup> According to the division between the Series in accordance with the balance of the Company's debt (for the linked principal only) on the publication date of this Trust Deed for each of the Debenture Series (without the Debentures held by GTC RE and EMERGING).

- 3.6 The First Agreed Compensation and the Additional Agreed Compensation portion which shall be paid to Debenture Holders A (except GTC RE and EMERGING), shall be divided among them pro rata, at par value of the balance for each Debenture Holder.
- 3.7 The First Agreed Compensation and the Additional Agreed Compensation shall be paid at par value, as mentioned above, and shall not carry interest, linkage differences and other additions.
- 3.8 All payments of Series A Debentures' Principal and the interest on it under this deed will be linked to the rise in the CPI compared to the Base Index. If it turns out at the time of any payment of principal or interest on Series A Debentures, that the Payment Index is higher than the Base Index, then Company will make the payment of principal or interest, increased in proportion to the increase in the Payment Index compared to the Base Index. It is clarified that if the Payment Index is lower than the Base Index, the payment of principal or interest will not be reduced due to the decline in the CPI, and CPI-payment will be the Base Index.
- 3.9 Any payment on account of Principal or interest, paid with a delay exceeding seven (7) Business Days from the effective date for its payment pursuant to this Deed, for reasons depending on the Company, shall bear Interest in Arrears starting from its scheduled repayment and until the date of its actual payment. The Company shall publish, two trading days prior to the date of paying the Interest in Arrears, an immediate report to the Securities Authority and to the Stock Exchange, detailing the exact interest rate of the Interest in Arrears and the Weighted Interest rate that will be paid at the date of the actual interest payment, which includes the interest according to the terms of the Deed and the Interest in Arrears.
- 3.10 Any payment on account of the Principal or interest of the Series A Debentures (including in case of partial repayment or early repayment) shall be paid to the holders whose names appear in the Registry as the holders of Series A Debentures on the effective date for such payment. The "effective date" for the purpose of determining entitlement to payment on account of the principal or interest (the "In-Dividend Date") shall be the end of 13<sup>th</sup> February of each year, which is the 12th day prior to the payment date; for example, the effective date for the purpose of determining entitlement to payment on account of the Principal paid on February 25, 2017 shall be the end of February 13, 2017.
- 3.11 Any payment on account of the principal or interest (and linkage differences for them) shall be made by check or by bank transfer to the credit of the Holder's bank account, stated in the details the Holder shall provide to the Company in advance and in writing, pursuant to the

provisions of Section 3.12 below or, in case clearing is performed through the Stock Exchange's clearing house – through the clearing house. Payment by check shall be considered to have been paid only after it has in fact been cleared at the bank.

- 3.12 If the Company cannot pay any such amount to the Holder for reasons depending on that holder, then it shall act pursuant to the provisions of Section 27 below.
- 3.13 The Holder shall inform the Company of the details of the bank account to be credited with payments under the Debenture as foregoing, or of any change in such bank account's details or address, as relevant, in a notice sent to the Company by registered mail. The Company shall have to act pursuant to the Holder's notice regarding any such change ten (10) Business Days after the receipt of the Holder's notice by the Company
- 3.14 If the Holder fails to provide the Company, in advance, with written details on the Holder's bank account, to the credit of which payments are to be transferred under the Debenture, then any such payment shall be made with a check sent by registered mail to the Holder's most recent address as registered in the Registry. Sending a check to a Holder by registered mail as foregoing shall be considered, for all intents and purposes, payment of the amount stated therein, on the date of its posting by mail as foregoing, subject to the check being deposited with a bank and paid in reality.
- 3.15 If the date set for the payment of any Principal or interest payment is not a Business Day, then such date shall be postponed to the Business Day that immediately follows it. If the repayment and interest payment date is postponed as foregoing, interest shall not be paid for such postponement and the Effective Date, as defined in Section 3.9 above, shall not change as a result.

#### **4. Allocation of Company Shares to the Debenture Holders**

- 4.1 The Company shall issue (and/or transfer out of the quota of shares it currently holds) to the Entitled to the Allocated Shares, a total of 12,341,258 of the Company's ordinary shares, which shall constitute, as of the Completion Date, approximately 10.03% of the Company's issued and paid up capital (fully diluted) (hereinafter, in this section: the "**Allocated Shares**"), and all in accordance with the following terms. The Company shall issue and/or transfer the shares allocated to the Entitled to the Allocated Shares free and clear, on the date of their receipt by Debenture Holders A and Debenture Holders B, of any debt, pledge, pawn, foreclosure, and any third party right, as well as free, on the date of their receipt, of any restriction or limitation on their transfer.

Regarding Section 4 above and below, "**Fully Diluted**" shall mean – fully diluted including the allocation and/or transfer of all of the Allocated Shares but without taking into account options convertible into shares granted to employees in any of the Kardan Group subsidiaries prior to the Completion Date, which – if fully exercised, shall dilute the percentage of allocated shares to no less than 9.5% of the Company's issued and paid up capital (fully diluted).

- 4.2 For each allocated share from the new offering (rather than from of the share quota currently held by the Company as aforesaid) (all of the shares out of the Allocated Shares from the Company's new offering shall be called hereinafter: the "**Issued Shares**"); the remaining allocated shares (excluding the Issued Shares) shall be called hereinafter: the "**Transferred Shares**") the receiver of the share shall pay the Company, on the Share Allocation Date, an amount equal to each share's par value (EUR 0.2 per share), which shall be paid by him to the Company only as detailed in Section 4.7 below (on this matter, it is hereby clarified that the Company shall have no claim and/or demand against the Trustee or Debenture Holders or anyone on their behalf in relation to the requirement to pay the said amount for the issued shares and that it explicitly waives any such claim).

The Debenture Holders shall not be required to make any payment in relation to the receipt of the shares transferred under this Deed.

- 4.3 [Deleted]

- 4.4 The Company shall allocate (or transfer out of the quota of shares it currently holds) to the Entitled to the Allocated Shares<sup>5</sup>, and list for trade, all this within 45 business days from the Completion Date.

4.4.1 [Deleted]

4.4.2 [Deleted]

4.4.3 The formula for calculating the Allocation of the Allocated Shares to the Entitled to the Allocated Shares is attached to this Deed as **Appendix 4.4.3**.

- 4.5 The Debenture Holders A's share (except GTC RE and EMERGING) of the Allocated Shares shall be calculated pro-rata, according to the par value balance for each of them.

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<sup>5</sup> According to the division between the Series in accordance with the balance of the Company's debt (for the linked principal only) on the publication date of this Trust Deed for each of the Debenture Series (without the Debentures held by GTC RE and EMERGING).

- 4.6 The Allocated Shares shall be equal in rights to the other Company shares, as they may be at such time.
- 4.7 On the Date of the Allocation of the Allocated Shares, the Company shall offset the First Agreed Compensation Payment against the par value amount payable to those Entitled to the Allocated Shares for some of the Issued Shares which shall be issued as part of the Allocation of the Allocated Shares so that those Entitled to the Allocated Shares shall not be required to pay any additional payment or cost for or against receiving these shares.
- 4.8 [Deleted]
- 4.9 Those Entitled to the Allocated Shares shall have no claim and/or demand against the Company or any of its representatives regarding the First Agreed Compensation by the Company as detailed above and its offsetting as aforesaid and they explicitly waiver any such claim as aforesaid.
- 4.10 The Company undertakes to list for trade all of the Allocated Shares on the Stock Exchange and on the Euronext Stock Exchange in Amsterdam, the Netherlands (it is hereby clarified that the Company's undertaking regarding the listing for trade on Euronext is in effect as long as the Company's shares are listed for trade on that exchange).

**5. Issuance of new series of Debentures - expansion of the series**

- 5.1 The Company will not be entitled to extend Debentures series A and/or Debentures series B and will not be able to issue any additional Debentures A and/or Debentures B.
- 5.2 The Company may, at any time, issue additional series of debentures (other than Debentures A and B) subject to the fulfillment of the conditions specified in Section 12.1.3 below.

**6. Purchase of Debentures by the Company or a Company under its Control**

- 6.1 As long as the Relief Conditions are not met, the Company and any corporation under the Company's control shall be allowed to purchase, from time to time, at their discretion, Company Debentures, subject to meeting all of the following conditions:
- 6.1.1 The purchase of Company Debentures shall not negatively affect the Company's compliance with its obligations to the Debenture Holders Series A and Series B,

to make all payments to them (including principal, interest and linkage) pursuant to the repayment schedule of each of the series.

- 6.1.2 The purchase of Company Debentures shall be made on the Stock Exchange only and not off-exchange .
- 6.1.3 The cumulative amount of funds to be used by the Company or a corporation controlled by the Company for the purpose of purchasing Debentures of either series (A or B), in any calendar half-year period shall not exceed 145% of the cumulative amount of funds to be used as foregoing, in that calendar half-year period, to purchase Debentures from the other series (B or A, as relevant).
- 6.1.4 The Company's Debentures A and Debentures B which shall be purchased by the Company shall not be sold by it and shall expire immediately upon their purchase, shall be delisted from the Stock Exchange subject to the Stock Exchange's regulations, shall be canceled, and the Company shall not be allowed to reissue them. Alternatively, if the Company so chooses, such Debentures shall be purchased by corporations under the Company's control, and the provisions of Section 6.1.5 below shall apply to them. The Company will take care of withdrawing the Debentures certificates from the Stock Exchange clearing upon .their delisting
- 6.1.5 A corporation under the Company's control that has purchased or will purchase the Company's Debentures A and Debentures B (hereinafter in this section: the "**Purchasing Corporation**") shall inform the Trustees within 2 business days of the purchase date of its choice between one of the two following alternatives, at its sole discretion: (1) either – to transfer immediately following the purchase (insofar as there is any purchase) such Debentures purchased or to be purchased by it to the Company, for the purpose of their expiry, cancelation and delisting as foregoing in Section 6.1.4 above; or, alternatively – (2) to pledge such Debentures to the benefit of the Trustees, pursuant to the following provisions, in which case they will not be delisted from the Stock Exchange.
- 6.1.6 Insofar as the Purchasing Corporation does not transfer to the Company the Debentures A and Debentures B it had purchased pursuant to the provisions of Section 6.1.5(1) above, the Debentures shall be deposited upon their purchase in a bank account in the name of the Purchasing Corporation, in which the Purchasing Corporation's rights shall be pledged to the benefit of the Trustees in a first-

ranking pledge, according to documents satisfactory to the Trustees, and the sale to any third party of those Debentures shall not be allowed, only subject to both Trustees' agreement to this (who, for this purpose, may request the position of the meeting of Debenture Holders A or Debenture Holders B, as relevant). It is hereby clarified that in any case of the purchase of Debentures by the Purchasing Corporation, the Purchasing Corporation shall waive the right to receive payment by virtue of such purchased Debentures, and for this purpose shall sign a waiver addressed to the Trustee and the nominee company (insofar that notwithstanding the foregoing, the Purchasing Corporation receives money for the Debentures, the Purchasing Corporation shall return it to the Company immediately upon its receipt).

6.1.7 In any case of the purchase of Debentures A or Debentures B by the Company or by a corporation under its control, the Company shall inform of this in an immediate report, shortly after their purchase.

6.1.8 The Company shall deliver to the Trustee, at the end of each calendar half-year period, an approval signed by a senior Officeholder in the Company, stating that the Company has met its obligations pursuant to this Section 5.17 above and detailing, with respect to each such half-year period, the purchase of the Company's Debentures A and Debentures B by corporations in the Kardan Group.

6.2 The Debentures A and Debentures B to be held by a Purchasing Corporation (and not delisted from the Stock Exchange) shall be deemed an asset of that corporation. However, as long as the Debentures are owned by the Buying Corporation, they shall not grant their Holder voting rights in Debenture Holders' meetings, and shall not be counted for the purpose of the legal quorum or for the purpose of any other right granted to the Holders.

In addition, if Debentures are held, either directly or indirectly, by a Controlling Shareholder in the Company (including a corporation under his control) – they shall not grant him voting rights and shall not be counted for the purpose of the legal quorum, in Debenture Holders' meetings.

## **7. The Company's Obligations**

7.1 The Company hereby undertakes to pay, on the dates set for this purpose, all principal, interest (including Interest in Arrears, if any) and linkage difference amounts to be paid under the conditions of the Series A Debentures, and to comply with all other terms and



obligations imposed on it pursuant to the Debenture Certificate and pursuant to this Trust Deed.

Notwithstanding the provisions of this Trust Deed, it is hereby clarified and agreed that the Company shall be allowed to pay such payments to Debenture Holders (Series A), whether by itself or through any agent thereof, including the nominee company and/or the Stock Exchange's clearing house.

- 7.2 The Company undertakes that the distribution of all of the net proceeds (i.e. with deduction of taxes and transaction expenses) from the KWIG Transaction as detailed in **Appendix 7.2** to this Deed, shall be used for Early Repayment to Debenture Holders A and Debenture Holders B. If the Company shall not exercise Early Repayment to Debenture Holders A and Debenture Holders B from the said proceeds shortly after receiving them from any of the corporations in the Kardan Group, this shall constitute a violation of the Company's undertakings towards the Trustees and Debenture Holders, excluding if the delay or prevention of the execution of the Company's said undertaking was caused only as a result of one or more of the said causes and as long as they exist (in which case this shall not constitute a violation on the part of the Company of its undertakings towards the Trustees and the Debenture Holders): (1) Failure to obtain an approval from a bank whose approval is required under the provisions of the agreements with the bank which were valid as of the Date of the publication of this Deed, in order to transfer the proceeds, including for the purpose of avoiding that the proceeds' transfer constitute a violation of the agreements with the bank, whose said approval has not received despite the Company's efforts: (2) and/or if a judicial tribunal issues an order pursuant to a petition by a third party other than the Company or one of its subsidiaries (and without their consent) preventing the transfer of such proceeds, in whole or part, to the Company or to Debenture Holders A and Debenture Holders B.

## **8. Collaterals / Pledges**

To ensure full and accurate compliance with all of the Company's obligations towards Debenture Holders A and Debenture Holders B and the Trustees pursuant to the provisions of the Trust Deed and amendments as may be, and in accordance with the provisions of the Trust Deed and its amendments, as may be, including in order to ensure the repayments to Debenture Holders A and Debenture Holders B Debenture Holders duly and fully, the Company has created and registered, prior to the entry into effect of this Deed, and also hereby undertakes to create and register to the benefit of the Trustees or to ensure that corporations under its control will create and register to the benefit of the Trustees, for Debenture Holders A and Debenture Holders B all of the following

collaterals and pledges as detailed above and in Section 19 below in accordance with the terms detailed below and on the dates detailed below (it is hereby clarified that the provisions of this Deed with respect to the collaterals and pledges to the benefit of the Trustees shall also apply in full to the pledges registered to the benefit of the Trustees prior to the coming into effect of this Deed in connection with the Company's rights in GTC RE, which for the purpose of this Deed shall also be considered pledges registered according to this Deed, which, insofar as this is required by the Trustees, shall be amended to the satisfaction of the Trustees in order to adjust them to the provisions of this Document).

#### 8.1 The Pledged Shares and Rights

8.1.1 Primary, exclusive pledges with no maximum amounts: on all rights (shares or other rights that substitute shares) and all attached rights (as defined below) of the Company or any corporation under its control (hereinafter, jointly: the "**Pledging Corporations**") in each of the following corporations: GTC RE, KLC, KFS, TBIF, TGI and Emerging (hereinafter: the "**Pledged Shares**" and the "**Pledged Corporations**", respectively).

The "**Attached Rights**" shall mean: all rights attached to and/or arising from the Pledged Shares (which shall also be considered, for all intents and purposes, as part of the definition of the term "Pledged Shares"), including: (a) all dividends distributed in cash or in kind for the Pledged Shares and the Other Shares as defined below, and the right to receive these; (b) all shares, options, assets, money, bonus shares or rights of any type or kind due or issued from time to time for or in lieu of the Pledged Shares (hereinabove and hereinafter: the "**Other Shares**"), in whole or part; and all rights, options, money and/or assets due or issued in lieu of the Pledged Shares and/or for or by virtue of the Pledged Shares and/or the Other Shares as bonus shares, preference rights or other rights; (c) all rights arising from the Pledged Shares toward third parties, including by virtue of the articles of association of the Pledged Corporations and/or any other agreement; as well as (d) the rights of the Pledging Corporations for loans granted or to be granted to any of the Pledged Corporations, including, for the removal of doubt, GTC's right for repayment of the loan it had granted EMERGING, as specified in Appendix 8.1.1 to this Deed <sup>6</sup>.

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<sup>6</sup> The Company hereby acknowledges that excluding that detailed in Appendix 8.1.1 as of the date of the publication of this Trust Deed, no loans have been granted to any of the Pledged Corporations by any of the Pledged Corporations.

8.1.2 A primary, exclusive, pledge, in an unlimited amount on all of EMERGING's rights for the repayment of the loans granted by it (or by others and were assigned to it) to any of the Kardan Group corporations, as detailed in Appendix 8.1.2 to this Deed.

(All pledges under Subsection 8.1.1 and 8.1.2 above shall be termed, jointly: the "**Pledged Rights and Loans**").

Details on the aforementioned pledges – including the pledging party's name and clarification as to whether the pledge was already created and registered to the benefit of the Trustees or it is to be created and registered to the benefit of the Trustees (and the date of its creation) are attached as Appendix 8.1.3 to this Deed.

8.1.3 The Company hereby declares that it and all of the Pledging Corporations have no other additional rights in the Pledged Corporations, except for the Pledged Rights and Loans, and that the Pledged Rights and Loans are fully owned by them, free of any charge or any other third party right.

8.1.4 As long as the following two cumulative conditions apply: (1) the Company complies with the payments to Debenture Holders A and Debenture Holders B, fully and duly; and (2) the pledges for the Pledged Rights and Loans are not exercised, in whole or part; the Company shall be allowed to use revenues arising from the Pledged Rights and Loans, all subject to the terms of this Deed.

8.1.5 The Company and the Pledged Corporations shall not be allowed to pledge or sell or transfer or make any other disposition in any of the Pledged Rights and Loans, and, in addition, shall not be allowed to allocate shares in the Pledged Corporations, excluding: (a) the sale or allocation of TGI shares, in whole or in part; (b) the sale or allocation of KLC and/or TBIF shares, following which the Kardan Group corporation holding the shares of such company (KLC or TBIF) prior to the execution of the sale or allocation (hereinafter: the "**Holding Corporation**"), shall hold at least 50.1% of the issued and paid up capital of that company (KLC or TBIF, as relevant) (fully diluted, but not taking into account securities convertible into shares that such Holding Corporation may have) and provided that such sale or allocation (pursuant to Sections a and b above) shall be executed under the following cumulative conditions: (1) all or part of the pledges to the benefit of the Trustees were not exercised by any of the Trustees; (2) the

Company meets the payments to Debenture Holders A and Debenture Holders B) fully and duly; (3) the proceeds from such sale or allocation shall be against cash only, and shall be used for the early repayment of Debenture Holders A and Debenture Holders B pursuant to the provisions of Section 10 below; (4) such sale or allocation shall be made for a price that is no less than that specified in the provisions of Section 10.13 below

Notwithstanding the foregoing, it shall be possible to allocate shares or issue options convertible into shares to employees in any of the companies TGI, KLC and TBIF, without such allocation or offering meeting (3) and (4) in Section 8.1.5 above.

## 8.2 The Pledged Accounts

8.2.1 A primary single fixed pledge on all of the Company's rights in the Company's bank accounts in Israel and abroad, excluding the Company's rights in the bank account or accounts in which the Free Amount (as defined below) shall be deposited, and a primary single pledge on all the funds, cash and cash equivalents, securities and their revenues etc. as these may be in such bank accounts from time to time, primary and exclusive with no maximum amount (hereinafter: the "**Pledged Accounts**").

8.2.2 The Company undertakes not to make any use of any bank account other than the Pledged Accounts, except for the purpose of depositing the Free Amount.

8.2.3 The Company undertakes that in the Pledged Accounts shall be deposited all funds, cash, cash equivalents etc. that the Company has and will have, except for the Free Amount.

The "**Free Amount**" shall mean – an amount of up to EUR 3 million (and after meeting the Relief Conditions – an amount of up to EUR 6 million) to be used for the purpose of paying the Company's general and administrative expenses only.

8.2.4 It is agreed that subject to the provisions of this Deed, and as long as none of the pledges on the Pledged Accounts is exercised by any of the Trustees – the Company shall be free to use the money in the Pledged Accounts for its needs, at its sole discretion, without this requiring the approval of the Trustees or the Debenture Holders. The Trustee shall cooperate with the Company, as needed, in a reasonable manner, in order to arrange for the use of said funds against the

bank, provided that this shall not give rise to any liabilities or costs (excluding costs actually incurred by the Company).

- 8.2.5 For the avoidance of doubt, the Trustees and the Debenture Holders shall not be allowed to give any order in the Pledged Accounts or prevent any action by the Company in the Pledged Accounts, only after any of the pledges on the Pledged Accounts is considered to have been exercised, pursuant to the provisions of Section 7.3 below, and only with regard to the Pledged Account for which the pledge was exercised.
- 8.2.6 The Trustee shall be allowed to exercise the pledges on the Pledged Accounts (in whole or in part) independently of the Debentures Series B Trustee, only when one of the following cases applies: (a) the Company violates its obligation to pay the principal or interest amounts to the Debenture Holders Series A; or – (b) the Company's debt to the Debenture Holders (Series A) is called for immediate repayment pursuant to this Trust Deed. However, if the Company informs the Trustees that it objects to their right to call the debt for immediate repayment, within 3 days of calling the debt for immediate repayment, then the competent court in the Netherlands (unless the court in the Netherlands shall determine it is not competent in this case – then the competent court in Israel shall decide the matter) shall decide on the matter, and until such decision, the Company shall be allowed to use the funds in the Pledged Accounts, subject to the provisions of this Trust Deed, unless the competent court as aforesaid orders otherwise.
- 8.2.7 Any amount of money or money equivalent that TGI, KFS or GTC RE (hereinafter, each severally: the "**Transferor Corporation**") or any corporation under a Transferor Corporation's control decides to transfer to the Company or to any corporation under the Company's control (excluding the transfer by a Transferor corporation or a corporation under its control to the Transferor Corporation itself or to any another corporation under the control of the Transferor Corporation) shall be transferred to the Company (to the Pledged Accounts or to the Free Amount. For the avoidance of doubt, it is hereby clarified that the provisions of this Section shall not derogate from a Transferor Corporation's right to transfer funds to EMERGING in order to repay shareholder loans. However, EMERGING shall transfer the said funds to the Company immediately following their receipt, excluding funds it is prohibited from transferring under law.

- 8.3 For the purposes of this Deed hereinabove and hereinafter – pledge shall be considered to have been exercised on the date on which the Trustee's written notice is given, stating that a special decision to exercise that pledge has been made by a meeting of Debenture Holders A or the Trustee pursuant to the provisions of this Deed or from the date in which on which a notice of the Series B Trustee is given whereby a special decision has been made by a meeting of Debenture Holders B or by Trustee B to exercise that pledge, the earlier of the two.
- 8.4 The Company and the Pledging Corporations hereby declare, that the Pledged Rights and Loans and the Pledged Accounts are free of any charge, pledge, foreclosure or any other third party right.
- 8.5 Notwithstanding the foregoing, any Pledging Corporation and any Pledged Corporation shall be allowed to make any disposition in connection with the assets pledged pursuant to this Deed, if they receive the advance approval of this by an Ordinary Decision by a meeting of either Debenture Holders A or Debenture Holders B.
- 8.6 All pledges under this Deed shall be granted and registered through documents and approvals in a format agreed upon by the parties and in registries satisfactory to the Trustee, all pursuant to the law applicable to the creation and registration of the pledges. In addition - without derogating from the generality of the foregoing - the Trustee shall be delivered all documents proving the creation and full validation of the pledges pursuant to the relevant law, as well as the opinions of attorneys in the relevant country, whose identity shall be chosen by the Trustee and shall be prepared by the Company in a format to the satisfaction of the Trustee, determining, inter alia, that the pledges were legally registered to the benefit of the Trustee and that it is enforceable. As long as the Trustee does not receive all of the foregoing documents and approvals in a format to his satisfaction, the Company's obligation to create and register the pledges shall not be considered to have been met.
- 8.7 If any agreement or approval or action are required from a corporation controlled by the Company or any corporation or other entity, in order to grant and register a pledge under this Deed, then the Company hereby undertakes that such agreements or approvals or actions shall be given or performed by that corporation or entity, all on such a date as to enable the registration and granting of the pledge on the date set in this Deed.

- 8.8 The Company shall incur all payments, taxes and fees entailed in creating and registering the pledges under this Deed, including for the purpose of receiving any approval required for the purpose of registering the pledges.
- 8.9 Without derogating from any of the Company's other obligations, the Company shall pay the Trustee's wages and all of the Trustee's reasonable expenses (including the expenses of the Trustee's consultants and representatives) in connection with the creation, registration and exercise (if necessary) of the pledges, and such amounts shall form a part of the amounts guaranteed with the pledges under this Deed.
- 8.10 For the avoidance of doubt, it is hereby clarified that the Company and the Pledging Corporations do not give any opinion with regard to the economic value of the Pledged Assets, and that nothing in the provisions of this Deed constitutes any representation by the Company or by a corporation under the Company's control with respect to the economic value of the Pledged Assets.
- 8.11 It is hereby clarified that the Trustee has no duty to assess, and that in reality the Trustee did not assess, the economic value of the assets pledged to the benefit of the Trustees. The Trustee was not asked to conduct, and in effect the Trustee did not conduct, economic, accounting or legal due diligence with regard to the state of the Company's business and that of the corporations under its control. In engaging in this Trust Deed, the Trustee does not give its opinion as to the economic value of the assets pledged to the benefit of the Trustees. In addition, the Trustee does not give any opinion with regard to the Company's ability to comply with its obligations to the Series A Debenture Holders.
- 8.12 Negative Pledges
- 8.12.1 The Company as well as TGA and TBIF, which are the only corporations under the control of the Company with rights in the Investees (as defined below), hereby undertake (TGA and TBIF undertake by signing a Letter of Undertaking on this matter addressed to the Trustees, in the version attached as **Appendix 8.12.1** to this Trust Deed) not to pledge or charge to the benefit of any third party all or part of the rights of the Company or any corporation controlled by the Company in the shares of the following companies: (and as part of this not to pledge or charge any rights attached to such shares and/or the right to the repayment of shareholder loans to any of the investees (as defined below) and/or the right to receive any payment of any type or kind from the Investees, including the right to receive management fees etc.): TBI Bank EAD (which owns a bank in Bulgaria with

branches in Romania), TBIF Dan Leasing Ltd. and VIP Rent Foreign Enterprise (which owns the license for the AVIS brand in Ukraine and which is 100% owned by TBIF Dan Leasing Ltd.) and KWIG (the foregoing companies shall be termed above and below in Section 8.12: the "**Investees**"; the foregoing rights of the Company and TGA and TBIF in the Investees shall be termed hereinafter: the "**Investee Assets**").

- 8.12.2 The Company undertakes that any corporation under its control that becomes a holder of rights in any of the Investees, shall deliver to the Trustees, within 10 business days of the date on which it becomes a holder of rights in any of the Investees, a Letter of Undertaking signed by it in the version of the aforementioned appendix.
- 8.12.3 The Company shall be allowed to pledge the Investee Assets, in whole or in part, subject to receiving the advance approval of any of the two Debenture Holders' meetings, of Debentures A or of Debentures B.
- 8.12.4 The Company declares that as of the Completion Date, the Investee's Assets are not pledged to any third party.

#### 8.13 Removal of the Pledges

- 8.13.1 After the Relief Conditions are met, the Company shall be allowed to remove only those pledges created to the benefit of the Trustees in connection with any of the following corporations: TGI or KFS, as well as TBIF, as detailed in Section 8.1.1 above, as long as the Coverage Ratio between all assets that remain pledged to the Trustees for Debenture Holders A and Debenture Holders B, after the removal of the pledge/s as foregoing, and the Company's debts, stands at 180% or more. For the purpose of calculating the foregoing Coverage Ratio, cash and cash equivalents shall be neutralized from assets and liabilities. In addition, the Debentures (Series A and Series B) owned by the Company or any corporation under its control shall be neutralized from the assets and liabilities items, insofar as these were not neutralized from the liabilities in the stand-alone statements.
- 8.13.2 Immediately after meeting the Relief Conditions, the negative pledge obligation in connection to the balance of holdings of the Company and of TGA in KWIG (only), as detailed in Section 8.12 above, shall be revoked.



- 8.13.3 Following the full repayment of the Company's debts pursuant to this Trust Deed (of Debentures Series A); and with regard to the pledges in connection with TGI or KFS as well as TBIF – after meeting all conditions for the removal of these pledges pursuant to the provisions of Section 8.13.1 above – the Trustee shall sign all necessary documents delivered to him by the Company for the purpose of amending the Pledged Asset's pledge documents pursuant to this Deed, in such a way that he and the Debenture Holders (Series A) shall be erased from these pledges, and shall also sign any document required, if any is required, for the purpose of revoking the negative pledge, all as long as the Trustee's signing of such documents does not impose on him any liabilities or costs (excluding costs borne in effect by the Company).
- 8.14 The Pledges pursuant to this Deed shall also guarantee full and accurate compliance with the Company's obligations toward the Company's Debenture Holders B and Trustee B, in such a way that the proceeds received by virtue of the exercise of the pledges given to the benefit of the Trustees pursuant to this Deed, shall be divided between the two debenture series - Debentures A and Debentures B) in accordance with the relative share of debt to each series, upon the date of receiving the proceeds. The Trustee shall have the right to exercise the pledge, and any right under it, without this requiring him to receive the approval of the Trustee for Series B.
- 8.15 KLC Guarantee
- 8.15.1 To guarantee the Company's obligations under this Trust Deed and under Trust Deed B, KLC shall sign an irrevocable guarantee toward Debenture Holders A and Debenture Holders B and the Trustees in the format attached as **Appendix 8.15.1** to this Deed (hereinafter in this Section: the "**Guarantee**").
- 8.15.2 The Guarantee shall be limited to an amount of EUR 100 million and shall expire upon meeting the Relief Conditions. This amount shall not bear interest and linkage differences
- 8.15.3 As long as the Guarantee Conditions (as defined below) are not met – the Trustees and Debenture Holders A and B shall not be able to exercise the Guarantee or receive money by its virtue and shall not be able to commence any proceeding against KLC by virtue of the guarantee, only in order to preserve their rights in proceedings commenced by other parties, and without derogating from the Guarantee's inferiority to the Chinese Loan and to the Additional Credit as

defined below. For this purpose – the "Guarantee Conditions" shall mean – the two following conditions, cumulatively: (1) repayment of the Chinese loan in full; as well as (2) repayment of the full credit to be obtained, if any is obtained, pursuant to Sections 12.7.4 (a) and 12.7.4 (b) below (hereinabove and hereinafter: the "**Additional Credit**").

## 9. Covenants

9.1 The Company undertakes to maintain financial ratios in accordance with the provisions of Sections 9.1.1 and 9.1.2 below, to be examined at the end of each quarter with the publication of the Company's Financial Statements (quarterly or annual, as relevant):

9.1.1 The Company's Coverage Ratio according to the financial statements to be published each quarter as foregoing shall be no less than 100%, with respect to 2015 to 2017 (inclusive), and no less than 130% with respect to 2018 (starting from Q1/2018) and thereafter.

9.1.2 If and insofar as the Company's Coverage Ratio according to the financial statements published in each quarter as foregoing (1) is less than 110% – with respect to 2015 to 2017 (inclusive); or – (2) is less than 120% – with respect to 2018 (starting from Q1/2018) and thereafter – then the Coverage Ratio of KLC shall be no less than 180%.

The "**Coverage Ratio of KLC**" shall mean – the total value of assets of KLC divided by the total liabilities of KLC (as the value of assets and total liabilities are presented in KLC's consolidated financial statements). For the purpose of calculating the Coverage Ratio of KLC, cash and cash equivalents shall be neutralized from the assets and liabilities. In addition, the debts of controlling shareholders in KLC shall be neutralized from the assets, and "inferior liabilities"<sup>7</sup> to controlling shareholders in KLC shall be neutralized from the liabilities.

9.2 The Company shall produce to the Trustee, within 7 days of the date of publication of any periodic or quarterly statement, a document signed by the Company, through any of its officeholders, that includes the details and calculation of the Company's Coverage Ratio

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<sup>7</sup> "**Inferior liabilities**" shall mean – liabilities whose first due date is later than the last date of payment to Debenture Holders (Series A and Series B) (i.e. after February 1, 2020) and that, in any case, including in case of insolvency, shall not be paid, only after the Debentures (Series A and Series B) are paid in full.

(and, if needed – KLC's Coverage Ratio as well) according to the financial data included in the relevant statement published. The Trustee shall rely on the Company's confirmation and shall not be required to conduct an additional inspection on his part.

- 9.3 Failure to comply with either of the two financial ratios detailed in Sections 9.1.1 or 9.1.2 above, for two consecutive quarters, shall give each of the Trustees cause to call for immediate repayment of the Company's debt towards Debenture Holders A and Debenture Holders B; however, if the deviation in either of the two quarters as foregoing is less than 5% in comparison with the coverage ratios provided in Sections 9.1.1 and 9.1.2 above, then the cause for immediate repayment as foregoing shall only be created if in the following quarter (the third quarter) there is also a deviation (any deviation) in one or more of the foregoing Coverage Ratios.

## 10. Obligatory Early Repayment

- 10.1 The Company undertakes to prepay the Company's debt to Debenture Holders A and Debenture Holders B at the liability value, when it or any corporation under its control receives, in any manner, including by way of dividend or the repayment of a shareholder's loan, proceeds from the disposal of any of the Agreed Assets (including: full or partial sale, taking in a partner or obtaining or increasing financing (provided that the Company is permitted to obtain or increase financing as detailed below) hereinafter in this Section 10, jointly: "**Disposal**") (all foregoing proceeds to be received by the Company or a corporation under its control, for or in connection with a Disposal shall be termed jointly hereinafter: "**Funds from the Disposal of Agreed Assets**"), all pursuant to the following provisions:

10.1.1 It is hereby clarified that until the Relief Conditions are met, the Company shall be required to use all Funds from the Disposal of Agreed Assets, pursuant to the provisions of Section 10 below, for the purpose of early repayment, when these are received by the Company or by a corporation under its control, while after the Relief Conditions are met, the Company shall be required to prepay only 35% (instead of 100%) of the Funds from the Disposal of Agreed Assets.

10.1.2 Upon receipt of Funds from the Disposal of Agreed Assets by a Kardan Group corporation (the "**Transferor Corporation**"), the net proceeds (i.e. less taxes and transaction costs) shall be transferred in full to the Company, less (1) all of the amounts that the Transferor Corporation must retain, if it must retain any, in order for it to comply with its obligations, taking into consideration only its obligations that were known and in existence on the date of receiving the Funds from the

Disposal of Agreed Assets by the Transferor Corporation, and the due date of which is within 12 months at most of that date; and less (2) the amounts not included in Subsection (1) above which may not be transferred to the Company due to the absence of a third party approval in accordance with agreements in effect as of December 31, 2014 as formulated on the date of the publication of this Deed, which is required and/or due to an order issued by a judicial tribunal following a petition by a third party other than the Company or any of its subsidiaries (and without their approval) . It is hereby clarified that the amounts in accordance with this Subsection (2) above shall be raised for the Company when the restriction on their transfer to the Company will have been lifted (in whole or in part).

Notwithstanding the foregoing, it is agreed that the first amounts of money received by KLC from the sale of any of the Lucky Hope Companies or from the sale of assets owned by them, up to a cumulative total amount of EUR 25 million, shall remain in KLC and shall not be transferred to the Company for the purpose of early repayment, insofar as such amounts are required, at KLC's discretion, for the purpose of the Dalian Project (in such a case – (1) the Company shall inform the Trustees of the scope of such funds that is not transferred to the Company; (2) only the balance of the proceeds from the sale of any of the Lucky Hope Companies or the assets they own shall be transferred to the Company as foregoing for the purpose of early repayment).

10.2 Notwithstanding the foregoing, out of the Funds from the Disposal of the Agreed Assets, the Company shall be allowed to retain prior to making the early repayment amounts that would complete the amounts it holds at the dates to the following amounts (the Company shall have full discretion on deciding for which of the following needs it retains such amounts):

10.2.1 An amount to be used for the payment of the Company's general and administrative expenses for one year from the date of making the early repayment at the amount of EUR 4.8 million for 2015 or the amount of EUR 4.5 for each of the following years; plus expenses for a year for the completion of the arrangement with the Debenture Holders; and plus expenses for one year as foregoing for a representative and director to be appointed by the Trustees; as well as expenses for a bonus to the Company's CEO insofar as approved by the Company by the date of making the early repayment; as well as additional expenses, if any, which by the date of making the early repayment, the Company

is obliged to repay, which are exceptional expenses which could not be reasonably foreseen. According to this subsection, the amount held by the Company as of this Trust Deed's publication date stands at EUR 3.4 million.

10.2.2 The amount required for the purpose of paying interest to the Debenture Holders on the upcoming interest payment date following the date of making the early repayment (to both debenture series) (hereinafter: the "**Upcoming Interest**"). If the Company retains this amount, then from that date on, it shall not make any use of it only for the purpose of paying the Upcoming Interest, or for the purpose of making an early repayment on a date occurring prior to the due date of the Upcoming Interest. According to this subsection, the amount held by the Company as of this Trust Deed's publication date stands at EUR 21.5 million.

10.2.3 An amount of approximately EUR 6.3 million to be kept only for the purpose of executing the Company's obligations under the GTC Poland Transaction, in its version as reported in the Company's immediate report dated November 17, 2013 (Reference No. 2013-01-192585), for as long as the Company is subject to such obligations. It is agreed on this matter that once the Company's obligations as foregoing expire, in whole or part, then the amount remaining in the Company's possession, if any, which is no longer subject to such obligations (the "**Released Amount**") shall be used by the Company in the following order: (a) to complete the full amounts pursuant to Section 10.2.2 above; (b) insofar as the Company already holds the full amount pursuant to Section 10.2.2 as foregoing, required for the purpose of paying the Upcoming Interest – to complete the full amounts pursuant to Section 10.2.1 above; (c) insofar as the Company already holds the full amounts pursuant to Sections 10.3.1 and 10.2.2 above – to make an early repayment to Debenture Holders A and Debenture Holders B pursuant to the provisions of this Section. According to this subsection, the amount held by the Company as of this Trust Deed's publication date stands at EUR 3.15 million.

10.3 The Company shall be allowed to retain from the amounts it receives pursuant to Section 10.1.2 above, whether as a single payment or more, a maximum amount of EUR 7.5 million, in order to use it for support and to transfer it to any of the corporations under the Company's control (hereinafter: the "**Support Amount**"). It is hereby agreed that as of May 1, 2015 the Company used the entire Support Amount, as part the amounts obtained from KLC from the transaction of the sale of 75% of TGA's holdings in KWIG, as detailed in the Company's report dated March 24, 2015 (Reference No. 2015-01-058939) (hereinafter: the "**Remaining Amounts**"), and by this the Company exhausted its right as

specified in this section 10.3 and this until the full payment of the additional amount, and then the Company shall be permitted to hold additional amounts not exceeding EUR 7.5 million, and all according and subject to the provisions of section 10.11 below.

10.4 It is hereby clarified that the Debenture Holders hereby forfeit towards the Company and/or any of its subsidiaries and/or anyone on their behalf any claim or demand to leave the Remaining Amounts as aforesaid.

10.5 Early repayment shall be performed pursuant to the following provisions, which may change pursuant and subject to the provisions of the Stock Exchange Regulations, as these may be at such a time:

10.5.1 At any time that money accumulates from the Disposal of the Agreed Assets, at the amount of at least EUR 1 million, the Company shall deliver a notice of early repayment to the Debenture Holders (hereinafter: the "**Early Repayment Notice**") through an immediate report to be published by the Company. In the Early Repayment Notice, which shall be given no less than seventeen (17) and no more than forty five (45) days prior to the date of making the early repayment, the Company shall detail: (a) the early repayment amount; (b) the date of making the early repayment; (c) the effective date for entitlement to receive payment as part of the early repayment, which shall be 12 days prior to the date set for making the early repayment; (d) the interest rate out of the outstanding principal balance which will be paid is calculated according to 365 days per year; (e) the repayment rate of the outstanding balance of the initial principal; (f) the new maturity table following the early repayment.

10.5.2 Any early repayment of the Debentures shall be made at the par value for the Debenture balance on the date of making the early repayment (the par value of the debt including principal, interest and linkage differences for these, until the date in which the early repayment is made), with no additional compensation for early repayment.

10.5.3 Without derogating from the foregoing, no early repayment for the Debentures shall be made if, following such early repayment, the unpaid balance of the last payment of the debentures principal is less than NIS 3,200,000. In such a case, the Company shall be obligated to the Early Repayment so as to reduce the principal balance to NIS 3.200,000 or, alternatively (according to the Company's

decision) – so as to repay the entire debt), and all subject to the provisions of this deed.

- 10.6 The amounts to be used by the Company for any early repayment performed by the Company – whether obligatory early repayment or early repayment made at the Company's initiative – shall be distributed between Debenture Series A and B, in accordance with the ratio between them, with respect to the interest amount accumulated in each of the series for the entire unpaid principal balance in the period until the date of making the early repayment; and insofar as paying the early repayment repays such interest in full for both series, the remainder of the payment shall be divided between the series in accordance with the ratio between them with respect to the next principal payment for each of the series; and insofar as the full next principal amount for both series is repaid with the early repayment, then the remainder shall be paid in accordance with the debt ratio between the series, for the following principal payment, and so on.
- 10.7 The early repayment amounts for each debenture series shall first be imputed to the repayment of all interest payments and linkage differences on the interest, accumulated by the early repayment date, and the balance following this, to principal payments (from the first payment to the last, by chronological order).
- 10.8 Any amount paid on account of early repayment shall be repaid to all Debenture Holders (Series A), pro rata, pursuant to the par value of the outstanding Debentures (Series A).
- 10.9 In addition to the above provisions, the Company undertakes to make Early Repayments to Debenture Holders A and Debenture Holders B in the maximum cumulative amount of RMB 45 million (hereinafter the "**Additional Amount**"), from the following sources (hereinafter together: the "**Additional Sources**"):
- 10.9.1 The Dalian Deposit – a deposit deposited in KLC's account of RMB 95 million, which serves as collateral to a credit line of RMB 95 million granted to the Dalian Project (hereinafter: the "**Dalian Deposit**" and the "**Collateralized Loan in the Dalian Deposit**", respectively). It is hereby agreed that the Dalian Deposit funds shall not serve for any purpose or need other than for securing the collateralized loan in the Dalian Deposit in its amount as of May 1, 2015 with the addition of interest in accordance with agreements with the bank which granted the said loan. On any date in which the funds of the Dalian Deposit, whether in whole or in part, up to the Additional Amount, shall cease, for any reason, to serve as collateral for the secured loan in the Dalian Deposit (all of the Deposit funds released as

aforesaid shall be called hereinafter the "**Released Amount**"), then shortly afterwards the Released Amount shall serve for early repayment to Debenture Holders A and Debenture Holders B.

10.9.2 Amounts which do not arise from the disposal of Agreed Assets - on any date in which the Company shall receive funds which do not arise from disposal of Agreed Assets and which, in accordance with the other provisions of this Deed, the Company is not obligated to use for early repayment to the Debenture Holders (hereinafter: the "**Free Amounts**"), then – (a) a total of the first EUR 1,250,000 of these Free Amounts may serve the Company for the purpose of supporting and transfer to any of its subsidiaries (b) all of the remaining Free Funds which shall be received after leaving the total stated in Section a above shall serve, soon after their receipt by the Company, for early repayment to Debenture Holders A and Debenture Holders B.

10.9.3 Proceeds from the disposal of the rights in the Pumped Storage Project – net proceeds (i.e., less taxes and selling expenses) obtained by TG or its subsidiaries which hold, directly or indirectly, the rights in the Pumped Storage Project (but excluding at the corporation which is the direct owner of the project) (hereinafter: the "**Corporation Holding the Rights**"), and this as a result of the disposal (either full or partial) by TG or its subsidiaries of their rights, directly or indirectly, in the Corporation Holding the Rights in the Pumped Storage Project or in Pumped Storage Project, shall serve for early repayment to Debenture Holders A and Debenture Holders B and shall be forwarded to the Company, less the following amounts (in addition to the amounts listed in sections 10.1 and 10.2 above): (1) All of the amounts required for the purpose of the Pumped Storage Project; and less (2) Amounts which cannot be forwarded due to the lack of approval by a third party whose approval is required according to a binding agreement with it and/or an order issued by a judicial tribunal following a petition by a third party other than and Company or any of its subsidiaries (and without their approval).

10.10 For the removal of doubt it is hereby clarified that the other provisions of this section 10 (excluding section 10.3) shall apply to early repayments from the Additional Sources, and they will be considered as Agreed Assets for the purpose of sections 10.1, 10.2 and 10.5 above.



- 10.11 It is hereby clarified that upon the transfer of the entire Additional Amount to the Company from any of the Additional Sources and making the early repayments according to the provisions of sections 10.1 and 10.2 regarding the Additional Amount, there will no longer be an early repayment obligation for funds obtained by the Company from the Additional Sources and this Section 10 shall no longer apply to funds from these sources, including this Section 10, which shall not restrict or prevent the Company from making use of the Additional Sources in order to support its subsidiaries.
- 10.12 It is hereby clarified that following the payment of the entire Additional Amount, if the Company were to initiate early repayments from sources other than the Agreed Assets (hereinafter: the “**Voluntary Repayments**”), then it shall be entitled to retain, prior to any mandatory early repayment as detailed in this Section 10 (which will be made in fact after the Voluntary Repayment), amounts which shall not exceed the lower of: (1) the amounts paid in effect to Debenture Holders A and Debenture Holders B (accumulated) regarding the Voluntary Repayments; and (2) an amount of EUR 7.5 million, and this in order to use them for support and transfer to any of the Company’s subsidiaries.
- 10.13 The Company undertakes, that insofar as the Relief Conditions have not been met – unless this is approved with a normal majority at any of the two Debenture Holders' meetings of Series A or B – it and any corporation under its control shall not dispose of any asset of the Agreed Assets for a price that is less than 80% of the average of the values for that asset which served as the basis for the data in the Financial Statements published by the Company, in the last two quarters preceding the disposal. Notwithstanding the foregoing it is hereby clarified, that this restriction with respect to the disposal price of an Agreed Asset shall not apply to the Agreed Assets owned by TBIF or corporations under its control.

**11. Early Repayment Initiated by the Company**

- 11.1 The Company shall be allowed to notify at any time in the period of the Series A Debentures of an early repayment, whether full or partial, of all or part of the unpaid balance of the Debentures (Series A) Principal or the Debentures (Series B) Principal and all interests accumulated for these and linkage differences on such principal and interest, up to the early repayment date, at any scope as it sees right at its absolute discretion. The early repayment date shall not occur in the period between the scheduled date for interest payment and its actual payment.

- 11.2 Such early repayment shall be made without any compensation for early repayment, at the par value for the balance of Debentures A and the balance of Debentures B (as relevant) on the date of making the early repayment (the liability value of the debt including principal, interest and linkage differences, until the early repayment date).
- 11.3 Early repayment initiated by the Company as foregoing in this Section shall be subject to the provisions of Sections 10.5, 10.6, 10.7 and 10.8 above.

## **12. Taking Credit, Investments and Areas of Activity**

### Restrictions applicable to the Company

In this Chapter (Sections 12.1.1 to 12.1.4): The "**Company**" signifies – the Company, GTC RE and any corporation under their control (other than KLC, KFS and TGI and any corporation under their control).

- 12.1 The Company undertakes that until the date of meeting the Relief Conditions:
- 12.1.1 The Company shall not commence any new business activity .
- 12.1.2 The Company shall not make any new investments.
- 12.1.3 The Company shall not obtain any credit (including by way of issuing debentures, recycling debt, refinancing, changing the terms of present credit including increasing credit etc., but excluding receipt of credit from corporations in the Kardan Group), unless in compliance with one of the following conditions: (a) if the credit obtained by the Company shall repay, upon its obtainment, the full unpaid debt balance to the Debenture Holders Series A and Series B at the par value; )b) if the Credit obtained by the Company is not guaranteed with any collateral to guarantee it, it shall be inferior to the Company's debt to Debenture Holders A and Debenture Holders B, and as part of this, that the due date of that credit (principal and interest) shall be only after the full repayment of Debentures A and B, and in case of insolvency and at any other time the credit obtained as foregoing shall not be repaid, only after the full repayment of Debentures A and Debentures B.
- 12.1.4 Notwithstanding the provisions of Section 12.1.3 above, the Company shall be allowed to carry out currency hedge transactions at its discretion, in order to protect certain expected proceeds that the Company is entitled to receive, or proceeds that the Company is entitled to receive, from a transaction executed by the Company or a corporation controlled by the Company, and for this purpose it

shall be allowed to use funds in the Company's accounts, including those in the accounts pledged to the benefit of the Debenture Holders this – as long as the pledge on the Pledged Accounts (in whole or in part) is not exercised.

Restrictions applicable to KFS and corporations under its control

12.2 KFS and all the corporations under its control shall be subject to the restrictions and obligations detailed below until the date the Relief Conditions are met:

12.2.1 KFS and any corporation under its control shall not be allowed to enter new fields of activity in which they do not operate as of the date of this Deed (the fields of activity of KFS and the corporations under its control as foregoing are described in **Appendix 12.2.1** to this Deed).

12.2.2 KFS and TBIF themselves shall not be allowed to make any investments, however any corporation they hold which is a "corporation with business activities" (as this term is defined below) shall be allowed to make investments in existing and new projects, which are within its fields of activity, as these are as of the date of this Deed, as long as the source of such investment is the current operations of any of the corporations controlled by KFS, and does not constitute proceeds for the Agreed Assets (hereinafter: the "**Permitted Investments**").

"**Corporation with business activities**" shall mean – any corporation fully or partially owned by TBIF, whether directly or indirectly.

12.2.3 KFS and TBIF themselves shall not be allowed to obtain any credit, except for credit KFS obtains from TBIF or short-term credit obtained by either of them from a corporation under their control, in a cumulative amount that at no given time shall exceed EUR 5 million.

12.2.4 Any corporation held by KFS or TBIF, which is a corporation with business activities, shall be allowed to obtain credit without any restriction for the purpose of its business activity, under the following cumulative conditions:

a. The collaterals to be given to guarantee such credit shall be given only by a corporation with business activities and collaterals for such credit may also be given in addition by KFS or TBIF themselves;

b. The Agreed Assets (or the shares of the corporations holding them) shall not be used as collateral for such credit, however it shall be possible to pledge an Agreed Asset belonging to TBIF if an Ordinary Decision approving this

is made, in any of the two Debenture Holders' meetings (Series A and Series B).

Restrictions applicable to TGI and corporations under its control

12.3 TGI and all the corporations under its control shall be subject to the restrictions and obligations below until the date the Relief Conditions are met:

12.3.1 TGI, TGA and any corporation they control (excluding TG and the corporations controlled by TG) shall not be allowed to enter new fields of activity in which they do not operate as of the date of this Deed (the fields of activity of TGI, TGA and corporations they control as of the date of this Deed are detailed in **Appendix 12.3.1** to this Deed).

12.3.2 TGI and TGA shall be allowed to make investments and obtain credit with no restriction except for the following restrictions:

- a. The source of such investments is only from the current activity of any of the corporations controlled by TGI (but it is not proceeds from the Agreed Assets, excluding the amount received from the KWIG transaction which shall remain in TGI, at the demand of the Banks as detailed in Section 7.2(1) above,, and which shall be used by TGI and TGA for investment at their discretion, including for making investments in TG.
- b. The collaterals and undertakings given to guarantee the Credit obtained as foregoing shall be given and granted only by TGA or by TGI or corporations under their control, and not by other corporations in the Kardan Group (this without derogating from the Negative Pledge Obligation with respect to KWIG as detailed in Section 8.12.1 above).

Notwithstanding the foregoing in this Section 12.3.2 above, TGI and TGA shall be allowed to obtain any action which is prohibited pursuant to this Section 12.3.2 if an Ordinary Decision is made approving this in any of the two Debenture Holder (Series A and Series B) meetings.

12.4 It is agreed that there shall be no restrictions on the activities of TG and the corporations under TG's control, including with respect to obtaining credit, entering new fields of activity, making new investments and pledging assets, as long as such activities are made only from the resources of TG and the corporations under its control, rather than from the resources of other corporations in the Kardan Group.

- 12.5 The Company as well as TGI shall be allowed to provide third parties with guarantees, the provision of which is necessary for the purpose of execution of projects by TG and corporations under its control. In addition, TGI shall be allowed to provide guarantees the provision of which is required for the purpose of TGA's execution of projects. Guarantees as foregoing in this section shall be given only for projects as detailed in this section (and not for investment in assets).
- 12.6 The Company shall report to the Trustee upon the provision of any guarantee as foregoing by the Company, together with the details of the guarantee and the project for which it is provided.

Restrictions applicable to KLC and the Corporations under its Control

- 12.7 KLC and all corporations under its control shall be subject to the restrictions and obligations below until the date the Relief Conditions are met:
- 12.7.1 KLC and any corporation under its control shall not be allowed to enter new fields of activity or make investments in new projects or operations (even if these are within the present fields of activity of any of the foregoing corporations as of the date of this Deed, as these are detailed in **Appendix 12.7.1** to this Deed).
- 12.7.2 KLC and any corporation under its control shall not expand the Dalian Project. It is hereby clarified that the construction of an additional building in the Project (beyond the present buildings and the two C buildings planned in the Project) shall be considered an expansion for the purposes of this section. The Lucky Hope Companies shall not initiate and shall not develop new projects beyond the projects to be built on all lands they own.
- 12.7.3 In addition, proceeds received from the assets of KLC or any corporation under its control shall be subject to the following provision:
- Proceeds from each project may serve that project alone, pursuant to the provisions of this Trust Deed. For this purpose, the projects/assets belonging to the Lucky Hope Companies shall be considered one project.
- 12.7.4 Unless this receives the approval with a majority of 66% of either of the two Debenture Holders' meetings (Series A and Series B), KLC or any corporation under its control shall not be allowed to obtain any credit, only subject to the following conditions
- a. KLD shall be allowed to substitute the Chinese Loan with a loan at an identical or lesser amount, under market conditions, from any entity, or

obtain an additional loan under market conditions, at an amount that together with the Chinese Loan amount, as of that date, shall not exceed RMB 900 million.

- b. KLD shall be allowed to substitute the Chinese Loan with a loan at a greater amount, but one that will not exceed RMB 1,260 million, or obtain an additional loan at an amount that together with the Chinese Loan amount, as of that date, does not exceed the foregoing amount of RMB 1,260 million (in this section, hereinafter: the "**New Loan**"), unless for any of the following needs: (a) for the purpose of activity permitted in the Dalian Project; (b) for the purpose of transferring amounts to the Company for payment to Debenture Holders (Series A and Series B) only (however, in this case the terms of the New Loan shall be presented in advance for the approval, by an Ordinary Decision, of each of the two Debenture Holders' meetings (Series A and Series B)).

12.7.5 KLC shall be allowed to obtain the credit or guarantee the credit obtained as foregoing in Section 12.7.4 (a) and 12.7.4 (b) and/or provide collateral for such credit, but shall not give in connection with any such loan any collateral or undertaking (including a guarantee), but only that of KLC or corporations under its control (and not of any other corporation in the Kardan Group).

12.7.6 KLC shall be allowed to obtain credit for the purpose of funding its current expenses (not for the purpose of the Dalian Project or for the purposes of the Lucky Hope Companies) with a cumulative amount that at no time shall exceed EUR 10 million.

12.7.7 Any company of the Lucky Hope Companies shall be allowed to obtain credit for the benefit of its needs or for the needs of another Lucky Hope Company (for the avoidance of doubt, such credit shall not be provided a KLC guarantee).

12.7.8 It shall be possible to pledge the rights of KLC (or any corporation under its control) in KLD and in the Lucky Hope Companies, only for the purpose of obtaining credit pursuant to the foregoing provisions.

12.8 No corporation in the Kardan Group shall provide guarantees or collaterals or assume liabilities to the benefit of another corporation in the Kardan Group, but only pursuant to the foregoing provisions.

12.9 The existence of loans between Kardan Group corporations shall not prevent or derogate from the foregoing provisions and their execution.

12.10 For the avoidance of doubt, a restriction which is detailed above regarding a corporation (hereinafter: a "**Restricted Corporation**") shall also apply to any corporation which shall be established in the future and which will be held by a Restricted Corporation or by any other entity holding a Restricted Corporation.

**13. Dividend Distribution**

The Company shall not perform a "distribution" as this term is defined in the Companies Law (nor any dividend distribution in cash or in kind), until the Relief Conditions have been met, and also – until another condition has been met, according to which the Company has repaid at least 75% of the par value of the Debentures (Series A and Series B) (which are not held by the Company or a corporation under its control), as were in existence on December 31, 2014.<sup>8</sup>

In this section, "**Distribution**" shall mean granting a dividend or undertaking to grant one, either directly or indirectly, and for this purpose, "Acquisition" shall mean acquisition or providing funding for an acquisition, either directly or indirectly, by a company or by its subsidiary, or by another corporation under its control, of the Company's shares or securities convertible into Company shares or exercisable by way of Company shares, or redemption of redeemable securities (as defined in section 312(a) to the Companies Law) which are part of the Company's undertaking to do any of the foregoing, and all provided that the seller is not the Company itself or another corporation wholly owned by the Company.

**14. Transactions with Controlling Shareholders**

The Company undertakes, that until the full repayment of Debentures A and Debentures B, it and all corporations under its control shall not make any transactions with controlling shareholders or transactions in which controlling shareholders have personal interest, including transactions dealing with terms of employment and service, but only with the approval of the ordinary majority of each of the Debenture Holders' meetings (Series A and Series B).

Notwithstanding the foregoing, the provisions of this section shall not apply with regard to current obligations, as of the date of this Deed, to Kardan Israel Ltd. (including reducing the obligations toward it) and the other transactions detailed in Section 10 of Chapter D of the Company's periodic report for 2014 which the Company declares are the only liabilities existing on the date of this Deed of any of the Kardan Group corporations to the controlling shareholders in the Company.

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<sup>8</sup> I.e., repayment of at least NIS 990,698,416 p.v. of Debentures A and Debentures B (accumulated).

In addition, the provisions of this section shall not apply while entering a transaction with interested parties regarding TBIF Dan Leasing Ltd., under terms and conditions which are materially similar to the transaction detailed in Section 10.1.4 of Chapter D of the Company's 2013 periodic report, which at the end of the day was not realized.

In case the Company desires to enter into a transaction which is subject to the Companies Regulations (Allowances in Transactions with Interested Parties), 5760-2000 (hereinafter: the "**Allowances Regulations**") (if these were to apply to the Company), the Company shall publish in an immediate report regarding its intention to execute such transaction or action, and will state in the report the holders' right to demand the convening of a meeting as detailed below. The Company shall be required to convene a meeting of Debenture Holders (Series A) for the purpose of approving the transaction with an ordinary majority, as a condition for the transaction's execution – if this is demanded by one or more of Holders (Series A) and/or Holders (Series B) holding together Debentures (A and/or B), the par value of which is equal to at least 5% of the Principal balance of the Debentures (Series A) and the Debentures (Series B) at the time.

**15. Change of Control**

In case control in the Company is joined by a Prohibited Controlling Shareholder (as defined below) or control in the Company is fully transferred to a Prohibited Controlling Shareholder (hereinafter, each of the following cases shall be termed: "**Prohibited Change of Control**"), this shall constitute cause for the Debenture Holders to call the Company's debt to them for immediate repayment.

"**Prohibited Controlling Shareholder**" shall mean – a controlling shareholder, with regard to whom two Debenture Holders' meetings (Series A and Series B) (each of which was convened at the demand of holders of that series, one or more, holding together at least 20% of the balance of par value of that series (Series A or Series B, as relevant), have decided, by a Special Decision, within 21 days of the date on which the Company reports the change of control in an immediate report, that they object to the change of control, for reasonable reasons related to the personal reputation of the Prohibited Controlling Shareholder, for example the fact that he had committed a flagrant offence or that he does not meet the conditions set by law for serving as a director in a public company in Israel.

The provisions of this Section 15 shall apply until the full repayment of Debentures A and Debentures B.

**16. The Company's Board of Directors**

Director Representing the Holders



- 16.1 As long as the Relief Conditions are not met, Debenture Holders A and Debenture Holders B shall appoint one board member which shall jointly represent them on the Company's Board of Directors, and will also serve as a director on KLC's Board of Directors (hereinafter: the "**Additional Director**"). In order to select the Additional Directors, the Trustees will propose the names of three candidates, residents of the Netherlands, which shall be examined by the Company's committee for remuneration, appointment and selection of officeholders in the Kardan Group (hereinafter: the "**Committee**"), out of which the Company's board of directors shall select one director, whom it shall recommend to the general meeting of the Company's shareholders to serve as the Additional Director. The Trustees shall be allowed to replace the Additional Director, from time to time, by delivering a written notice to the Company and subject to the above mechanism regarding the appointment of the Additional Director. Decisions on behalf of the Debenture Holders with respect to the appointment of a director as foregoing shall be made by the Trustees themselves or by an Ordinary Decision made in the joint meeting of Debentures Holders Series A and Series B. The Company undertakes that the Additional Director shall be nominated within 60 days from the Completion Date.
- 16.2 The terms of the Additional Director's remuneration shall be equal to the remuneration terms of the Company's independent directors. In addition, the Company shall include the director in the Company's directors' and officers' liability insurance policy, and shall grant him indemnity and an exemption as given, if given, to the independent directors in the Company (whether to all or some of them).
- 16.3 It is hereby clarified, that the appointment of the Additional Director shall be terminated when the Relief Conditions are met.
- 16.4 Within 7 days of his appointment, the director shall provide the Company with a letter, in the format attached to this Deed as Appendix 16.3, according to which he undertakes to submit his resignation from the Company's board of directors immediately upon the Relief Conditions having been met.
- 16.5 Attached as Appendix 16.45 is a letter of commitment of all Controlling Shareholders in the Company, addressed to the Trustees, under which the Controlling Shareholders undertake to vote by virtue of the Company shares held by them , in each of the Company's shareholder meetings that have on the agenda the issue of the appointment of the Additional Director, "in favor" of the appointment of the Additional Director proposed by the Trustees as according to the mechanism described above.
- 16.6 The Company's Articles of Association shall be amended pursuant to the provisions of this Section, as necessary.

The Committee for the Selection and Compensation of Officeholders in the Kardan Group

16.7 As long as the Additional Director serves as a director in the Company, he shall be a member of the Committee.

16.8 As long as the Relief Conditions are not met, the following provisions shall apply:

16.8.1 No decision regarding the nomination of a Material Officeholder (as defined below) shall be made in the Kardan Group (as defined below) and no decision shall be made regarding a material change in the salary terms of any Material Officeholder, without the Committee's prior recommendation regarding the adoption of the salary terms or change of such terms, as relevant.

**"Material Officeholder"** shall mean – the Chairman of the Board as well as the CEO of any of the Companies KLC, TGI or KFS, as well as any of the officeholders who is one of the five highest salary recipients in the Kardan Group according to a list to be included in the quarterly or periodic report (as relevant) preceding the date of change (including any person who, upon appointment in the Company, is to become one of the highest salary recipients).

Notwithstanding the foregoing, the Committee's position on all matters related to Material Officeholders in TGI or in any of the corporations under its control, shall constitute a recommendation, which it will be possible to reject.

16.8.2 No decision shall be made regarding the adoption of new employee option plans in the Kardan Group (which do not exist as of the date of this Deed) without the Committee's prior approval.

16.8.3 Granting a bonus to the Company's CEO for the years 2015 and thereafter, shall require a prior unanimous recommendation by all Committee members.

Material Transaction

16.9 Any Material Transaction executed by KLC or by any of the corporations under its control shall be presented for discussion and approved in advance by the Company's Board of Directors.

**"Material Transaction"** for this purpose shall mean – a transaction for the disposal of an asset or obtaining financing or taking on of a partner, in a scope or value exceeding EUR 25 million.

17. Restrictions on General and Administrative Expenses in the Kardan Group

17.1 As long as the Relief Conditions are not met, the Company undertakes that the General and Administrative Expenses of the Company, of GTC RE and of Emerging (jointly) shall not exceed:

17.1.1 In 2015 – an amount of EUR 4.8 million, linked to the HICP (European Harmonized Index of Consumer Prices), as known on December 31, 2014;

17.1.2 In 2016 and thereafter – an amount of EUR 4.5 million, linked to the HICP (European Harmonized Index of Consumer Prices), as known on December 31, 2014;

(The foregoing amounts shall be jointly termed hereinafter: the "**Maximum Expense**")

The Maximum Expense shall not include expenses for the arrangement with the Debenture Holders, expenses of a representative or director appointed by the Trustees, expenses for a bonus to the Company's CEO and exceptional expenses which cannot be reasonably expected.

17.2 If there is any deviation in the general and administrative expenses in any given year, of more than 5% of the Maximum Expense with respect to such year, in an annual calendar calculation performed by March 31 of the following year, then the CEO's bonus for that year shall be reduced, if and insofar he is entitled to such bonus, by 20%.

In addition, in case of such deviation, the Company shall cease paying salary payments and other payments to the Controlling Shareholders (or to anyone on their behalf), for which they are entitled by virtue of their office as directors. However, in case that in the consecutive year following the year of such deviation, the general and administrative expenses amount is lower for such year than the Maximum Expense with respect to such subsequent year, in such a way that the difference between the Maximum Expense and the general and administrative expenses amount in that year is greater than the deviation in the preceding year as foregoing, then amounts not paid to the CEO and the directors due to the deviation as foregoing shall be paid to them at the end of that subsequent year.

17.3 The Company shall update the Trustees no later than March 31 of each year with respect to the general and administrative expenses amount for that ended year. The Trustee shall rely on such confirmation and shall not be required to conduct any further examination or investigation on his part.

17.4 The Company declares and undertakes that beyond the foregoing, there are not and there shall be no additional general and administrative expenses in the Company or in any other corporation controlled by the Company, excluding TGI, KFS and KLC and the corporations controlled by these.

17.5 It is hereby clarified that any deviation from the general and administrative expenses set above shall not create cause for immediate repayment.

**18. Preconditions**

This Deed shall enter into effect on the Completion Date, subject to meeting all of the conditions prescribed in Section 19 below as well as subject to all cumulative conditions detailed below (hereinafter: the "**Preconditions**"), as long as all Preconditions are met by no later than the end of 45 days from the date of publication of this Deed or any other postponed date the Company and the Trustees shall agree on in writing (hereinafter: the "**Deadline**"), and otherwise this Deed shall not enter into effect and shall be immediately and automatically considered null and void upon the Deadline:

- 18.1 Receiving the approval of Debenture Holders Meeting Series A for the amendment of the Original Trust Deed by way of its replacement with the provisions of this Deed, including its appendices, and ordering the Trustee to enter into this Deed and its appendices with the Company;
- 18.2 Receiving the approval of Debenture Holder Meeting B for the amendment of the Original Trust Deed B by way of its replacement with the provisions of Trust Deed B, and ordering the Debentures B Trustee to enter into Trust Deed;
- 18.3 Publishing this Deed and Trust Deed B, including their appendices, a reasonable time before the aforementioned Holders' meetings;
- 18.4 Publication until 25.5.2015 of signed approvals by KLC, KFS, TBIF, TGI, TGA, EMERGING and GTC RE according to the template attached as **Appendix 18.4** to this Deed;
- 18.5 Receiving the Stock Exchange's approval, if necessary, of the amendment of the terms of Debentures A pursuant to the provisions of this Deed and the amendment of the terms of Debentures B pursuant to the provisions of Trust Deed B;
- 18.6 Receiving the Stock Exchange's approval, if necessary, to the Allocation of the Allocated Shares and listing them for trade;
- 18.7 Receiving the Stock Exchange or the Israeli Securities Authority's approval, that there is no prohibition to pay the nominal value and the minimal share price (as defined in the Stock Exchange regulations) of the Issued Shares by way of setting off the First Agreed Compensation;
- 18.8 Publishing the Company's request to the Tax Authority (for obtaining a pre-ruling) with respect to tax aspects relevant to Debenture Holders A and Debenture Holders B with respect to this Deed and with respect to Trust Deed B (hereinafter: the "**Tax Arrangement Draft**") a reasonable time before the voting by the Debenture Holders' meetings regarding

the amendments to the Trust Deeds by way of replacing them with this Deed and with Trust Deed B;

- 18.9 The provision to the Company, by the Trustees, of the names of the three candidates, who are residents of the Netherlands, from which the additional director to serve on behalf of Debenture Holders A and B shall be selected;
- 18.10 Obtaining the approval of the banks in which the Company's bank accounts are managed, in order to create pledges on the pledged accounts in accordance with the provisions of this Deed, or alternatively, obtaining the approval of the Company that the said approval by the banks is not required.

**19. Completion of Settlement under this Deed and Additional Commitments of the Company**

- 19.1 Shortly after all Preconditions have been met, the Company shall publish an immediate report, in which it shall state that all Preconditions have been met, and the Completion Date.
- 19.2 The Company undertakes that on the Completion Date, all of the actions below shall be executed simultaneously (so that none of the actions will have been deemed as executed as long as all of the actions detailed below in Section 19.2 have been fully executed).
  - 19.2.1 The Company shall provide the Trustees with a Letter of Guarantee in the format prescribed in Appendix 8.15.1, signed by KLC.
  - 19.2.2 The Company shall present the Trustees with the signed Letters of Undertaking as specified in section 18.4 above.
  - 19.2.3 The Company shall present the Trustees with, and publish, Letters of Undertaking signed by the Company's subsidiaries TGA and TBIF, which are hereby attached as Appendix 8.12.1.
  - 19.2.4 All of the Company's Debentures held by its subsidiaries as of the Date of Completion<sup>9</sup>, shall be deposited in the holding subsidiaries' bank accounts (hereinafter: the "**Relevant Debenture Accounts**") and the Company shall provide the Trustees with a written approval which includes the details of the said bank accounts (including details regarding the identity of each account holder and details regarding the quantity and type of Debentures deposited in that account).

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<sup>9</sup> As at 31.3.2015 subsidiaries hold NIS 262,942,775 par value Debentures A and NIS 142,681,737 par value Debentures B.

In addition, the Company shall provide the Trustees with a written approval, according to which all of the rights in the said accounts are free and clear of any debt or pledge or other third party right and that they shall remain in that state until the pledge has been registered in accordance with Section 19.3.2 below, and also that all of the said Debentures shall remain in the Relevant Debenture Accounts until the said pledge has been registered. The Company undertakes that the provisions which apply to debentures purchased by one of the Company's subsidiaries, as detailed in Section 6.1 above, shall also apply to the abovesaid Debentures.

19.2.5 The Company shall publish a final approval by the Tax Authority (pre-ruling), signed by the Tax Authority, regarding the tax aspects which apply to Debenture Holders A and B with respect to this Deed and the Amendment of Deed B, in a format which is not materially different than the Draft Tax Arrangement (as defined above).

19.2.6 The Company and the Trustee shall sign this Deed and the Company and the Trustee B shall sign Trust Deed B.

19.3 The Company undertakes that within up to 45 business days from the Completion Date –

19.3.1 Those Entitled to the Allocated Shares shall obtain from the Company the Allocated Shares listed for trade, on the date of their receipt, on the Stock Exchange and on the Euronext Exchange in Amsterdam.

19.3.2 Those Entitled to the Allocated Shares will receive from the Company the Additional Agreed Compensation, according to Section 3.5 above.

Until the Completion Date, GTC RE and EMERGING will deposit a waiver in respect to their entitlement to receive their portion in the Allocated Shares and in the payments (including the Additional Agreed Compensation) in relation to the Debentures held by them.

19.3.3 The Relevant Bank Accounts shall be pledged to the Trustees in a primary pledge with documents to the Trustee's satisfaction.

19.4 The Company undertakes that within up to 45 business days from the Completion Date –

19.4.1 The Additional Director (as defined in Section 16.1 above) shall be nominated to the Company's board of directors and KLC's board of directors.

19.4.2 The registration of pledges on the Pledged Rights and Loans, relevant for Emerging, shall be completed, as well as any amendment (or re-registration) required by the Trustees in connection with the (registered) pledges on the Pledged Rights and Loans relevant to GTC RE.

19.5 The Company undertakes that within up to 90 business days from the Completion Date, the Company shall complete the registration of all other pledges detailed in this Trust Deed (excluding those detailed in Sections 19.3.3 and 19.4.2 above, which shall be completed prior to that date) detailed in this Trust Deed.

19.6 [Deleted]

**20. Right to Call for Immediate Repayment**

20.1 The Trustee shall be allowed to call for immediate repayment the entire unpaid balance of the Debentures (Series A), upon the occurrence of one or more of the following cases:

20.1.1 If the Company does not repay any amount due from it in connection to the Debentures (Series A) within 7 Business Days of the time its repayment date.

20.1.2 If the Company fails to comply with one or more of the Coverage Ratios of the Company or KLC, as provided in Sections 9.1.1 and 9.1.2 above, for two consecutive quarters. however – if deviation in both such quarters is of less than 5% in relation to the Coverage Ratios set in Sections 9.1.1 and 9.1.2 above, then the cause under this Section shall be created only if in the next consecutive (third) quarter, there is (any) deviation in one or more of the foregoing Coverage Ratios.

20.1.3 For the purpose of the following sections: a “Relevant Corporation” signifies any of these: (1) the Company; (2) each of the Pledged Corporations; (3) any corporation through which the Company holds, directly or indirectly, in the Dalian Project, and (4) any other corporation that the value of the Company’s holdings in it is more than 25% of the total last consolidated balance sheet of the Company, as was published in the annual or quarterly report.

20.1.4 If a Relevant Corporation files, or approves the filing of, an application with the court (in Israel, the Netherlands or in any other place) for the convening of creditor meeting/s for the purpose of approving a settlement with its creditors or application for the approval of a settlement with its creditors or application for the issue of a suspension of proceedings order pursuant to Section 350 of the Companies Law or any parallel section in any other law or application for

protection from creditor/s or postponement of payment dates to credit/s or any similar application and/or such a court issues, at the request of the Relevant Corporation or with its approval, a suspension of proceedings order against the Relevant Corporation, pursuant to Section 350 of the Companies Law or an equivalent section of another law or a protective order against the Relevant Corporation's creditor/s or order for the postponement of payment dates to creditor/s or an order for the convening of a creditor meeting/s for the purpose of approving a composition of the Relevant Corporation's creditors or order for the approval of the composition of its creditors.

- 20.1.5 If a permanent or temporary order is given by a court (in Israel, the Netherlands or any other place), or an effective decision is made to liquidate or dissolve a Relevant Corporation (including temporary liquidation), or the Relevant Corporation is appointed a permanent or temporary liquidator or trustee or other officer, or a suspension of proceedings order is issued against the Relevant Corporation, without the Relevant Corporation's approval, pursuant to Section 350 of the Companies Law or any equivalent section in another law, or an order for protection from creditors or order for the postponement of payment dates to creditor/s or any similar order or order for the convening of creditor meeting/s for the purpose of approving a settlement with creditors or order for the approval of a settlement with creditors, and such order or decision are not canceled within 45 days of the date these are issued, or as long as it relates to a permanent order, pursuant to an opinion received by the Trustee, there is no reasonable likelihood that the permanent order shall be canceled within such a period of time.
- 20.1.6 For the purpose of the following sections, "Material Asset" shall mean any of: (1) any of the Pledged Rights and Loans insofar the value of the Company's stake in it (as was accounted for the purpose of the last annual or quarterly report published by the Company) exceeds NIS 50 million (and if the events described below took place in relation to one or more of the Pledged Rights and Loans will have an accumulated value exceeding NIS 50 million); (2) The rights of the Company or any corporation under its control (all or a substantial part thereof) in the Dalian project or in a corporation through which the Company holds the Dalian project, and (3) any other asset which value (as was accounted for the purpose of the last annual or quarterly report published by the Company) exceeds 25% of the total consolidated balance sheet of the Company.



- 20.1.7 20.1.7 If foreclosure is imposed, or execution actions are conducted, all with respect to a debt exceeding EUR 10 million regarding a Material Asset, and such foreclosure is not removed or such execution action is not canceled within 90 days from the imposition of foreclosure or the execution action is executed, however the cause for immediate repayment will rise without waiting the said 90 days period from the date the foreclosure or execution will allow a third party or an office holder to exercise the Material Asset .
- 20.1.8 If a receiver or temporary receiver or any officer is appointed for a Material Asset, or another legal action was taken for a forced exercise of a Material Asset and all within foreclosure process or self-exercise, as allowed by the relevant law, and such appointment or exercise is not canceled within 45 days.
- 20.1.9 If the Company ceases or notifies of its intention to cease payment of its debts,
- 20.1.10 If the Company violates or fails to comply with any obligation which is a material obligation in the opinion of the Trustee included in the Debenture Certificate or the Trust Deed, or the Company violates any obligation and has failed to cure such violation within a reasonable period of 14 days from the date it was addressed in writing by the Trustee in request to cure the violation. It is clarified, that violation of an obligation in respect to which this Deed explicitly states it does not constitute cause for immediate repayment shall not constitute cause for immediate repayment.
- 20.1.11 In any case of a "Prohibited Change of Control" as this term is defined in Section 15 above.
- 20.1.12 If the rating of the Debentures by a rating agency is ceased for a period exceeding 30 (thirty) days.
- 20.1.13 If another series of debentures issued by the Company is called for immediate repayment by the Trustee for that series, or if the trustee for another series of debentures as foregoing takes action to exercise a pledge given to guarantee the Company's undertakings toward that series.
- 20.1.14 If a creditor which accumulated debt of the Company and any corporation under its control towards him exceeds EURO 25 million, will bring the Company's debt or the debt of a corporation under its control for immediate repayment or took action to exercise a pledge granted to secure such debt of the Company or of a

corporation under its control, and the Trustee will see it as an event which may harm the rights of the Debenture Holders.

- 20.1.15 If the Chinese Loan, or any future loan that the Chinese Banks provide the Company or a corporation under its control, or any loan that replaces fully or partially the Chinese Loan, so that the Dalian Project serves as its collateral or KLC's loan guarantee are called (in whole or part) for immediate repayment or if actions were taken to exercise a pledge or foreclosure process or parallel processes of the applicable laws.
- 20.1.16 If the Company fails to publish a financial statement which it must publish pursuant to any law, within 30 days of the deadline by which it must publish it
- 20.1.17 If there is a material deterioration in the Company's businesses, in comparison with its state on the Completion Date and according to the Trustee's reasoned opinion (including based on opinions obtained by the Trustee), there is real concern that the Company will be unable to repay Debentures A in a timely manner; .
- 20.2 Upon the occurrence of any of the events of Section 20.1 above, the Trustee shall be allowed (but not required), prior to exercising his powers, to call for immediate repayment pursuant to this Section, to convene a holders' meeting and to accept its instructions.
- 20.3 The decision of holders to call the Debentures (Series A) for immediate repayment shall be made at a Holder meeting attended by the Holders of at least fifty percent (50%) of the balance of par value of the debentures of that series, with a special majority of at least 75% of the votes of the participants and counted in the voting, or with such a special majority in a postponed Holder meeting attended by the Holders of at least ten percent (10%) of such balance
- 20.4 Notwithstanding the foregoing in Section 20.1 above, the debt balance shall not be called for immediate repayment, unless the Trustee gives the Company advance written notice of his intention to do so, and the Company fails to comply with the provisions of the notice within 30 days of the date of its receipt, except for a situation where the Company is unable to cancel or cease the applicability of such situation pursuant to Section 20.1 above. In such notice, the Company shall have to cause the cancelation and/or cessation of such situation among those cases mentioned in Section 20.1 above, for which the notice was given. Notwithstanding the foregoing, if the Trustee is of the opinion that such postponement as foregoing in Subsections 20.1 or 20.4 jeopardizes the holders' rights, then

the Trustee shall be allowed to shorten the notice period provided in this Section 20.4 or the waiting periods provided in the subsections of Section 20.1 above, insofar as he finds it necessary in order to prevent such risk to the holders' rights, and under the condition that he informs the Company of this in writing five (5) Business Days prior to taking any action to call the debt for immediate repayment

20.5 In case that the Company is delivered notice that the Debentures were called for immediate repayment pursuant to the provisions of this Section 20, then the Company undertakes:

20.5.1 To repay to the Debenture Holders (Series A) and the Trustee all amounts due to them and/or to be due to them pursuant to the terms of this Trust Deed, whether or not the due dates for these have passed (acceleration), this within 7 days of the notice date; and

20.5.2 To deliver to the Trustee, at his request, any affidavit or affidavits and/or sign any document and/or take or cause the taking of all actions necessary and/or required pursuant to any law in order to validate the exercise of the authorities, powers and authorizations of the Trustee and/or his representatives, necessary in order to enforce on the Company its obligations as provided in this Section 20 above, and to exercise the collaterals.

## **21. Claims and Proceedings by the Trustee**

21.1 At any time following the calling for immediate repayment of the Debentures, the Trustee shall be allowed, at his discretion, to take against the Company all proceedings, including legal proceedings, as he sees fit and subject to the provisions of the law, in order to exercise the Holders' rights and enforce execution by the Company of its obligations under this Deed. Subject to the provisions of this Deed, after the Debentures are called for immediate repayment, the Trustee shall have to do the foregoing at the demand of the Debenture Holders (Series A), to be decided by a Special Decision by the Holders, and provided that he finds that under the circumstances it is not just or reasonable to do so, and as long as he approaches the competent court with a request to receive instructions on this matter as soon as possible.

21.2 The Trustee may, before embarking on proceedings as foregoing, convene a Holders' meeting in order for the Holders to decide by a Special Decision which proceedings to take in order to exercise their rights under this Deed, as long as the assembly is convened at the earliest possible date, and the postponement of proceedings does not jeopardize the Holders' rights. In addition, the Trustee shall be allowed to again convene Holder

meetings for the purpose of receiving instructions on any matter related to conducting the proceedings, as foregoing.

- 21.3 Subject to the provisions of this Deed, the Trustee shall be allowed, but not obligated, to convene at any time a Holder meeting in order to discuss or receive its instructions on any matter related to this Deed, as long as the convening of the meeting is performed on the first possible date, and that the postponement of proceedings does not jeopardize the Holders' rights. The Trustee shall be required to convene a meeting at the request of the Holders of at least 5% of the principal of the outstanding Debentures A, on the first possible date.
- 21.4 The Trustee shall be allowed, at his sole discretion, to delay the execution of any action by him pursuant to this Deed, for the purpose of approaching the Holders' meeting and/or the court, until he receives orders from the Holders' meeting and/or orders from the Court as to how to act, as long as the Trustee's convening of the meeting or application with the Court are performed on the earliest possible date, and their postponement does not jeopardize the Holders' rights
- 21.5 For the avoidance of doubt, it is hereby clarified that the Trustee may approach courts even prior to the calling of the Debentures (Series A) for immediately repayment, for the purpose of the issue of any order with respect to the management of the Trust, as he sees fit, and to embark on any other legal proceeding.

## **22. Indemnity**

The Trustee shall be entitled to indemnity from the Debenture Holders or the Company (but not from the Company in relation to a claim filed against the Trustee by a Debenture Holder) for reasonable expenses he has spent and/or will spend and / or damage and / or payment and / or financial charge, including pursuant to any judgment, arbitrator's judgment (for which no suspension of execution was given) or pursuant to a settlement that has ended (and insofar as the settlement deals with the Company, the Company has given its agreement to the settlement), in relation to actions performed or required to perform due to his duties under the terms of this Trust Deed and / or by law and / or by order of any competent authority and / or any law and / or at the demand of the Debenture Holders of each series separately and / or at the demand of the Company; despite the aforesaid, it is hereby agreed and clarified that:

- 22.1 The Trustee shall not be entitled to demand indemnity in advance, as aforesaid, on matters which may not be postponed.
- 22.2 The indemnity right as detailed in this Section is subject to the following conditions:
- 22.2.1 The expenses due to liability for damages are reasonable.

- 22.2.2 The Trustee acted in good faith, and this action was taken as part of fulfilling his role, under the provisions of the law and according to this Trust Deed.
- 22.3 Without derogating from rights to compensation and indemnification provided to the Trustee by law and/or in the obligations of the Company and Debenture Holders under this Deed, the Trustee, its representative, manager, agent or any other person appointed by the Trustee under this Trust Deed shall be entitled to indemnification out of the funds received by the Trustee as a result of proceedings he has filed and/or otherwise under this deed, regarding obligations taken on by them, regarding expenses related to the execution of the trusteeship or in connection to such actions, which in their opinion were necessary for such execution and / or in connection with exercising the powers and authorizations granted by virtue of this Deed, as well as in connection to any type of legal proceedings, opinions of attorneys and other experts, negotiations, discussions, expenses, claims and demands regarding any matter and / or thing performed and / or not performed in any manner with respect to this, and the Trustee can withhold the funds and use them to pay the amount necessary for paying the said indemnification. All the said amounts shall be granted priority over the rights of the Debenture Holders and under the provisions of any law provided the Trustee acted in good faith and in accordance with the duties imposed on him by virtue of any law and under this Deed.
- 22.4 Whenever the Trustee is obligated pursuant to the provisions of the Trust Deed and/or pursuant to law and/or the order of any competent authority and/or any law and/or at the demand of the Debenture Holders, separately for each series, and/or at the demand of the Company, to perform any action, including, but not limited to, commencing proceedings or filing claims at the demand of the Debenture Holders, separately for each series, as provided in this Deed, the Trustee shall be allowed to abstain from taking any such action, until he receives an indemnification letter from the Debenture Holders, separately for each series or from any of them, to his satisfaction, and if the action is taken following the Company's demand – from the Company, for any liability to damages and/or expenses arising to the Trustee or the Company or any of them following the taking of that action. It is hereby clarified that the foregoing does not exempt the Trustee from taking urgent action required in order to prevent material adverse effect to the Debenture Holders' rights, separately for each series.
- 22.5 Despite the provisions of Section 22 above, whenever the Trustee shall see fit, for the purpose of protecting and/or exercising the rights of the Debenture Holders, and/or shall be obliged, under the provisions of this Deed and/or under the law and/or under the directive of a relevant authority and/or any law and/or the Company's demand and/or the demand of the Debenture Holders to take legal action, the Company shall deposit with the Trustee an

amount to be determined by the Trustee to be the expected amount of the Trustee's expenses in relation to the legal actions. If the Company does not deposit the above amount on the date requested by the Trustee, for any reason whatsoever, the Trustee shall convene, effective immediately, a meeting of the Debenture Holders in order to confirm their responsibility to cover the costs involved in the legal actions taken by the Trustee. If the Debenture Holders refuse to incur the expenses involved in taking legal action by the Trustee, the Trustee shall not be obliged to take such actions. It is hereby clarified that such an agreement by the Debenture Holders shall not release the Company from its obligations to incur and cover all expenses involved in taking such legal actions. In addition, all funds received from disposal proceedings shall be used to repay and cover expenses which the Debenture Holders have undertaken to incur as aforesaid. It is hereby clarified that the aforesaid does not exempt the Trustee from taking urgent action required to prevent material harm to the rights of the Debenture Holders.

**23. Authority to Demand Financing from Debenture Holders**

- 23.1 Pursuant to the decision of the Trustee or the decision of the Debenture Holders, made in a Holders' meeting attended by the Holders of at least fifty percent of the par value balance of the Debentures, with the majority of those holding at least two thirds of the par value balance of the debentures represented in the vote or with such a majority in a postponed Holders' Meeting attended by the Holders of at least twenty percent of the balance, the Company shall transfer to the Trustee an amount (or part thereof) designated by the Company for a specific payment on account of principal and/or specific payment of interest for the Debentures, for the purpose of the funding required for those matters specified in such decision of the Trustee or the meeting (hereinafter: the "**Funding Amount**"), subject to such a decision being made prior to the effective date for eligibility of Bondholders to receive the principal or interest as foregoing.
- 23.2 If a decision is made by a meeting as foregoing, the following provisions shall apply, unless the Company provides the Trustee, prior to the effective date as foregoing, with an amount equal to the Funding Amount, but not out of such specific payment:
- 23.2.1 The Company shall provide the Trustee with the Financing Amount on the date set in this Deed for the principal or interest payment as foregoing, and the transferred amount shall be considered the Company's payment to the Debenture Holders for all intents and purposes.
- 23.2.2 The specific payment amount as foregoing (principal or interest) shall be reduced, and shall stand at such amount less the Funding Amount, and in case of the payment of interest, the specific amount shall also be reduced accordingly,

without this constituting any violation by the Company of the provisions of this Deed.

23.2.3 The Company shall publish an immediate report prior to the effective date on changes in the terms of this Trust Deed with respect to payments on account of principal and / or interest arising from the provisions of this Section.

23.2.4 The transfer of the payment to the Trustee shall be subject to the provisions of the law, including tax laws.

23.3 The foregoing does not release the Company from its obligation to pay expense and salary payments when it is obligated to pay these pursuant to this Deed and/or pursuant to any law.

**24. Trusteeship for the Proceeds**

All proceeds received by the Trustee as the result of the proceedings provided in Sections 20 and 21 above, or in any other way pursuant to this Deed, shall be held by him in trust and shall be used by him for the purposes and pursuant to the order of priorities as follows: first to clear the expenses, payments, charges and liabilities expended by the Trustee, imposed on him or caused in or as the result of the actions of executing the trust, or in any other manner in connection with the terms of this Deed, including his fees and including any other amount pursuant to the Indemnity Obligation as detailed in Section 22 above. The balance shall be used by the Trustee, firstly – to repay the refund to Holders that made payments pursuant to Section 23 above, secondly – to pay to the Holders the interest in arrears (if any) due to them pursuant to the terms of the Debentures and subject to the linkage terms of the Debentures, *pari passu*, *pro rata* to the amount of interest in arrears due to each of them, without any preference or priority right with respect to any of them, and without any preference with regard to priority with respect to the time of the Company's issue of the Debentures or in any other way; thirdly – to pay to the Holders the interest and principal amounts due to them pursuant to the Debentures they hold, *pari passu*, and subject to the linkage terms of the Debentures, whether or not the repayment dates for the principal amounts have passed, and *pro rata* to the amounts due to them, without any preference or priority right with respect to any of them, and without any preference with regard to priority with respect to the time of the Company's issue of the Debentures or in any other way; and the remainder – if any – the Trustee shall pay to the Company or to its subrogates. The payment of the amounts by the Trustee to the Holders is subject to the rights of other creditors of the Company, if any, pursuant to the provisions of law.

**25. Authority to Postpone Distribution of Funds**

25.1 Notwithstanding the foregoing in Section 24 above, in case the final amount to be distributed at any time pursuant to Section 24 above, is less than ten percent (10%) of the

unpaid principal balance of the Debentures (subject to the linkage terms), the Trustee shall be allowed to invest such an amount, in whole or part, in investments permitted under this Deed. Once such investments and their profits together with other funds coming into the Trustee's possession for the foregoing purpose amount to a sum sufficient to pay at least ten percent (10%) of the unpaid principal balance of the Debentures (subject to the linkage terms), the Trustee shall pay it to the Holders pursuant to the provisions of Section 24 above.

- 25.2 Notwithstanding the provisions of this Section 25 above, the Debenture Holders may, pursuant to a Special Decision they make, order the Trustee to pay them the amounts received by the Trustee to be distributed as foregoing in Section 24 above, even if their amount stands at less than ten percent (10%) of the unpaid principal balance of the Debentures.

**26. Notice on Distribution**

The Trustee shall notify the Holders of the date and location where any of the payments mentioned in Sections 24 and 25 above is to be made, with an advance notice of 14 days to be delivered in the manner provided in Section 38 below. After the date set in the notice, the Holders shall be entitled to interest at the rate set in the Debenture, only on the principal balance amount (if any) after deduction of the amount paid or offered for payment to them as foregoing.

**27. Non Payment for Reasons that do not Depend on the Company**

- 27.1 Any amount due to a Holder which is not paid in effect for reasons that do not depend on the Company, although the Company was willing to pay it, shall stop bearing interest and linkage differences from the date set for its payment, and such Holder shall be entitled only to those amounts to which he was entitled on the date set for the repayment of such payment on account of the principal, linkage differences or interest.
- 27.2 If such an amount is not paid within 14 days of the date set for payment, the Company shall transfer on the 15th day after the effective date for payment (and in case such a date is not a business day, on the first business day that follows) that amount to the Trustee, who shall hold the amount in Trust for the Holder, and such custody shall be considered as the Company's payment of that amount to the Holder. If such an amount is the last payment – then the holding in trust shall be considered as repayment of the Debenture. The Trustee shall deposit with the bank any amount he holds in trust for the Holders, and shall invest it as provided in Section 30 of this Deed. After he receives from the Holder notice of the removal of the prevention, the Trustee shall transfer to the Holder the funds accumulated for the deposit and deriving from the disposal of their investment, less all expenses and trust account management fees, and less all taxes as required by law.



Payment shall be performed against the presentation of proof satisfactory to the Trustee establishing the Holder's right to receive it.

27.3 At the end of one year from the deadline for the repayment of the Debenture, the Trustee shall return the amounts accumulated in his possession to the Company, less his expenses, and the Company shall hold them in trust and shall invest them as foregoing for the Holder for a period of seven (7) years, and shall not make any use of them during this period. After the return of the amounts to the Company, the Trustee shall not owe the Debenture Holders any payment for the amounts held by him as foregoing.

27.4 The Company shall approve in writing to the Trustee the return of the foregoing amounts and their receipt in trust for the Debenture Holders as foregoing, and shall indemnify the Trustee for any loss of any kind caused to him due to such transfer of funds, as long as he has acted reasonably.

27.5 or the avoidance of doubt, funds that are not demanded from the Company by a Debenture Holder at the end of seven (7) years from the date of the transfer of funds by the Trustee to the Company, shall be transferred to the Company, and it shall be allowed to use the remaining funds for any purpose whatsoever.

**28. Receipt from the Debenture Holder**

A receipt from the Debenture Holder for the principal and/or interest amounts paid to him by the Trustee for his Debenture shall fully release the Trustee from all matters related to the payment of the amounts stated in the receipt.

**29. Applicability of the Securities Law**

On any matter not mentioned in this Deed, and in case of any contradiction between the provisions of the Securities Law (which cannot be conditioned) and this Deed, the parties shall act pursuant to the provisions of the Securities Law.

**30. Investment of Funds**

All funds which the Trustee is allowed to invest pursuant to this Deed, he shall invest, in his name or at his order, at his discretion, in government bonds or in daily bank deposits with one of the five major banks.

**31. The Company's Obligations towards the Trustee**

31.1 To continue managing the Company's business in an orderly and proper manner.

- 31.2 To continue maintaining its assets (as these may be from time to time) in good and proper condition.
- 31.3 To deliver, and order its accountants to deliver to the Trustee and to accountants, attorneys or other consultants on his behalf, any document and/or information reasonably required in order to protect the Holders, with regard to all data related to its businesses or assets, reasonably demanded by the Trustee (subject to the provisions of any law and their signing a non-disclosure agreement).
- 31.4 To keep orderly accounting books pursuant to the generally accepted accounting principles and to keep the registers and documents used by them as reference in the Company's headquarters.
- 31.5 To inform the Trustee in writing, immediately upon this coming into the Company's knowledge, of the occurrence of one or more of the cases entitling to immediate repayment, pursuant to the provisions of Section 20 above.
- 31.6 To invite the Trustee to all general meetings of the Company's shareholders, without the Trustee having the right to vote in such meetings. Participation in the general meetings as foregoing may also be made by a conference call.
- 31.7 To provide the Trustee with confirmation, at his demand, that all payments to the Debenture Holders were duly performed pursuant to this Deed.
- 31.8 To act so that the Debentures shall be rated by a rating agency approved by the Commissioner of the Capital Market, Insurance and Savings of the Ministry of Finance, throughout the period of the Debentures.
- 31.9 To provide the Trustee with the statements and reports as detailed in Section 45 below, as well as a copy of any document sent by the Company to the Holders.
- 31.10 Any report or information published by the Company on the MAGNA system shall be considered as compliance with the conditions of this section. Notwithstanding the foregoing, at the Trustee's request, the Company shall send the Trustee a printed copy of such report or information.
- 31.11 The Trustee hereby undertakes to maintain any information he receives from the Company as foregoing in confidentiality, and not to use it, but only for the purpose of transferring information to a Holder meeting convened for the purpose of reporting and/or for the purpose of reaching a decision related to the protection of their rights under the Debentures, as long as such transfer is made pursuant to the provisions of any law. The

Trustee shall inform the Company, three (3) days in advance, of his intention to disclose such information to the Holders, and shall detail the information he intends to disclose.

**32. Additional Obligations**

After the Debentures are called for immediate repayment, the Company shall perform from time to time, and at any time that the Trustee demands this, all reasonable actions in order to allow the exercise of all powers granted to the Trustee and, in particular, the Company shall perform the following actions:

- 32.1 It shall make declarations and sign all documents and execute or cause the execution of all actions required or necessary pursuant to law in order to validate the exercise of the Trustee's authorities, powers and authorizations.
- 32.2 It shall give all notices, orders and instructions that the Trustee considers to be beneficial and which he requires for the purpose of implementing the provisions of this Deed.

**33. Other Agreements**

Subject to the provisions of the law, the performance of the Trustee' office pursuant to this Deed or his very status as a Trustee shall not prevent him from engaging the Company in different contracts or from carrying out transactions with the Company in the ordinary course of his business.

**34. Applications to the Court**

Subject to any law, the Trustee shall be allowed at any time, even after the calling of the Debentures for immediate repayment as detailed in Section \_\_\_ above, to apply with the court for a writ of execution of the trust described in this Deed, and for any other order to be granted in connection to the trust matters under this Deed.

**35. Fees and Expenses of the Trustee and his Agents**

The Company shall pay the Trustee his fees and expenses in connection with this Deed pursuant to the terms agreed with the Trustee as detailed in Appendix 35 to this Trust Deed.

**36. Special Powers**

- 36.1 The Trustee shall be allowed to deposit all deeds and documents proving, representing or setting his rights in connection with any asset he holds at such time, in a safe or any other place of his choosing, with any banker or any banking corporation. If the Trustee does so, he shall not be responsible for any loss caused in connection to such a deposit, and he shall be allowed to pay all amounts he shall be required to pay on account of or in connection to such a deposit.

- 36.2 The Trustee shall be allowed, as part of the execution of trust affairs pursuant to this Deed, to act according to the opinion or advice of any attorney, accountant, appraiser, valuator, surveyor, broker or other expert, whether such opinion or advice has been obtained by the Trustee or by the Company or in any other way, and the Trustee shall not be liable for any loss or damage caused as the result of any action or neglect on his part in relying on such opinion or advice, unless he acts negligently.
- 36.3 Any such advice or opinion may be given either verbally or in writing. Insofar as the opinion is given verbally, the Trustee shall prepare a written record of this. Insofar as the opinion is given in writing, a copy thereof shall be provided to any Holder requesting it, at his request, and/or to the Company, at its request.
- 36.4 The Trustee shall allowed to accept a certificate signed by two directors of the Company, confirming that, in their opinion, any transaction, action, operation or any other thing executed or planned for execution by the Company, are desirable to and in the interest of the Company, as sufficient proof that such transaction, action, operation or thing are indeed desirable to and in the interest of the Company, and the Trustee shall not be required to demand any further proof and shall not be liable for any loss or damage which may be caused due to this, as long as he acts as a reasonable trustee. If the Trustee relies on such a signed certificate, he shall inform the Holders of this in writing, and shall attach to such notice such certificate or details on its key points.
- 36.5 The Trustee shall not be required to notify any party of the signing of this Deed, and may not intervene in any way in the management of the Company's businesses or affairs. The foregoing in this Section shall not restrict the Trustee in the actions he must take pursuant to the Deed of Trust.
- 36.6 The Trustee shall use in his trusteeship the authorities, powers and authorizations he is granted under this Deed, at his absolute discretion, but with reasonable duty of care. If the Trustee acts as foregoing, he shall not bear any liability for mistakes in judgment made in good faith, unless it is proven that the Trustee was negligent or acted maliciously.

**37. The Trustee's Power to Employ Agents**

The Trustee shall be allowed, as part of the management of trust affairs, to appoint an agent to act in his place, whether an attorney or any other person, to execute or be involved in the execution of various actions which must be performed in connection with the trust, as long as the Trustee notifies the Company of the appointment of such an agent. It is hereby clarified that the appointment of such an agent shall not derogate from the Trustee's liability for his actions or for the actions of his agents. The Company shall be allowed to object to the appointment of a specific

agent as foregoing, for any reasonable grounds, including in case that such agent competes, whether directly or indirectly, with the Company's businesses.

**38. Notices**

- 38.1 A notice to the Debenture Holders by the Company and/or the Trustee shall be provided using the Israel Security Authority's MAGNA system. The Trustee may notify the Company and the Company shall be obliged to report effective immediately, through the MAGNA system, on behalf of the Trustee, using the same format forwarded in writing to the Company by the Trustee. However, if required by law – including regarding mergers and arrangements – an additional notice shall be provided by publishing the notice in two daily newspapers with a wide distribution.
- 38.2 The publication of an immediate report by the Company shall be considered for all intents and purposes the giving of a notice, update or report to the Trustee or the Holders, which the Company or the Trustee must provide pursuant to the provisions of this Deed, as relevant.
- 38.3 Copies of the notices given by the Company to the Holders shall also be sent by the Company to the Trustee, and copies of the notices provided by the Trustee to the Holders shall also be sent by the Trustee to the Company, unless such notices are given through the publication of an immediate report by the Company.
- 38.4 Any notice or demand from the Trustee to the Company may be provided by a letter by registered mail or by courier, to the Company's address as detailed in this Deed, or to any other address of which the Company informs the Trustee in writing. Any notice or demand sent by registered post shall be considered to have been received by the Company five (5) Business Days after it is delivered for posting by mail. Any notice or demand sent through a courier shall be considered to have been received by the Company on the first Business Day following the date of its delivery to the Company.

The Company's address: Claude Debussylaan 30, 1082MD Amsterdam.

Address in Israel: c/o Adv. Na'ama Erlich Katz, 154 Menachem Begin Road, Tel Aviv

- 38.5 Any notice or demand from the Company to the Trustee may be provided by a letter by registered mail or by courier, to the address as detailed in this Deed, or to any other address of which the Trustee informs the Company in writing. Any notice or demand sent by registered post shall be considered to have been received by the Company five (5) Business Days after it is delivered for posting by mail. Any notice or demand sent through a courier shall be considered to have been received by the Trustee on the first Business Day following the date of its delivery to the Trustee.

**39. Waivers, Compromises and Changes in the Trust Deed**

- 39.1 Subject to the provisions of any law and the provisions of the Trust Deed, the Company and the Trustee shall be allowed, from time to time, whether before or after the principal of the Debentures is called for immediate repayment, change the Trust Deed and/or the terms of the Debentures, if any of the following applies:
- 39.1.1 Except for changes of the payment date under the Debentures, or of interest rate, causes for calling for immediate repayment and the reports which the Company is required to deliver to the Trustee, if the Trustee is convinced that such change does not adversely affect the Holders.
- 39.1.2 The Holders have agreed to the change in a decision taken in a meeting in which Debenture Holders holding at least fifty percent of the Debentures' par value were present, with a majority of at least two thirds of the face value of the Debentures represented in the vote, or by such a majority in a deferred meeting, in which Debenture Holders holding at least twenty percent of the balance were present.
- 39.2 In addition to the foregoing, subject to the provisions of any law:
- 39.2.1 Except in regard to payment dates pursuant to the Debenture, the interest rate, the causes for calling for immediate repayment and the reports which the Company must deliver to the Trustee, the Trustee shall be allowed from time to time and at any time when this does not, in his opinion, adversely affect the Holders' rights, waive any violation or failure to comply with any of the provisions of the Trust Deed by the Company.
- 39.2.2 The Trustee shall be allowed, with an advance approval made through a Special Decision by the Holders, compromise with the Company with regard to any right or claim of the Holders, and to waive any right or claim of the Holders against the Company pursuant to the Trust Deed and the Debentures
- 39.3 The Company shall report, in an immediate report, of any change and/or waiver as provided in Subsections 39.2.2 or 39.2.2 above (or any such change in Section 39.1.1 above) shortly after its execution.
- 39.4 In any case of the exercise of the Trustee's right pursuant to this Section, the Trustee shall be allowed to demand that the Holders deliver to the Trustee or to the Company the Debentures, for the purpose of registering a note regarding any such waiver, compromise,

change or amendment, and at the Trustee's demand, the Company register such a note in the certificates delivered to it.

39.5 In addition to the foregoing, it shall be possible to change the terms of the Debentures as part of an arrangement or compromise, approved by the court, pursuant to the law applicable to the Company.

**40. Holdings Registry**

The Company shall keep in its registered headquarters a Registry of the Debenture Holders, in accordance with the provisions of the Securities Law, which shall be open to anyone.,

The Debenture Holders Registry shall constitute prima facie evidence of its accuracy.

The Company shall not be required to register in the Debenture Holders Registry any notice regarding explicit, implicit or implied trusteeship, or charge or pledge of any type or any equitable right, claim or offset or any other right in connection to the Debentures. The Company shall recognize only the ownership of the person in whose name the Debentures are registered, under the condition that the legal heirs, administrators of his estate or executors of the will of the registered Holder, and any person entitled to the Debentures following bankruptcy of any registered Holder (and in case of a corporation – following its liquidation) shall be entitled to be registered as their Holder, after providing proof establishing their right to be registered as the Holders of such Debentures.

**41. Termination of the Trustee's Appointment**

The Trustee's appointment shall end in the cases specified in Section 35-14 of the Securities Law, and pursuant to its conditions.

In case of the termination of the Trustee's appointment, or in case the Trustee is replaced as the result of the Securities Authority's demand that the Trustee not serve as the trustee for several debenture series of the Company, the Company shall act to appoint a new trustee, which shall be a trust company of one of the six major banks in Israel, or any other trustee approved in the Debenture Holders' meeting by the majority of Debenture Holders, as long as he/it meets the terms of capacity provided in the Securities Law. Subject to the provisions of any law, a trustee whose appointment expires shall continue serving in his office until a new trustee is appointed.

The decision of the Debenture Holders on the replacement of the Trustee shall be made by the Debenture Holders' meeting with a majority of at least fifty percent of the balance of the par value of the outstanding Debentures.

The Trustee shall deliver to the new trustee all documents and amounts he collected in connection with the trust under this Deed, and shall sign any document required for this purpose. Any new

trustee shall have the same powers, duties and authorities, and shall be able to act for all intents and purposes, as if he were appointed as the initial Trustee.

42. **Holdings' Meetings**

Holdings' meetings shall be conducted as provided in the **Second Addendum** to this Deed.

43. **Allocation between both Series after Violation**

43.1 Until the Default Condition has been met (as defined below), the following provisions shall apply, despite all of the abovesaid in this Deed:

43.1.1 Beginning from the Violation Date (as the term is defined below), the payments by the Company (or any officeholder nominated for the Company or any of its assets or any of its representatives or in its lieu; including by way of exercising a pledge for the Trustees) to the Debenture Holders, of the two series, shall serve, despite the provisions of the Trust Deeds of Series A and Series B, as follows:

43.1.2 Firstly, regarding the "Balance Payment", as defined below, to the Debenture Holders (Series B) of the Company alone. For the avoidance of doubt, it is hereby clarified that until the Balance Payment has been made, no payment shall be made to the Company's Debenture Holders (Series A).

The "**Balance Payment**" shall be calculated according to the following formula:

$$\leq (A/C - B/D) * D$$

For this purpose –

A = the amounts paid in effect to Debenture Holders (Series A) of the Company beginning from the Effective Date and until the Violation Date (ignoring the manner of payment or its classification as principal or interest or linkage differences).

B = the amounts paid in effect to Debenture Holders (Series B) of the Company beginning from the Effective Date and until the Violation Date (ignoring the manner of payment or its classification as principal or interest or linkage differences).

C = the balance of the entire debt (principal, interest, and linkage differences) to the Debenture Holders (Series A) of the Company, as of the Effective Date.

D = the balance of the entire debt (principal, interest, and linkage differences) to the Debenture Holders (Series B) of the Company, as of the Effective Date.



The above calculation shall take into account only the outstanding Debentures, and for the purpose of the said calculation, if the Company's Debentures shall be purchased, they shall not be considered as payment to the Debenture Holders.

For the avoidance of doubt – funds deposited as of the violation date in an account for the Debenture Holders or in order to secure the Company's debt towards them shall not be considered funds paid in effect to the Debenture Holders until the Violation Date and as long as they are paid to the Debenture Holders after the Violation Date, the provisions prescribed in this Section shall apply to them.

43.1.3 After making the Balance Payment, the payments to the two series shall continue in accordance with the law and the Trust Deeds as of that date.

43.2 Regarding this Section 43 –

The "**Violation Date**" – i.e., the earliest date in which any of the following events takes place – (1) the Company has not met any of the payments to Debenture Holders A or B; or (2) the Company's debt towards the Debenture Holders A and/or Debenture Holders B has been called for immediate repayment; or (3) a pledge for any of the pledged assets for the Trustees has been exercised, unless there was cause to exercise the pledge; or (4) insolvency proceedings have been initiated against the Company, including proceedings for appointing a special administrator, stay of proceedings, liquidation proceedings, proceedings for appointing a receiver, etc, unless there was no cause for initiating these proceedings.

The "Effective Date", i.e. – December 31, 2014.

43.3 The "Default Condition" signifies – the occurrence of at least one of the following conditions A or B or C:

(a) This condition is considered to have been met if after 1.3.2017 (but not before that date) the conditions in Sections 43.3.1 – 43.3.3 below have been met (all of them, accumulated):

43.3.1 The Company has repaid at least 50% of the par value balance of Debentures A of the Company (which are not held by the Company or corporations under its control) as were at 31.12.2014 (taking into account repurchase of Debentures which will be repurchased after the Completion Date according to the provisions of this Deed).

43.3.2 All or part of the Company's rights, directly or indirectly, in Dalian Project, or in any of the corporations controlled by the Company which have rights in Dalian Project, were exercised, including by way of entire or partial sale, or introducing a partner, or obtaining or increasing financing at market conditions (including by way of refinancing of the loan which is secured by a first rank pledge on the Dalian Project) (hereinafter together: "**The Dalian Exercise**"), and proceeds from the Dalian Exercise in an accumulated amount which is not lower than EUR 40 million have been transferred to the Company and were used for an early repayment according and subject to Section 10 above.

For the purpose of this section, "Exercise" signifies – including full or partial sale, introducing a partner or obtaining or increasing financing.

43.3.3 The relevant Coverage Ratio in the Company, according to annual or quarterly financial statements that the Company will publish at any date after the condition set in Section 4.3.2 above has been met, shall not be lower than 135%.

For the purpose of this section – "the relevant Coverage Ratio in the Company" – signifies the Coverage Ratio in the Company as this term is defined in Section 2.35 above, however for that purpose the value of the Dalian Project will be the lower of (1) the value of the Dalian Project as it is included in the financial statements according to which the calculation has been prepared; and (2) the value of the Dalian Project deriving from the terms of the Dalian Exercise, and as the result of which the condition set in Section 43.3.2 above has been met.

(b) The average of the yield of Debentures B according to their closing prices at the Stock Exchange during 30 consecutive trading days (during the period after the settlement became effective) will be lower than 11%.

(c) The Company's debt to Debenture Holders A has been fully repaid.

44. For the avoidance of doubt, violation of any of the provisions or undertakings (all or in part) which apply to any of the corporations under control of the Company according to this Deed, shall be a violation of the Company of the provisions and undertakings of this Deed.

45. **Reporting to the Trustee**

The Company shall deliver to the Trustee, as long as the Debentures are yet to be fully repaid:

- 45.1 The Company's audited annual financial statements, and the Company's reviewed quarterly financial statements, immediately upon their publication. It is hereby agreed, that even if the Company ceases from being a reporting corporation under the Securities Law, it shall continue to prepare financial statements, whether in the format required from a reporting corporation pursuant to Chapter F of the Securities Law or in the format required from a reporting corporation pursuant to Chapter E3 of the Securities Law, and shall deliver these to the Trustee on the required dates pursuant to the relevant provisions applicable to such reporting corporations, and shall also deliver them to any Debenture Holder who requests so, at his request.
- 45.2 A copy of any document delivered by the Company to all of its shareholders or all of the Debenture Holders and the details of any information delivered to them by the Company in any other way, including any report filed pursuant to law with the Securities Authority for the purpose of its publication to the public (immediate reports), immediately upon its publication.
- 45.3 The Company's accountant's approval of the execution of payments to the Holders of interest and/or principal and their dates and the balance of par value of the outstanding Debentures, within 7 (seven) days after the Trustee requests from the Company, in writing, such an approval.
- 45.4 Publication through the MAGNA system by the Company of the foregoing documents and of any other document which the Company must deliver to the Trustee pursuant to this Deed shall be considered, for all intents and purposes, as the delivery of such document to the Trustee.

**46. Governing Law and Jurisdiction**

- 46.1 The law governing this Trust Deed and its appendices is the Israel Law. The courts in Tel Aviv-Jaffa shall have sole and exclusive jurisdiction in any dispute related to this Trust Deed. Notwithstanding the foregoing, the Trustee shall be allowed to file a claim against the Company in the Netherlands as well, or in any other relevant part of the world.
- 46.2 The Company hereby agrees that in case an application is filed with the court in Israel dealing with the Company's insolvency, the Company shall not make any claims of lack of jurisdiction of the Israel Court (hereinafter, in this Section: the "**Company's Agreement**"). On the date of the Company's full repayment of the Company's debt to Debenture Holders Series A and Series B, which should have been paid to them under the Original Trust Deed in February 2015 and has not been paid yet (meaning, repayment in the period after publication of the Deed of principal of NIS 143,180,170 to Debenture Holders A and repayment in the period after publication of the Deed of principal of NIS

154,209,348 to Debenture Holders B), including linkage differences on the above amounts from February 2015 and until the actual payment of these amounts, together with any interest debt (and linkage difference on the interest) for such amounts as accumulated pursuant to this Deed for the period from February 2015 until full repayment in reality – the Company's Agreement shall expire.

**47. Withholding Tax**

The Company shall withdraw tax from any amount paid under this Trust Deed, unless it is presented with appropriate approvals exempting the Company from doing so.

**48. MAGNA Authorization**

In signing this Deed, the Trustee authorizes any of the Company's authorized signatories to submit reports in his name on the MAGNA system, regarding his engagement under this Deed and his signing of it.

**In witness whereof the parties have signed:**

\_\_\_\_\_

**Aurora Fidelity Trust Co. Ltd .**

\_\_\_\_\_

**Kardan N.V.**

**Attorney's Approval**

I the undersigned, \_\_\_\_\_, attorney for Kardan N.V., do hereby approve that this Deed was legally signed by the authorized signatories for Kardan N.V., and that their signature binds the Company.

\_\_\_\_\_  
, \_\_\_\_\_Adv.

## **Appendix 2.7 – List of “Agreed Assets”**

It is clarified that an “Agreed Asset” signifies each of the assets listed below in the column “Asset Name” as well as shares of a corporation whose name is listed below in the column “Name of the Legal Entity holding the Asset”. Accordingly, disposal of assets or shares constitutes a disposal of an Amended Trust Deed.

In relation to the asset “Europark Dalian” (“the Project”), it is hereby clarified that disposing of this asset means disposing of the entire Project (materially) or disposing of shares of any of the corporations holding the Project. In addition, the shopping centre which is part of the Project is an Agreed Asset itself, such that disposing only the shopping centre also constitutes disposal of an Agreed Asset which is subject to the provisions of section 10 to the Amended Trust Deed.

Sale of residential units or commercial units in any of the projects held by Lucky Hope Companies, is not considered disposal of an Agreed Asset as defined in section 10 to the Amended Trust Deed. Selling shares of a company holding (directly or indirectly) in such a project or remaining inventory after sale of all residential units in one of the said projects, will be considered a disposal of an Agreed Asset.

Sector	Asset Name	Name of the Legal Entity holding the Asset	Asset Description	Current Activities
<b>KLC</b>	<b>Europark Dalian</b>	Kardan Land Dalian (HK) Ltd. (HK holding company) which holds 100% of Kardan Land Dalian Ltd. (Chinese project company owning Europark Dalian)	Mixed-use project of residential and commercial including a shopping mall (Galleria Dalian), two SOHO (small office home office) buildings, two luxury residential buildings, an additional office or residential building and parking spaces in a total built area of 327,000 sqm in Dalian, China. The project is under construction and is 100% owned by KLC.	Commercial and residential real estate
	<b>Olympic Garden</b>	Shanxi GTC Lucky Hope Real Estate Development Ltd. which owns the project.	Residential project in X'ian, Shanxi province, China; phases 1-5 include 9,522 residential units, 363 shops, and 3,805 parking spaces (the land area of the project is 350,475 sqm).	Residential and commercial real estate
<b>KLC (Lucky Hope Companies)</b>	<b>Palm Garden</b>	GTC Lucky Hope Dadong Ltd. (HK holding company) which owns 100% of Shenyang GTC Palm Garden Development Ltd. (the Chinese project company which owns the Palm Garden project).	Residential project in Shenyang, Liaoning province, China; phases 1-3.1 and 4 include 3,408 residential units, 105 shops, and 1,012 parking spaces (the land area of the project is 325,382 sqm).	Residential and commercial real estate
	<b>City Dream</b>	Green Power Development Ltd. (HK holding company) which owns 92% of	Residential project in Changzhou, Jiangsu province, China; phases 1-3.2 include	Residential and commercial real estate

		Changzhou GTC Lucky Hope Real Estate Development Ltd. (the Chinese project company which owns City Dream project).	3,294 residential units, 262 shops, and 2,107 parking spaces (the land area of the project is 55,177 sqm). Phases 4-5 include land area of 187,660 sqm (including parking spaces) and 19,954 sqm commercial space.	
	<b>Suzy Garden</b>	Rainfield Development Ltd. (HK holding company) which owns 100% of the project company Shenyang GTC Lucky Hope Suzy Real Estate Development Ltd. (the Chinese project company which owns Suzy Garden project).	Residential project in Shenyang, Liaoning province, China; phases 1-3 include 5,056 residential units, 332 shops, and 927 parking spaces (the land area of the project is 387,778 sqm). Phases 4-5 include land area of 243,283 sqm (including parking spaces) and 26,012 sqm of commercial space	Residential and commercial real estate
	<b>Additional future projects of Lucky Hope Companies in addition to the projects listed above which are all the of the Lucky Hope Companies as of the date of publication of the proposal of the agreement in principle.</b>	Luck Hope Companies as defined in the agreement in principle.		
	<b>TBI Bank Bulgaria</b>	TBI Bank EAD which owns the bank.	A bank in Bulgaria; has license to operate branches in Romania.	Banking and non-banking financial services including consumer credit and operational and financial lease

				(in Bulgaria and Romania).
<b>KFS</b>	<b>AVIS Ukraine</b>	TBIF Dan Leasing Ltd. (holding company in Cyprus) which wholly owns (100%) VIP Rent Foreign Enterprise (Ukrainian company).	Active in Ukraine.	Operational lease and sale of vehicles in Ukraine.
	<b>25% of the shares of KWIG</b>	TGA wholly owns (100%) Kardan Water International Group (HK) Ltd.	Water and waste water treatment	Ownership, management and operating plants mainly for sewage treatment, water supply and treatment and operation and management of water systems and related infrastructure.
	<b>Tahal Group</b>	TG	The activity includes Tahal Projects: engineering consulting projects, supervision, procurement and operation and various combinations.	Infrastructure, water treatment, energy, agriculture, waste water, gas, engineering and waste management.
<b>TGA</b>				
<b>TGI</b>				



### **Appendix 3.2 – Maturity Table Debentures Series A**

<b>Date</b>	<b>Outstanding principal (par value) in NIS</b>	<b>Outstanding linked principal in NIS</b>	<b>Payment on account of linked principal In NIS</b>	<b>Rate of repayment of the initial principal</b>	<b>Rate of repayment of the outstanding principal</b>	<b>On account of linked interest In NIS</b>	<b>Interest rate</b>	<b>Total payment In NIS</b>
25.2.16	573,054,735	684,308,092	-	-	-	41,343,789	6.04169%	41,343,789
25.2.17	573,054,735	684,308,092	329,051,177	23.15586%	48.08524%	43,282,487	6.32500%	372,333,664
25.2.18	297,500,001	355,256,916	355,256,915	25.00000%	51.91476%	22,470,000	6.32500%	377,726,915

### Appendix 4.3.3 – Calculation of Allocated Shares

Issued and paid-in capital	111,848,583
Treasury shares (held by the Company)	1,167,585
% of treasury shares of the issued and paid-in capital	1.04%
No. of shares to be issued for allocation of 9.99% of the capital	11,173,673

Allocation of 10.03%:

Treasury shares	1,167,585
Issued shares (9.99%)	11,173,673
	<hr/>
	12,341,258

**Total no. of shares after the allocation** **123,022,256**

## Appendix 7.2 – Transfer of Proceeds

	<u>In USD</u> <u>millions</u>	<u>In EUR</u> <u>millions</u>
<b>Sale of KWIG (25%)</b>		
Proceeds	25.7	
Transaction costs	(0.8)	
Balance	24.9	22.2
Transfer to Kardan NV as dividend (98.43%)		21.8
Amount the Company is allowed to retain according to section 10.2.3 to the Deed (liability of GTC)		(3.15)
Amount the Company is allowed to retain according to section 10.2.2 to the Deed (to complete Interest 2016)		(2.0)
Amount the Company is allowed to retain according to section 10.2.1 to the Deed (G&A expenses for a year from the date of the early repayment)		(2.0)
Balance intended for early repayment		14.65

- 1) The Euro denominated amounts of the proceeds were calculated using the USD/EUR exchange rate of 4.5.2015, and for the 2016 interest using the NIS/EUR exchange rate of 4.5.2015, and will be updated according to the exchange rate of the relevant dates.
- 2) G&A expenses do not include the debt settlement costs. The amount the Company is allowed to retain according to section 10.2.1 to the Deed as said above (G&A expenses for a year from the date of the early repayment) may increase due to additional amounts the Company will retain for payment of debt settlement costs.
- 3) The amount the Company is allowed to retain according to section 10.2.2 to the Deed as said above (to complete interest 2016) may increase if there will be an increase in the CPI and according to such increase.
- 4) Additional transaction costs may incur, which the Company cannot estimate currently.
- 5) Transfer of funds to Kardan NV is subject to the provisions of section 7.2 to the Deed.

### Appendix 8.1.1 – Loans from a Pledging Entity to a Pledged Entity

The lending entity / the pledging entity	The borrowing entity / the pledged entity	Balance at 31.3.2015
In EUR millions		
GTC Real Estate Holding B.V.	Emerging Investments XII B.V.	13.02

## Appendix 8.1.2 – Loans in the Kardan Group

The lending entity	The borrowing entity	Balance at 31.3.2015
		In EUR millions
Emerging Investments XII B.V.	Kardan Financial Services B.V.	31.84
	Tahal Group International B.V.	-
	GTC Real Estate Holding B.V.	-

### Appendix 8.1.3 – List of the Pledged Rights and Loans

The Pledged Asset	The Pledging Entity	Location of the Pledge	Status of the Pledge
<b>Shares and rights attached to shares</b>			
Emerging Investments XII B.V.	Kardan NV	The Netherlands	Not created
Tahal Group International B.V.	Kardan NV	The Netherlands	Not created
GTC Real Estate Holding B.V.	Kardan NV	The Netherlands	Registered 15.2.2015
Kardan Financial Services B.V.	Kardan NV	The Netherlands	Not created
TBIF Financial Services B.V.	KFS	The Netherlands	Not created
Kardan Land China Ltd.	GTC RE	Hong-Kong	Not created
Rights of Emerging Investments XII B.V. in loans (see appendix 8.1.2)	Emerging Investments XII B.V.	The Netherlands	Not created

**Appendix 8.12.1**

To:

Aurora Fidelity Trust Co. Ltd. (in its capacity as trustee to Kardan NV's Debentures Series A)  
Hermetic Trust (1975) Ltd. (in its capacity as trustee to Kardan NV's Debentures Series B)

Dear Sirs,

**Re: Undertaking of a Negative Pledge**

According to the provisions of sections 8.12.1 and 19.2.3 to the Amended Trust Deeds dated \_\_\_\_\_ which were signed in relation to the Debentures (Series A and B) issued by Kardan N.V., I, the undersigned, \_\_\_\_\_, hereby undertakes not to pledge or charge to the benefit of any third party all or part of the rights of the undersigned (or any corporation under its control) in the shares of the following companies (including not to pledge or charge all the rights attached to such shares and/or the right to the repayment of shareholder loans to any of the below companies and/or the right to receive any payment of any type or kind from the below companies, including the right to receive management fees etc.): TBI Bank EAD (which owns a bank in Bulgaria with branches in Romania), TBIF Dan Leasing Ltd., VIP Rent Foreign Enterprise (which owns the license for the AVIS brand in Ukraine and which is 100% owned by TBIF Dan Leasing Ltd.) and KWIG.

Sincerely,

\_\_\_\_\_

**Appendix 12.2.1 – Areas of Activities of KFS and corporations under its control**

The Company	Activities
<b>KFS</b>	Banking and financial services
	<ul style="list-style-type: none"><li data-bbox="428 508 583 540">• Banking</li><li data-bbox="428 545 898 578">• Financial and operational leasing</li></ul>



### Appendix 12.3.1 – Areas of Activities of TGI and TGA and corporations under their control

The Company	Activities
<b>TGI</b>	Infrastructure, water treatment, energy, agriculture, waste water, gas, engineering and waste management.
<b>TGA</b>	Assets in the area of water and waste water infrastructures, waste water treatment, desalination, agriculture produce processing. <ul style="list-style-type: none"><li>• Water and waste water treatment facilities</li><li>• Concessions for operating and maintenance of urban water infrastructures</li><li>• Operating water treatment plants.</li></ul> Projects in the fields of water infrastructure. Waste treatment facilities including landfill, sorting and recycling, and energy production.

**Appendix 12.7.1 – Areas of Activities of KLC and corporations under its control**

The Company	Activities
<b>KLC</b>	Real estate in China
	<ul style="list-style-type: none"><li>• Development of XXX real estate (residential and hotels)</li><li>• Development of investment properties, including shopping malls and offices</li><li>• Management and operating shopping malls</li><li>• Providing consulting services and marketing of real estate</li></ul>

Kardan N.V.  
Attn. Board of Directors  
Claude Debussylaan 30  
Viñoly Building, 13th Floor  
1082 MD Amsterdam, the Netherlands

**Undertaking**

**[insert date] 2015**

Dear Sirs and Madam,

Referring to section 17 of the Amended Trust Deeds for Debentures Series A and B, as approved by Kardan N.V.'s debenture holders on [insert date] 2015 (the "Amended Deeds"), I hereby irrevocably undertake to submit my resignation as member of the Board immediately upon the Relief Conditions, as defined in the Amended Deeds, having been met.

Sincerely,

[signature]

[insert name]

**Appendix 16.5**

To:

May 11, 2015

Aurora Fidelity Trust Co. Ltd.

Hermetic Trust (1975) Ltd.

The Trustees to the Holders of Debentures Series A and B

Dear Sirs,

**Re: Undertaking Letter**

We, the undersigned, hereby undertake to vote by virtue of the shares of Kardan N.V. (the "Company") held by us or by private companies controlled by us, in each of the Company's shareholder meetings that have on the agenda the issue of the appointment of the Additional Director (which will be appointed jointly by the Holders of Debentures Series A and Debentures Series B of the Company to the Board of Directors of the Company), "in favor" of the appointment of the Additional Director proposed by you, according to the mechanism described in the Deeds of Trust.

Sincerely,

---

Avner Avraham Schnur

---

Yosef Grunfeld

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Eytan Rechter

Kardan N.V.  
Claude Debussylaan 30  
Viñoly Building, 13th Floor  
1082 MD Amsterdam

July 6, 2015

Dear Sirs,

Referring to section 18.4 of the Amended Trust Deeds for Debentures Series A and B, as published by Kardan N.V. on [insert date] 2015 (the "**Amended Deeds**"), we hereby agree to the provisions of the Amended Deeds relevant to us and to our subsidiaries and we undertake that we and our subsidiaries will act in accordance with the provisions mentioned above.

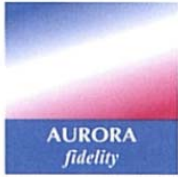
Our above consent shall expire if the "Conditions Precedent" are not fully satisfied by the "Deadline" (both terms as defined in the Amended Deeds).

We are aware that the debenture holders and their trustees rely upon our above undertaking.

Kind regards,

\_\_\_\_\_  
Title: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_  
Name: \_\_\_\_\_

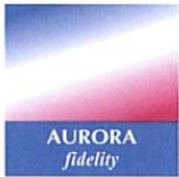


## נספח 35

### שכר וכיסוי הוצאות הנאמן

החברה תשלם שכר לנאמן עבור שירותיו, בהתאם לשטר הנאמנות, כמפורט להלן:

1. החברה תשלם לנאמן שכר עבור שירותיו, בהתאם לשטר זה, כמפורט להלן:
  - 1.1 בגין כל שנת נאמנות, אשר תחל במועד חתימת שטר הנאמנות המתוקן לאגרות חוב (סדרה א'), ישולם לנאמן שכר טרחה שנתי בסך של 25,000 ₪ ("השכר השנתי").
  - 1.2 על אף האמור בסעיף 1.1 לעיל, במקרה בו במהלך שנת נאמנות, יידרש הנאמן לביצוע שירותי הנאמנות להשקיע שעות עבודה בפועל בהיקף אשר יעלה על 60 שעות בשנה, תשלם החברה לנאמן שכר נוסף לפי שעות העבודה אשר יושקעו על ידו בפועל מוכפל בשכר לשעה המפורט בסעיף 1.7 להלן.
  - 1.3 השכר השנתי ישולם לנאמן בתחילת כל שנת נאמנות וזאת תוך 15 ימי עסקים ממועד הוצאת דרישת התשלום על ידי הנאמן. השכר השנתי ישולם לנאמן בגין התקופה שעד תום תקופת הנאמנות על-פי תנאי שטר הנאמנות, גם אם מונה לחברה כונס נכסים ו/או כונס נכסים מנהל ו/או באם הנאמנות על-פי שטר הנאמנות תנוהל בהשגחת בית משפט או לאו.
  - 1.4 במידה והסתיימה כהונת הנאמן, לא יהיה הנאמן זכאי לתשלום שכר טרחו החל מיום סיום כהונתו. במידה וכהונת הנאמן נסתיימה במהלך שנת הנאמנות יוחזר שכר הטרחה ששולם בגין החודשים בהם לא שימש הנאמן כנאמן לחברה.
  - 1.5 הנאמן יהיה זכאי להחזר בגין ההוצאות הסבירות שיוציא כהגדרתן להלן: סכומים אשר יוציא הנאמן במסגרת מילוי תפקידו ו/או מכח הסמכויות המוענקות לו על פי שטר הנאמנות ובכלל זה הוצאות ועלויות בגין בדיקת תוקף השעבודים שנרשמו לטובת הנאמן, בגין זימון וכינוס אסיפה של מחזיקי אגרות החוב והוצאות בגין שליחויות ולרבות בגין פרסומים בעיתונות הקשורים לזימון אסיפה, ובלבד שבגין הוצאות חוות דעת מומחה, כמפורט בשטר הנאמנות, ייתן הנאמן הודעה מראש על כוונתו לקבל חוות דעת מומחה. הנאמן יקבל לפחות 3 הצעות למתן חוות הדעת ויעבירם לחברה לקבל את המלצתה. הנאמן רשאי אך לא חייב לקבל את המלצת החברה ובכל מקרה הנאמן לא יבחר את ההצעה היקרה מבין שלוש ההצעות. ובלבד שחוות דעת מומחה כאמור אינה מעניינה השוטפים של פעילות החברה, כאשר ככל הניתן, בנסיבות הענין, הנאמן יעזר ביועציה של החברה.
  - 1.6 הנאמן זכאי לתשלום נוסף מלבד ההוצאות הסבירות כהגדרתן לעיל, בגין פעולות מיוחדות שיבצע, לרבות אלה אשר עליו לבצע כדי למלא חובתו החוקית מכח חוק ניירות ערך, (לרבות תיקונים 50 ו-51 לחוק ניירות ערך) והתקנות אשר יותקנו בעקבות תיקונים אלו וכן פעולות הנובעות מהפרה של שטר נאמנות זה על-ידי



החברה ו/או מהפרה של כל נותן התחייבות או בטוחה אחרת הכלולה בשטר, ו/או בגין פעולות שעל הנאמן לבצע בקשר עם העמדת איגרות החוב לפירעון מיידי, מימוש בטוחות והתחייבויות ו/או פעולות מיוחדות שיידרש לבצע, אם יידרש, לצורך מילוי תפקידיו לרבות על פי שטר הנאמנות, והכל בנוסף ומבלי לפגוע מהתשלומים המגיעים לו כאמור בסעיף זה.

1.7. הנאמן יהיה זכאי לתשלום נוסף כאמור, בסך של 500 ש"ח, בעבור כל שעת עבודה של עורך דין, רואה חשבון או כלכלן מטעמו ושכר של 200 ₪ לשעה לכל עובד אחר של הנאמן בגין פעולות מיוחדות שיידרש לה כאמור לעיל. הסכום האמור ישולם תוך 15 ימי עסקים ממועד הוצאת דרישת התשלום על ידי הנאמן.

1.8. בגין כל אסיפת בעלי מניות (וזאת בנוסף על התשלום על פי סעיף 1.7 לעיל) בה ייטול הנאמן חלק, לרבות נוכחותו באסיפה שלא נפתחה עקב העדרו של מניין חוקי, ישולם שכר נוסף של 500 ש"ח לישיבה, בצירוף החזר הוצאות בגין נסיעות. הסכום האמור ישולם תוך 15 ימי עסקים ממועד הוצאת דרישת התשלום על ידי הנאמן.

1.9. מע"מ אם יחול, יתווסף לתשלומים המגיעים לנאמן, על-פי הוראות סעיף זה וישולם על-ידי החברה.

1.10. כל הסכומים האמורים בנספח זה הינם צמודים למדד המחירים לצרכן שיהיה ידוע במועד החתימה על שטר הנאמנות המתוקן לאגרות החוב (סדרה א') אך בכל מקרה לא ישולם סכום הנמוך מהסכומים הנקובים בנספח 35 זה.

1.11. כל הסכומים האמורים בנספח 35 זה, ייהנו מעדיפות על פני הכספים המגיעים למחזיקי איגרות החוב.