



Brack Capital Properties NV (the "Company")

October 18, 2017

To:
Israel Securities Authority
www.isa.gov.il

To:
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Re: **Immediate Report on the Convening of an Extraordinary General Meeting of the Company's Shareholders**

Following the October 8th 2017 immediate report [Reference No. 2017-01-088147] in regards to requests (in accordance to Article 22.1 of the Company's AOA) of two stakeholders – Psagot Investment House Ltd. and Menora Mivtachim Holdings Ltd. – to the Company's Board to convene an extra ordinary general meeting of shareholders, of which the agenda shall contain the appointment of Mr. Meir Jacobson as External Director, the Company hereby announces the convening of an extraordinary general meeting of the Company's Shareholders (hereinafter: the "EGM"), to be held on Thursday, November 23rd, 2017, at 11:00 a.m., at the BWK Partners law firm, at the following address: Oosteinde 27, Amsterdam 1017 WT, the Netherlands (hereinafter: the "BWK Offices").

1. **The following matters shall be on the EGM's agenda:**

- (a) **The appointment of Mr. Meir Jacobson as External Director (resolution) – it is proposed to appoint Mr. Meir Jacobson as External Director on the Company's Board of Directors, starting from the date of approval in the EGM.**

For the details prescribed in Regulation 26 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, with respect to Mr. Meir Jacobson, see the following table:

| | |
|--|---|
| Name: | <u>Meir Jacobson</u> |
| Name in English as appears in passport: | <u>Meir Jacobson</u> |
| ID number: | <u>051181345</u> |
| Date of birth: | <u>01.02.1952</u> |
| Address for the delivery of court papers: | <u>11a NitzanimSt., Ramat Gan 5258727, Israel</u> |
| Citizenship: | <u>Israeli</u> |

| | |
|---|---|
| Is the director a member of Board of Directors committee/s: | <u>Yes (subject to approval of his appointment) – Audit Committee, Remuneration Committee, Financial Statements Committee and Selection Committee.</u> |
| Is this director an Independent Director or External Director: | <u>External Director</u> |
| Is the director an employee of the corporation, of its subsidiary or associate company or any interested party in the corporation? | <u>No</u> |
| Date of commencement of office: | <u>The date of the EGM's approval.</u> |
| Education: | <u>BA in Accounting and Economics - Tel Aviv University; Law studies - School of Law of the College of Management</u> |
| Occupation in the last 5 years: | <u>Running a self-owned company - Equity MI Ltd.- investment banking (mergers, acquisitions and financial consulting);</u> |
| Serves as a director in the following companies: | <u>Crow Ltd. - Chairman of the Board, since 2000</u> <u>Discount Investment Ltd - Director (external), since 2016</u> <u>Solegreen Ltd - Director (external), since 2013.</u> |
| Family relations to any other interested party in the Company: | <u>No.</u> |
| Does the Company consider the director as having financial and accounting expertise: | <u>Yes.</u> |

It should be noted that pursuant to the provisions of Sections 224B(a), 224B(b) and 241(b) of the Companies Law, 5759-1999, (hereinafter: the "**Companies Law**"), Mr. Meir Jacobson has declared that he possesses the required capabilities and the ability to dedicate adequate time to the performance of his position, and detailed such capabilities, and stated that the restrictions prescribed in Sections 226 and 227 of the Companies Law do not apply to him.

It is noted that on 17 of October 2017, the Company's Board of Directors established that in light of his education, and in light of his employment experience Mr. Jacobson has accounting and financial expertise, as defined in the Companies Regulations (Conditions and Tests for a Director with

Accounting and Financial Expertise and a Director with Professional Qualification), 5767-2005 (hereinafter: the "**Expertise and Qualification Regulations**").

Attached hereto as **Appendix A** to this Report is Mr. Meir Jacobson's declaration as foregoing (hereinafter: "**Mr. Jacobson's Declaration**").

It should be further noted, that on October 17 2017, the Company's Remuneration Committee and Board of Directors approved, pursuant to the provisions of Regulations 5 and 7(a) of the Companies Regulations (Rules Regarding Remuneration and Expenses for an External Director), 5760-2000 (hereinafter: the "**Remuneration Regulations**"), the granting of annual remuneration and remuneration for participating in meetings to Mr. Jacobson, subject to the EGM's approval of his appointment as an External Director in the Company and in light of him being an "Expert External Director" (as the term is defined in the Remuneration Regulations), at the rate of the maximum amounts detailed in the Forth Addendum to the Remuneration Regulations, and pursuant to the class in which the Company is classified, as detailed in the First Addendum to the Remuneration Regulations.

It should be mentioned that the two other External Directors serving on the Board Lambertus Van den Heuvel and Willem van Hassel who are also "Expert External Directors" (as the term is defined in the Remuneration Regulations) as well as Mr. Alexander Dexne, the Company's Chairperson (who is an Independent Director and has accounting and financial expertise), are also entitled – in accordance to the resolutions of the authorized Company organs - to the maximum amounts detailed in the Forth Addendum to the Remuneration Regulations.

(b) Including Mr. Jacobson in the current directors' and officers' liability insurance policy (resolution)

It is proposed to include Mr. Jacobson (subject to the approval of his appointment as an External Director in the Company) in the current directors' and officers' liability insurance policy (hereinafter: the "**Current Policy**"), which includes the other directors and officers in the Company. It should be noted that on October 17, 2017 the Company's Remuneration Committee and Board of Directors approved (subject to the approval of the EGM to be convened by this Immediate Report) the inclusion of Mr. Jacobson in the Current Policy, subject to the approval of his appointment as an External Director in the Company, pursuant to the provisions of Section 9.3.8(a) of the Company's Remuneration Policy. The Current Policy is for the period of July

25th , 2017 to January 24th , 2018. The liability limits of the policy are USD 20 million (per case and per period). The deductible (to the Company only) amounts to a total of USD 7.5 thousands per event and per period (in Israel and/or abroad), a total of USD 35 thousands per event and per period in the USA and/or Canada, and a total of USD 35 thousands per event and period in security laws claims. The cost to the Company for all the coverage period (i.e. – 18 months' premium) amounts to a total of approximately USD 33 thousands.

(c) **Including Mr. Jacobson in future directors' and officers' liability insurance policies (resolution)**

It is proposed to approve the inclusion of Mr. Jacobson (subject to the approval of his appointment as an External Director in the Company) in directors' and officers' liability insurance policies that the Company may acquire from time to time with respect to all of the Company's directors and officers, under terms that will not materially differ from the terms of the Current Policy (hereinafter: the "**Future Policies**").

It should be noted that on October 17, 2017, the Company's Remuneration Committee and Board of Directors approved (subject to the approval of the EGM to be convened by this Immediate Report) the inclusion of Mr. Jacobson in the Future Policies, subject to the approval of his appointment as a director in the Company, pursuant to the provisions of Section 9.3.8(a) of the Company's Remuneration Policy.

(d) **Granting a Letter of Indemnity to Mr. Jacobson (resolution)**

It is proposed to authorize the Company's Board of Directors to issue in the Company's name a letter of indemnity to Mr. Jacobson (subject to the approval of his appointment as an External Director in the Company). It should be noted that on October 17, 2017, the Company's Remuneration Committee and Board of Directors approved (subject to the approval of the EGM to be convened by this Immediate Report) authorizing the Company's Board of Directors to issue in the Company's name a letter of indemnity to Mr. Jacobson (subject to the approval of his appointment as an External Director in the Company), pursuant to the provisions of Section 9.3.8(b) of the Company's Remuneration Policy, in a format identical to the letter of indemnity issued to the other directors and officers in the Company. It should be noted that on July 4, 2012, the general meeting of Company shareholders approved (after the approval of the Audit Committee and Board of Directors in March 2012) issuing in the Company's name letters of indemnity to officers in the Company (and as part of this all Board of Directors members), that

include the Company's obligation to indemnify them for any liability or expense as detailed in the Letter of Indemnity, to be imposed on any of them due to any of the following: (a) due to being an officer and/or employee in the Company and/or in the Company's subsidiaries; (b) due to being, at the Company's request, an officer, employee or agent of the Company in any other corporation. The indemnity amount to be paid by the Company to all Company officers, cumulatively under all letters of indemnity issued to them by the Company, shall not exceed an amount equal to 25% of the Company's effective equity¹. It should be noted that because the members of the Company's Board of Directors are beneficiaries of the foregoing letters of indemnity, the approval of the engagement constitutes a conflict of interest between the performance of the Company's directors' positions and their personal interest, and therefore, pursuant to the provisions of the Dutch law governing the Company, the issue of the letters of indemnity by the Board of Directors as foregoing was subject to the approval of the EGM, authorizing the Company's Board of Directors to issue in the Company's name letters of indemnity to the officeholders (and as part of this the Directors), and such letters of indemnity were issued only after receiving the approval of the EGM as foregoing.

- (e) **Appointment of auditors in Israel (resolution)**. It is proposed to reappoint Amit Halfon accounting firm as the external auditors responsible for the audit of the Company's annual financial statements for 2017, which are prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

- (f) **Appointment of auditors in the Netherlands (resolution)**. It is proposed to reappoint IUS Statutory Audits Cooperatie U.A. as the external auditors responsible for the audit of the Company's annual financial statements for 2017, for the purpose of auditing the Company's annual Statutory Financial Statements for 2017, pursuant to the law of the Netherlands.

¹ "The Company's effective equity" means the amount of equity attributed to the Company's shareholders according to the Company's latest consolidated financial statements, audited or unaudited, as relevant, as these are on the date of indemnification.

2. The required majority

- 2.1 The majority required for approval of the matter specified in section 1(a) above is as stated in section 239(b) of the Companies Law, according to which the majority of the shareholders present and participating in the vote in the Meeting (whether themselves or through a letter of appointment or a letter of proxy or by voting on the electronic voting system) is required as long as one of the following occurs: (a) The calculation of the majority votes in the Meeting includes the majority of all of the votes of the shareholders who are not controlling shareholders in the Company or have a personal interest in the appointment with the exception of a personal interest which is not the result of their relationship with the controlling shareholder, who participate in the vote; in the calculation of the votes of the said shareholders the votes of those who abstain will not be taken into account; the provisions of section 276 of the Companies Law, mutatis mutandis, will apply to those with a personal interest; (b) The total opposing votes from the shareholders aforementioned in subsection (a) does not exceed two percent of the total voting rights in the Company.
- 2.2 The majority required to approve the issues detailed under Sections 1(b), 1(c), 1(d), 1(e) and 1(f) above is the majority of votes of the shareholders attending and participating in the vote (whether themselves or through a letter of appointment or a letter of proxy or by voting on the electronic voting system). If the vote is even, then the resolution shall be considered to have been rejected.

3. Effective date

Pursuant to the provisions of Section 182(c) of the Companies Law and pursuant to Regulation 3 of the Companies Regulations (Voting in Writing and Position Statements), 5776-2005, any person who is a shareholder in the Company on the end of the trading day of Thursday, October 26th, 2017, shall be entitled to participate in the vote and to vote in it personally or through proxy.

The letter of appointment or copy thereof, to the Board of Director's satisfaction, shall be deposited at the BWK Offices or at the Offices of Shimonov & Co. Law Firm, at 11 Menachem Begin Road, Tidhar Rogovin Tower, 23rd Floor, Ramat Gan (hereinafter: **the "Shimonov Offices"**), no less than 48 hours before the time set for the EGM's commencement, or with regard to an unregistered holder of Company shares, through a written vote to be delivered to the Company through the electronic voting system (pursuant to Mark B in Chapter F2 of the Securities Law, 5728-1968)

(hereinafter: **the "Electronic Voting System"**), by 6 hours before the time set for the EGM's commencement, or through the written vote attached to this Immediate Report (hereinafter: **the "Written Vote"**), by 4 hours before the time set for the EGM's commencement, this subject to proving his or her ownership of the shares pursuant to the Companies Regulations (Proving Ownership of a Share for the Purpose of Voting in the General Meeting), 5760-2000.

4. Legal Quorum

The EGM shall be held with any number of participants.

5. Voting in Writing

- a. Shareholders may vote in the EGM through a written vote as detailed below.
- b. The addresses of sites where the format of the written vote and the Position Statement as defined in Section 88 of the Companies Law are as follows: the distribution website of the Israel Securities Authority: www.magna.isa.gov.il (hereinafter: **the "Distribution Website"**), the website of the Tel Aviv Stock Exchange Ltd. www.tase.co.il.
- c. A vote in writing shall be performed on the second part of the Written Vote, as published on the Distribution Website.
- d. A shareholder may approach the Company directly and receive from it the format of the Written Vote and the position statement.
- e. A member of the stock exchange shall send, for no consideration, by email, a link to the format of the Written Vote and the position statement, on the Distribution Website, to any shareholder who is not registered in the Shareholder Registry, whose shares are registered with such stock exchange member, if the shareholder notified that it is interested in this, as long as the notice is given with respect to a certain securities account and on a date before the Effective Date.
- f. A shareholder whose shares are registered with a stock exchange member is entitled to receive the approval of ownership from the stock exchange members through whom he holds his shares, at the stock exchange member's branch or by mail to his address, in consideration for delivery fees only, if he requests this. An application for this matter shall be given in advance to certain securities accounts.

- g. The deadline for delivering written votes to the Company² is 4 (four) hours before the time of the convening of the EGM.
- h. The deadline for delivering position statements to the Company¹, is up to 10 (ten) days before the time of the convening of the EGM.
- i. The Company may produce to the Israel Securities Authority and the Stock Exchange a position notice that shall include the Board of Director's response as provided in Section 88(c) of the Companies Law by 5 (five) days before the date of the EGM.

6. Review of Documents

The Company's shareholders shall be allowed to review, at their request, Mr. Jacobson's declaration, following coordination in advance, at the Shimonov Offices, during customary working hours. Mr. Jacobson's declaration (excluding the attached documents) can also be reviewed on the Distribution Website of the Israel Securities Authority: www.magna.isa.gov.il.

Sincerely,

Brack Capital Properties NV

Mr. Gal Tenenbaum, Joint CEO of the Company
and Fred Ganea, Head of the Financial Department of the Company

² Either to the BWK Offices or the Shimonov Offices.

Appendix A