



Brack Capital Properties NV (the "Company")

September 6th, 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

The Company hereby announces the convening of an extraordinary general meeting of the Company's Shareholders (hereinafter: the "**EGM**"), to be held on Monday, October 16th, 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. Alexander Dexne as Director (who is not an External Director) (resolution) – it is proposed to appoint Mr. Alexander Dexne as Director (who is not an External Director) on the Company's Board of Directors, starting from the date of approval in the EGM. Furthermore the Company's Board of Directors decided in its September 5th 2017 meeting to appoint Mr. Dexne (subject to the approval of his appointment as a director in the Company) as the Chairman of the Board of Directors of the Company, starting from the date of approval in the EGM.**

On September 5th 2017 the Board of Directors of the Company has unanimously resolved to approve the nomination of Mr. Alexander Dexne to serve as chairman of the Board of Directors, subject to his appointment as member of the Board of Directors at the EGM that has been called for this end.

Mr. Dexne has vast experience in the German real-estate market and European capital markets, as well as in the fields of corporate finance and Mergers and Acquisitions. Currently, and for the past ten years, Mr. Dexne serves as CFO of Alstria Office Reit – AG, a publicly held REIT engaged in the German office market with market cap of EURO 1.8 Billion. Previously Mr. Dexne held a number of senior executive positions in publicly listed and

private companies. Mr. Dexne holds a Master's degree in economics from Goettingen University, Germany and an MBA from Massey University, New Zealand.

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

Name:	<u>Alexander Dexne</u>
Name in English as appears in passport:	<u>Alexander Dexne</u>
ID number:	<u>L1TYJWJJ1</u>
Date of birth:	<u>20.04.1965</u>
Address for the delivery of court papers:	<u>Droste-Hulshoff-Str. 29, Hamburg, 22609, Germany</u>
Citizenship:	<u>German</u>
Is the director a member of Board of Directors committee/s:	<u>No</u>
Is this director an Independent Director or External Director:	<u>Independent 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>Masters in Economics (Gottingen University, Germany); MBA (Massey University, New Zealand);</u>
Occupation in the last 5 years:	<u>CFO, Alstria Office Reit AG since June 2007;</u>
Serves as a director in the following companies:	<u>Managing Director of all of Alstria Office Reit AG's fully consolidated subsidiaries.</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. Alexander Dexne 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.

On 5th of September 2017, the Company's Audit Committee confirmed that Mr. Alexander Dexne shall be classified, if and to the extent that his appointment as a director is approved, as an independent director. This classification was made on the basis of his declaration that he meets the qualifications for appointing an external director prescribed in Section 240(B) to (F) of the Companies Law. However, it should be noted that the Company did not adopt in its Articles of Association the recommended corporate governance provisions regarding the percentage of independent directors, as detailed in Section 1 of the First Addendum of the Companies Law.

It is noted that on 5th of September 2017, the Company's Board of Directors established that in light of his education, and in light of his employment experience Mr. Dexne 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. Alexander Dexne 's declaration as foregoing (hereinafter: "**Mr. Dexne's Declaration**").

It should be further noted, that on September 5th 2017, the Company's Remuneration Committee and Board of Directors (accordingly) approved, pursuant to the provisions of Regulation 1a(2) of the Companies Regulations (Reliefs in Transactions with Interested Parties), 5760-2000 (hereinafter: the "**Relief Regulations**") the granting of annual remuneration and remuneration for participating in meetings to Mr. Dexne , subject to the EGM's approval of his appointment as a Director in the Company, at the rate of the maximum amounts detailed in the Second and Third Addendums to the Companies Regulations (Rules Regarding Remuneration and Expenses for an Outside Director), 5760-2000 (hereinafter: the "**Remuneration Regulations**"), and pursuant to the class in which the Company is classified, as detailed in the First Addendum to the Remuneration Regulations.

Below is the summary of the explanations of the Remuneration Committee and the Company's Board of Directors for the approval of the remuneration to be paid:

The cost of the remuneration to the Company is immaterial to the Company, and it is appropriate and reasonable under the circumstances, taking into consideration the scope of the Company's operation and the scope of the work and responsibility of the director in the Company, as a director whose service demands effort and time, including preparation to the meetings of the Company's Board of Directors Meetings. The foregoing annual remuneration and participation remuneration do not exceed the maximum amounts pursuant to Regulations 4, 5 and 7 of the Remuneration Regulations, and are also identical to the annual remuneration and participation remuneration paid to all other members of the board of directors (apart from Mr. Ulrich Tappe, Director and CEO of subsidiary who isn't entitled only to participation remuneration). In accordance to Section 9.1.1 of the Company's remuneration policy – the Chairman of the board of directors is only entitled to Annual remuneration – nevertheless in accordance to Israeli Law the remuneration paid to an Independent Director has to be identical to the remuneration paid to the External Directors on the board, therefore the Remuneration Committee and the Board of Directors confirmed (for the sake of cautious) in that date that the Company shall deviate in this occasion from its Remuneration Policy in order to comply with the Israeli Law in regards to remuneration for the Independent Director.

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

It is proposed to include Mr. Dexne (subject to the approval of his appointment as a 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 September 5th, 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. **Dexne** in the Current Policy, 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. 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 100 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. Dexne in future directors' and officers' liability insurance policies (resolution)**

It is proposed to approve the inclusion of Mr. Dexne (subject to the approval of his appointment as a 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 September 5th, 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. Dexne 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. Dexne (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. Dexne (subject to the approval of his appointment as a director in the Company). It should be noted that on September 5th, 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. Dexne (subject to the approval of his appointment as a 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.

2. The required majority

The majority required to approve the issues detailed under Sections 1(a), 1(b), 1(c) and 1(d) 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 Sunday, September 17th, 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

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.

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. Dexne's declaration, following coordination in advance, at the Shimonov Offices, during customary working hours. Mr. Dexne '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