



KARDAN BOARD TO PROPOSE AGREEMENT IN PRINCIPLE REGARDING DEBT RESTRUCTURING

Amsterdam, December 18, 2014 - Kardan N.V. ('Kardan' or 'the Company'), active in Real Estate, Water Infrastructure and Financial Services in emerging markets announces that further to the announcements of September 16 and September 18 last, yesterday evening the Board of Directors of Kardan decided to propose an agreement in principle regarding debt restructuring ('the Principles') to the holders of the Company's Series A and Series B debentures (the 'Debenture Holders') as negotiated and agreed upon in principle with the trustees and representatives of the Debenture Holders.

The proposed agreement in principle, as attached hereto as Annex 1, comprises two phases, as follows.

The first phase comprises a proposal to amend the deeds of trust for debentures Series A and Series B (combined referred to as 'the Immediate Amendment'), which in headline entails to postpone the upcoming February 2015 interest and principal payments by six months until August 2015 for both Series.

In the second phase, which will start within 90 days after receiving the approval of the Debenture Holders, the Company and the trustees and the Debenture Holders will begin to draft the amendments to the deeds of trust according to the proposed Principles, which in headline entail to postpone the majority of payment of principals by 24 months against certain conditions, restrictions and collateral.

It is noted that the proposed Immediate Amendment needs to be approved by the Debenture Holders before December 31, 2014 ("the Deadline"), which means that both the meeting of holders of debentures Series A and of holders of debentures Series B need to give their approval (by a majority of 75%) to the Immediate Amendment and to approve the trustees of both Series to conduct negotiations with the Company to reach final agreements based on the Principles.

If these approvals are not granted before the Deadline, then the proposed Principles shall be revoked.

It is further clarified that the wording of the Immediate Amendment is still subject to the approval of the Tel Aviv Stock Exchange.

DISCLAIMER

This press release contains forward-looking statements and information, for example concerning the financial condition, results of operations, businesses and potential exposure to market risks of Kardan N.V. and its group companies (jointly "Kardan Group"). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements (including "forward looking statements" as defined in the Israeli Securities Law). Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. A variety of factors, many of which are beyond Kardan Group's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Kardan Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For Kardan Group, particular uncertainties arise, amongst others but not limited to and not in any order of importance, (i) from dependence on external financing with the risk that insufficient access to capital threatens its capacity to grow, execute its business model, and generate future financial returns (ii) from concentration of its business in Central Eastern Europe and China as a result of which Kardan Group is strongly exposed to these particular markets (iii) from risks related to the financial markets as a result of Kardan N.V.'s listings on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange and (iv) from it being a decentralized organization with a large number of



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separate entities spread over different geographic areas in emerging markets, so that Kardan Group is exposed to the risk of fraudulent activities or illegal acts perpetrated by managers, employees, customers, suppliers or third parties which expose the organization to fines, sanctions and loss of customers, profits and reputation etc. and may adversely impact Kardan Group's ability to achieve its objectives and (v) from any of the risk factors specified in Kardan N.V.'s Annual Report and in the related "Periodic Report" (published by Kardan N.V. in Israel) published in April, and which is also available at the Kardan website. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Kardan N.V. does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in Asia (predominantly China), Africa and selected CEE and CIS countries. Its activities are mainly focused on three sectors that benefit from the rising middle class: Real Estate, Water Infrastructure and Banking & Retail Lending. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and is actively involved in the definition and implementation of their strategy through its local business platforms. Total assets as of September 30, 2014 amounted to EUR 1,013 mn; revenues totalled EUR 161 mn in the first nine months of 2014. Kardan is listed on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange.

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"This press release contains regulated information (gereguleerde informatie) as defined in the Dutch Act on Financial Supervision (Wet op het financieel toezicht)"

Kardan NV (hereinafter: the "Company")

The Company's Proposed Agreement in Principle between the Company and its Debenture Holders

Introduction

On December 17, 2014 the Company's board of directors approved the publication of the Company's proposed agreement in principle with its debenture holders, as detailed below.

Along with the publication of this proposal, the Company will also be publishing a proposal for the amendment of the trust deeds (hereinafter: the "**Immediate Amendment**").

If the debenture holders' approval (as defined below) shall not be granted by December 31, 2014, then the proposal, as detailed below, shall expire on the same date, and shall not longer be valid. In such a case, the Company's letter of undertaking towards the trustees, dated October 21, 2014, and all the Company's commitments according to it, shall be revoked.

"**Debenture Holders' Approval**" signifies a binding approval by each of the debenture holders' meetings (Series A and B) of the Company for the Immediate Amendment and an approval by each of the two meetings to the trustees to conduct a negotiation with the Company in reach an agreement according to the agreement in principle, as detailed below, both by special majority.

The principles of the agreement

1. Definitions - to complete

The Company - Kardan N.V.

GTC RE – GTC Real Estate Holding B.V., a private company, incorporated in the Netherlands, wholly owned (100%) by the Company.

KLC – Kardan Land China Ltd., a private company, incorporated in Hong Kong, wholly owned (100%) by GTC RE.

KLD – Kardan Land Dalian (HK) Ltd., a private company, incorporated in Hong-Kong, wholly owned (100%) by KLC.

KFS – Kardan Financial Services B.V., a private company, incorporated in the Netherlands, wholly owned (100%) by the Company.

TBIF – TBIF Financial Services B.V., a private company, incorporated in the Netherlands, wholly owned (100%) by KFS.

TGI – Tahal Group International B.V., a private company, incorporated in the Netherlands, 98.42% owned by the Company.

TG – Tahal Group B.V., a private company, incorporated in the Netherlands, wholly owned (100%) by TGI.

TGA – Tahal Group Assets B.V., a private company, incorporated in the Netherlands, wholly owned (100%) by TGI.

EMERGING - Emerging Investments XII B.V., a subsidiary, wholly owned by Kardan NV, which according to the Company's statement, is the sole beneficiary of repayment of all the loans that the Company granted corporations under its control, and together with GTC RE is the owner of all the debentures repurchased by the Company or by a corporation under its control.

KWIG - Kardan Water International Group (HK) Limited, a private company, incorporated in Hong-Kong, wholly owned (100%) by TGA.

Dalian Project - Europark Dalian project, located in Dalian, China, wholly owned (100%) by KLD, through a wholly owned (100%) subsidiary of KLD.

Lucky Hope 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 companies through which KLC holds rights and projects in the joint venture with companies from the Lucky Hope Group from Hong-Kong.

The "**Relief Conditions**" require meeting both of the following necessary conditions: (1) The Company has repaid (including the purchase of debentures

which will be done after the date of completion of the agreement under the conditions below) 55% of the par value of the debentures (which are not of the Company or a corporation under its control) as of the publication of this proposal; (2) According to the Company's most recent stand-alone financial statements (quarterly or annual, according to the date), the "Company's Coverage Ratio" stands at more than 180%.

"Date of the Signing of the Agreement" – a date to be set as part of the terms and conditions of the agreement - which will be prepared based on the provisions of this proposal - on which the agreement shall become effective.

The **"Company's Coverage Ratio"** signifies - the total value of the assets according to the Company's stand-alone financial statements divided by the total stand-alone liabilities of the Company. For the purpose of calculating the Company's Coverage Ratio, cash and cash equivalents will be deducted from the assets and the liabilities. In addition, debentures held by the Company or by a corporation under its control, will be deducted from the assets and liabilities, if they were not deducted from the stand-alone liabilities. According to the above definition, the Company's Coverage Ratio as at 30.09.2014 is 1.209¹. The Company undertakes to include in its quarterly and annual financial statements, as part of the Directors Report, the carrying value of the debentures owned by companies under its control.

The **"Kardan Group"** – the Company or any corporation under its control, either directly or indirectly.

2. **Postponement of the principal payments**

All of the Company's principal payments to the debenture holders (Series A and B) shall be postponed by 24 months, excluding principal payments for Series B in 2019 and 2020, which shall remain intact (and shall grow, due to the

¹ For this purpose, the total stand-alone assets as at 30.09.2014 was €440,992 thousand from which cash and cash equivalents of €232 thousand and debentures of the Company held by a subsidiary of €14,294 thousand were deducted; the total liabilities as at 30.09.2014 was €367,379 thousand from which cash and cash equivalents of €232 thousand and debentures of the Company held by a subsidiary of €14,294 thousand were deducted .

postponement of the principal payments of this series from 2017 and 2018 to 2019 and 2020), as detailed in the repayment schedule attached as **Appendix 2**. It is hereby clarified that the “amount of the deferred principal” as defined in the Immediate Amendment and the related interest will not be paid in August 2015 (despite that it is so stated in the Immediate Amendment).

3. **Interest payments**

The interest payment dates, as specified in the trust deeds, shall remain unchanged.

However, the “deferred interest payment” as defined in the Immediate Amendment and its related interest will be paid in August 2015, as stipulated in the Immediate Amendment. It is hereby clarified that in February 2016 the Company will make an interest payment (in the rate determined in the trust deeds plus the additional interest as detailed in section 5 below), in relation to the entire outstanding principal at that date, for the period from February 2015 until February 2016 (all including linkage differences).

4. **Transfer of the Proceeds of the KWIG and Chengdu Transactions**

The Company shall make every effort and use its powers and rights in order to exercise its indirect rights (or at least 75% of them) in KWIG (so as to include, *inter alia*, a full repayment of the shareholders' loans that KWIG borrowed from TGA and KLC to the lenders by KWIG (hereinafter: the "**KWIG Transaction**"), as soon as possible, provided that the proceeds of the KWIG transaction shall not be lower than the amount prescribed in Section 10.7 below. The Company undertakes that the distribution of the net proceeds (i.e., less transaction costs and taxes) from the KWIG Transaction as well as from the transaction of the sale of the Company's indirect rights (50%) in Galleria Chengdu, regarding which the Company published an immediate report on December 4, 2014 (hereinafter: the "**Chengdu Transaction**") shall be done in accordance with **Appendix 4**. The Company shall make every effort to secure - until the proceeds of the transactions mentioned in this section have been obtained - all of the required approvals from

the Kardan Group and third parties² whose agreement is required will be obtained, in order to transfer the proceeds as prescribed in **Appendix 4**.

It is hereby clarified that if, for any reason, except not receiving third party approval whose agreement is required which was not received despite the Company's efforts and / or if received by court an order preventing the transfer of these proceeds, in whole or in part, the proceeds as detailed in Appendix 4 shall not be transferred, this shall constitute a violation by the Company of its undertakings towards the trustees and the debenture holders.

5. **Additional interest and allocation of shares to the debenture holders**

As of the repayment date in February 2015, the interest rate prescribed in the trust deeds shall increase by 1.875% (so that the debenture principal (Series A) of the Company shall carry an interest rate of 6.325% and the Company's debenture principal (Series B) shall carry an interest rate of 6.775%. For the avoidance of doubt, linkage differences shall be added to the principal and interest (as prescribed by the trust deeds which will not change in relation to this matter and as was calculated and paid by the Company until the date of this proposal, i.e. the interest was paid on the linked principal).

The debenture holders shall be allocated, on the Date of the Signing of the Agreement or close to that date according to a shelf offering report to be published for that purpose, without consideration, Company shares, which shall constitute 12% of the Company's issued and paid up capital immediately after the allocation.

6. **Pledges; negative pledges; guarantees**

6.1 **Pledges** - all undertakings towards the trustees and debenture holders shall be secured by primary, exclusive pledges with no maximum amounts, for all of the Company's interests (shares or other interests which constitute share substitutes) and any corporation under its control - GTC RE, KLC, KFS, TBIF, TGI, EMERGING (hereinafter: the "**Pledged Corporations**"), including for revenues from the interests and related interests as well as the

² In relation to the Chengdu Transaction – no third parties approvals are needed.

Company's interests or the interests of any corporation under its control for loans granted to any of the Pledged Corporations. The Company hereby declares that it has no interest whatsoever in the Pledged Corporations, except the interests to be pledged as aforesaid. As long as the pledges have not been exercised and as long as the Company meets its repayments to the debenture holders, the Company shall be allowed to use the revenues derived from the interests and the loan repayments, all in accordance with the terms of this proposal. All of the above pledges shall be registered close to the Date of the Signing of the Agreement, as shall be prescribed by the provisions of the agreement, but if GTC RE's debt to the Israel Discount Bank will not have been repaid in full by that date, the pledges for KLC, KFS, TBIF, TGI shall be registered after the said debt has been repaid to the Israel Discount Bank.

- 6.2 It is hereby clarified that the Company (and any corporation under its control) shall not be permitted to repledge or sell any of the assets pledged to the debenture holders and it will not be possible to allocate shares in the Pledged Corporations, except for: a. The sale or allocation of TGI shares - in whole or in part; b. The sale or allocation of KLC or TBIF shares, after which the Kardan Group corporation shall hold at least 50.1% of that company's share capital (fully diluted, excluding outstanding securities convertible into that corporation's shares), provided these transactions (in accordance with Sections a and b above), shall meet the following conditions: (1) The transactions shall be executed provided that the pledges have not been exercised and that the Company is meeting its payments to the debenture holders; (2) The proceeds of these transactions shall be against cash only and shall be used for the early repayment of the debentures, in accordance with all of the provisions of Section 7 below; (3) The proceeds for the transactions shall not be lower than the amount prescribed in Section 10.7 below. However, despite the aforesaid, allocations to employees of shares or options convertible to shares shall be allowed in each of TGI, KLC or TBIF, even if the allocation does not meet conditions (2) and (3) above. It is hereby clarified that all of the said in this

section above shall not detract or affect existing agreement at the date of this proposal.

Notwithstanding the above, the Company is allowed to dispose any of the Pledged Assets if it received the approval of each of the meetings of the debenture holders by a regular majority with a quorum of 50% of the remaining par value and in an adjourned meeting a quorum of 10%.

- 6.3 In addition, as aforesaid, all of the Company's funds (and any cash equivalents, securities, etc.), as shall be in its possession from time to time, excluding the free amount shall be pledged to the benefit of the debenture holders' trustees so that the Company's bank accounts shall be pledged to the benefit of the trustees (hereinafter: the "**Pledged Accounts**"), and the Company will undertake that all of the funds in its possession, whether currently or in the future (and any cash equivalent, securities etc. in its possession, whether currently or in the future), shall be deposited and kept in the Pledged Accounts, excluding the Free Amount. The "Free Amount" signifies - a maximum total of €3 million (and after the Relief Conditions have been met - €6 million), which will serve solely for the payment of the Company's general and administrative expenses. It is hereby agreed that the Company shall be permitted to make use of the pledged funds in the Pledged Accounts for its needs in accordance with this agreement at its sole discretion, without the need to obtain any approval from the trustees or debenture holders, provided that no pledge of the Pledged Accounts has been exercised, in accordance with the conditions outlined below. The trustees and debenture holders shall not be permitted to give any order in the Pledged Accounts or prevent any transaction by the Company in the Pledged Accounts prior to the exercise of the pledge as detailed below.

The pledge shall be exercisable only under the following circumstances: a. The Company has not met a principal or interest payment; b. If the debt is called for immediate repayment under law. If the Company were to inform the trustees that it objects to their right to call for the immediate repayment of the Company's debt within three days from the date of the call for immediate repayment, the relevant court of law in the Netherlands shall

decide the issue and, until a decision has been reached, the Company will be permitted to use the funds in the Pledged Accounts in accordance with the provisions of this proposal unless otherwise instructed by the court.

Any cash amount or cash equivalent that TGI, KFS or GTC RE or corporation under their control will decide to remit to the Company, the amount shall be remitted to the Company's Pledged Accounts or to the Free Amount (and shall not be remitted to any other corporation under the Company's control).

6.4 **Negative pledges** - the Company and any corporation under its control shall not pledge to others (undertake negative pledges) of the Company's interests and of any corporation under its control, either directly or indirectly, in shares of the following companies: TBI Bank EAD (which owns a bank in Bulgaria with branches in Romania), TBI Credit EAD (which owns a credit cards company active in Bulgaria), TBIF Dan Leasing Ltd., VIP Rent Foreign Enterprise (which owns the license for the AVIS brand in Ukraine and is 100% owned by TBIF Dan Leasing Ltd.) and KWIG. The Company declares that, as of the date of the publication of this proposal, these assets are not pledged to any third party and undertakes that on the Date of the Signing of the Agreement, these assets shall not be pledged to a third party. The Company is allowed to pledge any of the above assets subject to each of the meetings of the debenture holders approval by a regular majority with quorum of 50% of the remaining par value and 10% quorum in an adjourned meeting.

6.5 **Revocation of pledges** - after the Relief Conditions will have been met, the Company shall be allowed to revoke only the pledges over TGI or KFS and TBIF (or both), provided that the coverage ratio between all the assets which will remain pledged in favor of the debenture holders after the revocation of said pledge and the Company's debts shall reach at least 180%. For the purpose of calculating the said coverage ratio, cash and cash equivalents will be deducted from the assets and liabilities. In addition, debentures held by the Company or by a corporation under its control, will

be deducted from the assets and liabilities, if they were not deducted from the stand-alone liabilities.

The Company's undertaking regarding the negative pledge in relation to the remaining holdings in KWIG (only) shall be revoked when the Relief Conditions will have been met.

6.6 Proceeds from a forced exercise of the pledges shall be distributed among the two debenture series, according to the debt ratio towards them on the date of the receipt of the proceeds.

6.7 **KLC guarantee** – KLC will guarantee the Company's commitments towards the debenture holders and the trustees under the following conditions:

6.7.1 The guarantee will be limited to an amount of €100 million and will expire when the Relief Conditions are met.

6.7.2 The trustees or the debenture holders will not be able to exercise the said guarantee or to receive moneys based on it and will not be able to take any action against KLC based on the guarantee as long as the "Chinese Loan" as defined below is not fully repaid, or as long as the credit to be taken according to sections 9.14.3.1 and 9.14.3.2 below is not fully repaid, unless in order to keep their rights in processes to be initiated by other parties and without derogating the subordination of the guarantee towards the "Chinese Loan" or the credit as said above.

7. **Financial Covenants**

The following are the financial covenants for this agreement, which shall be examined every quarter, upon the publication of the Company's financial statements, whereby failure to meet any of them for two consecutive quarters, shall provide the trustees and debenture holders with cause for immediate repayment and exercise of their collaterals. However, if the deviation in the said two quarters shall be lower than 5% of the financial covenants detailed below, then the cause for immediate repayment and exercise of the collaterals as

aforesaid shall apply only if there is (any) deviation from the covenants in the following (third) quarter.

7.1 The Company - the Company's Coverage Ratio shall not be below 100% during 2015 till 2017 (including), and shall not be below 120% beginning from Q1/2018.

7.2 If the Company's Coverage Ratio in 2015-2017 shall be lower than 110%, and as of 2018 – lower than 130%, KLC's coverage ratio shall not be lower than 180%. KLC's coverage ratio signifies – the total value of the assets in the consolidated financial statements of KLC divided by the total liabilities of KLC in the consolidated financial statements. For the purpose of calculating the coverage ratio, cash and cash equivalents will be deducted from the assets and liabilities. In addition, debts of the controlling shareholders of KLC will be deducted from the assets and “subordinated liabilities”³ to the controlling shareholders of KLC will be deducted from the liabilities.

The provisions of this section 7 may be amended if a decision is taken, in each of the meetings of the debenture holders (of both series), by a special majority of 66% as long as in each of these meetings at least 50% of the outstanding nominal value of the series was present, or as long as it is an adjourned meeting – 10% of the outstanding nominal value of the series.

8. **Early repayment and asset disposal**

8.1 The Company shall be obligated to early repayment of the Company's debt towards the debenture holders (according to the full liability value) when it, or any corporation under its control, shall receive proceeds from any disposal (including: full or partial sale, dividends, proceeds from the repayment of a shareholders' loan, taking on a partner or obtaining or increasing financing (provided that the Company is permitted to take or increase the funding as detailed below)) of any of the assets included in

³ “Subordinated liabilities” signifies liabilities which first maturity date falls after the last payment to the debenture holders, and at any event, including insolvency, will only be repaid after the debentures were fully repaid.

Appendix 8.1 of this proposal (hereinafter: the "**Agreed Assets**"), according to the following conditions:

8.1.1 Whenever a corporation in the Kardan Group receives any proceeds for the disposal of any of the Agreed Assets, the entire amount shall be remitted to the Company, less amounts which the remitting corporation should retain, if it should retain them, in order to meet its obligations, taking into account only obligations which were known and in existence on the date on which the proceeds were received, and whose repayment date is no more than 12 months after that date. Despite the aforesaid, it is agreed that the first €25 million KLC receives from the sale of Lucky Hope assets / companies, shall remain in KLC, inasmuch as that amount is required, at KLC's discretion, for the Dalian Project (and in such a case, only the remaining amount of the proceeds from the Lucky Hope Companies / assets shall be remitted to the Company as aforesaid).

8.1.2 The Company shall make full use of the funds it shall receive as aforesaid for the purpose of early repayment, as soon as possible, provided that the Company shall be allowed to hold such amounts as will complement the existing amounts on the same date, prior to the early repayment, to the following amounts (at its full discretion to decide for which purpose of those listed below it will hold such amounts):

8.1.2.1 An amount that will be used for general and administrative expenses of the Company for one year from the date of the early repayment in amount of €4.8 million in 2015 or an amount of €4.5 million in the years after and in addition expenses (in 2015) in relation to the agreement, and expenses in relation to the representative and director appointed by the trustees to the debenture holders, expenses in relation to bonus to the Company's CEO as approved until the date of

the early repayment and additional expenses, as may be, that until the date of the early repayment, the Company must pay which are extraordinary expenses that cannot be reasonably expected ;

8.1.2.2 The amount required for interest payments to the debenture holders on the nearest interest payment date (for the two debenture series), which shall take place after the early repayment date; Should the Company keep such amount, then from that date onwards it will not use it for any purpose other than the said interest payment, or for an early repayment on a date prior to the said interest payment.

8.1.2.3 An amount of approximately €6.3 million which will be retained only for the purpose of meeting the Company's obligations under the GTC Poland deal, as reported in the Company's immediate report dated 17.11.2013 (hereinafter: the "**GTC Deal**"), as long as the Company is bound by these obligations. For this purpose, it is hereby agreed that when the Company's said obligation expires, the amount remaining in the hands of the Company **which is** no longer subject to the said obligation (the "**Released Amount**") will remain in the hands of the Company in accordance with the provisions of section 8.1.2.2 above, however as long as the Company has the full amount required for interest payment to the **debenture holders** in the nearest payment date, the Released Amount will be used to complete the amount detailed in section 8.1.2.1 and the remaining amount will be paid as early repayment.

8.1.3 In addition, after the Company has repaid the postponed February interest payment and the interest for it, it shall be allowed to retain - of the amounts received according to Section 8.1.1 above, prior to

the early repayment - a one-time amount of €7.5 million, to use for the support of, or remittance to, any of the corporations under its control. This section supersedes any written restriction on investments in the Kardan Group corporations. It is agreed that the total amount that the Company will have at any time according to this section, including amounts it provided to companies under its control according to this section, will not exceed €7.5 million.

8.1.4 The Company is not obliged to make an early repayment unless the aggregate amount that is in its account for the purpose of early repaying the debenture holders, according to the above, will exceed the minimal amount according to the stock exchange regulations and not be less than one million EURO.

8.1.5 The Company will repay the full debt to Discount Bank as soon as possible and from any available source before any payment to the debenture holders ,and not before retaining funds according to its discretion for the purpose of sections 8.1.2.1 and 8.1.2.3 .

8.2 If KLC's undertaking to remit the amount of (200 million RMB) (hereinafter: the "**Contingent Amount**") for the Dalian project⁴ expires without KLC's having paid this amount or part thereof, then the Contingent Amount (or part thereof, *mutatis mutandis*) shall be transferred to the Company for early repayment in accordance with the provisions of Section 8 above.

8.3 The early repayment shall be made on account of the interest accrued for the unpaid balance as of the early repayment date and then for the nearest principal payment, and so forth.

8.4 The early repayment of the two series shall be done pro rata, according to the debt ratio between the series on the nearest principal payment date and - provided that the entire principal amount for the two series was paid on the

⁴KLC undertook towards the banks financing the Dalian Project in China (hereinafter: the "**Financing Banks**") to transfer this amount to the benefit of the project under certain conditions.

nearest early repayment date - then the balance shall be paid according to the debt ratio between the series on the following principal payment, and so forth.

- 8.5 After the Relief Conditions have been met, then despite the aforesaid, the Company shall be obligated to the early repayment of only 35% of the amount it is required to repay early under Section 8 above.

9. Restrictions and Provisions regarding Disposal, Obtaining Credit and Investments

All of the following restrictions shall apply only until the date on which the Relief Conditions are met.

Restrictions applicable to the Company -

- 9.1 In this chapter (Sections 9.1 to 9.4): 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.
- 9.2 The Company shall not begin any new business activities.
- 9.3 The Company shall not be permitted to make any investments and shall not be allowed to obtain any credit (including the issue of debentures, debt recycling, refinancing, changing existing credit terms, including credit increase etc., except for obtaining credit from Kardan Group entities), unless if this relates to credit which will be used to fully repay the debt to the debenture holders according to the full liability value, or unsecured credit, which is inferior to the debt towards the debenture holders, including that the beginning of its repayment date takes place only after the debentures have been fully repaid and that in case of insolvency or at any other time, it shall not be repaid unless the debentures have been fully repaid.
- 9.4 Despite the provisions of Section 9.3 above, the Company shall be permitted to conduct foreign exchange hedges at its discretion, in order to secure future proceeds from a transaction conducted by the Company or a corporation under its control, and for that purpose it shall be permitted to

make use of funds in the Company's accounts, including those pledged to the debenture holders, and all as long as the pledge over the Pledged Accounts has not been exercised.

Restrictions applicable to KFS and companies under its control-

- 9.5 KFS and any company under its control shall not be allowed to enter into new activity areas in which they are not involved as of the date of the publication of this proposal. KFS's areas of activity and those of the companies under its control are described in **Appendix 4**.
- 9.6 KFS and TBIF themselves shall not be allowed to conduct any investments but any corporation under their control which is a "corporation with business activity" (as defined below) shall be allowed to invest in existing and new projects in its area of activity as of the date of this proposal, provided that the source of the investment funds is the ongoing operations of any of the corporations under KFS's control and does not constitute proceeds for the Agreed Assets (hereinafter: the "**Permitted Investments**"). A "**Corporation with Business Activity**" - signifies any corporation under TBIF's control, directly or indirectly.
- 9.7 KFS and TBIF themselves shall not be allowed to obtain any credit, except for credit taken by KFS from TBIF, or short term credit that will be taken by any of them from a corporation under their control in an aggregate amount that will not exceed €5 million at any given time. Any corporation under their control which is a Corporation with Business Activity shall be allowed to obtain unlimited credit, for the purpose of its business activity, provided that:
- a. The collaterals for the said credit shall be provided only by a Corporation with Business Activity and additional collaterals for the said credit can also be provided by KFS or TBIF themselves; b. The Agreed Assets (or the shares of the corporations controlling them) shall not serve as collaterals for the said credit, however it will be possible to pledge an agreed asset owned by TBIF if a written approval was received by both meetings of the debenture holders by regular majority.

Restrictions applicable to TGI and the companies under its control -

- 9.8 It is agreed that there shall be no restrictions on the activity of TG and the companies under TG's control, including for the purpose of obtaining credit, entering new areas of activity, making new investments and pledging assets, provided that such activities shall make use of the resources of TG and the companies under its control rather than those of other companies from the Kardan Group.
- 9.9 TGI and TGA or any corporation under their control (excluding TG and the entities under its control) shall not be permitted to enter new areas of activity which are outside their areas of activity as of the date of this proposal, as described in **Appendix 9.9**.
- 9.10 There shall be no restriction on TGI and TGA regarding making investments or obtaining credit, except for the following restrictions: a. The resources for these investments are only from the ongoing activity of any of the corporations under TGI's control (other than proceeds for the Agreed Assets⁵); b. The collaterals and commitments provided in return for the credit were given and delivered only by them or by TGI or any of the corporations under its control, rather than by other corporations in the Kardan Group (without derogating from the negative pledge obligation for the KWIG balance). Despite the said in this section above, TGI and TGA will be allowed to take action which is prohibited according to this section, if an approval was given by a regular majority by each of the meetings of the debenture holders of both series.
- 9.11 The Company and TGI may provide third parties with collaterals required in order to execute their projects by TG. In addition, TGI may provide guarantees which are required in order to execute projects by TGA. The

⁵ It is clarified that an amount of up to €10 million that will remain in TGI from the KWIG transaction according to financing banks, as detailed in Appendix 4, will be used by TGI and TGA for investments at their discretion, including its investment in TG.

said collaterals in this section will only relate to projects as detailed in this section (and not for investments in assets).

Restrictions applicable to KLC and the companies under its control

- 9.12 KLC and any corporation under its control shall not be allowed to enter new areas of activity or invest in new projects or activities (even if they are within the current area of activity, as of the date of the publication of this proposal, of any of the above entities).
- 9.13 KLC or any entity under its control shall not expand the Dalian Project, with the construction of an additional building in the project (beyond the existing buildings and the two planned C buildings in the project) constituting an expansion for the purpose of this section. Lucky Hope companies shall not initiate or develop new projects beyond the projects to be constructed on all of the lands under their ownership.
- 9.14 Proceeds for the sale of KLC assets or of any assets under their control shall be subject to the following provisions:
- 9.14.1 According to the provisions of this proposal, proceeds for any project can serve only for that project. For this purpose, the assets of Lucky Hope Companies shall be considered a single project.
- 9.14.2 Subject to Appendix 4, all funds received by KLC from the repayment of the loan extended to KWIG shall be remitted to the Company and used for early repayment as provided in Section 8 above.
- 9.14.3 Unless approved by a 66% majority by each of the two meetings of debenture holders of the two series, KLC or any entity under its control shall not be allowed to take credit except under the following conditions:.
- 9.14.3.1 KLD shall be allowed to substitute the existing loan for the amount of 900 million RMB (hereinafter: the "**Chinese Loan**") from the financing banks (which is secured, *inter alia*, by KLD assets), through a loan in an identical or lower amount, in market conditions,

from any party, or obtain an additional loan in market conditions, in an amount that - together with the Chinese Loan amount - will not exceed, as of that date, 900 million RMB, from any source.

9.14.3.2 KLD shall be allowed to substitute the Chinese Loan for a loan in a higher amount, which shall not exceed 1,260 million RMB, or obtain another loan in an amount that, together with the amount of the Chinese Loan as of that date, shall not exceed the said total (hereinafter, in this Section: the "**New Loan**"), only for any of the following needs:

- (a) For permitted activity in the Dalian Project;
- (b) For remitting funds to the Company to the benefit of the debenture holders alone; but in such a case, the conditions of the new loan shall be approved in advance by a regular majority of the debenture holder meetings.

9.14.3.3 KLC shall be allowed to take the credit or to guarantee the credit that will be taken as detailed in Sections 9.14.3.1 and 9.14.3.2 above and/or provide securities for the said credit, however in relation to such loan a security or undertaking (including guarantee) may only be provided by KLC or companies held by it (and not by any other Kardan Group corporation).

9.14.3.4 KLC shall be allowed to obtain credit in order to finance its current expenses (rather than for the Dalian Project or Lucky Hope Companies) in an aggregate amount not higher than €10 million at any time.

9.14.3.5 Any of the Lucky Hope companies shall be allowed to take credit for its own needs or for the needs of another

Lucky Hope company (for the avoidance of doubt, this credit shall not be guaranteed by KLC).

- 9.15 KLC's interests or those of any corporation under its control in KLD or the Lucky Hope companies can be pledged only for the purpose of obtaining credit in accordance with the above provisions.

General provisions regarding the restrictions

- 9.16 No corporation in the Kardan Group shall provide guarantees or collaterals or assume liabilities to the benefit of another corporation in the Kardan Group, other than according to the above provisions.
- 9.17 The fact that loans have been granted by Kardan Group companies to other Group companies does not preclude or derogate from the above provisions and their execution.

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.

10. **Restrictions and additional provisions**

The detailed agreement shall include provisions and restrictions which apply to the Company and all of the corporations under its control, *inter alia* regarding the following issues, as well as reference to the following issues (unless provided otherwise, the following provisions shall apply until the debentures have been fully repaid):

- 10.1 Prohibition on distributions (including dividends). This provision shall become void when the Relief Conditions have been met and when the Company has repaid 75% of the debentures outstanding on the date of the publication of this proposal.
- 10.2 Prohibition on conducting transactions (for the entire Kardan Group) with the controlling shareholders or transactions in which the controlling

shareholders have a personal interest, including transactions related to employment conditions and term of office, unless these have been approved by the debenture holders, excluding meeting current obligations towards Kardan Israel Ltd. (including reducing the obligations towards it) and the other transactions detailed in section 10 to Chapter 4 of the Company's periodic report, which - according to the Company's declaration, are the only obligations as of the date of the publication of this proposal, of any of the Kardan Group companies towards the controlling shareholders. When the Companies (Allowances in Transactions with Interested Parties) Regulations of 2000 apply (assuming they apply to the Company), it will be required to convene a debenture holders' meeting in order to approve the transaction if debenture holders holding together 5% of the unpaid balance were to demand this. Such prohibition will not apply to conducting a transaction with interested parties in relation to Avis Ukraine under terms materially similar to the transaction detailed in section 10.1.4 to chapter 4 to the Company's periodic report which eventually did not materialize.

- 10.3 The delisting or pledge to the benefit of the debenture holders' trustees of all the debentures that have been purchased or will be purchased by the Company and by corporations under its control (such a pledge will preclude the sale of debentures) and the Company and any corporation under its control shall waive the right to receive payments for such debentures.
- 10.4 As long as the Relief Conditions have not been met, the Company or any entity under its control shall be permitted to purchase the Company's debentures only under the following conditions:
 - 10.4.1 The purchase of the debentures shall not compromise the Company's obligations towards the debenture holders to repay the Company's debt towards them according to the maturity schedule.
 - 10.4.2 The purchase of the debentures shall be made only through the Tel Aviv Stock Exchange and not outside the Stock Exchange.
 - 10.4.3 The total aggregate amount to be used for purchasing debentures from one of the series (A and B) in six calendar months shall not

exceed 145% of the total amount of aggregate funds used in those six months for the purchase of debentures from the other series.

Debentures purchased in such a manner shall not be sold by the purchasing party. They shall expire and be delisted, or, if the Company shall so choose, shall be pledged to the benefit of the trustees as detailed in Section 10.3 below and the provisions of that same section shall apply to them.

- 10.5 In case a prohibited controlling shareholder, as defined below, has joined the Company (or the control of the Company has passed into the hands of a prohibited controlling shareholder), the debenture holders shall have cause for immediate repayment of the debt. A "Prohibited Controlling Shareholder" signifies a controlling shareholder which a meeting of debenture holders (which was convened at the request of the holder/s who own/s at least 20% of the series) decided - by a majority of at least 75%, within 21 days of the date in which the Company reported that the shareholder has joined the Company as a controlling shareholder (or that he has assumed control of the Company) - that it opposes his joining the controlling shareholders (or assuming the control) on reasonable grounds pertaining to his personal reputation, such as having committed a flagrant offense or if he does not meet the lawful conditions for serving as a director in an Israel-based publically traded company.
- 10.6 Update and additional extension of the immediate repayment causes of the debenture holders, including in a manner which shall include the causes added in Amendment 50 to the Securities Law, as well as the right to immediate repayment in case of a breach of material provisions of the agreement. In addition, the full agreement shall include additional causes for immediate repayment and exercise of the pledges which shall be agreed upon as part of the negotiations toward the full agreement. The Company agrees that the debenture holders shall have the right to immediate repayment if the Chinese bank⁶ were to call for immediate repayment (but
-

only if it has such a right) and if a material asset - such as any holding - has entered liquidation or insolvency proceedings.

- 10.7 As long as the Relief Conditions have not been met - unless an approval by regular majority by both meetings of the debenture holders of both series was given, an Agreed Asset shall not be disposed of at a price lower than 80% of the asset's average price, which served as a basis for the figures in the Company's financial statements in the two quarters prior to the disposal, but this provision shall not apply to assets under the ownership of TBIF or entities under its control.
- 10.8 As long as the Relief Conditions have not been met - a Dutch director shall be appointed to the Company's board of directors and will serve also as a director in KLC.
- 10.9 The latter shall serve in the Company's remuneration, approval and selection committee for the selection and compensation of officeholders in the Kardan Group (hereinafter: the "**Committee**"). As long as the Relief Conditions have not been met, a "material officeholder" (as defined below) shall not be appointed in the Kardan Group and the compensation terms of material officeholders shall not be materially altered without the approval of the compensation terms by the Committee; but inasmuch as the officeholders at TGI and corporations under its control are concerned, the Committee's position shall constitute a binding recommendation. A "Material Officeholder" signifies the Chairman of the Board and CEO of either KLC, TGI or KFS, as well as each of the officeholders who constitute the five highest paid employees in the Kardan Group. In addition, any new employee option plans at the Kardan Group shall be pre-approved by the Committee. It is agreed that granting a bonus to the CEO of the Company for the years 2015 and forward will require the unanimous approval of all members of the Committee.
- 10.10 Any material transaction carried out by KLC or corporations under its control shall be discussed and pre-approved by the Company's board of directors. A "Material Transaction" for this purpose signifies a transaction

for the disposal of an asset, or obtaining financing or the taking on of a partner in a transaction valued at more than €25 million.

10.11 As long as the Relief Conditions have not been met - The joint annual general and administrative costs of the Company and GTC RE and EMERGING companies shall not exceed €4.8 million linked to the HICP (European Harmonized Consumers Price Index) in 2015 and €4.5 million linked to the HICP in 2016 and forward. General and administrative expenses will not include expenses in relation to the agreement, expenses regarding the representative and director appointed by the trustees of the debenture holders, expenses regarding bonus to the Company's CEO and extraordinary expenses which cannot be reasonably expected. Exceeding the general and administrative expenses by no more than 5% of these expenses calculated on an annual calendar basis, will result in a reduction of the CEO bonus for that year, as long as he is entitled to such bonus, by 20%. In addition, in such event, the Company will stop paying remuneration or other payments to the controlling shareholders (or to anyone on their behalf) in their capacity as directors. However, if in a subsequent year or after such year the general and administrative expenses will be lower than the amount detailed above, such way that the difference is greater than the said excess expenses, then the amounts that were not paid to the CEO and the directors which are the controlling shareholders due to the said excess, will be paid to them at the end of that year.

10.12 The Company declares and stipulates that there are no more general and administrative expenses, nor will there be any, in any entity under the Company's control other than KFS, TGI and KLC and in corporations under their control, beyond those mentioned above.

10.13 A deviation from the general and administrative expenses stipulated above shall not give rise to a cause for immediate repayment.

10.14 Interest in arrears: the interest in arrears prescribed in the existing trust deeds shall remain intact and shall be added, provided the conditions for its payment are met, to the amended interest after the added interest as detailed in Section 4 above.

- 10.15 The Company shall have the right, at any time, to early repayment - either in full or in part of the debentures at their full liability value in any amount it shall see fit, at its sole discretion. Such early repayment will be done according to the provisions of sections 8.3 and 8.4 above.
- 10.16 The amendment dated 14.3.2014 to the version of Section 29 of Series B's trust deed and of Section 30 of Series A's trust deed (regarding the jurisdiction of the Israeli courts of law, hereinafter: the "Amendment") shall continue to be effective until the actual repayment of the full principal of series A and B that were supposed to be repaid in February 2015 according to the initial maturity schedule of the trust deeds, and thereafter the Amendment will be revoked and will not apply to the Company.
- 10.17 Until the date on which the meetings for obtaining the debenture holders' approval are convened, the Company shall publish approvals by KLC, KFS, TBIF, TGI, TGA, and GTC RE regarding each of the companies' approval of the provisions of this proposal as regards any of them and their commitment to meet these provisions.
- 10.18 Without derogating from the provisions of the law and the trust deeds, the Company shall bear the reasonable expenses and the fees charged by the trustees and their advisers in relation to this proposal, its preparation, the preparation of an agreement based on the proposal and any other action taken in relation to them.

Appendix 2 – Maturity Schedule

Debentures Series A			
	%	Par Value in NIS	Interest Rate
25/2/2015	0.00%	-	6.325%
25/2/2016	0.00%	-	6.325%
25/2/2017	50.00%	160,993,886	6.325%
25/2/2018	50.00%	160,993,886	6.325%
25/2/2019	0.00%	-	-
25/2/2020	0.00%	-	-
Total	100.00%	321,987,771	

Debentures Series B			
	%	Par Value in NIS	Interest Rate
1/2/2015	0.00%	-	6.775%
1/2/2016	0.00%	-	6.775%
1/2/2017	16.70%	166,823,556	6.775%
1/2/2018	16.70%	166,823,556	6.775%
1/2/2019	33.20%	331,649,225	6.775%
1/2/2020	33.40%	333,647,112	6.775%
Total	100.00%	998,943,450	

Outstanding balance debentures series A as at 1.12.2014 – NIS 321,987,771 par value

Outstanding balance debentures series B as at 1.12.2014 – NIS 998,943,450 par value

Appendix 4 – Transfer of Proceeds

Galleria Chengdu is sold before KWIG

	In € millions	
Sale of Chengdu		
Proceeds	73.0	Calculated based on RMB 555 million
Transaction costs and taxes	(8.0)	Estimate
	65.0	
Amounts left in KLC		
Requirements Dalian bank loan	(26.3)	Calculated based on RMB 200 million
Expected liabilities	(10.0)	Expected liabilities of RMB 94 million and the balance will be transferred from the sale of KWIG
Partial repayment - Discount Bank	(28.7)	From total debt of €34 million
Balance transferred to Kardan N.V.	(0.0)	
Sale of KWIG (75%)		
Proceeds- including for the repayment of a shareholder's loan	0.0	Not yet determined
Transaction costs	0.0	Not yet determined
Balance (A)	0.0	
Amounts not transferred to Kardan N.V.		
Repayment loan to KLC (to be transferred to Kardan NV) (B)	(15.4)	Out of €17.8 million (the loan is in 3 currencies)
Repayment loan to KLC (completion of expected liabilities)	(2.4)	The balance of €17.8 million
Repayment FIMI	(21.0)	Estimate
Balance at TGI (a requirement of the financing banks)	(10.0)	Estimate, not yet agreed with the banks, relevant to 75%
Final repayment Discount Bank	(5.4)	Completion to €34 million
Total costs (D)	(54.2)	
Balance transferred to Kardan N.V.	0.0	Not yet determined
Amount transferred from KLC to Kardan N.V.	0.0	
Total to Kardan N.V.	0.0	

Accordingly, the amount to be transferred to Kardan NV from the sale of KWIG is (A) less (D). In addition the amount (B) will be transferred from KLC to Kardan N.V.

(*) The amounts were calculated according to RMB/EUR exchange rate of 7.6 and will be adjusted accordingly.

Appendix 8.1 – 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 Agreed Asset which is subject to the provisions of section 8 to the proposal of agreement in principle.

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 8 to the proposal of agreement in principle.

Sell 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 8 to the proposal of agreement in principle. Selling shares of a company holding (directly or indirectly) in such a project or remaining reserves after sell 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
KLC	Galleria Chengdu	Kardan Land Chengdu (HK) Ltd. (HK holding company which is 50% held by KLC); Kardan Land (Chengdu) Ltd. (the project company in China which owns the shopping mall and is 100% held by the HK holding company above)	Shopping mall in Chengdu, China. Started operations in November 2010. As of 1.12.2014 the retail space in the mall is fully leased.	Commercial real estate
	Europark Dalian	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
KLC (Lucky Hope Companies)	Olympic Garden	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
	Palm Garden	GTC Lucky Hope Dadong Ltd. (HK holding company) which owns 100% of	Residential project in Shenyang, Liaoning province, China; phases 1-3.1 and 4	Residential and commercial real estate

		Shenyang GTC Palm Garden Development Ltd. (the Chinese project company which owns the Palm Garden project).	include 3,408 residential units, 105 shops, and 1,012 parking spaces (the land area of the project is 325,382 sqm).	
	City Dream	Green Power Development Ltd. (HK holding company) which owns 92% of Changzhou GTC Lucky Hope Real Estate Development Ltd. (the Chinese project company which owns City Dream project).	Residential project in Changzhou, Jiangsu province, China; phases 1-3.2 include 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.	Residential and commercial real estate
	Suzy Garden	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
	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	Luck Hope Companies as defined in the agreement in principle.		

	proposal of the agreement in principle.			
KFS	TBI Bank Bulgaria	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).
	Credit cards company	TBI Credit EAD	Consumer credit portfolio and non-banking activity. This company is in a sale process.	Consumer credit portfolio and non-banking activity and acquiring business.
	AVIS Ukraine	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.
TGA	KWIG	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.
TGI	Tahal Group	TG	The activity includes Tahal	Infrastructure,

			Projects: engineering consulting projects, supervision, procurement and operation and various combinations.	water treatment, energy, agriculture, waste water, gas, engineering and waste management.
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Appendix 9.9 – Areas of Activities of TGI and TGA and corporations under their control

The Company	Activities
TGI	Infrastructure, water treatment, energy, agriculture, waste water, gas, engineering and waste management.
TGA	Assets in the area of water and waste water infrastructures, waste water treatment, desalination, agriculture produce processing. • Water and waste water treatment facilities • Concessions for operating and maintenance of urban water infrastructures • Operating water treatment plants. Projects in the fields of water infrastructure. Waste treatment facilities including landfill, sorting and recycling, and energy production.