

## TERMS OF APPOINTMENT FOR EXECUTIVE DIRECTOR

PLAZA CENTERS N.V.  
Prins Hendrikkade 48-s  
1012 AC Amsterdam  
the Netherlands

Mr. Nadav Livni  
37–38 Margaret Street  
London W1G 0JF13  
United Kingdom

Date: 17 October 2014

Dear Mr. Livni,

I write to confirm the terms of your appointment as executive director (*uitvoerend bestuurder*) of Plaza Centers N.V. (the "**Company**"), which is subject to and conditional upon the approval of the extraordinary general meeting of shareholders which meeting is scheduled for 28 November 2014 (the "**EGM**").

### **1. Terms of appointment**

- 1.1. You will be appointed by the EGM as an executive director.
- 1.2. Your appointment as an executive director will continue, subject to the terms set out in this letter (in particular earlier termination under clause 7), for an initial period of 12 months from the date of the EGM and then until terminated by either the Company or you giving to the other not less than three months' prior written notice of such termination.
- 1.3. Your appointment as an executive director is subject to:
  - 1.3.1. the provisions of the Articles; and
  - 1.3.2. any provisions of the DCC, the Dutch Code, the WSE Rules and the CGC relating to the removal of directors.
- 1.4. You shall, unless prevented by sickness or ill-health, properly perform such duties as are appropriate to your role as an executive director including, without limitation, day-to-day management, representing the Company in legal matters, exercising all executive functions within the Company and organizing, preparing for and attending board meetings of the Company. You will be required to spend full time on your executive duties for the Company. You accept that:

- 1.4.1. the Board may delegate some of its functions to a committee, determined by the Board, and that such committee may make decisions and take actions on behalf of the Company within its terms of reference, without the approval of the full Board;
  - 1.4.2. your prime responsibilities are the day-to-day management of the Company and those of the board of directors of any Group Company to which you may be appointed; and
  - 1.4.3. the Company shall give you any information concerning the group as you may reasonably require to enable you to comply with your duties as an executive director. Any requests for such information should be processed through the Company Secretary.
- 1.5. You will comply with all reasonable directions and regulations of the Company including, without limitation, regulations with respect of confidentiality, dealings in shares and notifications required to be made by a director to the Company or any relevant regulatory body, whether under the DCC, the prevailing Articles, mandatory law or otherwise.
- 1.6. You shall act in good faith and in the interest of the Company and exercise all reasonable skill and care in the performance of your duties. By signing the duplicate copy of this letter you confirm that you are aware of your duties as a director including the obligation to avoid a conflict between your personal interests and those of the Company.
- 1.7. The Board as a whole is collectively responsible for promoting the success of the Company. You shall exercise your powers in your role as an executive director having regard to relevant obligations under prevailing law and regulation, including the DCC, the Dutch Code, the CGC and associated guidance, the WSE Rules, the UK Listing Authority's Listing, Prospectus, and Disclosure and Transparency Rules, the applicable rules and regulations of the Tel Aviv Stock Exchange and the Warsaw Stock Exchange. Relevant regulatory advice and guidance in this respect will be provided to you on on-going basis by the General Counsel. Copies of the Dutch Code, the WSE Rules and the CGC will be provided to you. Your attention is drawn to paragraph A.1 of the CGC which sets out the role of the Board generally. The Board's role is to:
  - 1.7.1. provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
  - 1.7.2. set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance; and
  - 1.7.3. set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 1.8. All directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
  - 1.8.1. the likely consequences of any decision in the long term;
  - 1.8.2. the interests of the Company's employees;
  - 1.8.3. the need to foster the Company's business relationships with

- suppliers, customers and others;
  - 1.8.4. the impact of the Company's operations on the community and the environment;
  - 1.8.5. the desirability of the Company maintaining a reputation for high standards of business conduct; or
  - 1.8.6. the need to act fairly as between the members of the Company.
- 1.9 In your role as a executive director you shall also be required to:
- 1.9.1. constructively challenge and contribute to the development of strategy proposals;
  - 1.9.2. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - 1.9.3. satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
  - 1.9.4. be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - 1.9.5. devote time to developing and refreshing your knowledge and skills;
  - 1.9.6. uphold high standards of integrity and probity;
  - 1.9.7. insist on receiving high-quality information sufficiently in advance of Board meetings;
  - 1.9.8. take into account the views of shareholders and other stakeholders where appropriate;
  - 1.9.9. exercise relevant powers under, and abide by, the Articles;
  - 1.9.10. disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;
  - 1.9.11. immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to a Director;
  - 1.9.12. exercise your powers as a director in accordance with the Company's policies and procedures; and
  - 1.9.13. not do anything that would cause you to be disqualified from acting as a director.

## **2. Remuneration**

- 2.1. In consideration of (i) the services rendered by you as a non-executive director (*niet uitvoerend bestuurder*) of the Company during the Interim Period, and (ii) the services to be rendered by you to the Company as executive director, the Company shall pay you (or has paid to you, as the case may be) an annual fee of gross EUR 67,082 (*sixty seven thousand eighty two euro*) (inclusive of VAT) payable monthly in arrears. All fees will be subject to such deductions as the Company is obliged by law to make.
- 2.2. Pursuant to section 2:132 paragraph 3 DCC, your appointment as an executive director does not constitute an employment relationship (*arbeidsovereenkomst*) between you and the Company.

- 2.3. You will not be entitled to participate in any Company pension scheme or any of its employee benefit or share option schemes.

### **3. Expenses and independent legal advice**

- 3.1. Subject to the Articles, the Company will reimburse you for any reasonable travelling and other expenses you incur in performing your duties provided that the Company may require any such expenses to be duly vouched by written evidence where possible.
- 3.2. In some circumstances you may consider that you need professional advice in the furtherance of your duties and responsibilities as a director and it may be appropriate for you to seek advice from independent advisors at the Company's expense. Details of the agreed procedure under which directors may obtain such independent advice is available from General Counsel.

### **4. Outside interests**

- 4.1. You confirm that you have disclosed fully to the Company all circumstances in respect of which there is, or there may be, a conflict of interest between the Group and you or your immediate relatives, and you agree to disclose fully to the Company any such circumstances which may arise during your appointment.
- 4.2. You shall not during the period of your appointment directly or indirectly (i) be engaged in; or (ii) be employed by; or (iii) hold any directorship or other office in; or (iv) hold shares in; or (v) have any other interest or concern in any company, firm or other business entity located anywhere in the world which in the reasonable view of the Board, competes directly or indirectly with the business of the Company or any Group Company, or which could in the reasonable view of the Board, give rise to a conflict of interest. This shall not prevent you from holding up to 3% of shares in such a company listed on a recognized stock exchange.
- 4.3. During the term of your appointment as a director you will, and will procure that your spouse and minor children will comply with all applicable rules of law, any recognized investment exchange regulations (including the London Stock Exchange, the Warsaw Stock Exchange and the Tel Aviv Stock Exchange) and any revisions, or amendments of the same), any Company or Group policy or code issued in relation to dealings in shares, debentures or other securities of the Company and any Group Company, or any unpublished price sensitive information affecting the securities of any other company applicable either to you or to employees of the Company generally.
- 4.4. You will be obliged at all times to comply both with the technical requirements and with the spirit of the Model Code relating to directors dealings together with any similar regulations of the Warsaw Stock Exchange, the Tel Aviv Stock Exchange and any Dutch law based share dealing rules adopted from time to time by the Company. Please note that the Model Code is separate from the insider dealing provisions contained in Part V of the UK Criminal Justice Act 1993, the market abuse regime in Part VIII of the UK Financial Services and Markets Act 2000 (as amended), the market abuse regime in Chapter 5 of the Dutch Act on the financial supervision (*Wet op het financieel toezicht*) and any similar laws and regulations in Poland and Israel. You may not at any time, enter into any transaction which contravenes any legal provision irrespective of whether this would also breach the

Model Code.

## **5. Confidential information**

- 5.1. During your term of office you will have access to and become aware of information which is confidential to the Company. You agree that you will not, save in the proper performance of your duties, make use of or disclose to any person, (including for the avoidance of doubt any competitors of the Company), any of the trade secrets or other confidential information of or relating to the Company and/or its business, or any client of the Company which you may have received or obtained in confidence while in the service of the Company. You will likewise use your utmost endeavours to prevent the unauthorized publication or disclosure of any such trade secrets or confidential information.
- 5.2. This restriction shall continue to apply after you cease to be a director of the Company without limit in point of time but shall cease to apply to information ordered to be disclosed by a court of competent jurisdiction or otherwise required to be disclosed by law, or to information which becomes available to the public generally (other than by reason of your breaching this clause) without requiring a significant expenditure of labour skill or money.
- 5.3. For the purposes of this Agreement, confidential information shall include, but shall not be limited to:
  - 5.3.1. the Company's corporate and marketing strategy and plans, business development plans and research results;
  - 5.3.2. budgets, management accounts, and other confidential financial data of the Company;
  - 5.3.3. business methods and processes, compliance and procedural manuals, information relating to the running of the Company which is not in the public domain, including details of salaries, bonuses, commissions and other employment terms applicable within the Company;
  - 5.3.4. the names and addresses of the Company's clients, including client lists and contact details at those clients;
  - 5.3.5. the terms on which the Company does business with its clients and suppliers; and
  - 5.3.6. information which the Company is bound by an obligation of confidence owed to a third party (including its clients).
- 5.4. In this clause 5, any reference to "Company" includes any Group Company.
- 5.5. You must not initiate any statements on behalf of the Company and/or any Group company or otherwise concerning the Company or any Group company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or the investor community without the prior approval of an executive director of the Company.

## **6. Delivery up of the Company's property**

- 6.1. You may not, save in the proper performance of your duties as a director or with the Company's permission, remove any property which belongs or relates to the affairs of the Company or any Group Company, from the Company's or any Group

Company's premises, or make any copies of documents or records relating to the Company's or any Group company's affairs.

- 6.2. Upon the Company's request at any time, and in the event of the termination of your appointment as a director, you will immediately deliver up to the Company or its authorized representative, all plans, keys, security passes, credit cards, equipment, documents, records, papers, computer disks, tapes or other computer hardware or software (together with all copies of the same), and all property of whatever nature in your possession or control which belongs to the company or any Group Company or relates to its or their business affairs.
- 6.3. If you have any information relating to the Company, the Group or work you have carried out for the Company or any Group Company which is stored on a computer or laptop computer which does not belong to the Company, this must be disclosed to the Company and the Company shall thereafter be entitled to download the information and/or supervise its deletion from the computer or laptop concerned.

## **7. Effective date; Termination of appointment**

- 7.1. Subject to approval by the EGM, this Agreement shall come into force on the Effective Date.
- 7.2. Your appointment will terminate forthwith without any entitlement to compensation if, at any time, you:
  - 7.2.1. are not reappointed as a director upon retirement by rotation pursuant to any relevant provision in the Articles;
  - 7.2.2. are removed as a director by a resolution passed at a general meeting of shareholders of the Company;
  - 7.2.3. cease to be a director by reason of you vacating office pursuant to any provision of the Articles or pursuant to law;
  - 7.2.4. resign or do not offer yourself for re-election at a general meeting of the Company (and whether requested so to do by the Board or not);  
or
  - 7.2.5. you commit any material breach of the terms of this letter or your general obligations at law as a director and fail to remedy the same within 30 days of being required by the Company to do so or repeat or continue any breach of any of such terms after receiving written notice identifying such breach and, in either case, the Board resolves that your appointment be terminated.
- 7.3. The Company may by notice, taking effect on the date of its service, terminate and require you to resign the appointment with immediate effect if you:
  - 7.3.1. commit any act of gross misconduct or repeat or continue (after a written warning) any other material breach of your obligations under this appointment; or
  - 7.3.2. are convinced of any criminal offence punishable by imprisonment or conduct which in the reasonable opinion of the Board brings you or any member of the Group into disrepute; or

- 7.3.3. commit any act of gross dishonesty whether relating to the Group or any of its employees or otherwise; or
  - 7.3.4. become bankrupt or make any arrangement or composition with or for the benefit of your creditors;
  - 7.3.5. in the reasonable opinion of the Board persistently and without reasonable excuse fail to perform your duties; or
  - 7.3.6. become of unsound mind or become a patient under the UK Mental Health Act 1983 or the equivalent in any country where you may live.
- 7.4. Upon the termination of your appointment as a director for whatever reason, you shall forthwith resign from all offices held by you in the Company or in any Group Company and in the event of your failure to do so, the Company Secretary is hereby irrevocably authorized to appoint some person in your name and on your behalf to do all such things and execute all such documents as may be necessary to bring about such resignations. A written notification signed by a director of the Company that any instrument, document or act falls within the authority conferred by this clause will be conclusive evidence that it does so.

## **8. Data Protection**

- 8.1. During your appointment, it will be necessary for the Company to record, keep and process data about you. This data may be recorded, kept and processed on computer and/or in hard copy form.
- 8.2. To the extent that it is reasonably necessary in connection with your appointment and the performance of the Company's responsibilities to you and others, it may be necessary for the Company to disclose this data to others, including other employees of the Company, any Group Companies, the Company's professional advisors and regulatory authorities. You acknowledge that in certain circumstances it may be necessary for the Company to transfer data about you to countries outside the European Economic Area.
- 8.3. By signing this Agreement you are consenting to the recording, processing, use, disclosure and transfer by the Company of personal data about you.

## **9. Training**

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should try to make yourself available for any relevant training sessions which may be organised for the Board.

## **10. Performance Review**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman.

## **11. Definitions**

- 11.1. Any reference in this Agreement to:
  - 11.1.1. any Act or delegated legislation includes any statutory modification or re-enactment of it or the provision referred to;

- 11.1.2. "**Agreement**" means this appointment letter;
- 11.1.3. "**Articles**" means the Articles of Association (*statuten*) of the Company from time to time; and
- 11.1.4. the "**Board**" means the board of managing directors (*bestuur*) of the Company from time to time or any person or any committee of the Board duly appointed by it;
- 11.1.5. the "**DCC**" means the Dutch Civil Code (*Burgerlijk Wetboek*);
- 11.1.6. the "**Effective Date**" means 8 July 2014;
- 11.1.7. "**Group**" means, pursuant to section 2:24b DCC, the economic unit, headed by the Company in which legal persons and commercial partnerships are organizationally interconnected and "**Group Company**" means any of these legal persons and partnerships;
- 11.1.8. the "**Interim Period**" means the period between the Effective Date and the date on which the EGM approves this Agreement; and
- 11.1.9. the "**Model Code**" means the model code of the London Stock Exchange;

## **12. Entire Agreement**

- 12.1. This Agreement constitutes the entire terms and conditions of your appointment and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 12.2. You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.

## **13. Jurisdiction**

This Agreement and all non-contractual obligations in connection therewith, are governed by and construed in accordance with the laws of the Netherlands and the parties submit to the non-exclusive jurisdiction of the courts of Amsterdam, the Netherlands.

Please acknowledge receipt and acceptance of these terms by signing and returning the enclosed copy of this letter.

Yours sincerely,

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**For and on behalf of Plaza Centers N.V.**



Name:

Title:

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Signed by **Nadav Livni**