

**Azrieli Group Ltd.**  
(the “Company”)

October 5, 2020

To  
**The Israel Securities Authority**

To  
**Tel Aviv Stock Exchange Ltd.**

Via Magna

Via Magna

Re: **An Immediate Report on the Convening of an Annual General Meeting of the Company in accordance with the Companies Law, 5759-1999 (the “Companies Law”), the Companies Regulations (Notice and Announcement of General Meetings and Class Meetings in Public Companies and the Addition of an Issue to the Agenda), 5760-2000, the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (the “Voting in Writing Regulations”) and the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “Reports Regulations”)**

Notice is hereby given (the “**Notice of Meeting Report**”) of the convening of an annual general meeting of the Company’s shareholders (the “**Meeting**”), which shall be held on **Monday, November 9, 2020, at 16:00** (Israel time), in the Company’s offices at Azrieli Center, Tel Aviv (Round Tower, Floor 48) (the “**Company’s Offices**”), for the adoption of resolutions on the agenda items, as specified below.

**Part A – Annual General Meeting**

**The issues on the agenda of the Meeting and a summary of the proposed resolutions:**

1. **Reappointment of the directors currently holding office as directors of the Company (who are not the outside directors) until the end of the Company’s next annual general meeting**

Approval of the reappointment of the following directors currently serving on the Company’s board (who are not outside directors), for an additional term of office, until the end of the next annual meeting of the Company’s shareholders, unless the office shall have expired earlier pursuant to the provisions of the Companies Law or the Company’s Articles (an “**Additional Term of Office**”):

- 1.1. **Ms. Danna Azrieli (Chairman of the Board)**

Proposed resolution: To approve the reappointment of Ms. Danna Azrieli as a director of the Company for an Additional Term of Office.

1.2. **Ms. Sharon Azrieli**

Proposed resolution: To approve the reappointment of Ms. Sharon Azrieli as a director of the Company for an Additional Term of Office.

1.3. **Ms. Naomi Azrieli**

Proposed resolution: To approve the reappointment of Ms. Naomi Azrieli as a director of the Company for an Additional Term of Office.

1.4. **Mr. Menachem Einan**

Proposed resolution: To approve the reappointment of Mr. Menachem Einan as a director of the Company for an Additional Term of Office.

1.5. **Ms. Tzipora Carmon (independent director)**

Proposed resolution: To approve the reappointment of Ms. Tzipora Carmon as a director of the Company for an Additional Term of Office.

1.6. **Mr. Oran Dror (independent director)**

Proposed resolution: To approve the reappointment of Mr. Oran Dror as a director of the Company for an Additional Term of Office.

1.7. **Mr. Dan Isaac Gillerman**

Proposed resolution: To approve the reappointment of Mr. Dan Isaac Gillerman as a director of the Company for an Additional Term of Office.

Each of the aforesaid directors has signed a declaration as mandated by Section 224B(a) of the Companies Law, and, *inter alia*, the independent directors have declared that they satisfy the provisions of paragraphs (1) and (2) of the definition of “independent director” in Section 1 of the Companies Law. The directors’ declarations are attached as **Annex A** to the Notice of Meeting Report.

For details about the directors whose office is presented for renewal as set forth in Sections 1.1-1.7 above, which details are required pursuant to Sections 26 and 36B(a)(10) of the Reports Regulations, see Part D of the Periodic Report for 2019 released on March 25, 2020 (Ref.: 2020-01-025963) (the “**Company’s Periodic Report for 2019**”), which is incorporated in the Notice of Meeting Report by reference<sup>1</sup>.

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<sup>1</sup> Under the Company’s compensation policy, the remuneration of directors of the Company who do not receive a salary or management fees, as serving from time to time, shall be the maximum remuneration as prescribed by the Companies Regulations (Rules on External Directors’ Remuneration and Expenses), 5760-2000 (the “**Remuneration Regulations**”), as updated from time to time, and consistent with the Company’s rank, as being from time to time. For this purpose, it shall be considered

2. **Reappointment of the accounting firm Deloitte Brightman, Almagor, Zohar & Co. as the Company's auditor until the end of the Company's next annual general meeting**

Under the Company's Articles, the Company's board is authorized, after receiving the recommendation of the Company's audit committee, to set the fees of the auditor for audit functions and additional services according to the nature and scope of the services rendered and to be rendered to the Company. For details with respect to the fees paid to the auditor in respect of 2019, see Section 7 of the Corporate Governance chapter in the Company's Periodic Report for 2019, which is incorporated in the Notice of Meeting Report by reference.

Proposed resolution: To approve the reappointment of the accounting firm Deloitte Brightman, Almagor, Zohar & Co. as the Company's auditor until the end of the Company's next annual general meeting.

3. **Discussion of the audited financial statements and the board of directors' report on the Company's affairs for the year ended December 31, 2019**

The aforementioned reports, which are included in the Company's Periodic Report for 2019, are available for inspection. There shall be no vote on this issue, but only a discussion.

**Part B – Further Details with respect to the Meeting**

4. **The required majority**

4.1 The majority required at the Meeting for approval of the resolutions specified in Sections 1.1-1.7 and 2 above on the agenda is a simple majority of all of the votes of the shareholders who are entitled to vote and voted at the Meeting. It is noted that, as of the date of the Notice of Meeting Report, the Company's controlling shareholders (Mss. Sharon Azrieli, Naomi Azrieli and Danna Azrieli) hold approx. 61.31% of the Company's voting rights<sup>2</sup>, which rate confers the majority required to

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whether the director is an expert, according to the definition of expert outside director in the Remuneration Regulations. Furthermore, the aforesaid directors shall be entitled to reimbursement of expenses in accordance with the Remuneration Regulations and with the policy approved by the Company's audit committee. The current remuneration of Ms. Danna Azrieli, the Company's Chairman of the Board and one of the Company's controlling shareholders, was most recently approved in a meeting of the Company's shareholders held on August 11, 2019. For details about the current remuneration of Ms. Danna Azrieli, see Note 33C(1) to the financial statements as of December 31, 2019, which were included in the Company's periodic report for 2019, which is incorporated in the Notice of Meeting Report by reference. In addition to the directors' remuneration as set forth above, the Company's directors are included in an officers' liability insurance policy and the Company granted them letters of indemnification and exemption, and all subject to the provisions of the Companies Law and the Company's Articles. For details, see Note 33D to the financial statements as of December 31, 2019, which were included in the Company's periodic report for 2019, which is incorporated in the Notice of Meeting Report by reference.

<sup>2</sup> For details regarding the control of the Company, see the Company's immediate report of July 7, 2019 regarding the status of holdings of interested parties and senior officers (Ref. No.: 2019-01-069121) which is incorporated in the Notice of Meeting Report by reference.

adopt the resolutions specified in Sections 1.1-1.7 and 2 above on the agenda.

- 4.2 As aforesaid, in Section 3 on the agenda, no vote shall be held, only a discussion.

5. **Meeting and Voting Procedures**

5.1 **Manner of voting**

A shareholder who is registered as a shareholder in the Company's shareholders' register (a "**Registered Shareholder**") is entitled to vote at the Meeting in person (participation in the meeting), by proxy, or via a voting card within the meaning thereof in Section 87 of the Companies Law, whose language is attached hereto ("**Voting Card**"). A shareholder pursuant to Section 177(1) of the Companies Law (i.e. a person to whose credit a share is registered with a TASE member, which share is included among the shares registered in the shareholders' register in the name of the transfer agent) ("**Unregistered Shareholder**") may vote using the methods specified above, as well as via an electronic voting card to be delivered to the Company via the electronic voting system which operates in accordance with Title B of Chapter G2 of the Securities Law, 5728-1968 ("**Electronic Vote**", "**Electronic Voting System**", "**Electronic Voting Card**", respectively).

5.2 **Date of the meeting; adjourned meeting; record date**

The Meeting shall convene on Monday, November 9, 2020, at 16:00, at the Company's Offices.

The discussion at the Meeting may be opened only if a legal quorum is present upon the opening of the Meeting.

The legal quorum for opening the discussion at the Meeting shall be one or more shareholders, who is/are present in person or by proxy or via a Voting Card (including an Electronic Voting Card), and holds or represents (or hold or represent, if more than one shareholder is present) at least fifty-one percent (51%) of the voting rights in the Company. If two hours shall have lapsed from the time scheduled for the Meeting and no legal quorum is present, the Meeting shall be postponed to the third business day after the date of the Meeting, to the same time and place, or to a later date and time or a different place, as shall be determined by the board in a notice to the shareholders. The Company shall give notice of postponement of the Meeting and the date of the adjourned meeting through an immediate report. If no legal quorum is present at the adjourned meeting as aforesaid, legal quorum shall be one or more shareholders, who is/are present, in person at the adjourned meeting or by proxy or via a Voting Card (including an Electronic Voting Card), and holds or represents (or hold or represent, if more than one shareholder is present) at least forty percent (40%) of

the voting rights in the Company, unless the Meeting shall have been convened upon the request of shareholders pursuant to the provisions of the Companies Law. If no legal quorum is present at the adjourned meeting that was convened upon the request of the shareholders as aforesaid, legal quorum shall be at least one shareholder, who is present at the adjourned meeting in person or by proxy or via a Voting Card (including an Electronic Voting Card).

The record date determining entitlement of a shareholder of the Company to vote at the Meeting as provided in Section 182(b) of the Companies Law and in Section 3 of the Voting in Writing Regulations, is the trading day on TASE which falls on Monday, October 12, 2020 (the “**Record Date**”).

### 5.3 **Proxy**

A shareholder may appoint a proxy to vote in his stead, who need not be a shareholder of the Company.

The appointment of a representative or proxy to participate and vote at the Meeting on behalf of the shareholder shall be in writing, signed by the shareholder or by his lawful representative who was appointed in writing, or if the principal is a corporation, the proxy shall be signed in the same manner in which such corporation signs documents that bind it. If the principal is a corporation, attorney certification shall be attached to the proxy, whereby the proxy was signed in accordance with the articles of association of such corporation. Voting according to the terms and conditions of the proxy shall be lawful notwithstanding the prior demise or declaration of bankruptcy or incapacitation of the principal or his having canceled the letter of appointment or transferred the share in respect of which it was granted, or, in the case of a corporation, appointment therefor of a liquidator or receiver, unless a written notice (certified to the satisfaction of the Company’s directors) regarding the said change shall have been received at the Company’s Offices, at least one hour before the time of the Meeting. However, the chairman of the Meeting may accept written notice as aforesaid also during the Meeting, provided that, at his discretion, there is an adequate reason for the delay in delivery of such notice. A letter of appointment of a proxy and a power of attorney or another certificate (if any) or a copy certified by a notary, shall be deposited at the Company’s Offices with the Company’s secretaries up to forty-eight (48) hours before the time of the Meeting, namely until November 7, 2020 at 16:00. Such a deposit, referring to the time scheduled for the Meeting, shall be valid also with respect to the adjourned meeting.

#### 5.4 **Voting in writing; position statements**

A shareholder may vote at the Meeting for approval of the resolutions on the agenda also via a Voting Card. A written vote will be made via the second part of the Voting Card, attached hereto.

The Voting Card and the position statements, within the meaning thereof in Section 88 of the Companies Law, insofar as provided, may be inspected on the distribution site and on the TASE website. Each shareholder may approach the Company directly and receive therefrom the language of the Voting Card and the position statements (insofar as provided).

A TASE member shall send, free of charge, via e-mail, a link to the language of the Voting Card and the position statements (if provided) on the distribution site to any shareholder of the Company who is not registered in the shareholders' register of the Company and whose shares are registered with such TASE member, unless the shareholder shall have given notice that he is not interested therein or that he is interested in receiving Voting Cards by mail in consideration for payment of a delivery fee, provided that the notice was given in respect of a specific securities account and on a date prior to the Record Date.

The Voting Card and the documents that must be attached thereto, as specified in the Voting Card, must be delivered to the Company's Offices (including via registered mail) together with the Confirmation of Ownership (and with respect to a Registered Shareholder – together with a photocopy of an I.D. card, passport or certificate of incorporation, as the case may be) up to four (4) hours before the time of convening of the Meeting. For this purpose, the "delivery date" is the date on which the Voting Card and the documents attached thereto arrive at the Company's Offices. In addition, a shareholder who is not registered will be entitled to deliver the Confirmation of Ownership via the Electronic Voting System, as stated in this section below.

A Voting Card to which no Confirmation of Ownership is attached (or alternatively the Confirmation of Ownership was not delivered via the Electronic Voting System), or in relation to a Registered Shareholder, to which no photocopy of an I.D. card, passport or certificate of incorporation, as the case may be, is attached, will be invalid.

A shareholder may contact the Company's Offices, up to twenty-four (24) hours before the time of convening of the Meeting, and after having proven his identity to the satisfaction of the Corporate Secretary or another employee appointed for this purpose, withdraw his Voting Card and his Confirmation of Ownership.

One or more shareholders holding shares at a rate constituting five percent or more of the sum total of the voting rights in the Company (i.e. 6,063,638 shares), and any person holding such a rate out of the sum total of the voting rights which are not held by the Company's

controlling shareholder (i.e. 2,345,902 shares), is entitled, after the convening of the Meeting, to inspect the Voting Cards and the voting records, via the Electronic Voting System, that reached the Company, as specified in Section 10 of the Voting in Writing Regulations.

The last date for delivery of position statements to the Company by the Company's shareholders is up to ten days before the date of the Meeting, i.e. by October 30, 2020. The last date for delivery of the board's response to position statements (if provided), if and insofar as the board chooses to submit its response to the said position statements, is no later than five (5) days before the date of the Meeting, i.e. by November 4, 2020. A shareholder may contact the Company directly and receive therefrom, free of charge, the language of the Voting Card and the position statements (if provided).

#### 5.5 **Electronic voting**

As aforesaid, an Unregistered Shareholder may vote also via the Electronic Voting System. An Unregistered Shareholder is entitled to receive from the TASE member through which he holds his shares, an I.D. no. and an access code, as well as additional information in connection with the Meeting, and after a secure identification process, he may vote on the Electronic Voting System. The address of the Electronic Voting System is: <http://www.votes.isa.gov.il>.

Voting via the Electronic Voting System will be possible from the end of the Record Date until six (6) hours before the time of the convening of the Meeting (i.e. until Monday, November 9, 2020 at 10:00), or until an earlier time to be determined by the ISA, provided that it is no more than twelve (12) hours before the time of convening of the Meeting (the "**System Lockdown Time**"), when the Electronic Voting System will be closed. The vote via the Electronic Voting System may be changed or cancelled until the System Lockdown Time, and it will not be possible to change it via the Electronic Voting System after such time.

Pursuant to Section 83(d) of the Companies Law, if a shareholder shall have voted via more than one method, his later vote will be counted, while for this purpose, a vote of a shareholder, in person or by proxy, shall be deemed later than a vote via a Voting Card or the Electronic Voting System.

#### 5.6 **Confirmation of ownership**

An Unregistered Shareholder will be entitled to participate in the Meeting only if he delivers to the Company, before the Meeting, an original certificate from the TASE member with which his right to the share is registered, regarding his ownership of the Company's shares on the Record Date, in accordance with the form in the Schedule to the Companies Regulations (Proof of Ownership of a Share for Purposes

of Voting at a General Meeting), 5760-2000 (the “**Confirmation of Ownership**”), or alternatively, if he sends the Company Confirmation of Ownership via the Electronic Voting System. An Unregistered Shareholder may obtain the Confirmation of Ownership from the TASE member through which he holds his shares at a branch of the TASE member or by mail to his address in consideration for a delivery fee only, if he so requests, provided that a request in this regard is given in advance for a specific securities account. An Unregistered Shareholder may also instruct that his Confirmation of Ownership be delivered to the Company via the Electronic Voting System.

As stated in Section 5.4 above, the Confirmation of Ownership as aforesaid, together with the Voting Card, must be delivered by shareholders to the Company’s Offices, such that it arrives at the Company’s Offices no later than four (4) hours before the time of convening of the Meeting, i.e. by Monday, November 9, 2020 at 12:00.

5.7 **Changes to the agenda; the last date for delivery of a request to include an item on the agenda by a shareholder**

After publication of the Notice of Meeting Report, there may be changes to the agenda, including the addition of an item to the agenda, position statements may be published, and the current agenda and the position statements may be perused in the Company’s reports that shall be released on the distribution site and the TASE website. A request of a shareholder pursuant to Section 66(b) of the Companies Law to include an item on the agenda of the Meeting will be delivered to the Company up to seven (7) days after the summoning of the Meeting. If a request is submitted as aforesaid, the item may be added to the agenda and the details thereof shall appear on the distribution site, in which case, the Company shall publish an amended Voting Card together with an amended notice report, no later than seven (7) days after the last date for delivery of a request of a shareholder for the inclusion of an item on the agenda as aforesaid.

6. **Details of the Company’s representative in charge of the immediate report**

The Company’s representative in charge of the Notice of Meeting Report is Adv. Nirit Zeevi, VP, General Counsel and Corporate Secretary, whose address is at the Company’s Offices. Tel. for inquiries: 03-6081383, fax: 03-6081380.

7. **Inspection of documents**

The Company’s shareholders will be able to inspect, at their request, the relevant documents for issues on the Meeting’s agenda, after prior coordination on Tel: 03-6081300, Sundays through Thursdays between 09:00 and 17:00, until the date of convening of the Meeting.



**Sincerely,**

**Azrieli Group Ltd.**

Signed on the date of the Notice of Meeting Report by: Adv. Nirit Zeevi, VP, General Counsel and Corporate Secretary.