



Written Proxy pursuant to the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (the “Regulations”)

1. **Name of Company:** Azrieli Group Ltd.
2. **Type of general meeting and place and time of convening:** Annual and special general meeting of the Company's shareholders, to be convened on August 15, 2011 at 10:00 at the Company's registered office at 1 Azrieli Center (48th floor, round building), Tel Aviv.
3. **Specification of the issues on the agenda which may be voted on through the written proxy:**
 - 3.1. Approval of the reappointment of the directors currently holding office (who are not the outside directors), as members of the Company's board of directors until the end of the Company's next annual general meeting, Messrs. David Azrieli, Danna Azrieli, Menachem Einan, Sharon Azrieli, Naomi Azrieli, Yossi Kucik and Joseph Ciechanover. For details on the directors nominated for reappointment, see Section 3 below. The Company's outside directors, Mr. Niv Ahituv and Mr. Efraim Halevy, will continue in office by law. The vote on the approval of the appointment of each director shall be made separately.
 - 3.2. Approval of the reappointment of the accounting firm of Brightman, Almagor, Zohar & Co. as the Company's auditors until the end of the Company's next annual general meeting, and authorization of the Company's board of directors to determine their fee for audits and for other services.
 - 3.3. Approval of the Amendment of the Company's Articles of Association

Approval of the amendment of the Company's Articles of Association so as to adjust existing articles to Amendment no. 16 to the Companies Law which has recently taken effect, and to add articles on the indemnification of and liability insurance for officers of the Company, as specified in this section below. The addition of the said proposed articles is intended to adjust the provisions of the Company's Articles of Association in connection with certain liabilities according to the Improvement of Enforcement Proceedings in the ISA Law (Legislative Amendments), 5771-2011, and as specified in Section 2.4 of the invitation report.

The Company's amended Articles of Association are attached to the invitation report as **Annex B**.

3.4. Amendment of Letters of Indemnification for Officers

Subject to amendment of the Company's Articles of Association, as proposed in Section 3.3 above, to amend, accordingly, the letters of indemnification and exemption granted in the past and being granted to officers of the Company as being from time to time (the "**Letter/s of Indemnification**"). Amendment of the Letters of Indemnification shall be such that the Letters of Indemnification shall also include an undertaking for indemnification in respect of a financial liability imposed on the officer for the person injured by the violation in an administrative proceeding as stated in Section 52(54)(a)(1)(a) of the Securities Law, and for expenses incurred by the officer in connection with an administrative proceeding conducted in his case, including reasonable litigation expenses, including legal fees, such that the Letter of Indemnification shall be in the language attached to the invitation report as **Annex C**.

3.5. Amendment of Letters of Indemnification for Officers who are Deemed as Controlling Shareholders of the Company and/or in the Granting of which the Company's Controlling Shareholders have Personal Interest

Further to the provisions of Section 3.4 above, to further approve a corresponding amendment of the Letters of Indemnification granted and/or to be granted to officers who are deemed as controlling shareholders of the Company and/or in the granting of which the Company's controlling shareholders have personal interest, as shall hold office in the Company from time to time (as of the date of this report, Mr. David Azrieli, Ms. Danna Azrieli, Ms. Naomi Azrieli and Ms. Sharon Azrieli), such that the language of the Letter of Indemnification shall be as attached to the invitation report as **Annex C**.

4. **The place and times at which the full language of the proposed resolutions may be inspected:** The full language of the proposed resolutions may be inspected at the Company's offices on Sundays-Thursdays during normal working hours, after prior coordination at tel. no. 03-6081300, until the date of convening of the meeting for approval of the resolutions on the agenda, and at the ISA website at www.magna.isa.gov.il.

Details to the best of the Company's knowledge on the candidates for office in the Company's board of directors: All of the directors proposed to be appointed currently hold office in the Company's board of directors. For details, to the best of the Company's knowledge, on Messrs. David Azrieli, Danna Azrieli, Menachem Einan, Sharon Azrieli, Naomi Azrieli, Joseph Ciechanover and Yossi Kucik, as required by Section 26 of the Immediate Reports Regulations, see Chapter D of the Company's Periodic Report for 2010, entitled "Additional Details on the Corporation", released by the Company on March 30, 2011 (Ref. 2011-01-098865). The information in the said periodic report is included herein by way of reference. The directors nominated for reappointment have signed a declaration of a candidate for the

office of director in accordance with the provisions of Section 224B of the Companies Law, copies of which are attached to the invitation report as **Annex A**.

5. The majority required for adoption of the resolutions on the agenda, which may be voted on through the written proxy:

5.1. The majority required for approval of the issues on the agenda, as specified in Sections 3.1, 3.2 and 3.4 above is a majority of the votes of the persons present who are entitled to participate in the vote and are participating therein.

5.2. The majority required for approval of the issues on the agenda, as specified in Sections 3.3 and 3.5 above, is a simple majority of the shareholders entitled to vote and participating in the vote, provided that one of the following is fulfilled:

- (1) The majority votes include a majority of the total votes of the shareholders participating in the vote, who have no personal interest in the approval of the resolution. The count of the said shareholders' votes shall not include abstaining votes;
- (2) The total opposing votes from among the shareholders stated in paragraph (1) above shall not have exceeded two percent of the total voting rights in the Company.

6. **Statement of manner of vote:** A shareholder shall state his vote on the issue on the agenda in Part II of this written proxy, which also provides room for indicating the existence or lack of a personal interest in the resolutions specified in Sections 3.3 and 3.5 above. A shareholder who does not indicate the existence or lack of a personal interest (or who indicates having a personal interest but does not specify the nature thereof), his vote shall not be counted.

7. **Validity of the written proxy:** The written proxy shall only be valid if accompanied by the following documents, and delivered to the Company (including via registered mail) up to seventy two hours prior to the time of the meeting:

- 7.1. If the shareholder is not registered: It is accompanied by a confirmation of ownership of the unregistered shareholder.
- 7.2. If the shareholder is registered on the Company's books: It is accompanied by a photocopy of an identity card, passport or certificate of incorporation.

A written proxy not provided in accordance with the provisions of this section shall be invalid. For this purpose, "time of delivery" shall be the time at which the written proxy and the accompanying documents shall have reached the Company's offices.

8. **Internet:** The Company does not enable voting via the internet.

9. **Address for delivery of written proxies and position statements:** The Company's registered office, at 1 Azrieli Center (48th floor, round building), Tel Aviv 67021.
10. **Dates for delivery of position statements and written proxies:** The last date for delivery of position statements of shareholders to the Company is July 16, 2011. The last date for delivery of written proxies is up to 72 hours before the time of convening of the general meeting, i.e. by 10:00am on August 12, 2011. The last date for delivery of a position statement on behalf of the Company, which shall include the answer of the Company's board of directors to the position statements on behalf of the shareholders, is July 21, 2011.
11. **Distribution website address and TASE website** where the written proxies and position statements are posted: www.magna.isa.gov.il and <http://maya.tase.co.il>, respectively.
12. **Receipt of confirmation of ownership:** A shareholder is entitled to receive the confirmation of ownership at the TASE member's branch or by postal delivery (against payment of the postage fee only), if so requested by him. A request for this purpose shall be made in advance for a particular securities account.
13. **Receipt of written proxies and position statements:** An unregistered shareholder is entitled to receive by e-mail (to the address held by the TASE member), free of charge, a link to the language of the written proxy and position statements on the distribution website, from the TASE member through which he holds his shares, unless he shall have notified the TASE member that he is not interested in receiving such a link or is interested in receiving written proxies by post for a fee. His notice in respect of the written proxies shall also be applicable to receipt of the position statements.
14. **Inspection of written proxies:** One or more shareholders, holding shares on the record date at a rate constituting five percent (5%) or more of the total voting rights in the Company, and anyone holding such a rate out of the total voting rights which are not held by a controlling shareholder of the Company, as defined in Section 268 of the Companies Law (a "**Controlling Shareholder**"), is entitled, either in person or through an agent on his behalf, after the convening of the general meeting, to inspect the written proxies at the Company's office (whose address is stated in Section 9 above), during normal working hours, as specified in Section 10(a) of the Regulations.
 - 14.1. The quantity of shares constituting 5% of the total voting rights in the Company is 6,063,638 ordinary shares of par value NIS 1 each of the Company.
 - 14.2. The quantity of shares constituting 5% of the total voting rights in the Company, which are not held by the Controlling Shareholder, is 1,515,909 ordinary shares of par value NIS 1 each of the Company.

Written Proxy – Part II

Name of the Company: Azrieli Group Ltd., Public Company 51-096071-9

Address of the Company (for delivery and postage of written proxies): 1 Azrieli Center (48th floor, round building), Tel Aviv 67021.

Date of the meeting: August 15, 2011, at 10:00

Type of meeting: Annual and special general meeting.

Record date for shareholding for purposes of the right to vote at the general meeting: July 6, 2011.

Details of Shareholder

Shareholder's name: _____

I.D. number: _____

If the shareholder has no Israeli I.D. card:

Passport number: _____

Country of issue: _____

Valid until: _____

If the shareholder is a corporation:

Corporation number: _____

Jurisdiction of incorporation: _____

Manner of Vote:

Issue on the Agenda	Manner of vote ¹			Do you have a personal interest in the resolution ²	
	For	Abstaining	Against	Yes*	No
1. Reappointment of Mr. David Azrieli as a director of the Company until the end of the next annual general meeting of the Company.				-	-
2. Reappointment of Mr. Menachem Einan as a director of the Company until the end of the next annual general meeting of the Company.				-	-
3. Reappointment of Ms. Danna Azrieli as a director of the Company until the end of the next annual general meeting of the Company.				-	-
4. Reappointment of Ms. Naomi Azrieli as a director of the Company until the end of the next annual general meeting of the Company.				-	-
5. Reappointment of Ms. Sharon Azrieli as a director of the Company until the end of the next annual general meeting of the Company.				-	-
6. Reappointment of Mr. Joseph Ciechanover as a director of the Company until the end of the next annual general meeting of the Company.					
7. Reappointment of Mr. Yossi Kucik as a director of the Company until the end of the next annual general meeting of the Company.					

Issue on the Agenda	Manner of vote ¹			Do you have a personal interest in the resolution ²	
	For	Abstaining	Against	Yes*	No
8. Reappointment of the accounting firm of Brightman, Almagor, Zohar & Co. as the Company's auditors until the end of the next annual general meeting of the Company.					
9. Approval of the amendment of the Company's Articles of Association so as to adjust existing articles to Amendment no. 16 to the Companies Law which has recently taken effect, and to add articles on the indemnification of and liability insurance for officers of the Company, as specified in this section below. The addition of the said proposed articles is intended to adjust the provisions of the Company's Articles of Association in connection with certain liabilities according to the Improvement of Enforcement Proceedings in the ISA Law (Legislative Amendments), 5771-2011 (the " Administrative Enforcement Law "), and as specified in Section 2.4 of the invitation report.				-	-

Issue on the Agenda	Manner of vote ¹			Do you have a personal interest in the resolution ²	
	For	Abstaining	Against	Yes*	No
<p>10. Subject to amendment of the Company's Articles of Association, to approve the amendment, accordingly, of the letters of indemnification and exemption granted in the past and being granted to officers of the Company as being from time to time (the "Letter/s of Indemnification").</p> <p>Amendment of the Letters of Indemnification shall be such that the Letters of Indemnification shall also include an undertaking for indemnification in respect of a financial liability imposed on the officer for the person injured by the violation in an administrative proceeding as stated in Section 52(54)(a)(1)(a) of the Securities Law, and for expenses incurred by the officer in connection with an administrative proceeding conducted in his case, including reasonable litigation expenses, including legal fees.</p>				-	-

Issue on the Agenda	Manner of vote ¹			Do you have a personal interest in the resolution ²	
	For	Abstaining	Against	Yes*	No
11. Subject to amendment of the Company's Articles of Association, to further approve a corresponding amendment of the Letters of Indemnification granted and/or to be granted to officers who are deemed as controlling shareholders of the Company and/or in the granting of which the Company's controlling shareholders have personal interest, as shall hold office in the Company from time to time (as of the date of this report, Mr. David Azrieli, Ms. Danna Azrieli, Ms. Naomi Azrieli and Ms. Sharon Azrieli)					

*** If the answer is affirmative – specify the nature of the personal interest below:**

- 1** Indicate an X or V or another clear marking in the appropriate column in accordance with the vote decision. Non-indication shall be deemed as abstaining from voting on such issue.
- 2** Indicate an X or V or another clear marking in the appropriate column. A shareholder who shall not fill out this column, or who shall check “yes” and not specify, his vote shall not be counted.

Date

Signature

For shareholders holding shares via a TASE member (according to Section 177(1) of the Companies Law, 5759-1999) – this written proxy is valid only together with a confirmation of ownership.

For shareholders who are registered in the Company's shareholders' registry – the written proxy is valid when accompanied by a photocopy of the identity card/passport/certificate of incorporation.
