

The notice of AGM is important and requires your immediate attention. If you are in any doubt as to what action to take in relation to the AGM, you should consult with the appropriate independent advisers. If you have already sold or otherwise transferred your shareholding in the Company, you should immediately send this document together with the accompanying Proxy Form, Form of Direction or Form of Instruction (as the case may be) to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**PLAZA CENTERS N.V.**

**(Company)**

(incorporated in the Netherlands with registered number 33248324)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the annual general meeting of the Shareholders of the Company (**Annual General Meeting**) will be held at 11:00a.m. (CET) on 29 July 2020 at the offices of the Company, Pietersbergweg 283, 1105 BM Amsterdam, the Netherlands

**AGENDA**

- A. *Opening and announcements*
  
- B. *General*
  - 1. Proposal to adopt (*vaststellen*) the minutes of the Extraordinary General Meeting of the Company, held on 19 December 2019 (**Resolution**)
  
- C. *Review of the 2019 financial year and remuneration in 2019*
  - (i) Report by the board of managing directors of the Company (**Board**) of the 2019 financial year and consideration of the Company's consolidated annual accounts for the year ended 31 December 2019
  - (ii) Report on remuneration in the year ended 31 December 2019
  
- D. *Resolution on Financial statements for the financial year 2019*
  - 2. Proposal to approve the Company's IFRS consolidated annual accounts for the financial year ended 31 December 2019 (**Resolution**)
  
- E. *Resolution on discharge from liability*
  - 3. Proposal to discharge the directors of the Company from their liability for the conduct of business for the financial year ended 31 December 2019 (**Resolution**)

*F. Resolution on corporate matters*

4. Proposal to appoint EY Israel, part of the global organization and member firm of Ernst & Young Global Limited, as the external auditor for the IFRS-based financial statements of the Company for the 2020 financial year.

*G. Resolution on Board matters*

5. Proposal to reappoint Mr. David Dekel, who is retiring by rotation under Article 23 paragraphs 3 and 6 of the Articles of Association and may be reappointed under Article 23 paragraphs 6 and 9 of the Articles of Association (**Resolution**)

**By order of the Board**

Mr. David Dekel

Chairman

17 June 2020

## Registration Date and Notes:

1. **AGM Record Date:** the Board has determined that for this Annual General Meeting the persons who will be considered as entitled to participate in the Annual General Meeting are those holders of shares (including holders of Depositary Interests and non-registered shares, the **Shareholders** and ordinary shares, Depositary Interests and non-registered shares collectively the **Shares**) who on 1 July 2020 after close of trading on the London Stock Exchange, the Warsaw Stock Exchange and the Tel Aviv Stock Exchange (**AGM Record Date**), hold those rights and are registered as such in one of the following (sub)registers:
  - (i) for holders of Depositary Interests (including non-registered Shares (Israel): the administrations of the banks and brokers where the securities accounts are held; and
  - (ii) for holders of registered ordinary shares: the Shareholders register (*aandeelhoudersregister*) of the Company.
2. Shareholders are entitled to vote up to the total number of Shares that they held at the close of trading at the AGM Record Date, provided they have registered their Shares timely.
3. A Shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a Shareholder of the Company.
4. The instrument appointing a proxy and (in the case of an instrument signed by an agent of the Shareholder who is not a corporation) the authority under which such an instrument is signed or an office copy or duly certified copy must be deposited at the offices of the Company not less than 48 hours (excluding weekends) before the time appointed for the meeting or any adjourned meeting, together with a confirmation of entitlement to Shares on the AGM Record Date (1 July 2020).
5. Completion of a Form of Proxy will not prevent a Shareholder from attending the meeting and voting in person.
6. Forms of Direction are required to be completed by the holders of Depositary Interests and returned so as to be received by Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by no later than 10:00a.m. (UK time) on 24 July 2020. Forms of Direction are not to be used by holders of Depositary Interests or non-registered Shares (as the case may be) that have been credited to investors' accounts maintained by the brokerage house in Poland or in Israel.
7. Depositary Interest holders may instruct the Depositary to vote utilising the CREST electronic voting service. To instruct the Depositary how to vote or amend an instruction to vote via the CREST system, the CREST message must be received by the Company's agent RA10 by 10:00a.m. (UK time) on 24 July 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to receive the message. After this time any change of voting instructions through CREST should be communicated to the Company's agent by other means. CREST Personal Members or other CREST sponsored members, and those of CREST Members who have appointed voting service provider(s) should contact their CREST sponsor of voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST manual.
8. Depositary Interest Holders wishing to attend the General Meeting should contact the Depositary at Link Market Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or email [nominee.enquiries@linkgroup.co.uk](mailto:nominee.enquiries@linkgroup.co.uk), by no later than 10:00a.m. (UK time) on 24 July 2020.

9. Forms of Instruction (Poland), which should be accompanied by a certificate issued by the participant of the Central Securities Depository of Poland with the confirmation of entitlement to Depositary Interests on the AGM Record Date (1 July 2020) are required to be completed by the holders of Depositary Interests that have been credited to investors' accounts maintained by the brokerage houses in Poland and returned to such brokerage house so as to be received by no later than 13 July 2020 at 10:30a.m. CET.
10. Forms of Instruction (Israel) which should be accompanied by the Ownership Confirmation (as defined in the Form of Instruction (Israel)) which confirms entitlement to non- registered Shares on the AGM Record Date, are required to be completed by the holders of non-registered Shares in Israel and returned to the Company so as to be received by no later than 13 July 2020 at 5:30p.m. (Tel Aviv time).

## EXPLANATION TO THE AGENDA AND RECOMMENDATION

### B. General

#### **Resolution 1**

Pursuant to article 29 paragraph 2 of the Company's articles of association (*statuten*) in force (**Articles of Association**) minutes of meetings of shareholders must be adopted by the following general meeting of shareholders (**General Meeting**). Therefore, the shareholders are kindly requested to adopt the minutes of the Extraordinary General Meeting of the Company that was held on 19 December 2019.

A copy of the minutes of the Extraordinary General Meeting of 19 December 2019 is available for inspection from the date of this notice until the end of the meeting at the offices of the Company, Pietersbergweg 283, 1105 BM Amsterdam, the Netherlands and, in addition on the Company's website ([www.plazacenters.com](http://www.plazacenters.com)). Shareholders may request a hardcopy of the document at no cost.

### C. Review of the 2019 financial year and remuneration in 2019

- (i) The board of directors of the Company (**Board**) will give a presentation of the performance of the Company in 2019. Subsequently, the shareholders will be invited to discuss this performance (as described in more detail in the Company's 2019 IFRS consolidated annual accounts, hereinafter the **IFRS Accounts**).

The Company presents its IFRS Accounts for the year ended 31 December 2019, which IFRS Accounts are available for inspection from the date of this notice until the end of the meeting at the offices of the Company, Pietersbergweg 283, 1105 BM Amsterdam, the Netherlands. In addition, the IFRS Accounts are available on the Company's website ([www.plazacenters.com](http://www.plazacenters.com)). Shareholders may request a hardcopy of the documents at no cost.

The Board attracts attention from the shareholders to the following. During 2019 the Company's audit firm, Baker Tilly (Netherlands) N.V., announced that it would no longer provide the Company with its services for the bookyear 2019, leaving the Company in a deadlock situation. The deadlock entails the fact that, in order to comply with section 2:393 of the Dutch Civil Code (**DCC**) and article 5:25c of the Dutch Act on the financial supervision (**AFS**) the Company had to engage a Dutch licensed audit firm for the audit of its statutory annual accounts (the statutory annual accounts comprising of the stand-alone financial report and consolidated annual accounts based on IFRS standards). As the Company's shares are admitted to listing on regulated markets within the European Union (the London Stock Exchange and the Warsaw Stock Exchange), such audit firm must be entitled to audit public interest companies (*organisatie van openbaar belang*, **PIE**). The choice in the Netherlands for these firms is currently limited to only 6.

Despite significant effort of the Company which included cooperation with the Royal Dutch Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*, **NBA**) in order to find a new Dutch PIE auditor none of those has been prepared to accept the Company as their client, which left the Company in the awkward position of not being able to meet its statutory obligations regarding the statutory audit.

Still, in order to avoid an outright violation of applicable stock exchange regulations and in order to mitigate the adverse consequences for the Company, the Board engaged EY Israel, part of the global organization and member firm of Ernst & Young Global Limited (**EY Israel**) to audit the Company's IFRS consolidated annual accounts and to issue an auditor statement on that.

Given the fact that, where the IFRS Accounts could be audited by EY Israel on the basis of the IFRS reporting requirements but that EY Israel would not be in the position to review and comment on a directors' report (*bestuursverslag*) which is mandatory to prepare pursuant to the DCC, the Board decided not to prepare a directors' report but to explain the state of affairs of the Company in a narrative in the press release that was submitted, together with the IFRS Accounts, to the stock exchanges and the AFM (**Press Release**).

IFRS Accounts, the auditor statement from EY Israel and the Press Release have been submitted to the London Stock Exchange, the Warsaw Stock Exchange and the Tel Aviv Stock Exchange and have been filed with the AFM. Concurrently, a letter explaining the reasoning behind the deviating procedure for the annual accounts 2019, was sent to the AFM with the Dutch Ministry of Finance, the NBA and the Dutch Committee for the future of the accountancy sector (*Commissie Toekomst Accountancysector*) in copy.

The Board is aware of the fact that the preparation of the IFRS Accounts and the Press Release constitutes a workaround only but does not provide for a permanent solution. Furthermore, the Board attaches importance to mention that, might there be additional comments or requirements imposed by the AFM, the Board will do its utmost to comply therewith.

The IFRS Accounts, as audited by EY Israel are, as they do not constitute Dutch statutory accounts, not eligible for adoption (*vaststellen*) within the meaning of the DCC, by the General Meeting. However, at this moment, the Board is left with no other choice but holding an annual General Meeting, presenting the IFRS Accounts and the Press Release to the General Meeting and ask for approval of these.

As of today, the Board is continuing with significant effort in order to find a new Dutch PIE auditor which will accept the Company as their client for 2020 annual accounts. Still, there is no clear outlook on how the issue re the absence of a statutory auditor will develop and whether the Board will be in the position to present the Company's Dutch law compliant annual accounts and a directors' report for the financial year 2020. As of today there is also no clear outlook which adverse consequences the absence of Dutch statutory annual accounts and directors' report will have for the Company.

For the avoidance of doubt, this annual General Meeting will not include all items that, pursuant to article 27 paragraph 2 of the Articles of Association, due to the fact that there are no Dutch statutory annual accounts for the Company. The items that cannot be discussed during the meeting nor be resolved upon are: (a) the directors' report; (b) adoption of the annual accounts; (c) profit appropriation (such in the absence of Dutch statutory annual accounts); and (d) appointment of the statutory auditor. As explained below (resolution 4) the appointment of EY Israel by the annual General Meeting does not constitute the appointment of a statutory auditor within the meaning of the laws of the Netherlands or the Articles of Association.

Due to the above efforts of the Company to find a new auditor and to find a way to be able to meet its statutory obligations regarding the audit, the Company has delayed the convention of the annual General Meeting. This is the reason why this meeting is held after 30 June 2020. The Board, left with no other solution, decided at this stage to convene the annual General Meeting and to continue its significant effort in order to find a new Dutch PIE auditor which will accept the Company as their client for the 2020 annual accounts.

- (ii) This agenda item provides for a discussion and explanation by the Board on the implementation, in 2019, of the Company's remuneration policy for the Board and an update for the year 2020.

*D. Resolution on Financial statements for the financial year 2019*

**Resolution 2**

Pursuant to section 2:101 paragraph 3 of the DCC, the General Meeting is the corporate body entitled to adopt the Company's Dutch statutory annual accounts. As set forth above, the IFRS Accounts are not eligible for a formal adoption within the meaning of the DCC. However, in order to as much as possible keep the applicable procedures in place and to hold an annual General Meeting, it is proposed that the General Meeting approves the IFRS Accounts for the year ended 31 December 2019. In respect of the availability of the underlying documents, please see the comments under item B(i) above.

*E. Resolution on discharge from liability*

**Resolution 3**

As is customary for Dutch companies, it is proposed that shareholders discharge the Company's directors from their liability for the conduct of business during the previous financial year, to the extent that such exercise is apparent from the financial statements or has been otherwise disclosed to the General Meeting prior to the approval of the 2019 financial statements. Though the Board is aware that the Company has not presented Dutch statutory annual accounts, the Board has resolved to have this item on the agenda of the annual General Meeting. Pursuant to Best Practice Provision 4.1.3. (v) of the Dutch Corporate Governance Code (*Nederlandse Corporate Governance Code*), this item is included as a separate agenda item. This item will discharge all current members of the Board.

*F. Resolution on corporate matters*

**Resolution 4**

As indicated above, the Company has not been in the position to engage a Dutch statutory auditor for the audit of the annual accounts for the financial year ended on 31 December 2019 and at this moment it is not clear whether this will be the case for the financial year ending on 31 December 2020. Therefore, clearly noting that this is not a formal Dutch law auditor appointment within the meaning of the Articles of Association, the Board believes that it is important that, at this point in time, the shareholders appoint EY Israel to be the auditor for the IFRS-based financial statements of the Company for the financial year ending on 31 December 2020. Might the Board in the near future be able to engage a Dutch statutory

auditor, an extraordinary general meeting will be called in order for the shareholders to formally appoint that auditor.

*G. Resolution on Board matters*

**Resolution 5**

Pursuant to article 23 of the Articles of Association, Mr. David Dekel shall resign at this annual General Meeting and has expressed his availability for a new term of office. The General Meeting is requested to reappoint Mr. David Dekel in his position as non-executive director. Mr. David Dekel is an independent non-executive director and, pursuant to article 23A of the Articles of Association, his reappointment is subject to both a positive resolution from the annual General Meeting and from the Company's general meeting of independent shareholders which will be held immediately after this annual General Meeting.

**Recommendation**

Your Board considers that each of the resolutions set out in the agenda is in the best interests of shareholders as a whole and recommends that you vote in favour of each resolution.