PUBLIC REPORT PURSUANT TO ARTICLE 227 DUTCH BANKRUPTCY ACT ("DBA")

Moratorium Report number 1

Details company/enterprise	: Plaza Centers N.V. ("**Plaza Centers**")
Moratorium Number	: 13/61 S
Date of provisional moratorium	: 18 November 2013
District Court	: Amsterdam
Administrator	: J.L.M. Groenewegen
Supervisory Judge	: L. van Berkum
Reporting period	: 18 November 2013 – 26 May 2014

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2 June 2014

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1. Introduction

This is the first public report of the administrator of Plaza Centers (the "**Administrator**"). The report covers the period 18 November 2013 up to 26 May 2014.

Publication of this first public report took longer than usual in connection with various developments involving the most important category of creditors of Plaza Centers (the Israeli and Polish Bondholders, see below under point 10) and the ensuing legal proceedings in both Israel and the Netherlands.

In anticipation of the voting on the draft restructuring plan offered in this provisional moratorium to be held on 26 June 2014, the Administrator, following consultation with and approval of the Supervisory Judge, provides an overview of all events after 18 November 2013 that are relevant to the creditors at once in this report.

Legally and financially the provisional moratorium of Plaza Centers is complex, specifically because of the nature of the debts of Plaza Centers, the applicability of foreign law and the scope and structure of the group of companies and entities in which Plaza Centers holds (equity)interests.

In accordance with the reporting guidelines that are applicable in the Netherlands, the Administrator represents the current status of affairs in a simplified form in this report.

The Administrator emphasises that the information in this report is subject to further investigation. It may become apparent at a later stage that this information must be adjusted. Consequently, no statements can be made about the completeness and accuracy of the information contained in this report.

No rights can be derived from this moratorium report and/or the following reports from the Administrator. Nothing in this report should be construed as an admission of liability or as a waiver of any right.

Documents relating to the developments around Plaza Centers and the provisionally granted moratorium that are relevant to Plaza Centers' creditors are also made available on-line

through the website of Plaza Centers (www.plazacenters.com, see under "Investor Relations" and subsequently "Debt Restructuring").

In carrying out his duties, the Administrator uses the (consultancy) services of CMS Derks Star Busmann N.V. and PriceWaterhouseCoopers Advisory N.V. ("**PwC**").

2. Petition for a moratorium

2.1 In its petition of 18 November 2013, Plaza Centers requested the District Court of Amsterdam to grant a provisional moratorium. Together with this petition Plaza Centers filed a draft restructuring plan (the "**Initial Draft Restructuring Plan**") with the court registry.

2.2 For an explanation to and the backgrounds of the petition for a moratorium, see Plaza Centers' petition (exclusive of the appendices) of 18 November 2013 attached as **Appendix 1** to this report.

2.3 The management board of Plaza Centers informed the Administrator that the global real estate crisis, which also hit hard in Central and Eastern Europe (where Plaza Centers has its main business activities), caused Plaza Centers' real estate projects to run into problems.

The Initial Draft Restructuring Plan contains the following passage in this respect:

> *"1.2.1. The Company has been faced with challenging market conditions for some years. Adverse market conditions have primarily been caused by the underlying economic situation in many of the countries in which the Company operates, combined with the lack of transactional liquidity in the investment markets for assets such as those owned by the Company and the on-going lack of traditional bank financing available to real estate developers and investors.*
>
> *1.2.2. Although the Company's management team has made considerable progress in re-positioning the Company's business model to ensure that it is focused on the deleveraging of its balance sheet and the recycling of capital, primarily through the disposal of its non-core assets, the Company has not been able to complete these transactions within a timeframe that will enable it to meet its short term obligations towards Bondholders (as defined herein). As a result, the Company is faced with significant liquidity problems.*"

2.4 In connection with the planned voting on the Initial Draft Restructuring Plan, Plaza Centers, in accordance with Article 255 DBA, requested the court not to hold a hearing on the petition for the moratorium as referred to in Article 218 DBA (being the hearing that may result in the final granting of a moratorium), and that a date by which the claims must be submitted is

immediately set, as well as a date and time of day for the voting on the Initial Draft Restructuring Plan.

2.5 In its decision of 18 November 2013, the District Court of Amsterdam granted Plaza Centers a provisional moratorium, appointed the Administrator and Supervisory Judge, honoured Plaza Centers' petition under Article 255 DBA and determined that the creditors must have submitted their claims to the Administrator on 3 April 2014 at the latest and that the consultation and voting on the Initial Draft Restructuring plan will be held on 17 April 2014.

2.6 The legal proceedings in Israel and the Netherlands, the formalities to be observed in the United Kingdom, Israel and Poland due to the listing of the shares in Plaza Centers and the bonds issued by it, as well as the negotiations on the amendment of the Initial Draft Restructuring Plan took considerably more time than anticipated at the time of the filing of the petition for a moratorium.

2.7 In order to have sufficient time to prepare the consultation and voting on the restructuring plan, Plaza Centers and the Administrator, pursuant to Article 264(1) DBA, requested the Supervisory Judge to postpone the submission of claims and the consultation and voting on the Initial Draft Restructuring Plan to a later date.

2.8 At the request of Plaza Centers and the Administrator, the District Court of Amsterdam changed these dates respectively to 12 June 2014 and 26 June 2014 in its decision of 11 March 2014.

In its decision of 11 March 2014, the District Court of Amsterdam decided:

- that the claims must be submitted to the Administrator no later than on 12 June 2014;
- that the consultation and voting on the restructuring plan will be held before the Supervisory Judge in the Herzberg room of the Amsterdam court building at the Parnassusweg 220 in Amsterdam (the Netherlands) on 26 June 2014 at 10:00 AM;
- that the Administrator files a copy of the list of the provisionally allowed and disputed claims as referred to in Article 259 DBA with the court registry in accordance with Article 263 DBA which list is available for public inspection free of charge at the court registry for a period of seven days prior to the consultation and voting;

- that following the consultation and voting, the Administrator issues a written report on the restructuring plan offered at a meeting as referred to in Article 265(1) DBA.

By letter of 12 March 2014, the Administrator informed Plaza Centers' creditors known to him on the decision of District Court of Amsterdam.

2.9 As at the date of this report the moratorium granted is still provisional.

3. Activities of Plaza Centers and its participations; corporate structure

3.1 Plaza Centers is the holding company of the Plaza Centers Group (the "**Plaza Group**") and directly or indirectly holds an equity or other interest in approximately 250, mostly foreign, entities. Through these participations Plaza Centers is one of the largest developers of shopping malls and entertainment centres in Central and Eastern Europe. Plaza Centers develops and constructs shopping malls and entertainment centres, lets these shopping malls and entertainment centres out, and subsequently sells them to third parties in a leased state. Plaza Centers' business model is therefore not designed to have the long-term ownership of real estate (for investment purposes).

In total, the Plaza Group has developed end let out approximately 33 shopping malls and entertainment centres, 26 of which were sold prior to the date of the moratorium. At present, the Plaza Group still owns and operates seven shopping malls and entertainment centres, two office buildings and twenty non-operational projects or projects under development. The actual real estate activities are exclusively performed outside of the Netherlands in participations of Plaza Centers.

3.2 Plaza Centers' 2013 consolidated and company financial statements published on the website of Plaza Centers contain a further description of the activities of the Plaza Group.

3.3 An organisation chart of the Plaza Group, including the company structure of the Plaza Group, is attached to this report as **Appendix 2**.

Plaza Centers is an indirect subsidiary of Elbit Imaging Ltd ("**Elbit**"), an Israeli company the shares of which are traded on the stock exchange of Tel Aviv (Israel) and NASDAQ (US). Elbit holds approximately 62.5% of the shares in the capital of Plaza Centers through a Luxembourg intermediate holding company (Elbit Ultrasound (Luxembourg) B.V./S.a.r.l.).

The shares in Plaza Centers are traded on the stock exchanges of London, United Kingdom and Warsaw, Poland.

3.4 On 18 November 2013 the management of Plaza Centers consisted of:

- Mr. M. Zisser (having sole and independent authority to represent the company)
- Mr. R. Shtarkman (having sole and independent authority to represent the company)
- Mr. S. Yitzchaki (jointly authorised director)
- Mr. E. Paap (jointly authorised director)
- Mr. M. H. Wichers (jointly authorised director)
- Mr. M.W. van Eibergen Santhagens (jointly authorised director).

The foreign subsidiaries of Plaza Centers are managed by local management in the various countries. The Plaza Group's central (financial) administration is located in Budapest, Hungary.

3.5 At the time the provisional moratorium was granted, Plaza Centers was leasing office space at the Keizersgracht 241 in Amsterdam, the Netherlands. In its letter of 31 January 2014, Plaza Centers terminated the lease with the Administrator's consent and moved to a cheaper location at the Prins Hendrikkade 48 S in Amsterdam, effective from 1 May 2014.

4. Financial key data

4.1 Profits and Losses

4.1.1 According to the audited and approved 2011 consolidated financial statements, Plaza Centers' net profit for the year 2011 was € 13.8 million.

According to the audited and approved 2012 consolidated financial statements, Plaza Centers' net profit for the year 2012 was € 85.9 million.

According to the 2013 financial statements, prepared and approved in accordance with the IFRS standards and published on 30 April 2014, Plaza Centers' loss for 2013 amounted to € 218 million.

4.2 **Total assets**

4.2.1 According to the audited and approved 2011 financial statements, Plaza Centers' balance sheet total was € 1,348,526,000 as at 31 December 2011.

According to the audited and approved 2012 financial statements, Plaza Centers' balance sheet total was € 958,005,000 as at 31 December 2012.

4.2.2. According to the 2013 financial statements, prepared and approved in accordance with the IFRS standards and published on 30 April 2014, Plaza Centers' balance sheet total amounted to € 585,766,000 million as at 31 December 2013.

4.2.3 Plaza Centers' 2013 consolidated and company financial statements, prepared in accordance with Dutch accounting rules, will be discussed during the shareholders' meeting convened on 8 July 2014.

4.2.4 At the time the moratorium was provisionally granted, Plaza Centers, partly through its participations, held an amount of approximately EUR 23 million in cash.

5. Staff and procedures

5.1 Plaza Centers has 2 employees in the Netherlands. These employees are responsible for Plaza Centers' day-to-day record keeping. In 2014, the Plaza Group employed approximately 136 employees or consultants in total. Given the envisaged acceptance of the restructuring plan on 26 June 2014, no notice has been given yet to the employees or consultants. Plaza Centers is currently able to meet its obligation to continue to pay wages.

5.2 The Administrator is not aware of any pending legal proceedings in which Plaza Centers is a party.

6. Assets

6.1 **General**

Apart from its equity interests and other interests (see below) and office equipment, Plaza Centers does not own any real estate or stock.

Below Plaza Centers' main assets and participations will be summarised.

6.2 **Participations**

6.2.1 According to the organisation chart attached to this report as **Appendix 2**, Plaza Centers has equity and other interests in domestic and foreign participations, some of which are also participated in by third parties. Some of these participations are not active or no longer active and in each participation one or more construction projects were operated or developed.

6.2.2 The projects can be classified as follows: (i) seven shopping malls and entertainment centres still operated or operated awaiting the sale thereof and (ii) two office buildings, six projects or development projects under construction and fourteen plots.

(i) Seven shopping and entertainment centres in operation

Out of the seven shopping malls and entertainment centres three are located in Poland, one is located in Serbia, one is located in Latvia and one is located in the Czech Republic. These malls and centres are largely but not entirely let out to third parties. The seventh mail is located in Pune, India. An agreement to sell this mall has been signed, but at the date of this report the transfer (*closing*) has not been finalized.

(ii) Two office buildings, six projects or development projects under construction and fourteen plots

These projects are located in Romania, Serbia, Poland, India, Greece, Hungary and Bulgaria, and will not or no longer be developed or operated during the moratorium, awaiting the acceptance of the restructuring plan.

The two office buildings are used by the Plaza Group itself.

6.3 **Hawker 400XP Business Aircraft**

6.3.1 At the time the moratorium was provisionally granted, Plaza Centers owned a Hawker 400XP business aircraft (the "**Aircraft**") registered in Hungary. To purchase the Aircraft a loan had been taken out from GEFA Gesellschaft für Absatzfinanzierung mbH ("**GEFA**") in the amount of USD 4,546,500. At the date of the moratorium the outstanding principal balance of the loan was approximately USD 3.540,000. A right of mortgage under Hungarian law had been established on the Aircraft for the benefit of GEFA.

6.3.2 After consultation with GEFA, and with the consent of the Administrator, the Aircraft was sold in the spring of 2014. The net proceeds, which were insufficient to pay GEFA's claim, were paid to GEFA as mortgagee. Following the completion of this sale GEFA has an unsecured claim on Plaza Centers in the amount of approximately EUR 1.2 million.

6.4 **Receivables**

6.4.1 Plaza Centers has receivables on various group companies (pursuant to current account positions). Pending the provisionally granted moratorium and awaiting the outcome of the vote on the restructuring plan on 26 June 2014, no actions are taken towards these debtors to recover these receivables.

6.5 **Cash and cash equivalents**

6.5.1 See under paragraph 4.2.4 above.

7. <u>Bank/Security rights</u>

7.1 **Bank financing Plaza Centers**

Plaza Centers received a loan for the financing the Aircraft from GEFA (see paragraph 6.3.1 above). Apart from this loan, Plaza Centers has not raised any funding from banking institutions.

Plaza Centers' activities and those of the Plaza Group have mainly been financed through equity raised during the initial public offering in 2006, proceeds received from sales (i.e. the succesfull sale of 26 shopping and entertainment centers) and the issue of bonds (see paragraph 10 below).

7.2 **Bank financing of participations**

7.2.1 The activities of Plaza Centers' participations are formally outside of the scope of the provisionally granted moratorium. The Administrator only mentions that some participations are independently financed by banks (for a total amount of approximately € 208 million). Other subsidiaries are financed also through capital contributions by Plaza Centers.

7.2.2 In general, the loans granted by external parties are secured by security rights granted by the participations. Plaza Centers' management expects that these security rights are sufficient to repay the claims of the financiers. According to the information of Plaza Centers' management (further) agreements on the fulfilment of the obligations have been made with the banks involved. As far as known to the Administrator on the date of this report, none of the banks involved is currently planning to cancel the loans granted or to take steps to enforce the security rights.

7.2.3 Plaza Centers is liable or jointly liable towards the financiers for either the amount of the principal of the loans granted or for the interest on some of these loans. If and to the extent that these claims can be paid from the securities granted, on balance, there will be no further claims or guarantee claims on Plaza Centers.

According to Plaza Centers' statement attached as Appendix 4 to the petition for a moratorium the total amount of these claims or provisional claims is approximately € 37 million. The Administrator is currently investigating the exact amount of these claims and is liaising in this respect with the financiers involved.

8. Continuation of the activities during the moratorium

8.1 Pending the provisionally granted moratorium Plaza Centers' activities are continued for the time being under Plaza Centers' day-to-day management.

8.2 Plaza Centers regularly reports on the operations to the Administrator and, in principal, no new obligations are entered into. The Administrator *i.a.* engaged PwC to assess Plaza Centers' financial position.

8.3 There is sufficient available cash to pay the costs of the administration, to meet the current obligations and pay for the other costs associated with the entry into, and vote on the restructuring plan. The majority of these costs relate to the fees of external (legal) consultants of Plaza Centers, both in the Netherlands and abroad. An overview of the costs to be paid from this cash is regularly submitted to the Administrator for approval.

9. Records

9.1 Accounting

The accounting records of Plaza Centers come across as reliable.

9.2 Adoption and filing of the financial statements

The financial statements of Plaza Centers for the years 2009-2012 have been adopted and filed in time.

9.3 Unqualified audit opinions

An unqualified audit opinion has been issued in respect of the 2012 consolidated and company financial statements of Plaza Centers, published at the time of the issue of this report. In respect of the 2013 consolidated and company financial statements, prepared in accordance with IFRS standards and available through Plaza Centers' website www.plazacenters.com), the auditor (KPMG Hungary), also in view of the provisionally granted moratorium, expressed reservations in its audit opinion with regard to Plaza Centers' continuity perspectives (see page 70 of the financial statements).

10. Creditors

10.1 General

According to the petition for a moratorium, on 18 November 2013, the total unsecured debt burden was approximately EUR 245 million and consisted of claims of bondholders, guarantee claims of banks and claims of other creditors. The Administrator refers to **Appendix 1** attached to Plaza Centers' petition for a moratorium for a breakdown of this amount.

10.2 Claims of Israeli and Polish bondholders

10.2.1 Plaza Centers' activities and those of the Plaza Group are almost completely funded through the issue of three series of bonds (jointly referred to as the "**Bonds**") (apart from bank mortgage financing to the vaious participations of Plaza Centers).

10.2.2 Twee bond series were issued to institutional and private investors in Israel (series A and series B) and the relevant bonds are listed on the Tel Aviv stock exchange ("**Israeli Bonds A**" and "**Israeli Bonds B**" respectively, together referred to as the "**Israeli Bonds**", and the holders of these Bonds are referred to as the "**Israeli Bondholders**" below). The bond documentation and Israeli Bonds are subject to Israeli law.

10.2.3 The third bond series was issued to institutional investors in Poland (the "**Polish Bonds**" and the holders of these bonds are referred to as the "**Polish Bondholders**" below) and the relevant bonds are listed on the Polish Catalyst Market. The bond documentation and Polish Bonds are subject to Polish law.

10.2.4 On 18 November 2013, the total amount outstanding on the Israeli Bonds was approximately EUR 191 million, representing approximately 78% of Plaza Centers' total unsecured debt burden.

10.2.5 The Israeli Bonds A are payable in eight annual instalments on 31 December of each year, for the first time on 31 December 2010 and for the last time on 31 December 2017. The interest on these bonds is 4.5%, payable in semi-annual instalments on 31 December and 1 July of each year, for the first time on 31 December 2007 and for the last time on 31 December 2017. Both interest and principal are linked to the Israeli CPI (Consumer Price Index).

The Israeli Bonds B are payable in five annual instalments on 1 July of each year, for the first time on 1 July 2011 and for the last time on 1 July 2015. The interest on these bonds is 5.4%, payable in semi-annual instalments on 31 December and 1 July of each year, for the first time on 1 July 2008 and for the last time on 1 July 2015. Both interest and principal are linked to the Israeli CPI (Consumer Price Index).

10.2.6 On the basis of the bond documentation the Israeli Bondholders are represented by two Bond Trustees (jointly the "**Israeli Bond Trustees**"), one for each series.

10.2.7 The Polish Bonds were issued for a period of three years which period ended on 18 November 2013 and on which a total amount of 14,9 million converted into Euro was outstanding on that date, representing approximately 6% of the total unsecured debts of Plaza Centers. Plaza Centers had to repay the Polish Bonds on that date, but Plaza Centers was

unable to do so which was the direct cause for the filing of the petition for a moratorium. No bond trustee was appointed for the Polish Bonds.

10.2.8 Plaza Centers' debts to the Israeli and Polish Bondholders in amount jointly represent approximately 85% of Plaza Centers' total unsecured debt.

10.3 **Guarantee claims**

The Administrator refers to paragraph 7.3 above. According to the statement of Plaza Centers' management, Plaza Centers has not furnished any collateral in respect of the guarantee claims.

10.4 **Other liabilities**

According to a statement provided by Plaza Centers, a number of group companies had intercompany receivables on Plaza Centers at the date of the moratorium for a total amount of approximately EUR 1.7 million.

11. Overview of the main events and developments after 18 November 2013

11.1 **Position of the Israeli Bond Trustees; decision of the Israeli court**

11.1.1 Plaza Centers and the Administrator regularly consulted the Israeli Bond Trustees. The role of the Administrator during these consultations was largely limited to a discussion of the manner in which the Israeli Bond Trustees could represent the Israeli Bondholders in the submission of the claims and vote on the restructuring plan, this also in view of the existing practice in Israel which deviates from the usual practice, based on the Dutch Bankruptcy Act, in the Netherlands.

11.1.2 The Israeli Bond Trustees indicated that they wished to apply to the Israeli court for the authorisation to submit the claims of the Israeli Bondholders to the Administrator in a certain manner that is common and acceptable in Israel, and to also cast votes in this respect. Prior to this submission of the request to the Israeli court by the Israeli Bond Trustees, the Israeli Bond Trustees consultant Plaza Centers and the Administrator on the voting procedure preferred by the Israeli Bond Trustees.

In this respect, Plaza Centers and the Administrator indicated their willingness to cooperate with a voting procedure for the Israeli Bonds that is as close as possible to the Israeli practice, subject to such voting procedure being compatible with the Dutch system and not detracting from the rights that creditors can directly exercise in the Dutch proceedings. The consultations on this issue have taken up considerable time.

11.1.3 On 3 April 2014, the Israeli Bond Trustees requested the Israeli court to determine that the Israeli Bond Trustees could submit (i) claims in Plaza Centers' Dutch moratorium and (ii) and vote on the restructuring plan offered by Plaza Centers on 26 June 2014, in the manner proposed by them and on behalf of the Israeli Bondholders.

11.1.4 On 13 April 2014, the Israeli court honoured the request of the Israeli Bond Trustees.

11.1.5 English translations of the request from the Israeli Bond Trustees and the decision of the Israeli court can be viewed on Plaza Centers' website (www.plazacenters.com).

11.2 **Position of the Polish Bondholders**

A similar request as that of the Israeli Bond Trustees was not necessary in respect of the Polish Bondholders.

11.3 **Petition of Plaza Centers and the Administrator pursuant to Article 225(1) and (2) DBA**

11.3.1 As the Bonds can be traded in during the provisionally granted moratorium and it is therefore impossible to determine the identity of the holders of the Bonds on 26 June 2014, an arrangement had to be agreed on. Furthermore, arrangements had to be made under Dutch law that were in line with the aforementioned decision of the Israeli court.

11.3.2 In line with the methodology sanctioned by the Dutch Supreme Court (*Hoge Raad*) in similar cases, (including UPC's moratorium, see decision of the Dutch Supreme Court of 26 August 2003, *NJ* 2004/549) the court is authorised pursuant to Article 225 DBA to set a so-called 'voting record date' for the first problem referred to in paragraph 11.3.1 provided that the time lag between the ‘voting record date’ and the date of the vote on the restructuring plan is not too great.

Where a 'voting record date' is set, only those Bondholders that are a bondholder on the 'voting record date' may vote. These Bondholders may also vote if they have sold their bonds after the 'voting record date'. The person purchasing a bond after the 'voting record date' acquires such bond without having the right to vote on the restructuring plan.

11.3.3 The problem arose that it is not possible to establish the number of anonymous bondholders on whose behalf the Israeli Bond Trustees will vote. To solve this problem, and to allow so-called "prime brokers" to vote in conformity with the instructions of those for whose account they hold the bonds, it was requested to treat the Israeli and Polish Bonds, by analogy, as bearer securities for the purposes of Article 82/134/260(2) DBA, in which solution each bond would be treated as an individual creditor.

11.3.4 In order to facilitate the correct submission of claims and proper voting on the restructuring plan and to obtain the required arrangements, Plaza Centers and the Administrator filed a joint request under Article 225 DBA with the District Court of Amsterdam on 29 April 2014, in which request the court was asked to issue the necessary orders on the basis of this Article.

11.3.5 In its decision of 9 May 2014, the District Court of Amsterdam honoured the request of Plaza Centers and the Administrator and issued the requested orders in which it was i.a. determined that the 'voting record date' is 2 June 2014.

11.3.6 A copy of the decision of the court, almost integrally containing the contents of the petition pursuant to Article 225 DBA, is attached to this report as **Appendix 3**. The English translation of this decision is available on Plaza Centers' website (www.plazacenters.com).

11.4 **Instructions for the submission of claims and voting on the restructuring plan**

11.4.1 Further to the Israeli and Dutch court proceedings referred to above, on 16 May 2014, Plaza Centers and the Administrator subsequently published detailed instructions for the submission of claims and casting of votes on 26 June 2014 by way of a so called "Filing and Voting Instructions Memorandum".

11.4.2 A copy of the Filing and Voting Instructions Memorandum in English dated 16 May 2014 is attached as **Appendix 4** to this report. The Filing and Voting Instructions Memorandum is is also available through the Plaza Centers' website (www.plazacenters.com).

11.5 **Publication of a prospectus and amendment of the Initial Draft Restructuring plan**

11.5.1 The Israeli and Polish bond documentation must be amended for the situation that the restructuring plan is accepted by the creditors and subsequently approved by the District Court of Amsterdam.

11.5.2 Plaza Centers had to publish an Israeli prospectus in connection with the amendments in the Israeli bond documentation, which prospectus was published on 27 May 2014.

11.5.3 Plaza Centers also filed an amended draft restructuring plan (the "**Amended Draft Restructuring plan**") with the registry of the court of Amsterdam on 27 May 2014, and published this on its website. In principle, this is the restructuring plan subject to consultation and voting by the creditors on 26 June 2014.

A copy of the Amended Draft Restructuring Plan (without Annexes) is attached as **Appendix 5** to this report. The complete Amended Draft Restructuring is also available through Plaza Centers' website (www.plazacenters.com).

11.5.4 Following on from the Initial Draft Restructuring plan, the Amended Draft Restructuring plan provides for additional compensation and further relief to the creditors in exchange for the postponement of payment requested. Two key elements have been added to the Initial Draft Restructuring plan offered in order to strengthen the position of the creditors; these are (i) a capital injection of at least EUR 20 million through a rights issue and (ii) issuing of shares to the Israeli and Polish Bondholders who then, following the rights issue, will hold approximately 13.2% of the issued share capital in Plaza Centers in total.

To that end the shares in Plaza Centers currently listed on the London stock exchange must also be listed on the Tel Aviv Stock Exchange. In the situation that the Amended Draft Restructuring plan becomes binding, Plaza Centers has committed itself to procure that EUR 20 million capital is injected prior to 30 November 2014 and that the shares are issued to the Israeli and Polish Bondholders within the subsequent 10 trading days.

11.5.5 In his letter of 28 May 2014, the Administrator informed the creditors of the filing of the Amended Draft Restructuring plan.

11.5.6 This public report does not contain an opinion or assessment of the Administrator on the Amended Draft Restructuring plan or the merits thereof.

11.5.7 In principle, the Administrator will issue a report as referred to in Article 265(1) DBA on the occasion of the consultation and vote on the Amended Draft Restructuring plan on 26 June 2014.

12. Hours spent and further information

12.1 Hours spent

In the period covered by this report, the Administrator and his associates have spent 634.30 hours in total on this provisional moratorium.

12.2 Plaza Centers' creditors are to a large extent informed through Plaza Centers' website (www.plazacenters.com) on the developments in Plaza Centers' moratorium that are relevant to them.

12.3 This public report will also be published on Plaza Centers' website as well as on www.cms-dsb.com (online services, bankruptcies) and on www.rechtspraak.nl.

Amsterdam, 2 June 2014

J.L.M. Groenewegen,
Administrator

Overview of the Appendices:

Appendix 1: Plaza Centers' petition for a moratorium dated 18 November 2013 (without Annexes)

Appendix 2: Organisation chart Plaza Centers Group

Appendix 3: Decision of the District Court of Amsterdam pursuant to Article 225 DBA of 9 May 2014

Appendix 4: Filing and Voting Instructions Memorandum dated 16 May 2014

Appendix 5: Amended Draft Restructuring Plan dated 27 May 2014 (without Annexes)

APPLICATION FOR GRANTING SUSPENSION OF PAYMENTS
AND SUBMITTING DRAFT COMPOSITION
(article 214 Dutch Bankruptcy Act)

To the court of Amsterdam

RESPECTFULLY SUBMITS:

The applicant is the public company with limited liability **PLAZA CENTERS N.V.** ("**Plaza Centers**"), having its registered office in Amsterdam and with its principal place of business at Keizersgracht 241 (1016 EA) in Amsterdam, with choice of address for this matter at the office addresses of RESOR N.V. at Gustav Mahlerplein 27 (1082 MS) in Amsterdam, of which mr. N.W.A. Tollenaar is appointed as lawyer by Plaza Centers and will act on its behalf in said capacity, this with the right of substitution.

Jurisdiction

1. Given the fact that Plaza Centers has its registered office and its headquarters in Amsterdam and that the centre of main interests of Plaza Centers, within the meaning of article 3 paragraph 1 of Regulations 1346/2000/EG regarding insolvency proceedings, is also located in Amsterdam, the court of Amsterdam has jurisdiction to take note of this application.

Background

2. Plaza Centers is an indirect subsidiary of Elbit Imaging Ltd ("**Elbit**"), an Israeli company of which the shares are listed at the stock exchange of Tel Aviv (Israel) and at NASDAQ (US). Since 1 November 2006, the shares in Plaza Centers are listed at the stock exchange of London (UK) and since 19 October 2007 at the stock exchange of Warsaw (Poland) as well. The corporate structure of the group to which Plaza Centers belongs (the "**Group**"), is attached as **Annex 1**. Plaza Centers manages the Group out of its headquarters in Amsterdam.

3. Plaza Centers is, via its subsidiaries[1], one of the largest project developers of shopping and entertainment centres in Central and Eastern Europe. Plaza Centers has been active in this region as from 1996 and was the first party that developed the western shopping and entertainment centres in Hungary. Subsequently, this concept was rolled out to Poland, the Czech Republic, Romania, Latvia, Greece, Serbia and Bulgaria. Since 2006, the activities of the Group were further extended to the United States and India. Meanwhile, approximately 33

[1] Plaza Centers itself does not include real estate activities and no immovable property.

shopping and entertainment centres were developed and leased, of which 26 were sold. In addition, the Group sold its real estate projects in the United States in 2012.

4. Currently, the Group owns 7 shopping and entertainment centres and 2 office buildings and the Group is involved in 20 (development) projects in Central and Eastern Europe and India (see page 34 through 37 of **Annex 2** for an overview of these projects and the status thereof (not completely up-to-date)). On the level of the subsidiaries of Plaza Centers, the projects were financed with bank loans. The respective subsidiaries provided security rights as security for the fulfilment of their obligations under these project financings, including mortgages on real estate. Plaza Centers has issued corporate guarantees for some of these project financings (please see below).

5. The deteriorating economic circumstances in Central and Eastern Europe also had effect on the local real estate market. The sales of projects fall short of expectations, prices are decreasing and most development projects are delayed. As a result thereof, on 30 June 2013, Plaza Centers announced to the public that it suffered a loss of € 81 million in respect of the first six months of 2013, which loss is mostly the result of impairments in the amount of € 61 million on real estate (€ 25.7 million (42%) on real estate in Serbia, € 13.1 million (21%) on real estate in the Czech Republic, € 15.7 (26%) on real estate in India and € 6.4 million (11%) on real estate in Greece).

6. Furthermore, as a result of the deteriorating real estate market the real estate projects of Plaza Centers are not being sold or at least to a very limited extent. As a consequence hereof, the projects cannot be sold within the required timeframe which results in liquidity problems of Plaza Centers.

Important financial obligations Plaza Centers

7. Plaza Centers currently has financial obligations in a total amount of € 201,632,757 (excluding interest obligations and obligations under the Guarantee Claims (see paragraph 12)) (see **Annex 3**), of which approximately € 30 million is due and payable in due course (before the end of 2013). The most important financial obligations are set out below.

Bonds

8. Plaza Centers is financed by issuance of three bond series (the "**Bonds**"). Two bond series have been issued in Israel and are listed at the Tel Aviv stock exchange (Israel) (the "**Israeli Bonds A**" and the "**Israeli Bonds B**", and jointly the "**Israeli Bonds**"). The third bond series have been issued to - insofar as known approximately 6 - institutional investors in Poland (the

"**Polish Bonds**"). The total debt under the Bonds currently amounts to approximately € 197 million (of which € 183 million under the Israeli Bonds and € 14.3 million under the Polish Bonds). No security has been provided to the holders of the Bonds. The Bonds are fully unsecured.

9. The Israeli Bonds A are payable in 8 annual instalments on 31 December of each year (the first instalment to be effected on 31 December 2010 and the last instalment to be effected on 31 December 2017). These bonds bear an interest of 4.5% per year which is payable in semi-annual instalments on 31 December and 1 July of each year (the first instalment to be effected on 31 December 2007 and the last instalment to be effected on 31 December 2017).

10. The Israeli Bonds B are payable in 5 annual instalments on 1 July of each year (the first instalment to be effected on 1 July 2011 and the last instalment to be effected on 1 July 2015). The interest on these bonds is payable in semi-annual instalments on 31 December and 1 July of each year (the first instalment to be effected on 1 July 2008 and the last instalment to be effected on 1 July 2015). Both the principal amount and the interest on the Israeli Bonds are linked to the Israeli consumer price index.

11. The Polish Bonds were issued for a term of 3 years, which ends on 18 November 2013. The Polish Bonds have to be fully repaid by Plaza Centers on that date.

Guarantee Claims

12. In addition to its obligations under the Bonds, Plaza Centers issued corporate guarantees for various project financings of its subsidiaries and other third parties ("**Guarantee Claims**") (see **Annex 4**). Plaza Centers has not granted any security rights for the fulfilment of these Guarantee Claims.

Airplane loan

13. GEFA Gesellschaft für Absatz-finanzierung mbH (SG) provided a loan to Plaza Centers in the amount of € 3,479,029 in order to finance the acquisition of an aircraft. The current outstanding amount under this loan is approximately € 2.5 million. As security for its obligations under this loan, Plaza Centers granted a right of mortgage on the aircraft. Plaza Centers is of the opinion that the value of the aircraft is currently far below the amount of the outstanding loan. For the secured part of the claim, GEFA Gesellschaft für Absatz-finanzierung mbH (SG) will be considered a secured creditor.

14. Beside GEFA Gesellschaft für Absatz-finanzierung mbH (SG), there are no other secured creditors.

Liquidity position

15. Before the end of the year, Plaza Centers has to pay approximately EUR 31.3 million under the Bonds, being approximately € 14.3 million on 18 November 2013 under the Polish Bonds and approximately € 17 million on 31 December 2013 under the Israeli Bonds.

16. Currently Plaza Centers has € 23 million of free cash. The balance sheet as per 30 June 2013, which has been submitted as **Annex 5**, demonstrates a liquidity position of € 80 million. However, one day later (1 July 2013) Plaza Centers had to pay interest in the amount of approximately € 60 million under the Israeli Bonds.

17. Given that Plaza Centers currently has insufficient cash and does not expect to be able to generate sufficient income to meet the aforementioned payments due under the Bonds in November and December, it foresees that it cannot continue to pay its due and payable debts within the meaning of article 214 Dutch Bankruptcy Act.

Composition

18. In conformity with article 214 paragraph 3 Dutch Bankruptcy Act, Plaza Centers submitted a draft composition simultaneously with this application to be offered to the creditors (**Annex 6**).

19. The main terms and conditions of the draft composition can be summarised as follows:

Provisions with regard to the Bonds

- all repayments under to Bonds are deferred by three years;
- interest payments that has become due before or during the suspension of payment proceedings will be added to the principal amount of the Bonds. Interest payments falling due after the composition plan becoming binding and effective will be paid as on the usual dates for payment;
- as from 1 January 2014 the interest rate regarding the Bonds will be raised with 1.5%;
- Plaza Centres undertakes to apply 75% of the net cash flow it receives pursuant to the sale or refinancing of assets of the Group to an early repayment of the Bonds;
- if Plaza Centers, within two years of the composition becoming binding and effective, succeeds to repay 50% of the debt under the Bonds that is currently outstanding, all remaining upcoming principal payments of the Bonds will be deferred with one more year;

- the holders of the Bonds will be granted an option to purchase shares representing up to 9.99% of the outstanding share capital in Plaza Centers against an exercise price that has been established in advance.

Provisions with regard to Guarantee Claims

- claims under the Guarantee Claims are deferred by a period of four years;
- after the aforementioned term of four year has lapsed, creditors under the Guarantee Claims can only exercise their rights provided that they enforced all their security rights. The claim under the Guarantee Claims will be reduced by an amount equal to the difference between 90% of the fair market value of the collateral (to be determined by an independent appraiser) and the sales proceeds that were actually realised by the creditor (if this is lower).

Provisions with regard to the Airplane Loan

- the unsecured part of the claim of GEFA Gesellschaft für Absatz-finanzierung mbH is deferred by a period of four years.

Provisions with regard to all creditors

- Plaza Centers undertakes, subject to a number of conditions, (i) that it will not encumber its assets for the benefit of third parties (negative pledge) and (ii) that it will not incur any new financial indebtedness;
- in order to establish that shareholders will not make dividend distributions before the debt burden has been substantially reduced, the composition determines that the claims under the composition become immediately due and payable if shareholders declare dividend before the Bonds have been repaid.

20. Plaza Centers is of the opinion that, if the draft composition is adopted and approved by the court, (i) it will be able to fulfil its obligations within the newly agreed timeframes and (ii) the creditors will be in a better position than they will be in, in the event that the assets of Plaza Centers will be liquidated now.

Immediately vote on composition pursuant to article 255 Dutch Bankruptcy Act

21. It is in the interest of Plaza Centers and its creditors that the draft composition will be put to vote in due course and prior to a decision being taken in respect of the definitive suspension of payments. Plaza Centers therefore requests the court in conformity with article 255 Dutch Bankruptcy Act (i) to order that the hearing on the definitive suspension of payments referred to in article 218 Dutch Bankruptcy Act will not take place, (ii) to set a day on which the claims have

to be submitted at the latest and (iii) to determine a day and hour on which the draft composition is voted on.

22. It is expected that Plaza Centers has to issue a prospectus subject to Israeli law in connection with the offering of the draft composition. This depends on the opinion of the Israeli authority for the financial markets (the "**ISA**") which will not be able to provide a definite answer in this context until after the provisional suspension of payments has been granted. Under Israeli law, if a prospectus indeed has to be issued, it will have to be issued approximately 3 weeks before the meeting on which creditors have to cast their vote on the composition. Plaza Centers expects that drawing up a prospectus and obtaining the required approvals of the ISA will approximately take 3 months.

23. Given the expected timeframe, Plaza Centers requests the court to schedule the date on which creditors have to cast their vote on the composition in the second half of March 2014 or the first half of April 2014.

24. If, notwithstanding the foregoing, the court still wishes to set a date for a hearing with regard to the definitive suspension of payments, Plaza Centers requests not to schedule this hearing any sooner than after the moment on which the creditors have casted their votes on the composition.

Public announcements

25. Since Plaza Centers is a listed company, an application for suspension of payments concerns price-sensitive information that has to be made public. On 14 November 2013 Plaza Centers announced to the market its intention to apply for suspension of payments and to offer a composition to its creditors (**Annex 7**).

Other

26. Plaza Centers does not have any foreign establishments in the sense of dependent branches.

27. The following annexes are enclosed to this application:

Annex 1: Organisational chart of the Group;
Annex 2: Annual accounts of Plaza Centers as per 31 December 2012;
Annex 3: A list of creditors of Plaza Centers;
Annex 4: A list of Guarantee Claims;

Annex 5: Statement of assets and liabilities of Plaza Centers (balance sheet as per 30 June 2013, unaudited);

Annex 6: Draft composition;

Annex 7: Press release;

Annex 8: A list of creditors of Plaza Centers;

Annex 9: An original extract from the Trade Register of Plaza Centers;

Annex 10: An authenticated copy of the articles of association of Plaza Centers;

Annex 11: Copies of the identity cards of the directors of Plaza Centers;

Annex 12: The board minutes of Plaza Centers regarding (i) the filing for suspension of payments and (ii) power of attorney to mr. Van Eibergen Santhagens pursuant to which he is authorised to sign this petition.

FOR WHICH REASONS:

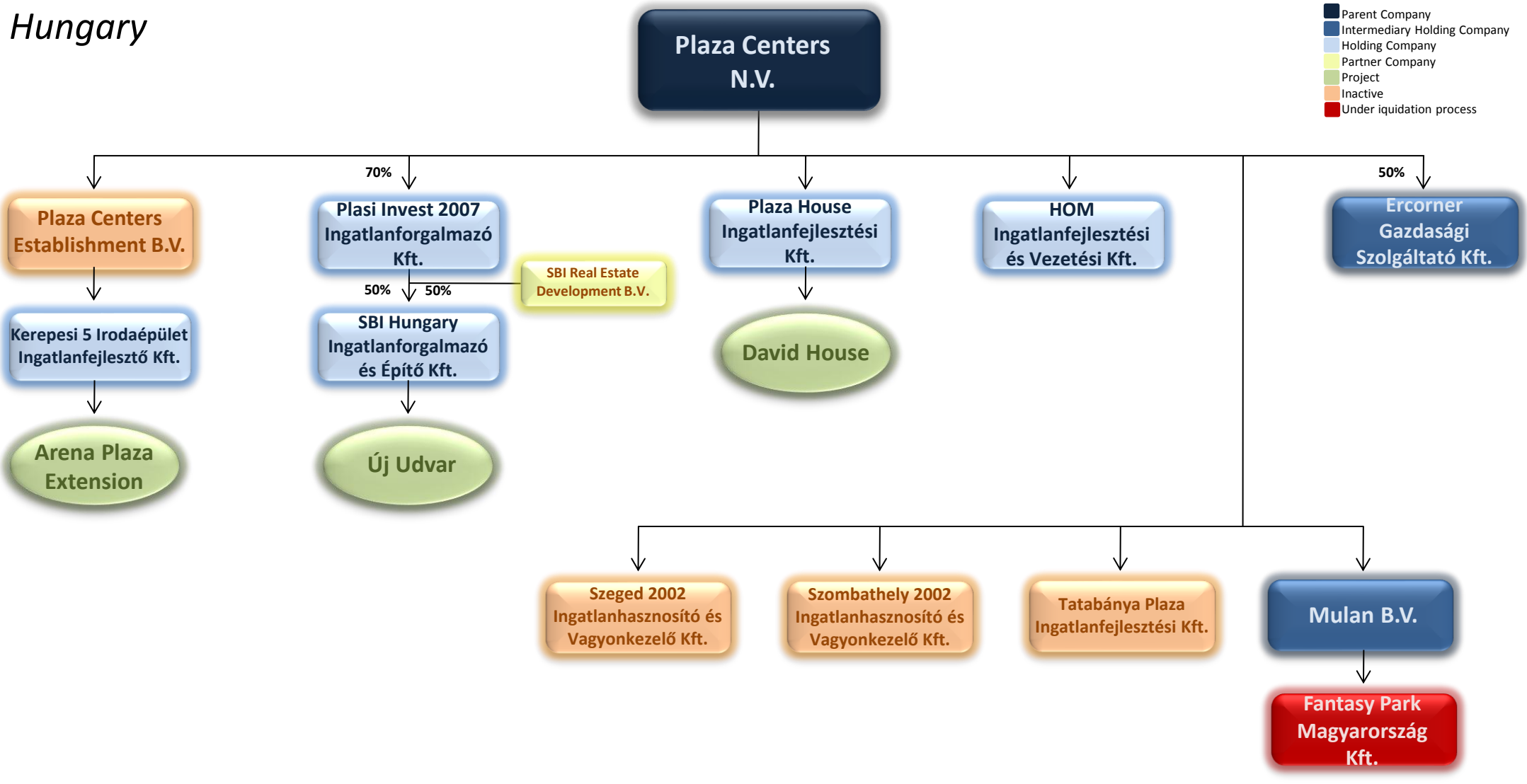
Plaza Centers requests the court of Amsterdam to grant suspension of payments and to (i) instruct that the hearing on the definitive suspension of payments mentioned in article 218 Dutch Bankruptcy Act will not take place, (ii) set a day on which the claims have to be submitted at the latest and to (iii) set a day and hour on which the creditors have to cast their vote on the composition.

Amsterdam, 18 November 2013

Lawyer Proxy holder

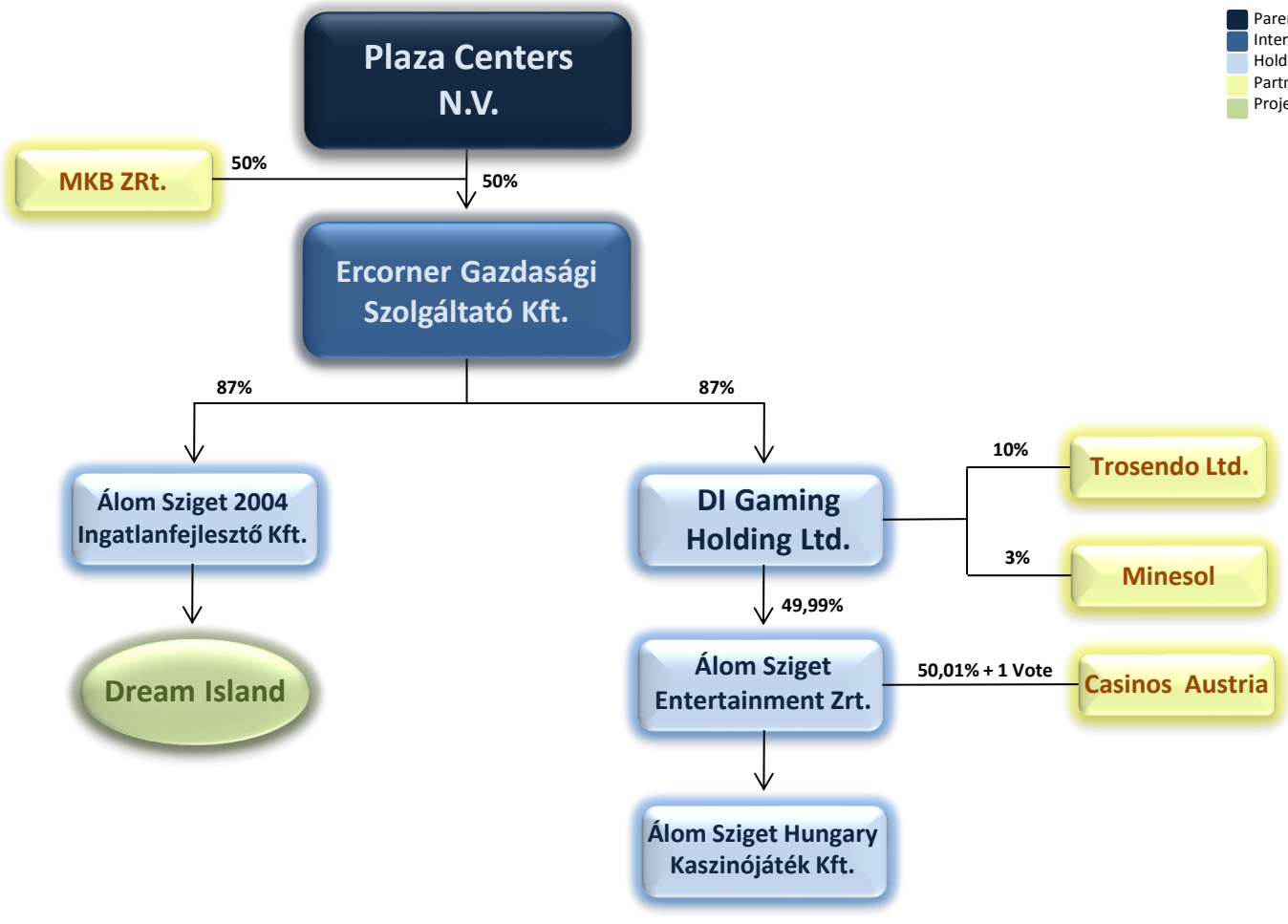
This case is conducted by mr. N.W.A. Tollenaar, mr. E.J. Oppedijk van Veen and mr. R.J. Philips, RESOR N.V., Gustav Mahlerplein 27, 1082 MS Amsterdam (P.O. Box 75965, 1070 AZ Amsterdam). Tel: 020 - 570 9020, Fax: 020 - 570 9021.

Hungary


Parent Company
Intermediary Holding Company
Holding Company
Partner Company
Project
Inactive
Under iquidation process
Plaza Centers N.V.
Plaza Centers Establishment B.V.
Kerepesi 5 Irodaépület Ingatlanfejlesztő Kft.
Arena Plaza Extension
70%
Plasi Invest 2007 Ingatlanforgalmazó Kft.
50%
50%
SBI Real Estate Development B.V.
SBI Hungary Ingatlanforgalmazó és Építő Kft.
Új Udvar
Plaza House Ingatlanfejlesztési Kft.
David House
HOM Ingatlanfejlesztési és Vezetési Kft.
50%
Ercorner Gazdasági Szolgáltató Kft.
Szeged 2002 Ingatlanhasznosító és Vagyonkezelő Kft.
Szombathely 2002 Ingatlanhasznosító és Vagyonkezelő Kft.
Tatabánya Plaza Ingatlanfejlesztési Kft.
Mulan B.V.
Fantasy Park Magyarország Kft.

Hungary

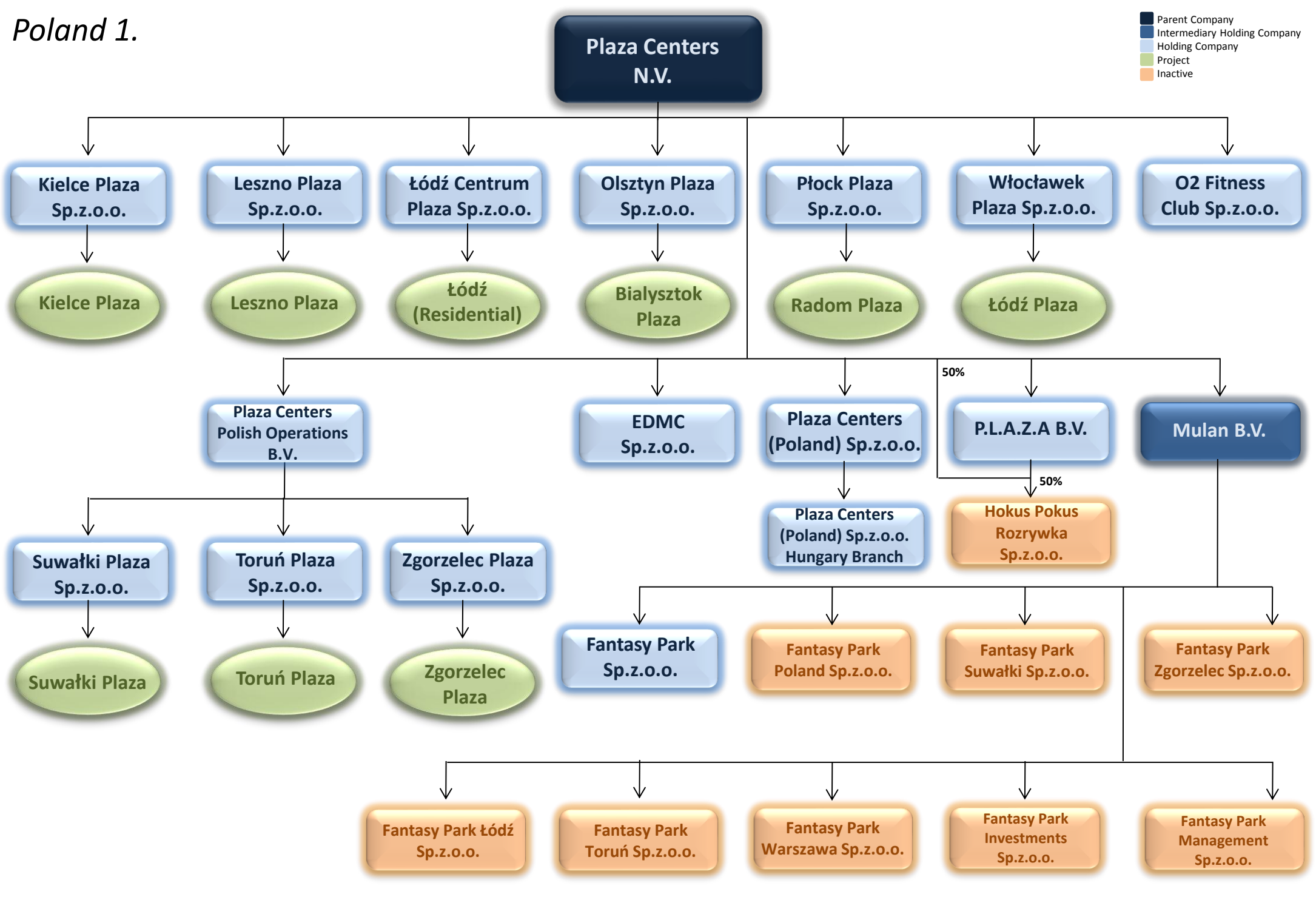
annex



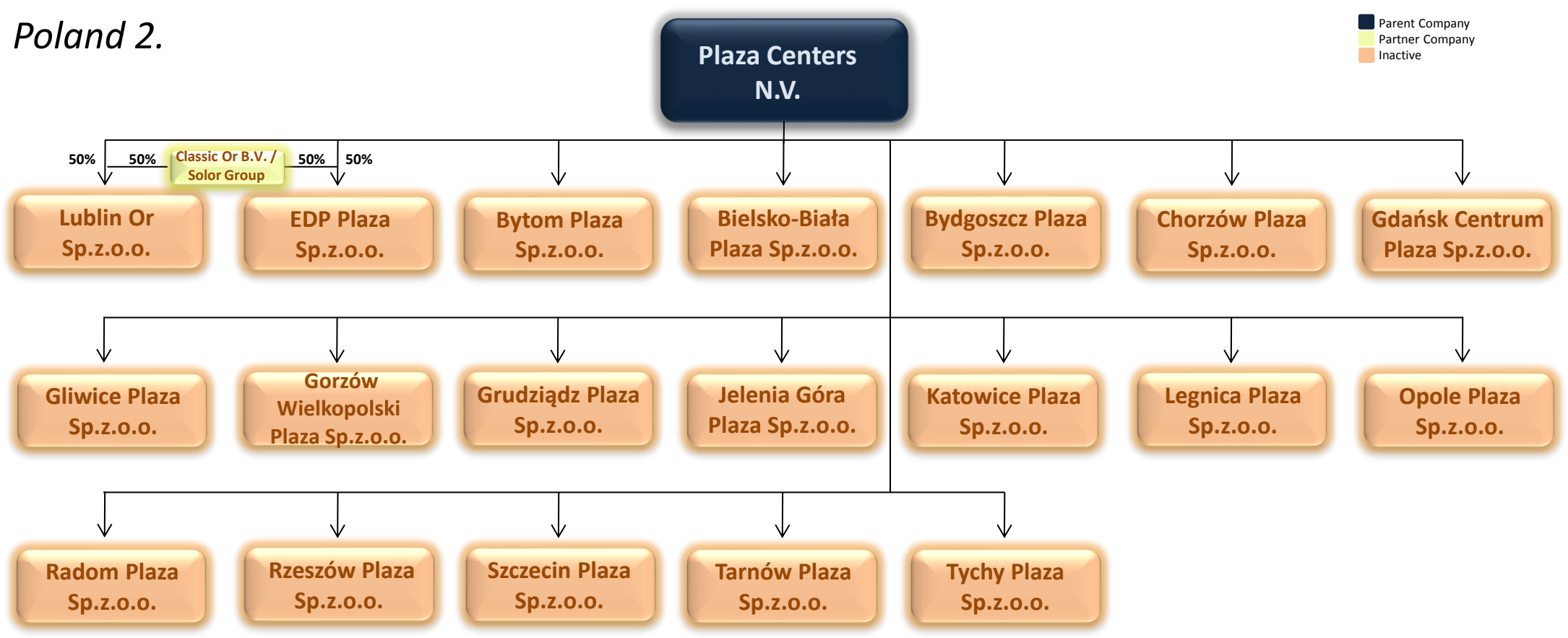
Slovakia


Parent Company
Inactive
Plaza Centers N.V.
Plaza Centers Slovak Republic S.R.O.

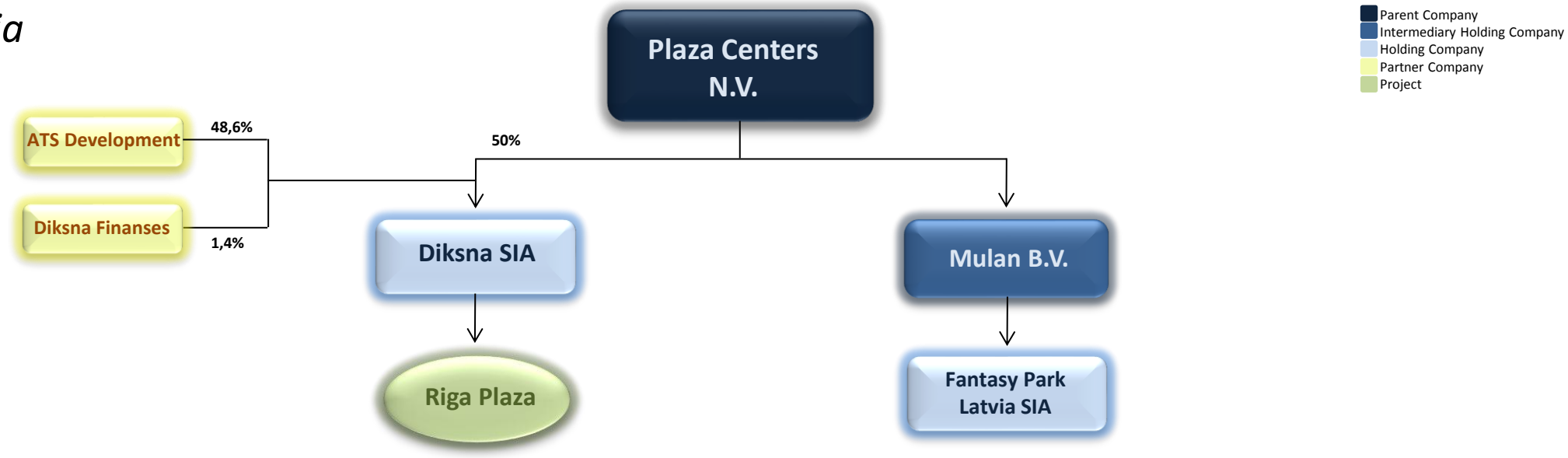
Poland 1.


Parent Company
Intermediary Holding Company
Holding Company
Project
Inactive
Plaza Centers N.V.
Kielce Plaza Sp.z.o.o.
Leszno Plaza Sp.z.o.o.
Łódź Centrum Plaza Sp.z.o.o.
Olsztyn Plaza Sp.z.o.o.
Płock Plaza Sp.z.o.o.
Włocławek Plaza Sp.z.o.o.
O2 Fitness Club Sp.z.o.o.
Kielce Plaza
Leszno Plaza
Łódź (Residential)
Bialysztok Plaza
Radom Plaza
Łódź Plaza
Plaza Centers Polish Operations B.V.
EDMC Sp.z.o.o.
Plaza Centers (Poland) Sp.z.o.o.
50%
P.L.A.Z.A B.V.
Mulan B.V.
50%
Plaza Centers (Poland) Sp.z.o.o. Hungary Branch
Hokus Pokus Rozrywka Sp.z.o.o.
Suwałki Plaza Sp.z.o.o.
Toruń Plaza Sp.z.o.o.
Zgorzelec Plaza Sp.z.o.o.
Suwałki Plaza
Toruń Plaza
Zgorzelec Plaza
Fantasy Park Sp.z.o.o.
Fantasy Park Poland Sp.z.o.o.
Fantasy Park Suwałki Sp.z.o.o.
Fantasy Park Zgorzelec Sp.z.o.o.
Fantasy Park Łódź Sp.z.o.o.
Fantasy Park Toruń Sp.z.o.o.
Fantasy Park Warszawa Sp.z.o.o.
Fantasy Park Investments Sp.z.o.o.
Fantasy Park Management Sp.z.o.o.

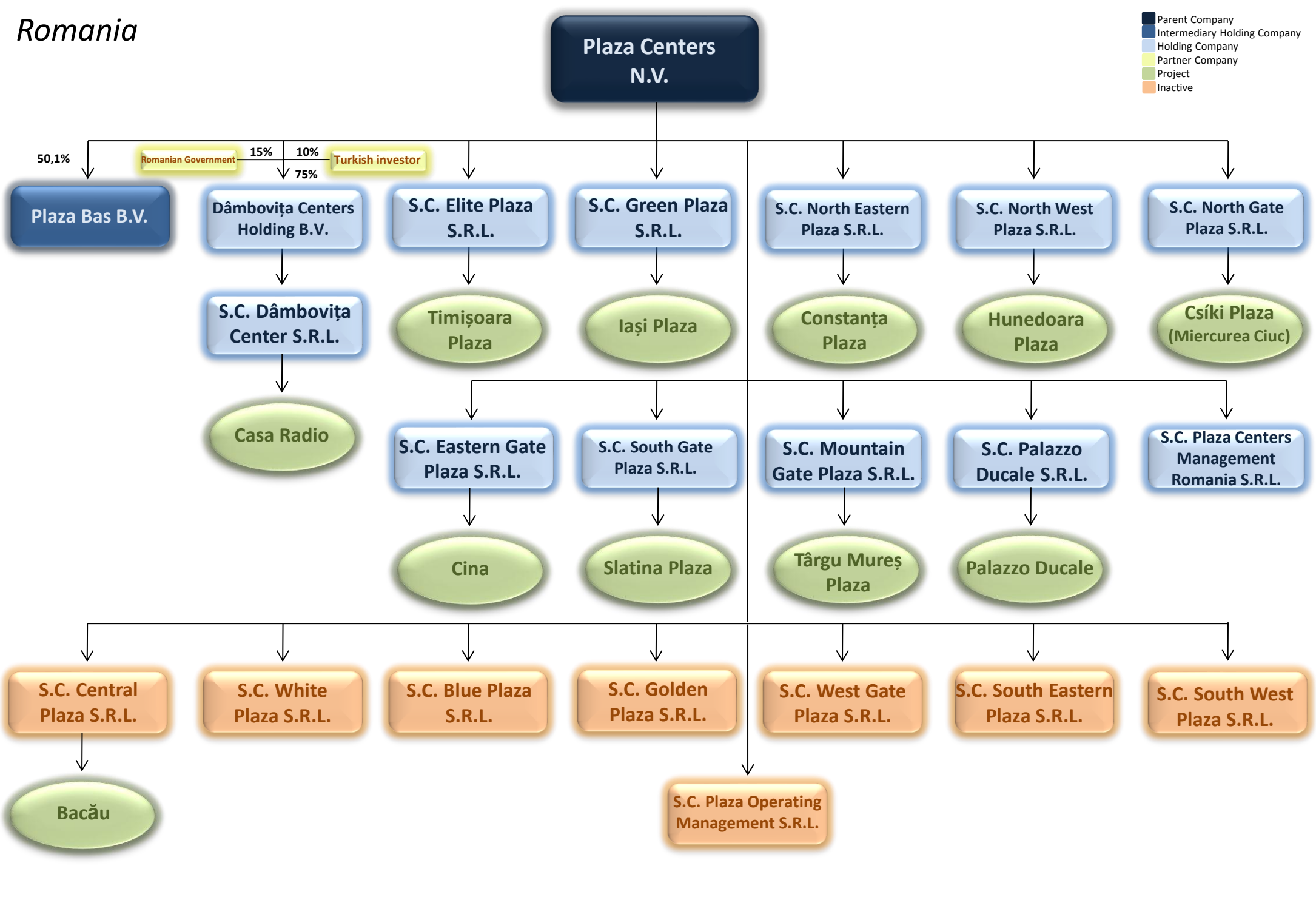
Poland 2.


Parent Company
Partner Company
Inactive
Plaza Centers N.V.
50%
50%
Classic Or B.V. / Solor Group
50%
50%
Lublin Or Sp.z.o.o.
EDP Plaza Sp.z.o.o.
Bytom Plaza Sp.z.o.o.
Bielsko-Biała Plaza Sp.z.o.o.
Bydgoszcz Plaza Sp.z.o.o.
Chorzów Plaza Sp.z.o.o.
Gdańsk Centrum Plaza Sp.z.o.o.
Gliwice Plaza Sp.z.o.o.
Gorzów Wielkopolski Plaza Sp.z.o.o.
Grudziądz Plaza Sp.z.o.o.
Jelenia Góra Plaza Sp.z.o.o.
Katowice Plaza Sp.z.o.o.
Legnica Plaza Sp.z.o.o.
Opole Plaza Sp.z.o.o.
Radom Plaza Sp.z.o.o.
Rzeszów Plaza Sp.z.o.o.
Szczecin Plaza Sp.z.o.o.
Tarnów Plaza Sp.z.o.o.
Tychy Plaza Sp.z.o.o.

Latvia

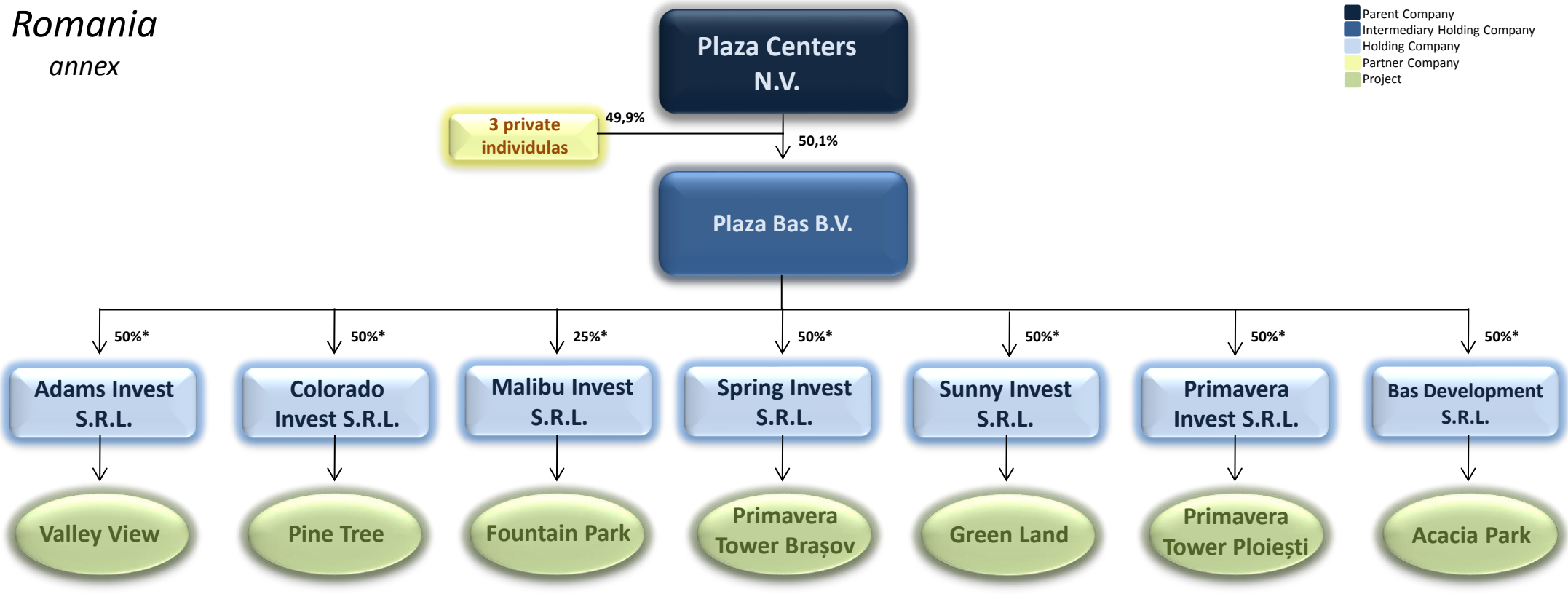

Parent Company
Intermediary Holding Company
Holding Company
Partner Company
Project
Plaza Centers N.V.
50%
ATS Development
48,6%
Diksna Finanses
1,4%
Diksna SIA
Riga Plaza
Mulan B.V.
Fantasy Park Latvia SIA

Romania


Parent Company
Intermediary Holding Company
Holding Company
Partner Company
Project
Inactive
Plaza Centers N.V.
50,1%
Romanian Government
15%
10%
75%
Turkish investor
Plaza Bas B.V.
Dâmbovița Centers Holding B.V.
S.C. Elite Plaza S.R.L.
S.C. Green Plaza S.R.L.
S.C. North Eastern Plaza S.R.L.
S.C. North West Plaza S.R.L.
S.C. North Gate Plaza S.R.L.
S.C. Dâmbovița Center S.R.L.
Timișoara Plaza
Iași Plaza
Constanța Plaza
Hunedoara Plaza
Csíki Plaza (Miercurea Ciuc)
Casa Radio
S.C. Eastern Gate Plaza S.R.L.
S.C. South Gate Plaza S.R.L.
S.C. Mountain Gate Plaza S.R.L.
S.C. Palazzo Ducale S.R.L.
S.C. Plaza Centers Management Romania S.R.L.
Cina
Slatina Plaza
Târgu Mureș Plaza
Palazzo Ducale
S.C. Central Plaza S.R.L.
S.C. White Plaza S.R.L.
S.C. Blue Plaza S.R.L.
S.C. Golden Plaza S.R.L.
S.C. West Gate Plaza S.R.L.
S.C. South Eastern Plaza S.R.L.
S.C. South West Plaza S.R.L.
Bacău
S.C. Plaza Operating Management S.R.L.

Romania

annex

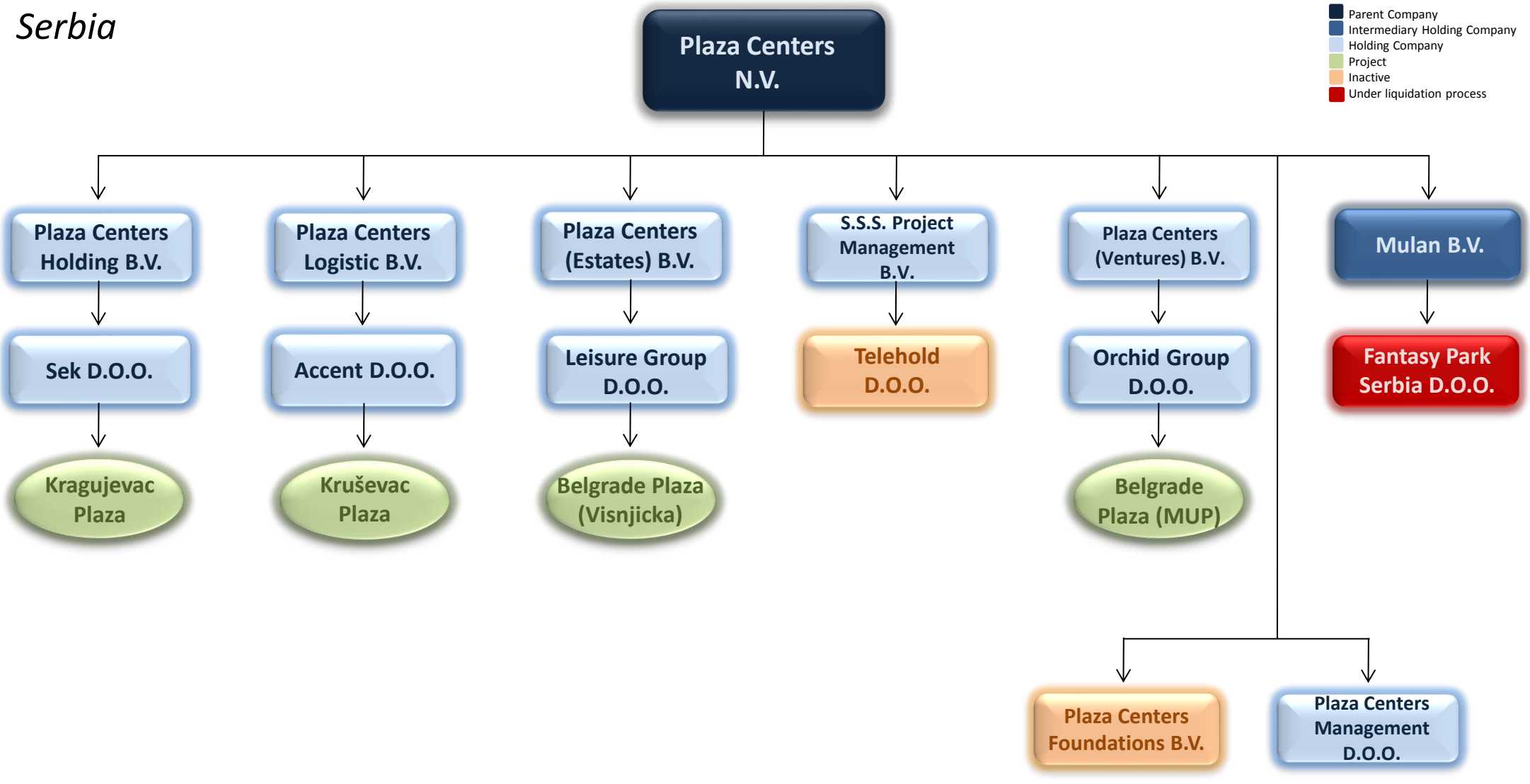


*The remaining parts of the Holding Companies (50% or 75%) are held by Aura Invest Ltd.

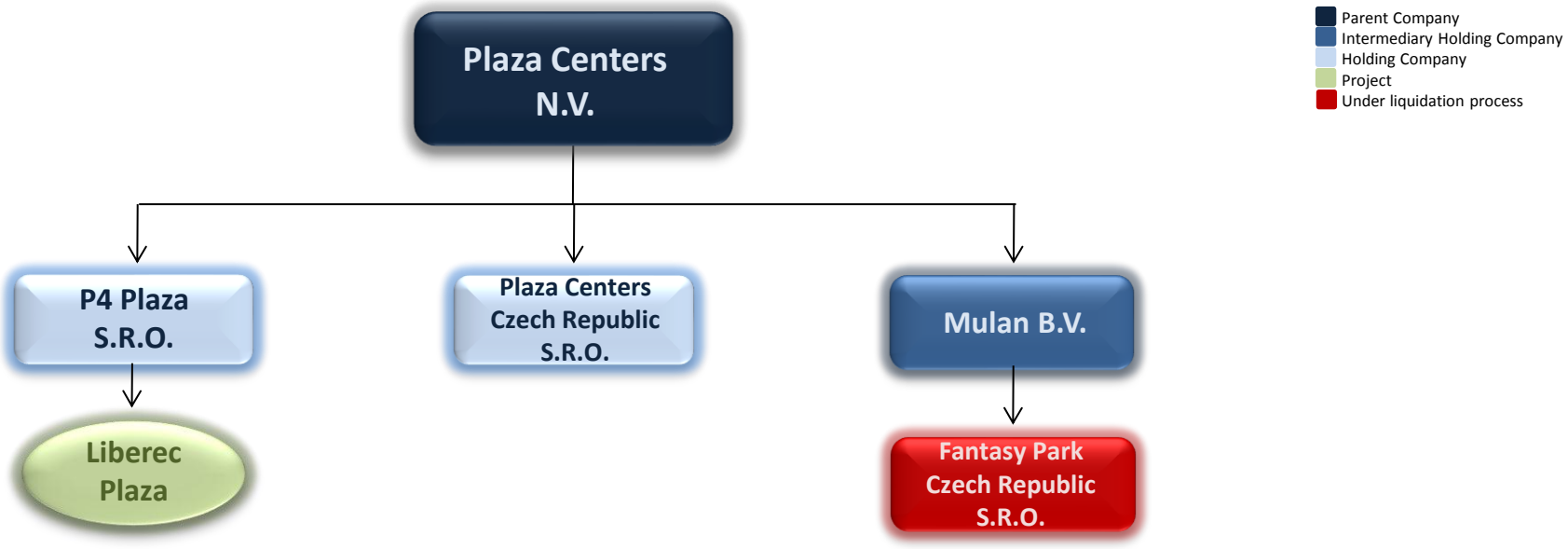
Moldova


Parent Company
Inactive
Plaza Centers N.V.
I.C.S. Plaza Centers Prodev S.R.L.

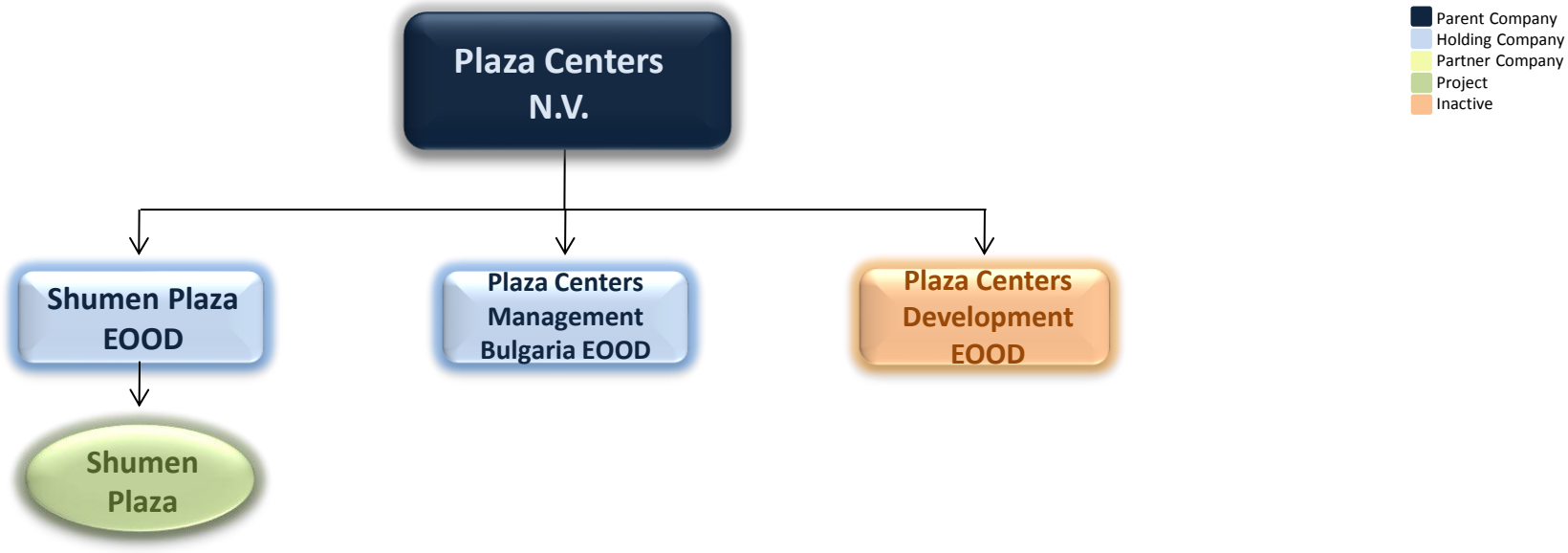
Serbia


Parent Company
Intermediary Holding Company
Holding Company
Project
Inactive
Under liquidation process
Plaza Centers N.V.
Plaza Centers Holding B.V.
Plaza Centers Logistic B.V.
Plaza Centers (Estates) B.V.
S.S.S. Project Management B.V.
Plaza Centers (Ventures) B.V.
Mulan B.V.
Sek D.O.O.
Accent D.O.O.
Leisure Group D.O.O.
Telehold D.O.O.
Orchid Group D.O.O.
Fantasy Park Serbia D.O.O.
Kragujevac Plaza
Kruševac Plaza
Belgrade Plaza (Visnjicka)
Belgrade Plaza (MUP)
Plaza Centers Foundations B.V.
Plaza Centers Management D.O.O.

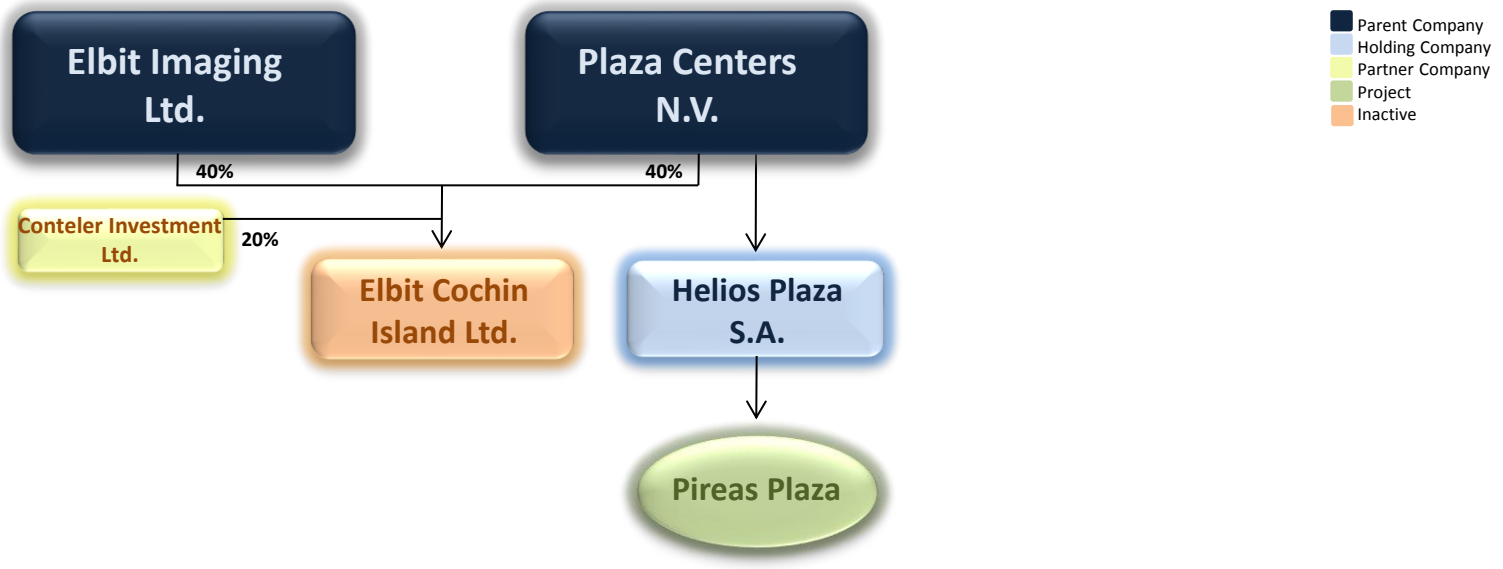
Czech Republic



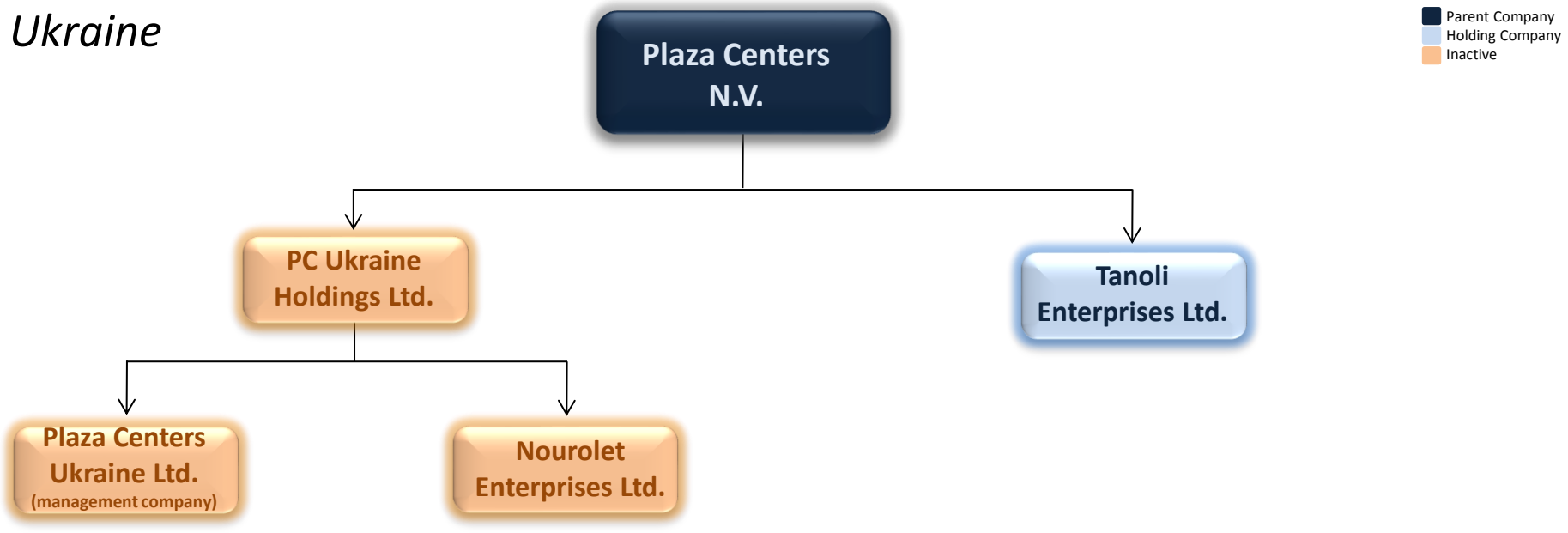
Bulgaria

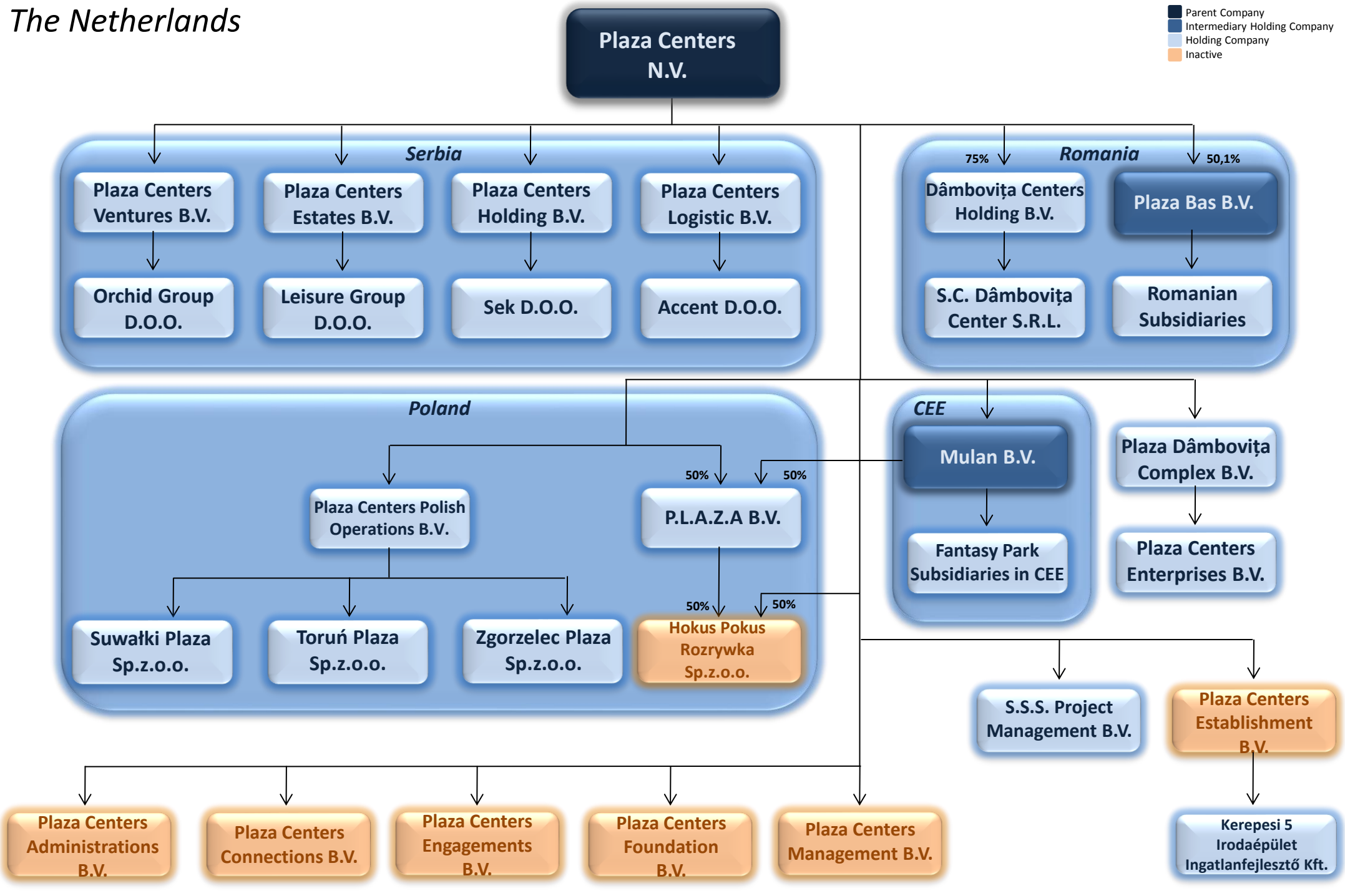

Parent Company
Holding Company
Partner Company
Project
Inactive
Plaza Centers N.V.
Shumen Plaza EOOD
Plaza Centers Management Bulgaria EOOD
Plaza Centers Development EOOD
Shumen Plaza

Greece + Cyprus

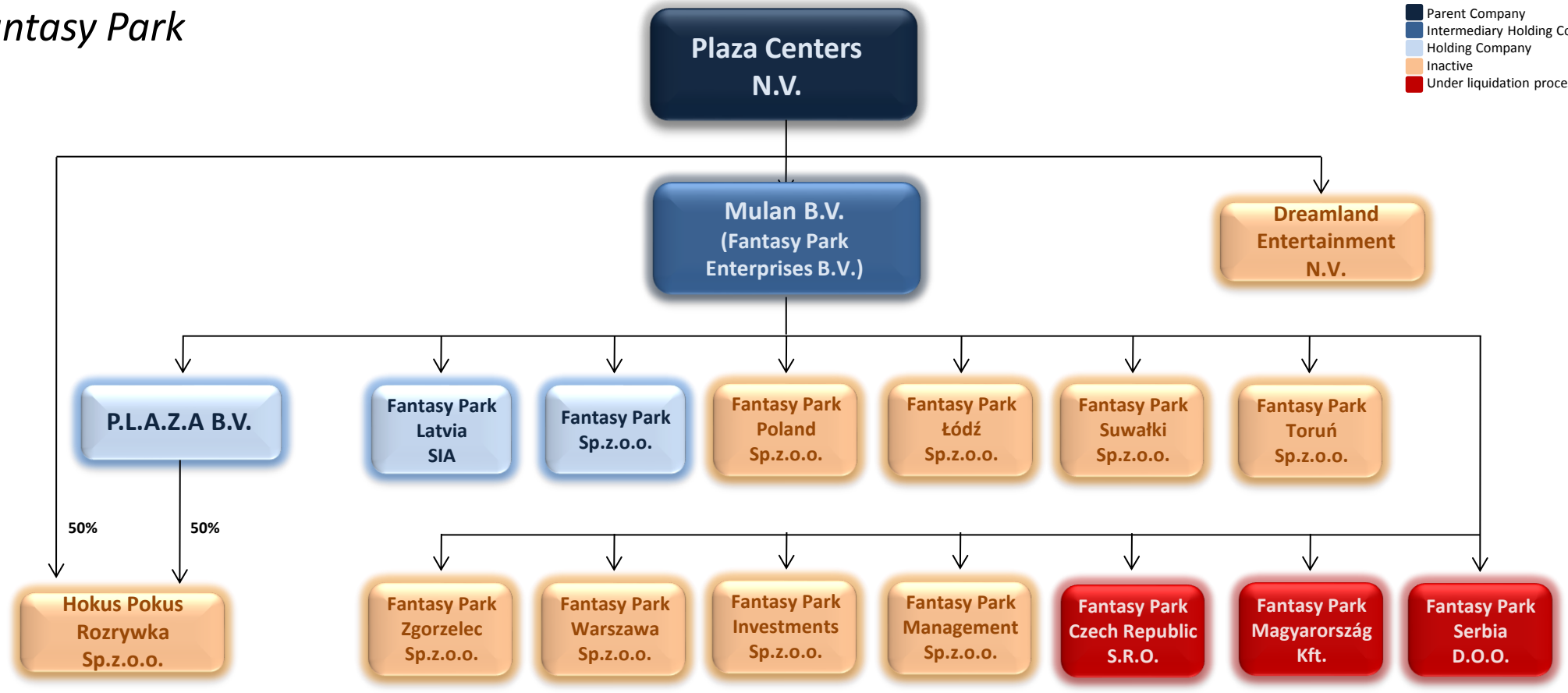


Cyprus – Ukraine

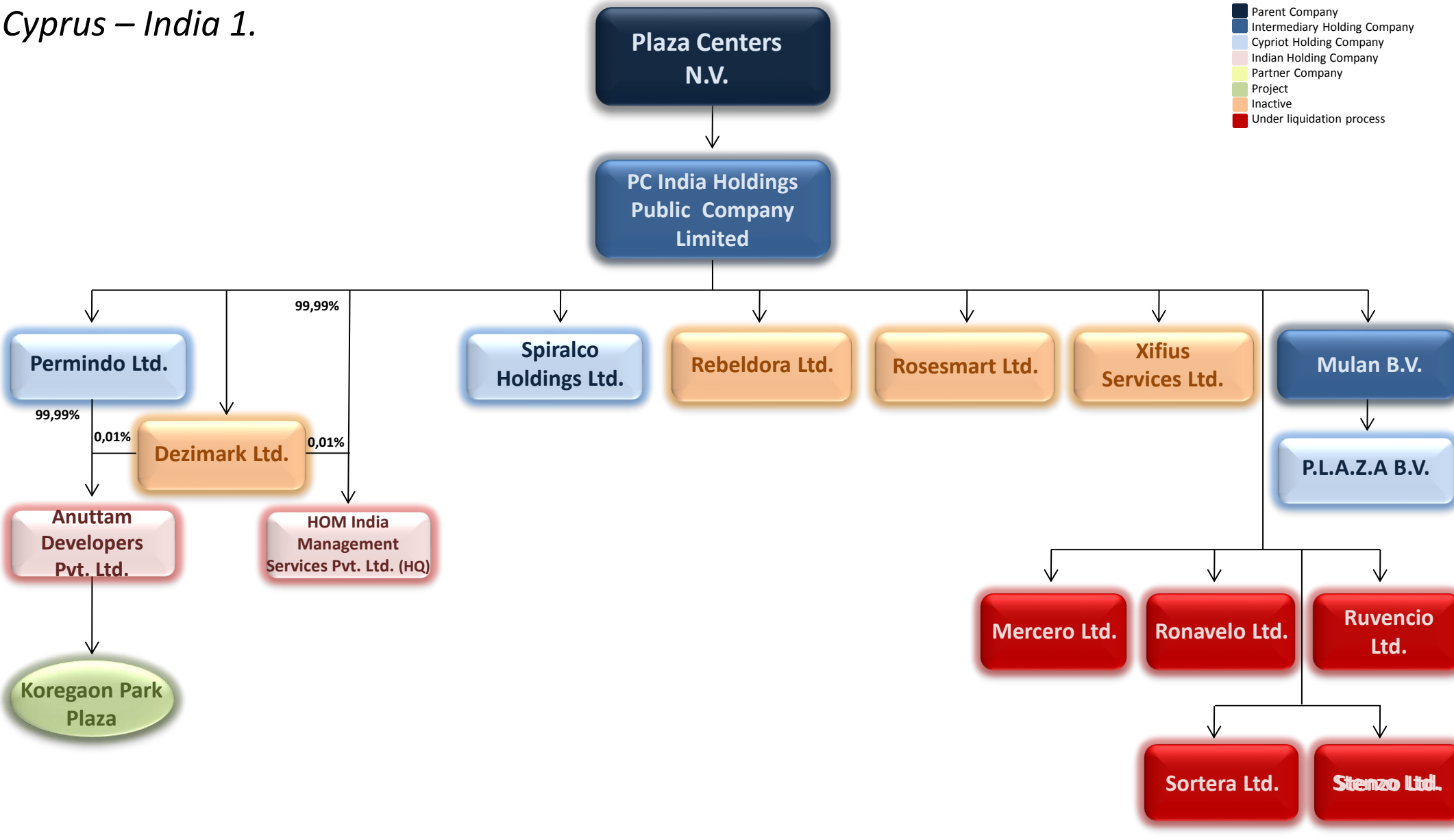



The Netherlands
Parent Company
Intermediary Holding Company
Holding Company
Inactive
Plaza Centers N.V.
Serbia
Plaza Centers Ventures B.V.
Plaza Centers Estates B.V.
Plaza Centers Holding B.V.
Plaza Centers Logistic B.V.
Orchid Group D.O.O.
Leisure Group D.O.O.
Sek D.O.O.
Accent D.O.O.
Romania
75%
50,1%
Dâmbovița Centers Holding B.V.
Plaza Bas B.V.
S.C. Dâmbovița Center S.R.L.
Romanian Subsidiaries
Poland
Plaza Centers Polish Operations B.V.
50%
50%
P.L.A.Z.A B.V.
Suwałki Plaza Sp.z.o.o.
Toruń Plaza Sp.z.o.o.
Zgorzelec Plaza Sp.z.o.o.
50%
50%
Hokus Pokus Rozrywka Sp.z.o.o.
CEE
Mulan B.V.
Fantasy Park Subsidiaries in CEE
Plaza Dâmbovița Complex B.V.
Plaza Centers Enterprises B.V.
S.S.S. Project Management B.V.
Plaza Centers Establishment B.V.
Kerepesi 5 Irodaépület Ingatlanfejlesztő Kft.
Plaza Centers Administrations B.V.
Plaza Centers Connections B.V.
Plaza Centers Engagements B.V.
Plaza Centers Foundation B.V.
Plaza Centers Management B.V.

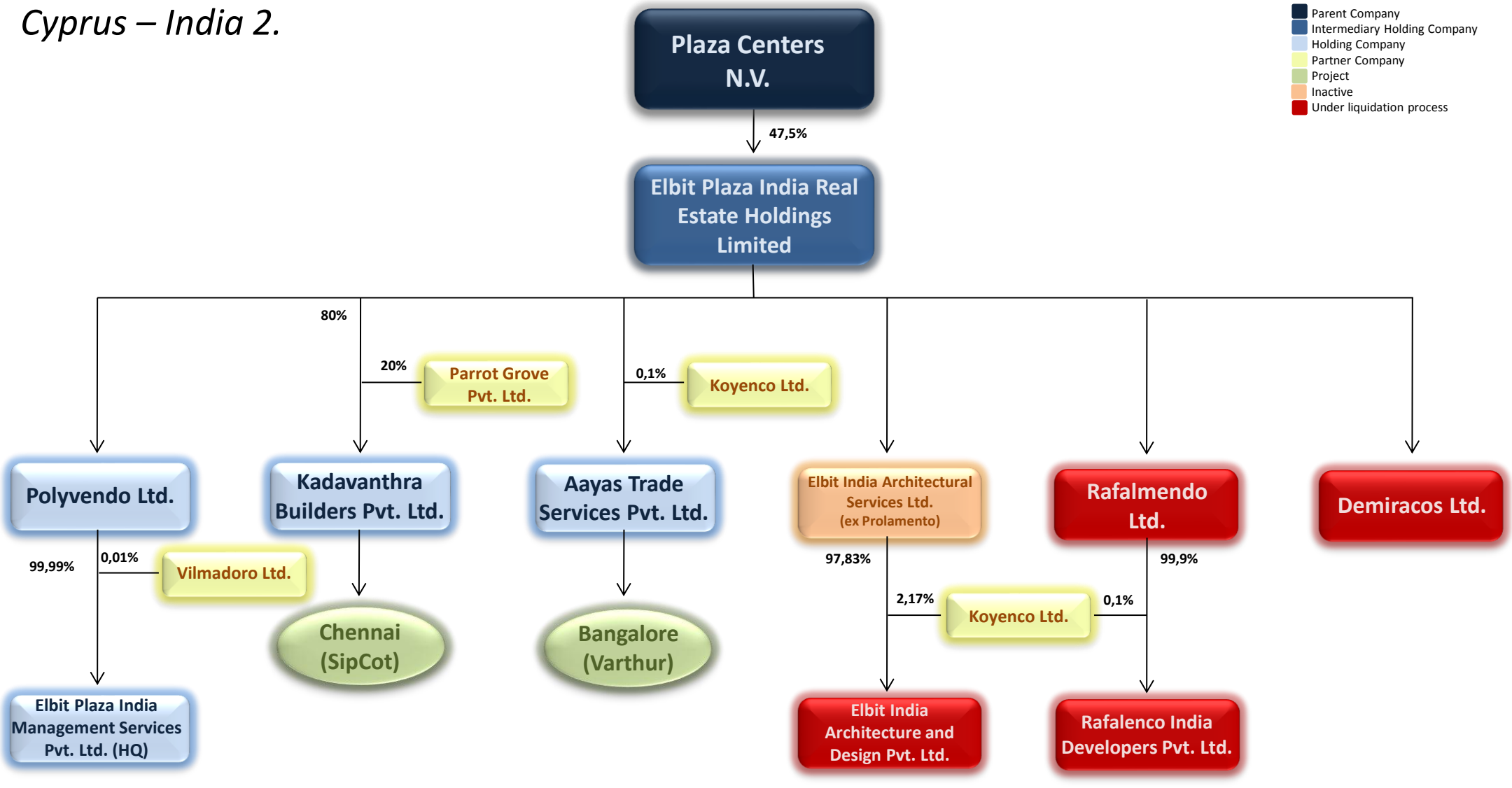
Fantasy Park



Cyprus – India 1.



Cyprus – India 2.



decision

AMSTERDAM DISTRICT COURT

Civil Law Division

insolvency number: 13/61 S
judgment date: 9 May 2014

PLAZA CENTERS N.V. , a
public limited-liability
company with its registered
offices in Amsterdam,
(hereinafter referred to as: Plaza Centers)
counsel: *mr.* N.A.W. Tollenaar and *mr.* K.M. Sixma in Amsterdam
and
mr. drs. Jean Leon Marcel GROENEWEGEN,
in his capacity as administrator in the provisional suspension of payment proceedings of Plaza Centers
(hereinafter referred to as: the administrator),
choosing its address for service in Amsterdam,
counsel: *mr. drs.* J.M.L. Groenewegen in Amsterdam,

filed a petition dated 29 April 2014 requesting the district court to apply section 225 of the Bankruptcy Act

1. Course of the proceedings.

1.1 By order of this court dated 18 November 2013 Plaza Centers was granted provisional suspension of payments with appointment of the administrator in that capacity and *mr.* L. van Berkum as supervisory judge.
The court determined the ultimate date for submission of claims to be 3 April 2012 and date of the consultation and voting on the proposed composition to be 17 April 2014.

1.2 By court order dated 11 March 2014 the date for the submission of the claims was set at 12 June 2014 and the date of the consultation and voting on the proposed composition was set at 26 June 2014.

1.3 The court has directed that the petition will be decided on without examination at thehearing.
The court holds the view that the examination of the petition at the hearing has no added value as, on the one hand, the petition was filed by the administrator and Plaza Centers jointly and with the consent of the supervisory judge and, on the other hand, determining and summoning the possible interested parties, who are primarily located in Israel and Poland and, for the greater part not known by name, is not possible within a reasonable term.
The date of the decision was set at 9 May 2014. The court, for the sake of time, decided on the petition orally. This order is the written record of the said decision.

Grounds of the decision

2.1 Below, the court reproduces and endorses the body of the application in its entirety:

1. **Introduction**

1.1. By decision of 18 November 2013, Your Court granted the Company provisional suspension of payments, appointing the Administrator and Supervisory Judge in their respective capacities. A copy of the District Court's decision of 18 November 2013 is attached as Exhibit 1.

1.2. At the same time as submitting the petition for suspension of payments, the Company filed a draft composition with the court registry of this District Court.

1.3. On provisionally granting the suspension of payments, the District Court determined, pursuant to section 255, paragraph 1 of the Bankruptcy Act, that the hearing referred to in section 218, Bankruptcy Act, would not be held, that claims had to be submitted to the Administrator no later than on 3 April 2014, and that on 17 April 2014 the consultation and voting on the proposed composition would be held in the presence of the Supervisory Judge.

1.4. In its decision of 11 March 2014, the Court directed, while withdrawing the dates stated above under 1.3, that the claims had to be submitted to the Administrator by no later than on 12 June 2014 and that on 26 June 2014, at 10 a.m. the consultation and voting on the proposed composition would take place in the presence of the Supervisory Judge. A copy of the Court's decision of 11 March 2014 is attached as Exhibit 2.

1.5. Since the granting of the provisional suspension of payments, the Company has consulted with representatives of the most significant creditors/creditor groups to present and explain the proposed composition. The Bond Trustees (as defined hereinafter), who represent the interests of the Israeli Bondholders (as defined hereinafter), and are therefore representative of the largest group of creditors, were important parties to these discussions.

1.6. In March 2014, the Company reached an agreement with the Bond Trustees on the key commercial terms of the proposed composition.

1.7. The result of the negotiations with the Bond Trustees will lead to an amendment of the composition originally offered. The amended composition will be filed with the court registry of the District Court shortly, and notified to the creditors through the appropriate channels.

1.8. The manner in which (i) claims must be submitted and (ii) votes must be cast in respect of the proposed composition in the present provisional suspension of payment proceedings has some complications in relation to the Polish and Israeli Bonds (as defined hereinafter). These are related to i) the legal structure and the specific nature of the Israeli Bonds and particularly the role and function of the Bond Trustees, and ii) the tradeability of the Polish and Israeli Bonds.

1.9. With the current petition, the Court is requested to create provisions that eliminate these complications and ensure that a careful and fair process for the submission of claims and voting on the composition proposed by the Company, is possible.

1.10. We will first present a summary of the debts of the Company. Subsequently, we will address the aspects of Dutch law in regard to the submission of claims and voting on the proposed composition that are relevant for the evaluation of the present petition.

1.11. Next, the categories of claims will be identified, along with the complications for each with regard to the submission of claims and the voting on the submitted claims in the relevant category and which provisions are sought to remedy them. This petition then concludes with a remark about the timeline.

2. **Overview of the liabilities of the Company**

2.1. Overview

2.1.1. A list of the Company's unsecured debts is attached as **Exhibit 3**.
The unsecured claims can be categorized into four groups, as follows:

i) Claims under the Israeli Bonds (as defined hereinafter)

ii) Claims under the Polish Bonds (as defined hereinafter)

iii) Guarantee Claims (as defined hereinafter)

iv) Other claims

2.2. Claims under the Israeli Bonds

2.2.1. In Israel, Plaza Centers issued two series of notes under Israeli law.
These were:

a) 245,170,166 Series A bonds with a face value of NIS 1 (one New Israeli Shekel) each, with an interest of 4.5%, and which must be redeemed in semi-annual redemption payments, for the last time on 31 December 2017 (the "Series A Bonds"), and

b) 508,442,675 Series B bonds with a face value of NIS 1 (one New Israeli Shekel) each, with an interest of 5.4%, and which must be redeemed in semi-annual redemption payments, for the last time on 31 July 2015 (the "Series B Bonds").

The Series A Bonds and the Series B Bonds are referred to jointly as the "Israeli Bonds". The holders of the Israeli Bonds are referred to as the "Israeli Bondholders".

2.2.2. The Series A Bonds were issued pursuant to a Trust Deed dated 4 July 2007, as amended pursuant to Amendment No. 1 dated 31 January 2008 (Annex 4, hereinafter referred to as the: the "Series A Trust Deed").

2.2.3. The Series B Bonds were issued pursuant to a Trust Deed dated 31 January 2008, as amended pursuant to Amendment No. 1 of 17 February 2008 (Exhibit **5** hereinafter referred to as the: "Series B Trust Deed", and jointly with the Series A Trust Deed as the "Trust Deeds").

2.2.4. The Israeli Bonds are listed on the Tel Aviv Stock Exchange (TASE).

2.2.5. Under the Series A Trust Deed, the company under Israeli law, Hermetic Trust (1975) Ltd, acts as trustee for the holders of the Series A Bonds. Under the Series B Trust Deed, the company under Israeli law, Reznik Paz Nevo Trusts Ltd acts as trustee for the holders of the Series B Bonds. Both companies are hereinafter jointly referred to as: the "**Bond Trustees**".

2.2.6. At the date of commencement of the provisional suspension of payment proceedings, (18 November 2013) an amount equivalent to EUR 63 million[1] was outstanding under the Series A Bonds. As per the date of commencement of the provisional suspension of payment proceedings an amount equivalent to EUR 128 million[2] was outstanding under the Series B Bonds. These amounts include the interest due, on the relevant bonds up to the date of commencement of the provisional suspension of payment proceedings, including the applicable indexation on account of inflation adjustment.

2.2.7. As of the date of commencement of the proceedings, the total amount outstanding under the Israeli Bonds, of €191 million, represents approximately 78% of all the Company's unsecured debts of approximately €245 million.[3]

2.3. Claims by virtue of the Polish Bonds

2.3.1. In Poland, the Company issued a series of bonds under Polish law. It concerns 600 bonds with a face value of PLN 100,000 each, with an interest of 4.5%, which should have been redeemed by a lump-sum payment on 18 November 2013 (the "Polish Bonds"). The Polish Bonds were issued pursuant to the ***offering memorandum*** of 16 November 2010 (**Exhibit 6**, hereinafter: the "**Offering Memorandum**").

2.3.2. The Polish Bonds are listed on the Warsaw Stock Exchange in Poland. Unlike the Israeli Bonds, the Polish Bonds have no "trustee" or equivalent figure.

2.3.3. As per the date of commencement of the proceedings (18 November 2013) the sum outstanding under the Polish Bonds amounted to the equivalent of EUR 14.9 million[4]. This represents approximately 6% of all the Company's unsecured debts.

2.4. Guarantee claims

2.4.1. Apart from a loan for the financing of an aeroplane, the Company did not take any bank loans itself. All bank loans concluded by the Plaza Centers group were concluded by the Company's group companies. For the claims under the loans granted, the financiers in many cases obtained security from the group companies (i.e.: mortgage rights on the real estate for the benefit of which the specific financing had been raised).

2.4.2. For some of the group companies loans, Plaza Centers acted as guarantor for part or for all of the financier's claim against the relevant group company (the "Guarantee Claims"). Most claims under these guarantees are not yet exigible or are conditional in nature. In many cases, the realization and the size of the claim depend on the amount of any shortfall in recovery there is from the specific group company should the specific financier proceed to recover its claim from the security provided to it.

2.4.3. The total amount of potential Guarantee Claims is currently estimated at a nominal amount of approximately EUR 37 million. This represents approximately 15% of the Company's total unsecured debt. This nominal amount is not necessarily equal to the amount for which the Guarantee Claims can be admitted subject to the applicable verification rules.

2.5. Other claims

2.5.1. The most significant other unsecured debt of the Company is a debt owed under a loan for the financing of the purchase of an aeroplane. During the provisional suspension of payments, the Company's aeroplane was sold to a third party with the consent of the Administrator and the financier (GEFA Gesellschaft für Absatzfinanzierung

[1] calculated on the basis of the applicable exchange rate on that date

[2] Idem

[3] Assuming that the Guarantee Claims can be estimated at a face value of approximately EUR 37 million.

[4] This is the total outstanding amount including accrued interest calculated on basis of the exchange rate on the date of the commencement of the proceedings.

mbH (SG)) which had a right of mortgage on the aeroplane. The net sales proceeds were used to repay part of the debt to the financier. The residual debt to the financier currently amounts to approximately EUR 1.2 million (approximately 0.5% of the total unsecured debt burden of the Company).

2.5.2. The Company's other debts are primarily debts to group companies. These amount to a total amount of EUR 782,186, being approximately 0.3% of the total unsecured debt burden of the Company).

3. **Relevant aspects of Dutch law regarding the filing of claims and voting**

3.1. Dutch law applicable (*lex concursus*)

3.1.1. Pursuant to section 4 of the European Insolvency Regulation ("EIR", EC 1346/2000), the rules of Dutch law apply as the law of the state of the opening of the proceedings (***lex concursus).***

3.1.2. The provisions of Dutch bankruptcy law govern: (a) the submission, validation and acceptance of claims and (b) the conditions for and the consequence of termination of the proceedings through a composition (in respect of (a), see section 4(1) sub h EIR and in respect of (b) see section 4(1) sub j EIR).

3.1.3. As such, Dutch bankruptcy law determines (i) which parties may submit their claims, and how they must do so, (ii) which parties are permitted to vote on the composition and for what amount, and (iii) how the votes must be counted.

3.1.4. Dutch bankruptcy law is applicable to the submission of claims and voting procedure, notwithstanding the fact that a significant portion of claims against the Company, including the claims under the issued bonds, are governed by foreign law.

The majority requirement of section 268 Bankruptcy Act

3.1.5. Pursuant to section 268(1) of the Dutch Bankruptcy Act, the acceptance of the composition requires (i) the approval of a simple majority of the recognized and admitted creditors in attendance at the meeting (the "**Head Count**"), whose (ii) claims together represent at least one-half of the amount of the recognized and admitted claims (the "**Majority in Amount Requirement**").

3.1.6. Under the law that applied until 15 January 2005, any creditor who did not vote in favour of the composition was deemed to have voted against. This rule, however, proved to be an impediment to the approval of a composition in situations in which a large group of creditors did not participate in the vote (for example, out of lack of interest), even in circumstances where the majority of the group of non-participating creditors might well have implicitly been in favour of the composition.

3.1.7. Consequently, by amendment of 15 January 2005 (Act of 24 November 2004***, Bulletin of Acts & Decrees 2004, 615, Parliamentary Documents*** 27 244) this old rule was replaced by the rule of the current section 268(1) of the Bankruptcy Act According to the legislator, in the new system **"only the voting behaviour of the unsecured creditors present at the meeting is relevant; those not appearing do not count." " (Parliamentary Documents II** 1999/2000, 27 244, nr. 3 p. 31).

3.1.8. On 26 June 2014, the date on which the composition proposed by the Company will be put to a vote, the majority both in terms of the number of creditors and the represented amount will have to be accurately determined.

3.2. Special provisions for negotiable debt instruments

3.2.1. In Dutch bankruptcy and suspension of payment proceedings all ordinary unsecured creditors of the debtor are, in principle, entitled to vote. Within the definition of the Bankruptcy Act, the creditor is, in principle, the party who is the legal owner of the claim against the debtor.

3.2.2. In case of listed bonds, however, there are a number of complications. The legal ownership and the beneficial ownership are not always in the hands of the same parties, which can give rise to problems with regard to the voting.

3.2.3. In addition, the bonds are tradable, and it is not always possible or desirable to cease trading once a claim has been submitted. This means that from a practical perspective, it is difficult if not impossible to determine whether the parties voting at the meeting at that moment still hold the relevant bonds. Furthermore, it may be that successive acquirers of a bond that is traded file the same claim multiple times.

3.2.4. In a decision of 23 May 2002, Your District Court ruled in the GTS case (published in JOR 2002/107 with comment by P.M. Veder), that section 225 of the Bankruptcy Act provides a basis to create a provision (if necessary, in departure from the Bankruptcy Act) as to how votes should be counted under section 268 Bankruptcy Act:

> ***"The District Court is, also taking into account the legal literature on this clause and the case law on the Bankruptcy Act in general, of the opinion that in a situation such as this, for which there is no ready-made statutory system available***, section 225 of the Bankruptcy Act provides the authority to depart from the Bankruptcy Act and provide a "tailor-made" ***solution in the interest of the creditors. (...)***
>
> ***That clause offers the basis for a provision stipulating how the votes referred to in section 268 of the Bankruptcy Act should be counted.*** "

3.2.5. In that case, Your Court went on to rule that even if the bondholders are not in possession of bearer certificates, for the application of the Bankruptcy Act the bonds in question are comparable to "bearer certificates" within the definition of section 134, Bankruptcy Act, due to their comparable characteristics, namely the fact that the bondholders are, in principle, anonymous and can negotiate their debt instruments freely. Your Court considered the following among other things:

> *"(…)*
>
> ***An additional factor is that section 134 Bankruptcy Act stipulates that debt claims registered to "bearer" can be admitted, by which each admitted claim to bearer shall be considered as a claim of a separate creditor.***
>
> ***As the applicants rightly state, the issue of the five bond loans through a global note held by clearing organizations, with which registrations can be made on that bond, are comparable to the issue of bearer certificates. Even though the bondholders are not actually in possession of bearer certificates, they nonetheless have a comparable position, in that they are not known to the issuing institution and they can freely negotiate their rights of claim."*** "

The legislative history confirms that the rules in the Bankruptcy Act for bearer documents are related to the essential characteristic of free tradability of bearer documents and offers support for the opinion that a bond, as the modern variety of a bearer document with the same essential characteristic of free tradability, can be considered equivalent to a bearer document in this context. The legislative history shows that the rationale of section 134 Bankruptcy Act is not related to the physical form of the bearer document, but instead to the fact that it concerns a tradable debt instrument, such as a bond loan:

> ***"Subject to applicable law "claims payable to bearer" are validated in the name of the entity who is the holder at the creditors' meeting. The claim therefore always loses its quality of marketability, which exactly is the essence, the characteristic economic and legal function of the bearer document. Said removal of the bearer document's essence should be condemned; think for instance of a bond loan. The trade in bonds is then obstructed as soon as the issuer is in a state of bankruptcy. The draft of section 134 will hopefully bring the desired change, since it gives the holder the option to request validation in the name of "bearer". There is no interest of the bankrupt estate standing in the way of this and the bankruptcy process is not disturbed by it; the owner of the document, on the other hand, benefits greatly from it.***
> ***Once the principle of validation is accepted in the name of bearer, this necessarily entails that each piece, each bond, must be considered as the claim of a separate creditor. This lies in the essence of the bearer document. Each document is meant to be separate. The application thereof can be found in section 82. Here the given provision will also have its effect on a voting in respect of a composition. "*** [5]

3.2.7. In the UPC case, the Supreme Court upheld, among other things, that section 225 allows the District Court to stipulate a so-called "voting record date" as long as the period of time between the voting record date and the date of the vote is not too long.[6] The determination of a voting record date means that only those bondholders who were bondholders on that date (the voting record date) will be allowed to vote. These bondholders may also vote even if they sold their bonds at some point after the voting record date. Parties purchasing a bond after the voting record date therefore acquire a bond without the right to vote on the composition.

4. **Explanation of provisions requested for the Israeli Bonds**

4.1. Legal structure – formal creditorship

4.1.1. The chain of custody of the Israeli Bonds is in essence as follows. For a more detailed account, please see the opinion of the Company's Israeli attorneys of the law firm Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co in Tel Aviv (Exhibit 5).

4.1.2. Plaza Centers registered the Israeli Bonds in the "Noteholders' Register" under the name of a registration company affiliated with Bank Leumi (an Israeli bank). Subject to Israeli law, the registration company is not construed as the bondholder or the holder of any rights under the issued bonds.

4.1.3. This registration company registered the bonds in its books in the name of the TASE (Tel Aviv Stock Exchange) clearing house. In the books of the TASE clearing house, the Israeli Bonds are registered in the names of the members of TASE (the TASE members). TASE Members are mostly banks.

4.1.4. Subject to Israeli law, parties holding bonds in a security account with a TASE Member are formally considered to be the "bondholders" as also defined in Israeli securities law (hereinafter the "**Official Bondholders**").

4.1.5. These Official Bondholders hold the legal title to the claims against the issuing institution (in this case the Company) under the issued bonds. As such, they are the creditors of the company under the issued bonds.

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[3] History of the Bankruptcy Act: Van der Feltz, II, page 133 et seq.

[6] See Supreme Court, 26 August 2003, NJ 2004/549 (Intercomm/UPC).

4.1.6. References in this petition to Israeli Bondholders are always construed as references to the Official Bondholders of the Israeli Bonds within the meaning of the sentence above.

4.1.7. The Official Bondholders may hold the bonds (i) for their own account or (ii) as a so-called prime broker for the account of a third party. The relationship between the prime broker and the third party is mutually arranged between parties in a private agreement. The issuing company is usually not a party to such agreement. By virtue of such a private agreement, the third party does not become an Official Bondholder under Israeli law. The third party does not acquire any rights under the bonds against the issuing institution.

4.1.8. Since the Official Bondholders are formally creditors of the Company, only the Official Bondholders are authorized to submit claims in the Dutch suspension of payments procedure to the administrator and to vote on a proposed composition.

4.1.9. In principle thisis in line with the law and common practice in Israel and does not result in any problems in the present Dutch suspension of payments (insofar as the Israeli Bonds can be treated as bearer certificates within the meaning of section 82 in conjunction with 134 in conjunction with 260(2) Bankruptcy Act for the application of section 268 Bankruptcy Act, see more below).

4.2. Position and role of the Bond Trustees

4.2.1. Unlike the “Indenture Trustees” of the bonds under American law that were involved in the aforementioned UPC case, the Bond Trustees are not the legally entitled parties to the claim for payment against the company under the issued bonds.

4.2.2. The Bond Trustees' primary task is to represent the interests of the Israeli Bondholders. The rationale of the Israeli legislator was that the interests of bondholders cannot adequately be represented on an individual basis due to the disproportionate ratio between the time and expense involved in doing so and the comparatively small interest that each individual bondholder has. By creating the bond trustee and placing the representation of the interests of the bondholders collectively with that role, the legislator's intent was to save costs while ensuring a reasonable representation of interests.
The following passage cited from the Israeli legislative history in respect of the relevant regulations clarifies the background of installing the position of bond trustee (non-official translation):

> ***“The large dispersion of holders of certificates of indebtedness and the fact that usually each of them holds certificates of indebtedness in a small rate compared to the scope of a given series (and in the case in which holders are institutional entities, the holdings also represent a small amount of their holdings portfolio), they lack an incentive to invest resources and attention required to monitor their investment. Imposing this role on the trustee instead of its performance by each of the holders may lead to saved costs and more efficient protection of the interests of the holders with the issuer. The significance of the trustee’s role is even more sharpened in light of the credit crisis which has recently plagued the world’s economies and the local market.”***

4.2.3. Under Israeli law, bonds cannot be issued without appointing a bond trustee with the task of representing the interests of the collective bondholders.

[7] The Securities Law Bill (Amendment No. 48) (Certificates of Indebtedness), 5772-2011, Government Bill – 628, 19th of Cheshvan 5772, November 11, 11.201

4.2.4. In the Anglo-Saxon system, "Trustees" of bonds generally have the sole task of holding certain legal instruments in order to provide a certain structure to the chain of custody. They do not have an active role in the exercise of the rights attached to the bonds or the representation of the bondholders' interests.

4.2.5. The role of the Israeli Bond Trustees is just the opposite. Legally, they do not have a claim for payment against the issuing institution, but they do actively represent the interests of the bondholders.

4.3. Voting under Israeli law and custom

4.3.1. In Israel, only theOfficial Bondholders can vote during bondholders' meetings. The Official Bondholders must for that purpose submit evidence that they held the relevant bonds in a securities account with a TASE Member on a pre-determined record date.

4.3.2. If a third party for whose account a prime broker holds bonds as Official Bondholder, desires to cast a vote, said third party requires a proxy from its prime broker as the Official Bondholder for that purpose. The third party who desires to vote on behalf of its prime broker, must also provide the aforementioned evidence that its prime brokeris the legally entitled party to the bonds in question or was the legally entitled party on the record date. An alternative is that the prime broker can vote in conformity with the instructions of the investors for whose account it holds the bonds.

4.3.3. It is possible that a prime broker simultaneously holds bonds for the account of several third parties. In Israel this does not give rise to any problems during voting, because votes in respect of bonds under Israeli law are counted the same way as bearer certificates are counted in the Netherlands (section 82 in conjunction with 134 Bankruptcy Act): a separate vote is attributed to each bond. Consequently, a prime broker (either or not represented by proxy) is able to cast different votes in respect of the bonds that it holds for different investors. In case only one indivisible vote would have been attributed to each Official Bondholder, this would be impossible.

4.3.4. At creditors' meetings (in which other creditors than bondholders of a specific series also participate), the vote is usually conducted as follows. The bond trustees organise so-called "pre-meetings" to inform the bondholders about the subject of the voting (in the present case: the restructuring proposal of the Company, shaped by the offered composition). Normally, voting does not take place during the meeting itself. After closing of the physical meeting, Official Bondholders can vote by sending a completed voting form to the bond trustees, enclosing documentation of their bondholder status on the record date.

4.3.5. In order to avoid confusion on the relevant terminology here, it is worth noting that the "voting in the pre-meeting" as referred to in Israeli practice must be interpreted rather broadly. The pre-meeting is considered to last until the moment at which the voting forms must be submitted, which is normally a few days after the end of the actual meeting. A bondholder is considered to have cast a vote "at the pre-meeting" even if such bondholder did not attend the actual meeting itself, but only provided the bond trustee with the required voting form afterwards.

4.3.6. For the bondholders who have submitted a voting form, the bond trustees cast votes in accordance with the voting instructions on the form. In a number of recent cases, the bond trustees also cast votes for all bondholders who did not issue a voting instruction. In such cases, the Israeli court determines in advance in what way the bond trustees will vote for the non-participating bondholders. Usually, the way in which the bond trustees vote for the non-participating bondholders is based on the outcome of the voting of the ones who did vote.

4.3.7. The Israeli Court Motion and the Israeli Court Order

4.3.8. Even though the voting procedure for the purposes of the Dutch suspension of payment proceedings is governed by Dutch law (*lex concursus*), the Bond Trustees wish to follow a voting procedure as closely as possible in accordance with Israeli law and Israeli practice.

4.3.9. On 3 April 2014, the Bond Trustees filed a request with the Israeli court for a provision that the Bond Trustees must be allowed to (i) submit claims in the Dutch suspension of payment of the Company and (ii) vote about the composition offered by the Company on behalf of the Israeli Bondholders, in the manner proposed by them.

4.3.10. The Bond Trustees refer to this petition as the "Israeli Court Motion". An English translation thereof is attached as Exhibit 8.

4.3.11. In the voting procedure proposed by the Bond Trustees, there would be a pre-meeting in Israel in which the Bond Trustees would inform the Israeli Bondholders of the content and merits of the composition offered, giving them an opportunity of several days after the actual meeting to submit a voting proxy to the Bond Trustees containing voting instructions (hereinafter the "Voting Proxies"). The actual meeting would be followed within a few days by the submission of Voting Proxies (hereinafter referred to as the "Pre-Meeting").

4.3.12. The Bond Trustees vote for the Israeli Bondholders in accordance with the instructions received in the Voting Proxies. For the Israeli Bondholders who do not vote, the Bond Trustees propose voting in accordance with the results of the vote of the Israeli Bondholders who did vote at the Pre-Meeting (in the broader sense).

4.3.13. In the proposed voting procedure, the Israeli Bondholders who hold Israeli Bonds as prime broker for one or more third parties would vote in conformity with the instructions of the underlying third parties, or provide a proxy to the third parties to vote on the bonds in question on their behalf (by issuing a Proxy to the Bond Trustees on the prime broker's behalf or by appearing directly in the Dutch proceedings on behalf of the prime broker).

4.3.14. On 13 April 2014, the Israeli court granted the Israeli Motion as requested by the Bond Trustees (the so-called "Israeli Court Order"). An English translation thereof is attached as **Exhibit 9.**

4.3.15. Very briefly put, the Israeli court determined:

- the Bond Trustees are authorized on behalf of all Israeli Bondholders to submit claims in the Dutch suspension of payment proceedings and to vote on their behalf (including on behalf of the Israeli Bondholders who do not actively vote)

- the Bond Trustees are authorized to vote "in favour" and "against" on behalf of all Israeli Bondholders in the same proportion as the group of Israeli Bondholders who voted at the Pre-Meeting (in the broader sense);

- if the Dutch court allows the Israeli Bondholders to submit claims directly and vote in the Dutch proceedings, the Bond Trustees will not submit any claims and will cast no votes for the Israeli Bondholders who participated directly in the Dutch proceedings (to avoid double counting);

- if the Dutch court determines that the Bond Trustees may only vote for the Israeli Bondholders who appeared at the Pre-Meeting and/or who provided Voting Proxies, the Bond Trustees will only submit claims and cast votes in Dutch proceedings for the Israeli Bondholders who voted at the Pre-Meeting and/or who provided the Bond Trustees with Voting Proxies.

4.3.16. Prior to the submission of the Israeli Court Motion, the Bond Trustees and the Company consulted with each other on the voting procedure desired by the Bond Trustees. In this regard, the Company is willing to cooperate with a voting procedure for the Israeli Bonds that follows Israeli practice as closely as possible, insofar as this is compatible with the Dutch system and does not infringe upon the rights that creditors may exercise directly in the Dutch proceedings.

4.3.17. In the opinion of the Company and the Administrator, the Israeli Court Order cannot simply be implemented in the Dutch proceedings as is, and requires further elaboration and refinement on certain points; this is one of the reasons behind the submission of the present petition to this court.

4.4. <u>The request to Your Court</u>

4.4.1. In the opinion of the Company and the Administrator, the Israeli Court Motion and the Israeli Court Order derived from it offer the Dutch court sufficient leeway to define a voting procedure compatible with Dutch law, with some refinement and further elaboration on the points identified below.

(i) Right to vote directly

4.4.2. The Company is of the opinion that every Israeli Bondholder must be entitled to submit his or her own claim and vote in the Dutch suspension of payment proceedings directly. The Israeli Court Order allows this option. The Israeli Court Order cannot and must not prevent creditors from exercising their rights under Dutch law in the Dutch proceedings.

(ii) Treatment of bonds as "bearer certificates" for the purpose of section 268 Bankruptcy Act

4.4.3. The proposed method of voting does not present any issues for the application of the Majority in Amount Requirement.

4.4.4. Without further determination, the proposed method of voting gives rise to two issues in respect of the counting of the votes: (i) in case of voting for non-participating bondholders it is not possible to establish the number of creditors in the application of the Head Count of section 268 Bankruptcy Act, and (ii) third parties on whose account prime brokers hold Israeli Bonds, cannot cast separate votes.

4.4.5. For the application of the Required Majority in Number (the head count), the difficulty exists that the number of Israeli Bondholders who do not cast a vote at all, neither through the Bond Trustees (in the context of the Pre-Meeting with a Proxy) nor in the Dutch proceedings directly (the “Non-Participating Bondholders”), cannot be easily determined. This passive group does not come forward, and remains unknown.

4.4.6. For the determination of the headcount of the Non-Participating Bondholders, the Israeli Court Order defers to what the Dutch court decides in this regard. See paragraph b2 of the Israeli Court Order.

4.4.7. The most obvious way to solve the anonymous bondholders issue with regard to the head count is to treat the bonds, for the purpose of section 268 Bankruptcy Act as

bearer certificates in accordance with section 82 in conjunction with 134 Bankruptcy Act (section 134 Bankruptcy Act also applies in case of a suspension of payment pursuant to section 260(2) Bankruptcy Act).

4.4.8. Except for the fact that bonds are nowadays "dematerialized" and no longer represented by physical documents, they have all the essential features of bearer bonds: in principle the bondholders are anonymous and the documents are freely tradable.

4.4.9. The legislator did not intend to obstruct the tradability of the bearer bonds. Since each bearer bond effectively qualifies as one vote, no division of votes occurs within the meaning of section 81(2) Bankruptcy Act through the transfer of bearer bonds to several parties, which could otherwise obstruct the tradability.

4.4.10. Similar to the way in which Dutch law attributes one vote to each bearer bond, the Israeli law likewise attributes one vote to each Israeli Bond.

4.4.11. In the above-mentioned GTS case (JOR 2002/107), Your Court previously ruled that even though the bondholders do not have any bearer certificates in their possession, they can nevertheless be equated to holders of bearer certificates, because materially they take a similar position in the sense that in principle they are not known to the issuing institution and they can freely trade their right of claim.

4.4.12. Treating the issued bonds as bearer certificates would easily solve the problem of establishing the number of creditors for the application of the Head Count in the voting regarding the Non-Participating Bondholders. The number of votes of the Non-Participating Bondholders would then simply equal the number of bonds this group represents. That can easily be established, because the total number of bonds issued by the Company is known for the two series of the Israeli Bonds.

4.4.13 When treating the issued bonds as bearer certificates, the percentage of voters in favour and voters against would in number equal the percentage of voters in favour and voters against in amount.

4.4.14. The treatment of the issued bonds as bearer certificates also solves the second problem, namely the problem that investors that hold bonds through a prime broker can otherwise not (through the prime broker who asks voting instructions from them for that purpose) vote separately, while these investors are economically no different from investors that hold bonds without the intervention of a prime broker.

4.4.15. The Company is aware that some Israeli Bondholders act as prime brokers (for instance Morgan Stanley and Goldman Sachs) and hold bonds for third-parties. However, it is not exactly known to the Company how many and exactly which investors hold bonds through intervention of a prime broker.

4.4.16 In case the issued bonds are not treated as bearer certificates, each prime broker could only cast one vote as an Official Bondholder and consequently as a formal creditor. In principle, this single vote is indivisible (cf. section 81(2) Bankruptcy Act). This would mean that the underlying investors that hold bonds through a prime broker, would not be able to have a separate vote cast (through the prime broker).

4.4.17 Conversely, if the issued bonds are treated as bearer certificates, this would allow a prime broker to cast a vote for each bond in conformity with the voting instruction of the economically entitled investor, either through the internal voting instruction of the investor in question for "its" bonds or by issuing a proxy to the investor in question for "its" bonds. Investors holding bonds through a prime broker can subsequently cast a vote materially on the same basis as investors who hold bonds without the intervention of a prime broker.

4.4.18. A fictitious calculation example is attached to this petition as Annex 10 which clarifies the operation of the system proposed here.

4.4.19. Pursuant to the above, the Company requests Your Court to rule that in respect of the submission and voting the bonds issued by the Company are (by analogy) treated as bearer certificates within the meaning of section 82 in conjunction with 134 in conjunction with 260(2) Bankruptcy Act, whereby each bond represents a separate creditor.

(iii) Determination of "voting record date"

4.4.20. As explained above, because the bonds remain negotiable even after submission of a claim in the suspension of payment proceedings, determining whether the bondholders who have submitted the claims still hold those bonds on the date of the vote is not a simple matter, nor can it be ruled out that subsequent bondholders might submit a claim more than once based on the same bond.

4.4.21. The Company therefore requests this court to determine a Voting Record Date stipulating that only those persons who can furnish documentation that on the voting record date they held bonds issued by the Company are authorized to directly or indirectly submit claims based on those bonds and to vote in the Dutch suspension of payment proceedings.

4.4.22. The Company requests this court to set the Voting Record Date at **Monday 2 June 2014**.

4.4.23. As already stated, in the UPC decision the Supreme Court determined that setting a voting record date is permitted as long as the time between this date and the date of the vote is "not excessively long". 8

4.4.24. Should the Voting Record Date be determined on the proposed date and the creditors are informed of the contents of the requested decision given by Your Court (and therefore of the Voting Record Date), the bondholders have sufficient opportunity after the Voting Record Date to acquire evidence of their bondholdership prior to the Pre-Meeting. The Pre-Meeting would take place on 5 June 2014, leaving only 5 business days before the final date for submitting claims, on 12 June 2014. The period between the final date for submitting claims, 12 June 2014, and the creditors' meeting on 26 June 2014, is exactly the legally required minimum of 14 days (see sections 255 (1) and 263 Bankruptcy Act).

4.5. Summary of the proposed Israeli voting procedure

4.5.1. First and foremost, it must be stressed that bondholders will be adequately notified in advance of the proposed voting procedure. Notifications are first of all given via the so-called MAGNA system. This is the official public system of the Israeli Securities Authority (ISA) for communication between investors and companies whose securities are listed on the Tel Aviv Stock Exchange (TASE). In addition, the voting procedure to be followed will be published on the Plaza Centers website. Notification through the MAGNA System is deemed to be an adequate form of notification. This will adequately safeguard that the bondholders are notified of the submission and voting procedures to be followed sufficiently in advance, or at least make it easy for them to obtain this information for themselves, and understand that if they do not cast a vote themselves the Bond Trustees will be authorized to cast a vote for them. In this context, the Company also refers to the opinion of its Israeli lawyers attached as **Annex 7**.

[8] Supreme Court, 26 August 2003, NJ 2004, 549 (UPC).

4.5.2. Should Your Court grant the present request, the voting procedure for the Israeli Bonds and the anticipated timeline would be essentially the following:

16 May	Anticipated receipt of the presently requested decision pursuant to section 225 Bankruptcy Act
19 May	English translation of the decision pursuant to section 225 Bankruptcy Act available
21 May	Communication to creditors on the Israeli and Dutch decisions and the submission and voting procedures based thereon
2 June	Voting Record Date
5 June	Pre-Meetings in Israel
10 June	Deadline for submission of Voting Proxies to Bond Trustees
11 June	Bond Trustees submit claims for the entire series to the Administrator
12 June	Deadline under section 255, Bankruptcy Act, to submit claims to the Administrator
18 June	Filing of list of recognized anddisputedclaimspursuant to sections259 and 263 Bankruptcy Act to be filed with the court registry of the District Court
26 June	Consultation and voting on the composition; BondTrustees vote in accordance with the instructions received in the Voting Proxies, and vote for the Non-Participating Bondholders as described above and/or in accordance with Your Court's decision.

4.5.3. With the exception of the dates mentioned under point 4.6.2; 2 June, 12 June, 18 June and 26 June 2014, the dates mentioned above have a preliminary character and are based on the current planning which will possibly still undergo some changes in the course of the further process.

5. **Explanation of stipulations requested for the Polish Bonds**

5.1. Simple structure - bondholders are formal creditors without trustee

5.1.1. Under Polish law, the holder of a securities account in which certain bonds are registered is considered to be the holder of said bonds. A bondholder is, under Polish law, the legally entitled party to the claim against the issuing company by virtue of the bonds. Consequently it is the formal creditor of the company.

5.1.2. The Polish Bonds do not have a trustee or a similar figure. For the Polish Bondholders it is therefore not necessary to take any measures in this respect.

5.1.3. For a more detailed explanation of the legal structure of the Polish Bonds, see the opinion of the Company's Polish attorneys at the law firm of Weil, Gotshal Manges in Warsaw dated 28 April 2014 which opinion is attached as **Exhibit 11**.

5.2. Voting Record Date and treatment as bearer certificates

5.2.1. In case of the Polish Bonds, the free tradability in principle does give rise to a complication, similar to the situation with the Israeli Bonds.

5.2.2. Under Polish law, a bondholder provides the evidence of his bondholder status through a depository certificate (swiadectwo depozytowe). A depository certificate must state a maturity date. As long as this maturity date has not lapsed, the bonds in respect of which the depositary certificate was issued are factually not tradable (which guarantees the accuracy of the certificate).

5.2.3. Determining a Voting Record Datefor the Polish Bonds is therefore not strictly required.

5.2.4. An alternative solution could be to determine that a Polish bondholder is only allowed to the vote in case he provides evidence of his claim by means of a depository certificate which does not expire before the vote on the composition has taken place.

5.2.5. For the purpose of consistency with the treatment of the Israeli Bonds, however, the Company the determination of a Voting Record Date and it requests Your Court to determine a Voting Record Date in respect of the Polish Bonds which falls on the same day as the one for the Israeli Bonds by which date only bondholders who can supply written evidence that they held bonds issued by the Company on the Voting Record Date, are authorized to submit claims based on the bonds in question and vote on them.

5.2.6. With the exception of the fact that they are not embodied in a physical document, the Polish Bonds, described in the Offering Memorandum as "dematerialised bearer bonds" have the same essential characteristics as bearer bonds: the holders are in principle anonymous and the claims are freely tradable. The Israeli Bonds also have these characteristics.

5.2.7. Due to the materially similar characteristics and in view of consistency, the Company requests Your Court to also rule in respect of the Polish Bonds that for the submission and voting, the (Polish) Bonds issued by the Company, are treated as bearer certificates within the meaning of section 268 Bankruptcy Act, in which each bond represents a separate creditor.

5.2.8. Incidentally, the Polish lawyers of the Company have recently learned that the Polish common depository (KDPW), the institution that acts as a custodian of the Polish Bonds, obstructed the trade in the Polish Bonds on the basis of the fact that the maturity date of the Polish Bonds had lapsed. The Polish lawyers of the Company hold the view that there is no legal basis for this obstruction. The obstruction, which is possibly unauthorised or only temporarily, does therefore not affect the petition to Your Court with regard to the Polish Bonds clarified above.

6. Timing

6.1. A timeline of the most important steps from now until the completion of the restructuring is submitted as Exhibit 12.

6.2. In order to be able to comply with all steps in time for the creditors' meeting, the decision on this request should be given no later than 16 May 2014, but preferably as soon as possible.

6.3. There is little room for delay after mid-May because, assuming that the Voting Record Date cannot take place later than the end of May, the bondholders must be informed of the Voting Record Date and the voting procedure to be followed with reasonable advance notice. Only after receipt of the decision requested in this petition will the

Company be in a position to communicate the set Voting Record Date and voting procedure to be followed to the bondholders and other creditors.

6.4. The Company understands that it is asking a great deal of Your Court to make a decision in such a short term, and very much appreciates the court's efforts in this regard.

7. **Object of the petition and overview of the requested provisions**

7.1. Based on the foregoing, the Company requests Your Court to determine that:

In regard to the Israeli and Polish Bondholders:

(a) Monday 2 June 2014 shall be construed as the "voting record date", by which date only bondholders who can supply written evidence that on the Voting Record Date they held bonds issued by the Company are authorized to submit claims based on the bonds in question and vote on them;

(b) in respect of submission and voting, the bonds issued by the Company are (by analogy) treated as bearer certificates within the meaning of section 82 in conjunction with 134 in conjunction with 260(2) Bankruptcy Act, whereby each bond is regarded as a separate creditor.

In regard to the Israeli Bondholders only:

(c) each Israeli Bondholder that holds Israeli Bonds on the established voting record date, will be authorized by virtue of the Israeli Bonds in question to directly submit claims and cast a vote in the Dutch suspension of payment proceedings;

(d) the Bond Trustees are, in principle, authorized to submit claims for all Israeli Bondholders of the relevant series, and to vote on them in the meeting, insofar as Israeli Bondholders do not themselves submit claims and vote in the Dutch proceedings directly.

(e) that the Bond Trustees will vote for every Israeli Bondholder of the relevant series for which they have received a valid Voting Proxy, in accordance with the voting instructions received for the verifiable amount outstanding under Israeli Bonds held by such Israeli Bondholder (on the voting record date);

(f) the Bond Trustees will cast votes for the Non-Participating Bondholders of the relevant series, in the amount that these bondholders represent, in the same proportion "in favour" and "against" as the votes of the Israeli Bondholders who issued a voting instruction to the Bond Trustees;

(g) and conditionally, only if Your Court rules that the Bond Trustees are not at all authorized to submit claims and to vote in respect of the composition on behalf of the Israeli Bond holders that did not issue a Proxy, to determine that the Bond Trustees are then only authorized to submit claims and to vote in respect of the composition for the Israeli Bond holder who provided them with a valid Proxy for that purpose.

2.2 The Court is of the opinion that the request should be granted.

In this context, the Court considers that the interests, especially of the parties who must materially be regarded as the creditors under the bond loans, are served best in this way. Treating the bonds in accordance with the regime for claims payable to bearer of section 134 Bankruptcy Act, results in the closest connection with the position they presently have according to generally accepted standards.

2.3 Close alignment with the decisions of the Israeli Court enables a treatment of the Israeli Bonds that is as much as possible in accordance with the law applicable to the bond loan.

2.4 An opinion of the Polish Law Firm Weil, Gotshal and Manges of 28 April 2014 (hereinafter: the opinion) is added to the petition. The opinion entails the following, insofar as important here:

[..]

5. **In respect of legal ownership of the Bonds:**

(a) Pursuant to section 7 item 1 of the Polish Act on Trading in financial Instruments, the rights attached to dematerialised securities (such as the Bonds) accrue as of the moment such securities are first registered in a securities account and shall inure to the benefit of the account holder.

(b) The holders of the securities accounts in which the Bonds are registered are holders of the Bonds. Under the Relevant Polish Law, an entity which is deemed to be a holder (owner) of a bond issued under the Polish Act on Bonds is considered to be a direct creditor in respect of claims towards the issuer incorporated in such bond. Furthermore, notwithstanding the KDPW's approach to the transferability of matured bonds mentioned in section 6 item (a) of 2 this Opinion, the bondholders retain their claims and all other rights under the Bonds (except for the factual lack of transferability, as described in section 6 item (a) of this Opinion).

(c) The Conditions do not provide for the appointment of global representative of the bondholders or other, type of trustee representing the rights of the bondholders in respect of the Bonds.

(d) In order to confirm its status as a holder of the Bonds towards third parties (e.g. other than the investment firm maintaining the securities account of such holder), a bondholder may present a document in paper form issued by the investment firm maintaining its securities accounts only at the request of the given bondholder called a depository certificate ***{swiadectwo depozytowe).***

e) A depository certificate is a formal document the contents of which are regulated under the Polish Act on Trading in financial Instruments confirming that the entity or person shown on such certificate owns securities of the type and number indicated in such certificate. Such certificate must also contain an expiry date (upon such date the certificate expires and does not provide any proof of ownership) set by the account holder in its application to investment firm regarding the issuance of such certificate. Under the Relevant Polish Law, a depository certificate issued in respect of dematerialised securities (e.g. the Bonds) has the effect of blocking such securities from trading (including via private transactions) until the expiry date indicated in the depository certificate (or otherwise until the original certificate is returned to the investment firm which issued it).

The Court is of the opinion that the evidence to be provided by the Polish bondholders concerning the fact that they were the holders of bonds on the "voting record date" (within the meaning of the decision under 3.2(a)), must be provided by demonstrating at the meeting that they hold a valid *depository certificate (swiadectwo depozytowe)* as referred to in paragraph 5.1 of the opinion, showing that they were holders of the bond on 2 June 2014.

3 DECISION:

The Court:

3.1 makes, in the provisional suspension of payment proceedings of Plaza Centers, for the benefit of the submission of claims and for the vote on 26 June 2014, the following determinations:

3.2 In regard to the Israeli and Polish Bondholders:

(a) Monday 2 June 2014 shall be construed as the |"voting record date", by which date only bondholders who can supply written evidence that on the Voting Record Date they held bonds issued by Plaza Centers are authorized to submit claims based on the bonds in question and vote on them;

(b) in respect of submission and voting, the bonds issued by Plaza Centers will be (by analogy) treated as bearer certificates within the meaning of section 82 in conjunction with 134 in conjunction with 260(2) Bankruptcy Act, in which each bond represents the claim of a separate creditor.

3.3 In regard to the Israeli Bondholders only:

(c) each Israeli Bondholder that holds Israeli Bonds on the "voting record date", is authorized by virtue of the Israeli Bonds in question to directly submit claims and cast a vote in the Dutch suspension of payment proceedings;

(d) the Bond Trustees are, in principle, authorized to submit claims for all Israeli Bondholders of the relevant series, and to vote on them in the meeting, insofar as Israeli Bondholders do not themselves submit claims and vote in the Dutch proceedings directly.

(e) the Bond Trustees will vote for every Israeli Bondholder of the relevant series for which they have received a valid voting proxy, in accordance with the voting instructions received for the verifiable amount outstanding under Israeli Bonds held by such Israeli Bondholder (on the voting record date);

(f) the Bond Trustees will cast votes for the Non-Participating Bondholders of the relevant series, in the same proportion "in favour" and "against" as the votes of the Israeli Bondholders who issued a voting instruction to the Bond Trustees.

This decision was given by the Mrs. D.H. Marcus, A.W.H. Vink and R.A. Dudok van Heel and was pronounced in public on 9 May 2014 and issued in writing on 14 May 2014.



PLAZA CENTERS N.V.

DUTCH SUSPENSION OF PAYMENT PROCEEDINGS

FILING AND VOTING INSTRUCTIONS MEMORANDUM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION: *This Filing and Voting Instructions Memorandum contains important information which should be read carefully in order to be able to properly file claims and vote on the Plan (as defined hereafter). If you are in any doubt as to the action you should take, you are recommended to seek your own financial and legal advice immediately from your stockbroker, bank manager, lawyer, accountant or other authorised independent adviser. Any party whose Bonds (as defined hereafter) are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee should contact such entity if it wishes to vote on the Plan. If you have sold or otherwise transferred your claims against Plaza Centers N.V., please forward this document immediately to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.*

From:

PLAZA CENTERS N.V. (the Company)
a public company incorporated in the Netherlands, with statutory seat in Amsterdam, the Netherlands, registered with the Dutch Chamber of Commerce, under no. 33248324

To

THE ORDINARY UNSECURED CREDITORS OF THE COMPANY (the Plan Creditors)

16 May 2014

FILING AND VOTING INSTRUCTIONS MEMORANDUM

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1. Introduction

1.1. Please refer to paragraph 9 for the definition of capitalised terms used in this Memorandum.

1.2. This Memorandum is addressed to the ordinary unsecured creditors of the Company (the Plan Creditors). The Plan Creditors of the Company include:

(a) the holders of Series A Notes issued by the Company under Israeli law pursuant to the trust deed dated 4 July 2007, as amended pursuant to Amendment No. 1 of 31 January 2008 (the Series A Noteholders);
(b) the holders of Series B Notes issued by the Company under Israeli law pursuant to the trust deed dated 31 January 2008, as amended pursuant to Amendment No. 1 of 17 February 2008 (the Series B Noteholders);
(c) the holders of Polish Bonds issued by the Company on 16 November 2010 under Polish law with ISIN: NL0009524107 (the Polish Bondholders), and
(d) all other ordinary unsecured creditors of the Company (the Other Creditors).

The Series A Noteholders and the Series B Noteholders are jointly referred to as the Israeli Bondholders. The Israeli Bondholders and the Polish Bondholders are jointly referred to as the Bondholders.

1.3. This Memorandum sets forth the procedure for filing claims and voting on the proposed plan in the suspension of payment proceedings of the Company.

1.4. Following negotiations with various creditors, the Company will amend the terms of the plan initially filed with the court on 18 November 2013. The negotiated amendments have not yet been fully incorporated in the plan, which has yet to be amended (the Plan).

1.5. The Company expects to file the (amended) Plan with the Dutch Court on 27 May 2014. The amended Plan will also be made available at the website of the Company www.plazacenters.com together with the financial report of Baker Tilly and all other documents related to the Plan and the restructuring.

2. Filing and voting under Dutch law generally

2.1. Under Dutch law, in order to be able to vote, creditors must file their claim with the administrator before the claims filing date set by the court. Voting subsequently takes place at a creditors meeting, the date of which is also set by the court. Creditors can either appear at the meeting in person or be represented by proxy.

2.2. If filed claims are disputed, the supervisory judge determines, whether, and the extent to which, the claims are admitted for voting purposes at the creditors meeting.

2.3. Under Dutch law, the plan is adopted if at the creditors meeting the plan is accepted by more than 50% of the ordinary unsecured creditors present or represented at the meeting, representing in total not less than 50% of the aggregate amount of the admitted and conditionally admitted claims.

2.4. If the plan is adopted by the required majority, a confirmation hearing takes place within a period of approximately two weeks following the creditors meeting. If the court confirms (*homologeert*) the plan and the confirmation decision has become final, the plan becomes effective. The plan then binds all ordinary unsecured creditors of the company, also those that have refrained from filing their claims and voting or have voted against the plan.

3. Filing and voting in the case of Plaza Centers

3.1. In its initial decision of 18 November 2013 the Dutch Court determined that creditors must file their claims with the administrator no later than 3 April 2013 and that the creditors meeting for the purpose of voting on the proposed plan would take place on 17 April 2014.

3.2. In its subsequent decision of 11 March 2014 the court postponed the date for the submission of claims to 12 June 2014 (the Claims Submission Date) and postponed the date of the creditors meeting to 26 June 2014, 10:00 am CET (the Creditors Meeting). The aforementioned Dutch Court decisions are available on the website of the Company (www.plazacenters.com) together with an English translation thereof.

3.3. On 13 April 2014 the Israeli court determined, amongst others, that the Israeli Bond Trustees are entitled to file claims and vote in the Dutch proceedings on behalf of all Israeli Bondholders. For this purpose preliminary meetings of Israeli Bondholders shall

be convened in Israel (the Israeli Pre-Meetings). Pursuant to the Israeli Court Order, the Israeli Bond Trustees shall vote for the entire series of Israeli Bonds in the Dutch proceedings in the same proportion "in favour" and "against" as the votes cast at the Israeli Pre-Meeting. Israeli Bondholders can vote at the Israeli Pre-Meetings by providing a Filing and Voting Proxy to the relevant Israeli Bond Trustee at or following the Israeli Pre-Meeting.

3.4. The Israeli Court Order is available on the website of the Company (www.plazacenters.com) together with an English translation thereof.

3.5. On 9 May 2014 the Dutch court made specific provisions on the basis of section 225 DBC in relation to the voting and filing procedure to be followed in the suspension of payment proceedings of the Company.

3.6. The Dutch Court Order is available on the website of the Company (www.plazacenters.com) together with an English translation thereof

3.7. The Dutch Court confirmed that the Israeli Bond Trustees are permitted to vote in the Dutch proceedings in a manner that is in accordance with the aforementioned Israeli Court Order and made specific additional determinations (such as the determination of the Voting Record Date), required under Dutch insolvency law in relation to the suspension of payment proceedings.

3.8. In relation to the Voting Record Date, the Dutch Court determined that only those (Israeli and Polish) Bondholders who can provide evidence (Proof of Holdings) that they held Bonds issued by the Company on 2 June 2014 (the Voting Record Date) will be entitled to file claims and vote on the basis of the relevant bonds at the Creditors Meeting. In line with the Israeli Court Order mentioned above, for those Bondholders who do not participate in the voting process and therefore do not provide Proof of Holdings, the Israeli Bond Trustees shall file claims and vote "for" and "against" in the same proportion as the votes of the Israeli Bondholders who voted at the Israeli Pre-Meetings.

3.9. The Dutch court further determined that the Israeli and Polish bonds issued by the Company will be counted as "bearer bonds" (*toonderstukken)* within the meaning of articles 82 and 134 of the Dutch Bankruptcy Act, implying that each bond will count as a separate "creditor" (i.e. as a separate vote).

3.10. In principle, all Plan Creditors are entitled to file their claims with the Administrator and to vote at the Creditors Meeting directly, as is generally the case under Dutch law. (If Plan Creditors intend to file and vote directly, they should be aware that the requirements regarding Proof of Holdings and Proof of Identity and Authorisations apply *mutatis mutandis* to such filing and voting and that failure to comply with these requirements may result in the relevant claim not being properly filed or admitted and the corresponding vote not being taken into account by the Supervisory Judge.)

3.11. However, because of the negotiable nature of the bonds, the specific role of the Israeli Bond Trustees, the international aspects of the case, and the aforementioned Israeli and Dutch Court Orders in connection therewith, the Administrator and the Company specifically request the Creditors of the Company to file their claims and vote via a Proxy Holder, by means of a proxy, in accordance with the instructions and forms provided in this Memorandum.

3.12. The filing and voting instructions and proxy forms provided in this Memorandum are intended to facilitate the filing and voting process and to ensure that filing and voting takes place in an orderly manner in accordance with the applicable law and Israeli and Dutch Court Orders.

4. Filing and voting procedure for the Israeli Bondholders

4.1. The steps and timing of the voting procedure for the Israeli Bondholders are as follows:

2 June 2014	Voting Record Date
5 June 2014	Israeli Bondholders attend Israeli Pre-Meetings in Israel.
10 June 2014	Israeli Bondholders provide (a digital pdf copy of) the completed Filing and Voting Proxies, together with Proof of Holdings and Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on 10 June 2014 (Proxy Submission Date).
11 June 2014	The Proxy Holders file the claims with the Administrator
12 June 2014	Claims Submission Date

17 June 2014	Israeli Bondholders provide an original copy of the completed Filing and Voting Proxy, the Proof of Holdings and the Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on 17 June 2014.
18 June 2014	Administrator files the list of provisionally admitted and disputed claims with the Dutch Court
20 June 2014	The Proxy Holders provide the original copies of the received Filing and Voting Proxies, the Proofs of Holdings and the Proofs of Identity and Authorisation to the Administrator before or ultimately on 20 June 2014.
26 June 2014	The Proxy Holders cast votes at the Creditors Meeting in accordance with the received Filing and Voting Proxies and the Israeli and Dutch Court Orders

4.2. The location and time of the Israeli Pre-Meetings will be announced at least a week in advance in a separate invitation from the Israeli Bond Trustees.

4.3. The Series A Noteholders are requested to use a Filing and Voting Proxy in the form attached as Annex I. The Series B Noteholders are requested to use a Filing and Voting Proxy in the form attached as Annex II. The Filing and Voting Proxy forms can be downloaded in word-format from the TASE website at www.tase.co.il or from the Company's website at www.plazacenters.com.

4.4. It will only be possible to vote at the Israeli Pre-Meetings by (timely) providing a Filing and Voting Proxy in the prescribed form to the Israeli Bond Trustees at or following the Israeli Pre-Meeting. It will not be possible to vote at the Israeli Pre-Meeting in any other manner without providing a Filing and Voting Proxy to the Israeli Bond Trustees.

4.5. When completing the Filing and Voting Proxies, Bondholders must clearly state the number of Bonds for which they wish to submit the Filing and Voting Proxy.

4.6. The Filing and Voting Proxy constitutes an instruction to and authorisation of the Proxy Holder to file a claim (and vote on the basis of such claim) that is equal to the stated number of Bonds multiplied by the par amount of the Bonds, plus unpaid interest and

linkage differential on principal accrued up to 18 November 2013, being the date the preliminary suspension of payment proceedings of the Company commenced.

4.7. The par amount of the Israeli Bonds is NIS 1,- (one New Israeli Shekel). The unpaid interest accrued up to 18 November 2013 has been calculated to amount to NIS 0.0210 per Series A Note and NIS 0.0245 per Series B Note. The linkage differential on principal has been calculated to amount to NIS 0.2109 per Series A Note and NIS 0.1742 per Series B Note.

4.8. The aggregate amount of the claim of the Bondholder will be automatically calculated and filed on the basis of the number of Bonds stated in the Filing and Voting Proxy. There is no need for the Bondholder to calculate the aggregate amount of his claim himself, although the Bondholder may of course always do so.

4.9. The aforementioned amounts of unpaid and accrued interest and linkage differential per Israeli Bond have been verified and confirmed by the Israeli Bond Trustees. If an Israeli Bondholder wishes to file a claim for a different amount (than the amount calculated as above), such Israeli Bondholder must file such deviating claim separately. No guarantee can be given that such deviating claim will be admitted.

4.10. The Filing and Voting Proxy must be accompanied by satisfactory evidence from a bank or other institution that is a member of the Tel-Aviv Stock Exchange specifying the type and number of Israeli bonds issued by the Company that the relevant Israeli Bondholder held in a securities account with that bank or other institution on the Voting Record Date (Proof of Holdings).

4.11. The Filing and Voting Proxy must also be accompanied by appropriate Proof of Identity and Authorisation (as defined in the general definitions section).

4.12. If an Israeli Bondholder holds bonds as a broker on behalf of a third party investor and such third party investor wishes to vote on behalf of the broker for the bonds that are held for the account of the investor, the investor must also include a proxy from its broker specifying the type and number of bonds for which the investor is authorized to issue a Filing and Voting Proxy on the broker's behalf. In other words, in that case two proxies will be required: (1) a proxy from the broker to the investor authorizing the investor to issue (2) a Filing and Voting Proxy on the broker's behalf to the Proxy Holder. Proof of Identity and Authorisation will *mutatis mutandis* also be required for the first proxy, i.e. the proxy from the broker to the investor.

4.13. The Plan Creditors must provide the completed Filing and Voting Proxy together with the accompanying Proof of Holdings and Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on the Proxy Submission Date (10 June 2014).

4.14. It is sufficient to send a digital pdf copy of the completed Filing and Voting Proxy forms together with all accompanying documents to the Proxy Holder before or ultimately on the Proxy Submission Date by email, provided the original documents are also sent by normal or registered mail or courier and received by the Proxy Holder at least 10 calendar days before the Creditors Meeting (i.e. before or ultimately on 17 June 2014). The Proxy Holders must provide an original copy of the documents to the Administrator before or ultimately on 20 June 2014.

4.15. The Series A Trustee will act as Proxy Holder for the Series A Noteholders. The Series A Noteholders must send the completed Filing and Voting Proxies and all other documents requested in this Memorandum to:

Hermetic Trust (1975) Ltd.
Attn: Mr. D. Avnon
113 Hayarkon St.
Tel Aviv 63573
Israel
F: +972-3-527 1736
T: + 972-3-527 4867
E: avnon@hermetic.co.il

4.16. The Series B Trustee will act as Proxy Holder for the Series B Noteholders. The Series B Noteholders must send the completed Filing and Voting Proxies and all other documents requested in this Memorandum to:

Reznik Paz Nevo Ltd
Attn: Mr. Yossi Reznik
14 Yad Harutzim St.
Tel Aviv, Israel
F: +972-3-6389222
T: +972-3-6389200
E: yossi@rpn.co.il

4.17. In summary, the Israeli Bondholders are requested to file claims and vote as follows:

(i) attend the Israeli Pre-Meetings to be held in Israel;

(ii) complete the Filing and Voting Proxy in the form attached as Annexes I or II (as the case may be);

(iii) provide (a digital pdf copy of) the completed Filing and Voting Proxy together with a Proof of Holdings and a Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on the Proxy Submission Date (10 June 2014);

(iv) ensure that the relevant Proxy Holder receives an original copy of these documents before or ultimately on 17 June 2014.

4.18. As stated above, for those Israeli Bondholders who do not participate in the voting process, the Israeli Bond Trustees shall file claims and vote "for" and "against" in the Dutch proceedings in the same proportion as the votes of the Israeli Bondholders who voted at the Israeli Pre-Meetings.

5. Filing and voting procedure for the Polish Bondholders

5.1. The steps and timing of the voting procedure for the Polish Bondholders are as follows:

2 June 2014	Voting Record Date
10 June 2014	Polish Bondholders provide (a digital pdf copy of) the completed Filing and Voting Proxies, together with Proof of Holdings and Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on 10 June 2014 (Proxy Submission Date).
11 June 2014	The Proxy Holder files the claims with the Administrator
12 June 2014	Claims Submission Date
17 June 2014	Polish Bondholders provide an original copy of the completed Filing and Voting Proxy, the Proof of Holdings and the Proof of

	Identity and Authorisation to the Proxy Holder before or ultimately on 17 June 2014.
18 June 2014	Administrator files the list of provisionally admitted and disputed claims with the Dutch Court
20 June 2014	The Proxy Holder provides the original copies of the received Filing and Voting Proxies, the Proofs of Holdings and the Proofs of Identity and Authorisation to the Administrator before or ultimately on 20 June 2014.
26 June 2014	The Proxy Holder cast votes at the Creditors Meeting in accordance with the received Filing and Voting Proxies and the Dutch Court Order.

5.2. The Polish Bondholders are requested to use a Filing and Voting Proxy in the form attached as Annex III. The Filing and Voting Proxy forms can be downloaded in word-format from the Company's website at www.plazacenters.com.

5.3. When completing the Filing and Voting Proxies, Bondholders must clearly state the number of Bonds for which they wish to submit the Filing and Voting Proxy.

5.4. The Filing and Voting Proxy constitutes an instruction to and authorisation of the Proxy Holder to file a claim (and vote on the basis of such claim) that is equal to the stated number of Polish Bonds multiplied by the par amount of the Polish Bonds, plus unpaid interest accrued up to 18 November 2013, being the date the preliminary suspension of payment proceedings of the Company commenced.

5.5. The par amount of the Polish Bonds is PLN 100.000,- (one hundred thousand Polish Zloty). The unpaid interest accrued up to 18 November 2013 has been calculated to amount to PLN 3.760,49 per Polish Bond.

5.6. The aggregate amount of the claim of the Bondholder will be automatically calculated and filed on the basis of the number of Bonds stated in the Filing and Voting Proxy. There is no need for the Bondholder to calculate the aggregate amount of his claim himself, although the Bondholder may of course always do so.

5.7. If a Polish Bondholder wishes to file a claim for a different amount (than the amount calculated as above), such Polish Bondholder must file such deviating claim separately. No guarantee can be given that such deviating claim will be admitted.

5.8. The Filing and Voting Proxy must be accompanied by satisfactory evidence in the form of a depository certificate (*świadectwo depozytowe)*, as issued in accordance with the Polish Act on Trading in Financial Instruments, confirming that the Polish Bondholder owned Polish Bonds of the specified type and number on the Voting Record Date (Proof of Holdings). This means that the validity period indicated on the depository certificate must include the Voting Record Date. The validity of the depository certificate may not expire earlier than on the day following the Voting Record Date.

5.9. The Filing and Voting Proxy must also be accompanied by appropriate Proof of Identity and Authorisation (as defined in the general definitions section).

5.10. The Plan Creditors must provide the completed Filing and Voting Proxy together with the accompanying Proof of Holdings and Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on the Proxy Submission Date (10 June 2014).

5.11. It is sufficient to send a digital pdf copy of the completed Filing and Voting Proxy forms together with all accompanying documents to the Proxy Holder before or ultimately on the Proxy Submission Date by email, provided the original documents are also sent by normal or registered mail or courier and received by the Proxy Holder at least 10 calendar days before the Creditors Meeting (i.e. before or ultimately on 17 June 2014). The Proxy Holder must provide an original copy of the documents to the Administrator before or ultimately on 20 June 2014.

5.12. RESOR will act as the Proxy Holder for the Polish Bondholders. Polish Bondholders must send the completed Filing and Voting Proxies and all other documents requested in this Memorandum to:

RESOR N.V.
Attn: Ms. K.M. Sixma
Gustav Mahlerplein 27
1082 MS Amsterdam
The Netherlands
Fax: +31 (0)20 5709021

Tel: +31 (0)20 5709033
Email: karin.sixma@resor.nl

5.13. In summary, the Polish Bondholders are requested to file claims and vote as follows:

(i) complete the Filing and Voting Proxy in the form attached as Annex III;

(ii) provide the completed Filing and Voting Proxy together with a Proof of Holdings and a Proof of Identity and Authorisation to the relevant Proxy Holder before or ultimately on the Proxy Submission Date (10 June 2014);

(iii) ensure that the relevant Proxy Holder receives an original copy of these documents before or ultimately on 17 June 2014.

6. Filing and voting procedure for the Other Creditors

6.1. The steps and timing of the voting procedure for the Other Creditors are as follows:

10 June 2014	Other Creditors provide (a digital pdf copy of) the completed Filing and Voting Proxies, together with a Proof of Holdings and Proof of Identity and Authorisation to the Proxy Holder before or ultimately on 10 June 2014 (Proxy Submission Date);
11 June 2014	The Proxy Holder files the claims with the Administrator
12 June 2014	Claims Submission Date
17 June 2014	The Other Creditors provide an original copy of the completed Filing and Voting Proxy, the Proof of Holdings and the Proof of Identity and Authorisation to the Proxy Holder before or ultimately on 17 June 2014
18 June 2014	Administrator files the list of provisionally admitted and disputed claims with the Dutch Court
20 June 2014	The Proxy Holder provides the original copies of the received Filing and Voting Proxies, the Proofs of Holdings and the Proofs

	of Identity and Authorisation to the Administrator before or ultimately on 20 June 2014.
26 June 2014	The Proxy Holder cast votes at the Creditors Meeting in accordance with the received Filing and Voting Proxies.

6.2. The Other Creditors are requested to use a Filing and Voting Proxy in the form attached as Annex IV. The Filing and Voting Proxy forms can be downloaded in word-format from the Company's website at www.plazacenters.com.

6.3. The Filing and Voting Proxy must be accompanied by satisfactory evidence of the claims of the creditor as per 18 November 2013 (being the date of commencement of the Dutch proceedings), such as an original copy of the underlying contract together with a detailed specification of the outstanding amount as per that date (Proof of Holdings).

6.4. The Filing and Voting Proxy must also be accompanied by appropriate Proof of Identity and Authorisation (as defined in the definitions section of this Memorandum).

6.5. The Plan Creditors must provide the completed Filing and Voting Proxy together with the accompanying Proof of Holdings and Proof of Identity and Authorisation to the Proxy Holder before or ultimately on the Proxy Submission Date (10 June 2014).

6.6. It is sufficient to send a digital pdf copy of the completed Filing and Voting Proxy forms together with all accompanying documents to the Proxy Holder before or ultimately on the Proxy Submission Date by email, provided the original documents are also sent by normal or registered mail or courier and received by the Proxy Holder at least 10 calendar days before the Creditors Meeting (i.e. before or ultimately on 17 June 2014). The Proxy Holder must provide an original copy of the documents to the Administrator before or ultimately on 20 June 2014.

6.7. RESOR will act as the Proxy Holder for the Other Creditors. The Other Creditors must send the completed Filing and Voting Proxies and all other documents requested in this Memorandum to:

RESOR N.V.
Attn: Ms. K.M. Sixma
Gustav Mahlerplein 27
1082 MS Amsterdam

The Netherlands
F: +31 (0)20 5709021
T: +31 (0)20 5709033
E: karin.sixma@resor.nl

6.8. In summary, the Other Creditors are requested to file claims and vote as follows:

(i) complete the Filing and Voting Proxy in the form attached as Annex IV;

(ii) provide the completed Filing and Voting Proxy together with a Proof of Holdings and a Proof of Identity and Authorisation to the Proxy Holder before or ultimately on the Proxy Submission Date (10 June 2014);

(iii) ensure that the Proxy Holder receives an original copy of these documents before or ultimately on 17 June 2014.

7. Contact persons for further questions

7.1. For further questions regarding the filing and voting procedures set forth in this Memorandum, creditors can contact either:

The Administrator:
CMS Derks Star Busmann N.V.
Attn: Mr J.L.M. Groenewegen
Mondriaantoren – Amstelplein 8A
1096 BC Amsterdam
The Netherlands
F: +31 (0)20 3016 333
T: +31 (0)20 3016 410
E: marcel.groenewegen@cms-dsb.com

Dutch counsel to the Company:
RESOR N.V.
Attn: Ms. K.M. Sixma
Gustav Mahlerplein 27
1082 MS, Amsterdam
The Netherlands
F: +31 (0)20 5709021

T: +31 (0)20 5709033
E: karin.sixma@resor.nl

Israeli counsel to the Company:

G K H law offices
Attn: Ms A. Bitan
One Azrieli Center
Round Building
Tel Aviv 6701101, Israel
F: +972 (3) 607 4422
T: +972 (3) 607 4464
E: adva@gkh-law.com

or Polish counsel to the Company:

Weil, Gotshal and Manges
Attn: Mr M. Iwaniszyn
ul. Emilii Plater 53, Warsaw
Poland
F: +48 22 520 4001
T: +48 22 520 4325
E: marcin.iwaniszyn@weil.com

8. Miscellaneous

8.1. By submitting a Filing and Voting Proxy, each Plan Creditor irrevocably:

(i) accepts that it is bound by the terms of this Memorandum, and

(ii) authorises the relevant Proxy Holder to disclose to the Company, the Administrator, the Supervisory Judge and the Dutch Court the full details of its name and address, relevant (securities) account number(s), the (aggregate) amount and number of its Bonds or claims, and to disclose all other information and to carry out all other action on behalf of the relevant Plan Creditor that the Proxy Holder deems useful or necessary for the purpose of filing the relevant claims and voting in the Dutch proceedings.

8.2. Failure to provide all required information as set out in this Memorandum, may result in the relevant claim not being properly filed or admitted and the corresponding votes not being taken into account by the Supervisory Judge.

8.3. Submissions of Filing and Voting Proxies will not be deemed to have been given until any irregularities or omissions have been cured.

8.4. None of the Company, the Administrator or the Proxy Holder, or any of their respective affiliates, directors, employees or advisors or any other person related to them, will be under any duty to give notification of any defects, irregularities or omissions in any Filing and Voting Proxy or in any of the accompanying documents, nor will any of such entities or persons incur any liability in connection with such defects, irregularities or omissions or failure to give any such notification.

8.5. Neither the Administrator, nor the Company, nor the Proxy Holder, nor any of their agents, employees, advisors or subcontractors, shall be liable for any damages arising in any way from or in connection with the filing of claims and voting (or failure to do so) whether on the basis of this Memorandum and the procedures and forms provided therein or otherwise.

8.6. None of the Company, the Administrator or the Proxy Holder, nor any of their respective affiliates, directors, employees or advisors shall be liable for any failure to submit with the Administrator any Filing and Voting Proxy or any other notice or communication.

8.7. This Memorandum shall be governed by and construed in accordance with the laws of The Netherlands. All disputes arising out of or in connection with this Memorandum shall be submitted to the exclusive jurisdiction of the Dutch Court.

8.8. In the event of any discrepancy or difference in interpretation between various language versions of this Memorandum, the English language version of this Memorandum shall prevail and shall be binding.

9. Definitions

Administrator means Mr J.L.M. Groenewegen acting in his capacity as administrator (*bewindvoerder*) in the preliminary suspension of payment proceedings of the Company.

Annex means an annex to this Memorandum.

Bondholders means the Polish Bondholders and Israeli Bondholders jointly.

Bonds means the Series A Notes, the Series B Notes and the Polish Bonds jointly.

Claims Submission Date means the date on which claims must ultimately be submitted with and have to be received by the Administrator as set by the Dutch Court, being 12 June 2014.

Company means Plaza Centers N.V.

Creditors Meeting means the meeting as referred to in article 255 DBC, as set by the Dutch Court to take place on 26 June 2014, at 10:00 am CET at which Plan Creditors will be able to vote (via proxy) on the Plan.

Creditors of the Company means all ordinary unsecured creditors of the Company.

Dutch Court means the Court of First Instance of Amsterdam.

Dutch Court Order means the order of the Dutch Court dated 9 May 2014 in relation to the filing and voting procedure. The Dutch Court Order has been made available together with an English translation on the website of the Company at www.plazacenters.com.

DBC means the Dutch Bankruptcy Code (*Faillissementswet*).

Filing and Voting Proxy means:

(i) in respect of Series A Noteholders: a filing and voting proxy substantially in the form attached as Annex I;
(ii) in respect of Series B Noteholders: a filing and voting proxy substantially in the form attached as Annex II;

(iii) in respect of Polish Bondholders: a filing and voting proxy substantially in the form attached as Annex III;
(iv) in respect of Other Creditors: a filing and voting proxy substantially in the form attached as Annex IV.

The Filing and Voting Proxy forms can be downloaded in word-format from the Company's website at www.plazacenters.com.

Israeli Bond Trustees means the Series A Trustee and the Series B Trustee jointly.

Israeli Bondholders means the Series A Noteholders and the Series B Noteholders jointly.

Israeli Bonds means the Series A Notes and the Series B Notes jointly.

Israeli Court Order means the order of the Israeli court dated 13 April 2014 in relation to the filing and voting procedure. The Israeli Court Order has been made available together with an English translation on the website of the Company at www.plazacenters.com.

Israeli Pre-Meetings means the preliminary meetings of Israeli Bondholders to be held in Israel on 5 June 2014.

Memorandum means this filing and voting instructions memorandum, including Annexes.

Other Creditors means all ordinary unsecured creditors of the Company, other than the Bondholders.

Plan means the draft restructuring plan (*ontwerp van akkoord)* submitted with the District Court of Amsterdam on 18 November 2013 as subsequently (to be) amended.

Plan Creditors means all ordinary unsecured creditors of the Company.

Polish Bondholders means holders of Polish Bonds.

Polish Bonds means all currently outstanding series A bonds issued by the Company on 16 November 2010 under Polish law with ISIN: NL0009524107.

Proof of Holdings means:

(i) in respect of Israeli Bondholders: satisfactory evidence from a bank or other institution that is a member of the Tel-Aviv Stock Exchange specifying the type and number of Israeli Bonds that the relevant Israeli Bondholder holds in a securities account with that bank or other institution on the Voting Record Date;

(ii) in respect of Polish Bondholders: satisfactory evidence in the form of a depository certificate (*świadectwo depozytowe)*, issued in accordance with the Polish Act on Trading in Financial Instruments, confirming that the relevant Polish Bondholder owned Polish Bonds of the specified type and number on the Voting Record Date, with a validity period that extends to and at least includes the Voting Record Date and does not expire earlier than on the day following the Voting Record Date;

(iii) in respect to Other Creditors: satisfactory evidence of ordinary unsecured claims against the Company as per the date of commencement of the preliminary suspension of payment proceedings on 18 November 2013, such as an original copy of the underlying contract together with a detailed specification of the outstanding amount as per that date.

Proof of Identity and Authorisation means:

(i) in the event that the Plan Creditor providing the Filing and Voting Proxy is a natural person: a written statement from a civil-law notary or lawyer admitted to the bar confirming the identity of the person that has executed the Filing and Voting Proxy;

(ii) in the event that the Plan Creditor providing the Filing and Voting Proxy is a legal entity: a written statement from a civil notary or lawyer admitted to the bar confirming that the person that has executed the Filing and Voting Proxy was duly authorized to do so on the legal entity's behalf together with a certified abstract from the relevant trade register evidencing the authority of the signatory.

Proxy Holder means:

(i) in respect of the Series A Noteholders: the Series A Trustee;

(ii) in respect of the Series B Noteholders: the Series B Trustee,

(iii) in respect of the Polish Bondholders and the Other Creditors: RESOR.

Proxy Submission Date means 10 June 2014, being the date before or ultimately on which completed Filing and Voting Proxies together with the accompanying Proof of Holdings and

Proof of Identity and Authorisation must be provided to and have been received by the relevant Proxy Holders.

RESOR means RESOR N.V., acting as Dutch counsel to the Company.

Series A Noteholders means holders of Series A Notes.

Series A Notes means all currently outstanding notes issued by the Company under Israeli law pursuant to the trust deed dated 4 July 2007, as amended pursuant to Amendment No. 1 of 31 January 2008;

Series A Trustee means Hermetic Trust (1975) Ltd.

Series B Noteholders means holders of Series B Notes.

Series B Notes means all currently outstanding notes issued by the Company under Israeli law pursuant to the trust deed dated 31 January 2008, as amended pursuant to Amendment No. 1 of 17 February 2008;

Series B Trustee means Reznik Paz Nevo Ltd.

Supervisory Judge means Ms. L. van Berkum acting in her capacity as supervisory judge (*rechter-commissaris*) in the preliminary suspension of payment proceedings of the Company.

TASE means Tel-Aviv Stock Exchange.

Voting Record Date means 2 June 2014.

Annex I Filing and Voting Proxy for Series A Noteholders

FILING AND VOTING PROXY FOR SERIES A NOTEHOLDERS

Capitalised terms used in this Filing and Voting Proxy have the same meaning as defined in the filing and voting instructions Memorandum dated 16 May 2014 to which a blank version of this Filing and Voting Proxy is an Annex.

PLEASE PRINT CLEARLY

Please fill in the information (please type or print clearly in block letters)

Full legal name of Series A Noteholder:

_____

Contact details of Series A Noteholder:

Name of contact person (if the Bondholder is a legal entity):_____

Address:_____

_____

Tel: _____Email:_____

Details of Series A Notes for which the Series A Noteholder wishes to file a claim and vote[1]:

Number of Series A Notes held on the Voting Record Date[2]:_____

Name of bank/institution in which the securities are held[3]: _____

Securities account number: _____

Remarks:

[1] Bondholders can only file claims and vote on the basis of Bonds that they held on the Voting Record Date.

[2] On the basis of the stated number of Bonds a claim will be calculated and filed that is equal to the number of Bonds multiplied by the par amount of the Bonds (NIS 1,--), plus unpaid interest and linkage differential on principal accrued up to 18 November 2013. Unpaid interest and linkage differential on principal accrued up to said date have been calculated to amount to NIS 0.0210 and NIS 0.2109 respectively per Series A Note.

[3] The securities must be held by a member of the Tel Aviv Stock Exchange. Please check this with the bank or institution with which your securities are held.

BY COMPLETING AND SUBMITTING THIS FILING AND VOTING FORM THE SERIES A NOTEHOLDER HEREBY CONFIRMS AND CERTIFIES THAT IT HELD THE SECURITIES SPECIFIED ABOVE ON THE VOTING RECORD DATE

Please check <u>one</u> box below

The Series A Noteholder hereby irrevocably appoints and instructs the Series A Trustee (Hermetic Trust (1975) Ltd.) and any of its employees to act as a Proxy Holder to:

- ☐ Submit a claim with the Administrator for each and all Series A Notes specified above and vote **IN FAVOUR** of the Plan at the Creditors Meeting on the Bondholder's behalf on the basis of such claim submitted with the Administrator.
- ☐ Submit a claim with the Administrator for each and all Series A Notes specified above and vote **AGAINST** the Plan at the Creditors Meeting on the Bondholder's behalf on the basis of such claim submitted with the Administrator.

By submitting this Filing and Voting Proxy the Series A Noteholder hereby:

(i) accepts the terms of the filing and voting instructions Memorandum;

(ii) authorises Hermetic Trust (1975) Ltd. to disclose to the Company, the Administrator, the Supervisory Judge and the Dutch Court the full details of its name and address, relevant (securities) account number(s), the (aggregate) amount and number of its Bonds or claims, and to disclose all other information and to carry out all other action on behalf of the Series A Noteholder that the Proxy Holder deems useful or necessary for the purpose of filing the relevant claims and voting in the preliminary suspension of payment proceedings of the Company.

_____

Authorised signature(s)

Name: _____

Dated: _____

Place: _____

This form MUST be delivered to the Series A Trustee <u>together with Proof of Holdings and Proof of Identity and Authorisation</u> by email as a PDF attachment before or ultimately on the Proxy Submission Date (10 June 2014).

Hermetic Trust (1975) Ltd.
Email: avnon@hermetic.co.il
Subject: Debt & Agency Services re: Plaza Centers Filing and Voting Process (Series A Notes)

The original copies should be sent as soon as possible following digital submission to the Series A Trustee and should be received by the Series A Trustee before or ultimately on 17 June 2014 at:

Hermetic Trust (1975) Ltd.
113 Hayarkon St.
Tel Aviv 63573
Israel
Attention: Debt & Agency Services re: Plaza Centers Filing and Voting Process (Series A Notes)

****END OF FORM****

Annex II Filing and Voting Proxy for Series B Noteholders

FILING AND VOTING PROXY FOR SERIES B NOTEHOLDERS

Capitalised terms used in this Filing and Voting Proxy have the same meaning as defined in the filing and voting instructions Memorandum dated 16 May 2014 to which a blank version of this Filing and Voting Proxy is an Annex.

PLEASE PRINT CLEARLY

Please fill in the information (please type or print clearly in block letters)

Full legal name of Series B Noteholder:

_____

Contact details of Series B Noteholder:

Name of contact person (if the Bondholder is a legal entity):_____

Address:_____

_____

Tel: _____Email:_____

Details of Series B Notes for which the Series B Noteholder wishes to file a claim and vote[4]:

Number of Series B Notes held on the Voting Record Date[5]:_____

Name of bank in which the securities are held[6]: _____

Securities account number: _____

Remarks:

[4] Bondholders can only file claims and vote on the basis of Bonds that they held on the Voting Record Date.

[5] On the basis of the stated number of Bonds a claim will be calculated and filed that is equal to the number of Bonds multiplied by the par amount of the Bonds (NIS 1,--), plus unpaid interest and linkage differential on principal accrued up to 18 November 2013. Unpaid interest and linkage differential on principal accrued up to said date have been calculated to amount to NIS 0.0245 and NIS 0.1742 respectively per Series B Note.

[6] The bank must be a member of the Tel Aviv Stock Exchange. Please check this with your bank.

BY COMPLETING AND SUBMITTING THIS FILING AND VOTING FORM THE SERIES B NOTEHOLDER HEREBY CONFIRMS AND CERTIFIES THAT IT HELD THE SECURITIES SPECIFIED ABOVE ON THE VOTING RECORD DATE

Please check <u>one</u> box below

The Series B Noteholder hereby irrevocably appoints and instructs the Series B Trustee (Reznik Paz Nevo Ltd.) and any of its employees to act as a Proxy Holder to:

- ☐ Submit a claim with the Administrator for each and all Series B Notes specified above and vote **IN FAVOUR** of the Plan at the Creditors Meeting on the Bondholder's behalf on the basis of such claim submitted with the Administrator.
- ☐ Submit a claim with the Administrator for each and all Series B Notes specified above and vote **AGAINST** the Plan at the Creditors Meeting on the Bondholder's behalf on the basis of such claim submitted with the Administrator.

By submitting this Filing and Voting Proxy the Series B Noteholder hereby:

(i) accepts the terms of the filing and voting instructions Memorandum;

(ii) authorises Reznik Paz Nevo Ltd.) to disclose to the Company, the Administrator, the Supervisory Judge and the Dutch Court the full details of its name and address, relevant (securities) account number(s), the (aggregate) amount and number of its Bonds or claims, and to disclose all other information and to carry out all other action on behalf of the Series B Noteholder that the Proxy Holder deems useful or necessary for the purpose of filing the relevant claims and voting in the preliminary suspension of payment proceedings of the Company.

_____

Authorised signature(s)

Name: _____

Dated: _____

Place: _____

This form MUST be delivered to the Series B Trustee <u>together with Proof of Holdings and Proof of Identity and Authorisation</u> by email as a PDF attachment before or ultimately on the Proxy Submission Date (10 June 2014).

Reznik Paz Nevo Ltd
Attn: Mr Yossi Reznik
Email: yossi@rpn.co.il
Subject: Debt & Agency Services re: Plaza Centers Filing and VotingProcess (Series B Notes)

The original copies should be sent as soon as possible following digital submission to the Series B Trustee and should be received by the Series B Trustee before or ultimately on 17 June 2014 at:

Reznik Paz Nevo Ltd
Attn: Mr Yossi Reznik
14 Yad Harutzim St.
Tel Aviv, Israel
Attention: Debt & Agency Services re: Plaza Centers Filing and Voting Process (Series B Notes)

****END OF FORM****

Annex III Filing and Voting Proxy for Polish Bondholders

FILING AND VOTING PROXY FOR POLISH BONDHOLDERS

Capitalised terms used in this Filing and Voting Proxy have the same meaning as defined in the filing and voting instructions Memorandum dated 16 May 2014 to which a blank version of this Filing and Voting Proxy is an Annex.

PLEASE PRINT CLEARLY

Please fill in the information (please type or print clearly in block letters)

Full legal name of Polish Bondholder:

_____

Contact details of Polish Bondholder: _____

Name of contact person (if the Bondholder is a legal entity):_____

Address:_____

_____

Tel: _____Email:_____

Details of Polish Bonds for which the Polish Bondholder wishes to file a claim and vote[7]:

Number of Polish Bonds held on the Voting Record Date[8]: _____

Name of the investment firm in which the securities are held: _____

Securities account number: _____

Remarks:

BY COMPLETING AND SUBMITTING THIS FILING AND VOTING FORM THE POLISH BONDHOLDER HEREBY CONFIRMS AND CERTIFIES THAT IT HELD THE SECURITIES SPECIFIED ABOVE ON THE VOTING RECORD DATE

[7] Bondholders can only file claims and vote on the basis of Bonds that they held on the Voting Record Date.

[8] On the basis of the stated number of Bonds a claim will be calculated and filed that is equal to the number of Bonds multiplied by the par amount of the Bonds (PLN 100.000,--), plus unpaid interest accrued up to 18 November 2013. Unpaid interest accrued up to said date has been calculated to amount to PLN 3.760,49 per Polish Bond.

Please check <u>one</u> box below

The Series Polish Bondholder hereby irrevocably appoints and instructs RESOR N.V. and any of the lawyers practising at RESOR N.V. to act as a Proxy Holder to:

- ☐ Submit a claim with the Administrator for each and all Polish Bonds specified above and vote **IN FAVOUR** of the Plan at the Creditors Meeting on the Bondholder's behalf on the basis of such claim submitted with the Administrator.
- ☐ Submit a claim with the Administrator for each and all Polish Bonds specified above and vote **AGAINST** the Plan at the Creditors Meeting on the Bondholder's behalf on the basis of such claim submitted with the Administrator.

By submitting this Filing and Voting Proxy the Polish Bondholder hereby:

(i) accepts the terms of the filing and voting instructions Memorandum;

(ii) authorises RESOR N.V. to disclose to the Company, the Administrator, the Supervisory Judge and the Dutch Court the full details of its name and address, relevant (securities) account number(s), the (aggregate) amount and number of its Bonds or claims, and to disclose all other information and to carry out all other action on behalf of the Polish Bondholder that the Proxy Holder deems useful or necessary for the purpose of filing the relevant claims and voting in the preliminary suspension of payment proceedings of the Company;

(iii) agrees that this Filing and Voting Proxy shall be governed by Dutch law and any disputes arising from or in connection with this Filing and Voting Proxy will be submitted to the exclusive jurisdiction of the Dutch Court.

_____

Authorised signature(s)

Name: _____

Dated: _____

Place: _____

This form MUST be delivered to RESOR N.V., <u>together with Proof of Holdings and Proof of Identity and Authorisation</u>, by email as a PDF attachment before or ultimately on the Proxy Submission Date (10 June 2014).

RESOR N.V.
Email: karin.sixma@resor.nl
Subject: Plaza Centers Filing and Voting Process (Polish Bonds)

The original copies should be sent as soon as possible following submission to RESOR and should be received by RESOR before or ultimately on 17 June 2014 at:

RESOR N.V.
Symphony Building
Attn.: Ms K.M. Sixma
Gustav Mahlerplein 27
1082 MS AMSTERDAM
The Netherlands
Attention: Plaza Centers Filing and Voting Process (Polish Bonds)

****END OF FORM****

Annex IV Filing and Voting Proxy for Other Creditors

FILING AND VOTING PROXY FOR OTHER CREDITORS

Capitalised terms used in this Filing and Voting Proxy have the same meaning as defined in the filing and voting instructions Memorandum dated 16 May 2014 to which a blank version of this Filing and Voting Proxy is an Annex.

PLEASE PRINT CLEARLY

Please fill in the information (please type or print clearly in block letters)

Full legal name of Plan Creditor:

_____

Contact details of Plan Creditor: _____
Name of contact person (if the creditor is a legal entity):_____
Address:_____
_____
Tel: _____Email:_____

Details of the claim for which the Plan Creditor wishes to file a claim and vote:
Nature or legal basis of claim: _____
Total amount of claim[9]:_____

Remarks:

[9] As per 18 November 2013, being the date of commencement of the Dutch proceedings.

BY COMPLETING AND SUBMITTING THIS FILING AND VOTING FORM THE PLAN CREDITOR HEREBY CONFIRMS AND CERTIFIES THAT THE CLAIM STATED ABOVE IS TRUE AND CORRECT

Please check <u>one</u> box below

The Plan Creditor hereby irrevocably appoints and instructs RESOR N.V. and any of the lawyers practising at RESOR N.V. to act as a Proxy Holder to:

- ☐ Submit a claim with the Administrator for the claim stated above and vote **IN FAVOUR** of the Plan at the Creditors Meeting on the Plan Creditor's behalf on the basis of such claim submitted with the Administrator.
- ☐ Submit a claim with the Administrator for the claim stated above and vote **AGAINST** the Plan at the Creditors Meeting on the Plan Creditor's behalf on the basis of such claim submitted with the Administrator.

By submitting this Filing and Voting Proxy the Plan Creditor hereby:

(i) accepts the terms of the filing and voting instructions Memorandum;

(ii) authorises RESOR N.V. to disclose to the Company, the Administrator, the Supervisory Judge and the Dutch Court the full details of its name and address, relevant (securities) account number(s), the (aggregate) amount and number of its claims, and to disclose all other information and to carry out all other action on behalf of the Plan Creditor that the Proxy Holder deems useful or necessary for the purpose of filing the relevant claims and voting in the preliminary suspension of payment proceedings of the Company;

(iii) agrees that this Filing and Voting Proxy shall be governed by Dutch law and any disputes arising from or in connection with this Filing and Voting Proxy will be submitted to the exclusive jurisdiction of the Dutch Court.

_____

Authorised signature(s)

Name: _____

Dated: _____

Place: _____

This form MUST be delivered to RESOR N.V. <u>together with Proof of Holdings and Proof of Identity and Authorisation</u> by email as a PDF attachment before or ultimately on the Proxy Submission Date (10 June 2014).

RESOR N.V.
Email: karin.sixma@resor.nl
Subject: Plaza Centers Filing and Voting Process (Other Creditors)

The original copies should be sent as soon as possible following digital submission to RESOR and should be received by RESOR before or ultimately on 17 June 2014 at:

RESOR N.V.
Symphony Building
Attn.: Ms K.M. Sixma
Gustav Mahlerplein 27
1082 MS AMSTERDAM
The Netherlands
Attention: Plaza Centers Filing and Voting Process (claims of Other Creditors)

****END OF FORM****

RESTRUCTURING PLAN

(*akkoord*)

proposed by

PLAZA CENTERS N.V.

a public company incorporated in the Netherlands,
registered with the Dutch Chamber of Commerce, no. 33248324 (the "**Company**")

in accordance with Article 252 of the Dutch Bankruptcy Code

to

The holders of unsecured Israeli Series A Notes issued by the Company

The holders of unsecured Israeli Series B Notes issued by the Company

The holders of unsecured Polish Bonds issued by the Company

All other unsecured non-preferred creditors of the Company

This Plan becomes effective on the Effective Date

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1. EXPLANATORY STATEMENT TO THE PLAN

1.1. The Company

1.1.1. The Company (www.plazacenters.com) is a leading emerging markets developer of shopping and entertainment centres in central and eastern Europe. It focuses on constructing new shopping and entertainment centres and, where there is significant redevelopment potential, redeveloping existing centres in capital cities and important regional centres. The Company's shares are admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange plc and, as of 19 October 2007, on the Warsaw Stock Exchange (LSE:"PLAZ", WSE: "PLZ/PLAZACNTR"). The Company is an indirect subsidiary of Elbit Imaging Ltd., an Israeli public company whose shares are traded on both the Tel Aviv Stock Exchange in Israel and on the NASDAQ Global Market in the United States.

1.2. Background of the Plan

1.2.1. The Company has been faced with challenging market conditions for some years. Adverse market conditions have primarily been caused by the underlying economic situation in many of the countries in which the Company operates, combined with the lack of transactional liquidity in the investment markets for assets such as those owned by the Company and the on-going lack of traditional bank financing available to real estate developers and investors.

1.2.2. Although the Company's management team has made considerable progress in re-positioning the Company's business model to ensure that it is focused on the deleveraging of its balance sheet and the recycling of capital, primarily through the disposal of its non-core assets, the Company has not been able to complete these transactions within a timeframe that will enable it to meet its short term obligations towards Bondholders (as defined herein). As a result, the Company is faced with significant liquidity problems.

1.2.3. Notwithstanding the liquidity issues, the Company continues to have a strong balance sheet, with a significant positive current net asset value, and owns assets and development opportunities that offer significant potential to deliver returns over the medium to long term.

1.2.4. Accordingly, the Company believes that, on a going concern basis, it retains substantial value for its stakeholders and will be able to repay its creditors in full, while the Company is certain that a forced liquidation would cause creditors and shareholders to incur significant losses.

1.3. Purpose and Summary of the Plan

1.3.1. The Plan is addressed to, and only binds the ordinary unsecured creditors of the Company.

1.3.2. The purpose of the Plan is to provide the Company with the ability to preserve value for its creditors by giving it time to resolve its liquidity situation and thereby avoiding a liquidation scenario. This will primarily be achieved through a deferral of payment obligations. Apart from the proposed payment deferral, the terms of the Plan do not require Noteholders to take a loss on the par value of their outstanding exposures.

1.3.3. Under the proposed terms of the Plan the principal payments under the Notes will be deferred by a period of 1 – 4,5 years, depending on the circumstances, as set forth in section 3.1 below.

1.3.4. The Company shall use a certain portion (at least 75%, subject to adjustments) of the Net Cash Flow that it receives from Dispositions of Real Estate Assets or new financings (including re-financing) in certain events to make early prepayments on the Notes and will be entitled to make further or other early prepayments on the Notes at any time without incurring a penalty.

1.3.5. As compensation for the deferral the Noteholders will receive an additional 1.5% annual interest payable on the Notes. In addition, they will receive Company shares representing effectively ca. 13.21% of the outstanding share capital and the voting rights in the Company (post such issuance and post Capital Injection).

1.3.6. Under the proposed terms of the Plan, Guarantee Claims (as defined below) will be deferred for a period of four years and will only be enforceable after the collateral granted as security for the underlying loan has been realized. The amount of the Guarantee Claim will be reduced to the extent that the collateral is sold at a price below 90% of the fair market value as determined by a reputable appraiser. It is expected that creditors of Guarantee Claims will effectively be repaid in full with priority from the proceeds of the collateral provided for the underlying loans.

1.3.7. Claims of all other ordinary unsecured creditors will be deferred for a period of four years.

1.3.8. In order to further strengthen the position of the creditors, the Company shall raise additional capital in the amount of approximately EUR 20 million by means of a rights issue.

1.3.9. The Plan includes "negative pledge", "no new Financial Indebtedness" and "Coverage Ratio" covenants (subject to certain exceptions) in favour of all creditors bound by this Plan and certain limitations on "Distributions" (including dividends). In addition, the Plan includes certain financial covenants with respect to the realization of certain Real Estate Assets of the Group and with respect to the purchase and development of Real Estate Assets.

1.3.10. The Plan includes a mutual "waiver from claims" provision, in favour of the Company, the shareholders of the Company, and their respective directors and officers, the Noteholders and the Israeli Trustees, and other affiliated parties, as detailed below.

1.3.11. The Company is confident that, upon implementation of the Plan, the long term viability of the Company will be secured and the Company will be able to repay its creditors in full in accordance with the terms of the Plan.

2. DEFINED TERMS AND INTERPRETATION

2.1. Defined Terms

2.1.1. In this Plan, the following words and expressions have, unless the context otherwise requires, the meanings set out below:

Additional Capital Injection	A capital injection into the Company after the Amendment Date either against issuance of Shares or in the form of Subordinated Debt, in an accumulated amount of at least EUR 20 million, which is in addition to and beyond the Capital Injection.
Additional Israeli Notes	The additional Israeli Notes issued to Israeli Noteholders in satisfaction of unpaid interest accrued on the Israeli Notes until 31 December 2013 in accordance with clause 3.1.4.
Additional Shares	The additional Shares to be issued to the Israeli Trustees in accordance with section 3.2.
Amendment Date	The Amendment Date is the date on which the amendment of the Original Terms of the Notes enters into effect as set by the Company in accordance with section 3.1.16. It is hereby clarified that in any event the Amendment Date will occur after

	the Effective Date as defined below.
Annex	An annex to this Plan.
Asset Value	The value of the Company's rights in all assets held directly by the Company or indirectly through Subsidiaries or affiliated companies (in such case, the value of the relevant asset shall be multiplied by the effective holding percentage of the Company in the Subsidiary or the affiliated company which holds the relevant asset, as the case may be), all of which in accordance with the most up-to-date valuations as available to the Company on the date of determination of the Asset Value, and if and to the extent at such date, in the opinion of the Company's management, a devaluation occurs (with respect to the up-to-date valuation) with regard to any such asset, the value of the asset will be updated accordingly. For the purpose of calculating the Asset Value, the value of the Casa Radio project in Romania (a mixed use retail, leisure and office project comprising GBA 555,000 sqm including parking spaces) shall be: (i) EUR 50 million; or (ii) the fire sale value appraised on a distressed basis, in the event that: (a) an investor or a partner has entered into a participation (directly or indirectly) entitling him to at least 20% of the economic interest in the Casa Radio project or (b) a binding arrangement is reached with the relevant Romanian authorities with respect to the timetable for executing the Casa Radio project or an agreement is reached on the extension of the term of the lease of the land that is used for the Casa Radio project or (c) the Group has entered into a debt finance agreement for the project in an amount of no less than EUR 25 million; or (iii) the value based on an up-to-date valuation on a non-distressed basis in the event that nine (9) months have lapsed since an investor or a partner has entered into a participation (directly or indirectly) entitling him to at least 20% of the economic interest in the Casa Radio project or the Group has entered into a debt finance agreement for the project in an amount of no less than EUR 25 million.

	The Asset Value as defined above is only relevant for the purpose of calculating the Coverage Ratio.
Business Day	A day which is a business day on which banks conduct regular operations in the Netherlands, Israel and Poland.
Capital Injection	A capital injection into the Company of at least EUR 20 million minus the aggregate nominal value of the Noteholder Shares and the Additional Shares, by means of a rights issue.
Cash Reserve	The aggregate balance of all cash and cash equivalents (that may be included in the Company's consolidated financial statements under the items cash and cash equivalents and under the items short term deposits, financial assets held for trading or long term deposits of the Group ("additional Cash Value", provided that such Additional Cash Value can be converted into cash immediately and without limitation on its use by the Group).
Commencement Date	18 November 2013, being the date on which the preliminary suspension of payment proceedings of the Company commenced.
Company	Plaza Centers N.V.
Coverage Ratio	Is equal to (A) – (B) / (D) × 100%, where (A) is equal to the Asset Value plus the cash and cash equivalents; (B) is equal to the liabilities of the Group owed to banks that are secured by an Encumbrance over any rights or assets of the Group or structurally or otherwise rank in priority ahead of the Plan Claims; and (D) is equal to the aggregate amount of remaining Plan Claims plus all other liabilities of the Group that rank pari passu with the Plan Claims and that are not Subordinated Debt. An example of the calculation of the Coverage Ratio is attached as **Annex 1**.

DBC	The Dutch Bankruptcy Code (*Faillissementswet*).
Deferred Debt Ratio	Series A – 21.23%, Series B – 70.44%, Polish Bonds – 8.33%. In the event, that the one of series of Notes has been repaid in full prior to the full repayment of the other series of Notes, then as of such date, the Deferred Debt Ratio, shall be divided pro-rata between the remaining series of Notes based on the aforesaid ratios.
Disposition	Sale, lease, assignment, grant, transfer, encumbrance or any other disposal of assets, rights, property, or any part thereof.
Distribution	A distribution of dividend to the Company's shareholders and/or any other dividend-like distribution to the Company's shareholders, including share repurchase.
Effective Date	The date on which the Plan becomes effective and binding on all Plan Creditors, being the date on which the confirmation decision (*homologatiebeslissing*) of the Amsterdam District Court becomes irrevocable (*in kracht van gewijsde gegaan*);
Elbit	Elbit Ultrasound (Luxembourg) B.V./S.à.r.l. together with Elbit Imaging Ltd.
Encumbrance	Any pledge, charge, assignment by way of pledge or any other form of security.
Examination Date	The date of approval of the Company's consolidated audited annual financial statements or its consolidated reviewed quarterly financial statements, as the case may be.
Exercise Event	Any of the following events: (i) a Disposition of a Real Estate Asset of the Company or a Subsidiary, (ii) the incurrence of any new Financial Indebtedness by the Company or a Subsidiary but excluding new Financial Indebtedness incurred for the purpose of purchase of, investment in or development of a Real Estate Asset, or (iii) the refinancing of a Real Estate

	Asset, but excluding a refinancing for the purpose of an investment in or the development of a Real Estate Asset.
Financial Indebtedness	A debt that is owed to a financial creditor of the Company or a Subsidiary, including debts owed under guarantees that have been granted and/or which the Company and/or a Subsidiary will grant, but excluding: (i) guarantees and/or undertakings granted in connection with completion and performance of a project regarding the construction or development of a Real Estate Asset (cost overrun guarantees); (ii) guarantees granted in the ordinary course of business in a cumulative amount which shall not exceed EUR 200,000-; (iii) loans granted directly to the Company by one or more of its shareholders, provided that: (a) the interest rate of the loan is not higher than the lowest interest rate due under the Notes, (b) in the event the loan is not repaid within a period of six (6) months, it shall become Subordinated Debt; and (c) the lenders are not permitted to call for an immediate repayment of the loan or to demand the Company's liquidation in connection with such loan; and (iv) Subordinated Debt.
First Interest Payment Date	The date after 12 calendar days have lapsed from the First Record Date or such other the date as the Tel Aviv Stock Exchange may determine.
First Record Date	The first Trading Day following the day on which the Noteholder Shares and the Additional Israeli Notes have been issued.
Group	The Company together with all Subsidiaries.
Guarantee Claim	Any claim of a Plan Creditor against the Company guaranteeing or otherwise securing one or more claims that

	such Plan Creditor has against a Subsidiary or third party.
Guarantee Creditor	A Plan Creditor with a Guarantee Claim.
Israeli Noteholders	Series A Noteholders and Series B Noteholders.
Israeli Notes	Series A Notes and Series B Notes.
Israeli Trustees	The Series A Trustee and the Series B Trustee jointly.
Koregaon Park Project	The project known as Koregaon Park Plaza located in Pune, India.
London Stock Exchange	London Stock Exchange, plc.
LTC Ratio	The amount of the loan used to finance the relevant project, divided by the cost of the project as estimated on the date of the granting of the loan, multiplied by 100% ("loan to cost"). For the purpose of calculating the LTC Ratio, the "cost of the project" shall include the construction cost of the project, including the entire construction, planning, and development costs, as well as the cost of the land.
Majority	Any of the Plan Creditors whose remaining Plan Claims aggregate more than 67% of the total Plan Claims held by the Plan Creditors that have voted at a particular meeting convened for the purpose of voting on a particular matter.
Minimum Cash Reserve	Shall mean: (i) the amount estimated by the Company's management required to pay all administrative and general expenses and interest payments to the Noteholders falling due in the following six (6) months, minus sums of proceeds from transactions that have already been signed (by the Company or a Subsidiary) and closed and that to the expectation of the Company's

management have a high probability of being received during the following six (6) months; or

(ii) in the event an Additional Capital Injection has occurred: an amount calculated in accordance with sub-section (i) above whereby the aforesaid period of six (6) months is reduced to three (3) months.

After repayment or prepayment of an aggregate amount of at least NIS 434,000,000[1] of the principal of the Notes, excluding linkage differentials, the Minimum Cash Reserve as calculated under sub-sections (i) or (ii) above (as applicable) shall be reduced by 50%.

Minimum Coverage Ratio A Coverage Ratio equal to (i) 118%, or (ii) 115% in the event that an Additional Capital Injection occurs or (iii) 120% in the event any of the following circumstances occur in relation to the Casa Radio project: (a) a third party investor or partner has entered into a participation (directly or indirectly) entitling him to at least 20% of the interest in the Casa Radio project; or (b) a binding arrangement with the relevant Romanian authorities has been reached with respect to the timetable for executing the Casa Radio project, or an agreement has been reached on the extension of the lease period for the land that is used for the Casa Radio project; or (c) the Company has entered into a debt finance agreement for the project in amount of at least EUR 25 million.

Minimum LTC Ratio The minimum LTC Ratio shall be:

(i) 50% or,

(ii) 40% in the event that a partner enters, directly or indirectly, the relevant existing project against a cash or cash equivalent investment (but excluding against offsetting debt) and is entitled, directly or indirectly, to at least 20% of the rights in the project.

[1] If the repayment is not in NIS – pursuant to the exchange rate of the foreign currency compared to the NIS on the repayment date.

Net Asset Value of the Unsold Shopping Malls	The amount equal to the value of the Unsold Shopping Malls based on the most recent valuation in the Company's possession minus the balance of the Financial Indebtedness of the Subsidiaries holding (the rights to) the relevant Unsold Shopping Malls. In the event of a sale of part of the rights in one of the said malls, then the value of the unsold rights in the said mall shall be added to the Net Asset Value of the Unsold Shopping Malls, for the purpose of calculating the Coverage Ratio.
Net Cash Flow	The net proceeds in cash actually received by the Company, as the result of an Exercise Event that occurred after 15 May 2014. For the avoidance of doubt: net proceeds means the proceeds actually received by the Company, after deducting: (1) the full debt amount that has to be repaid to banks as a result of the Exercise Event, (2) the full debt amounts repaid to the banks in case of a refinancing, (3) in case the relevant Exercise Event occurred in a Subsidiary – the sums required for repaying the existing undertakings towards the creditors of that Subsidiary due to such Exercise Event; and (4) all direct expenses related to the asset, such as fees, and direct sale expenses to third parties, brokerage expenses, loan expenses and tax expenses (as the case may be) but excluding overhead and costs of the Group's officers and employees.
NIS	New Israeli Shekel.
Noteholder Shares	The Shares issued to the Noteholders in accordance with clause 3.2.
Noteholders	Series A Noteholders, Series B Noteholders and Polish Noteholders.
Notes	The Series A Notes, the Series B Notes and the Polish Bonds, jointly;
Original Terms of the	The original terms and conditions of the Series A Trust Deed,

Notes	the Series B Trust Deed, and the Polish Bond Terms as those applied before being amended and restated pursuant to this Plan.
Other Claims	All unsecured non-preferred claims against the Company other than claims arising out of Notes or Guarantee Claims.
Other Creditors	All creditors with Other Claims.
Outstanding Notes Debt	The Unpaid Principal Balance of the Notes plus the accrued and unpaid interest due pursuant to the terms of the Notes outstanding at any relevant time in respect of the Notes.
Plan	This restructuring plan (*akkoord*) including all Annexes.
Plan Claims	All unsecured non-preferred claims against the Company that are subject to this Plan pursuant to Article 273 DBC.
Plan Creditors	All creditors with Plan Claims.
Polish Bond Terms	The original terms and conditions of the series A bonds with a nominal value of PLN 100,000 per bond and total nominal value of PLN 60,000,000 issued by the Company on 16 November 2010 under Polish law with ISIN: NL0009524107, as set forth in the offering memorandum dated 16 November 2010, and subsequently amended and restated pursuant to this Plan.
Polish Bonds	All notes issued and outstanding pursuant to the Polish Bond Terms.
Polish Bonds Deferred Interest	The interest accrued and not yet paid for the principal of the Polish Bonds until December 31, 2013. As per December 31, 2013, the Polish Bonds Deferred Interest amounts to PLN 2,764,997, which amounts to EUR 665,574.71 using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.

Polish Noteholders	Plan Creditors that are holders of Polish Bonds;
Real Estate Asset	Rights in lands or in real estate projects of various types (such as: residential, malls and mixed-use projects of commercial and residential property) as well as rights in an entity holding any of the aforesaid assets.
Series A Deferred Interest	The interest accrued and not yet paid on the principal of the Series A Notes until December 31, 2013, linked to the Israeli consumer index pursuant to the Series A Trust Deed. As per December 31, 2013, the Series A Deferred Interest amounts to NIS 6,652,927, which amounts to EUR 1,389,500.21, using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.
Series A Noteholders	Holders of Series A Notes.
Series A Notes	All notes issued and outstanding pursuant to the Series A Trust Deed;
Series A Trust Deed	The Trust Deed dated 4 July 2007 by and between the Company and Hermetic Trust (1975) Ltd. as trustee to the Series A Noteholders, as amended by Amendments No. 1 and 2. to that Trust Deed dated 31 January 2008 and March 10, 2014, respectively as subsequently amended and restated pursuant to this Plan.
Series A Trustee	Hermetic Trust (1975) Ltd.
Series B Deferred Interest	The interest accrued and not yet paid on the principal of the Series B Notes until December 31, 2013, linked to the Israeli consumer index pursuant to the Series B Trust Deed. As per December 31, 2013, the Series B Deferred Interest amounts to NIS 16,055,758, which amounts to EUR 3,353,332.92, using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.

Series B Noteholders	Holders of Series B Notes.
Series B Notes	All notes issued and outstanding pursuant to the Series B Trust Deed;
Series B Trust Deed	The trust deed dated 31 January 2008 by and between the Company and Reznik Paz Nevo Trust Ltd. as trustee as amended by Amendment No. 1 to that trust deed dated 17 February 2008, and March 10, 2014, as subsequently amended and restated pursuant to this Plan.
Series B Trustee	Reznik Paz Nevo Trust Ltd.
Shares	Ordinary shares in the Company of EUR 0.01 par value each.
Shopping Malls	The four shopping malls (directly or indirectly) held by Subsidiaries of the Company known as Torun Plaza and Suwalki Plaza located in Poland, Kragujevac Plaza in Serbia, and Riga Plaza in Latvia.
Subordinated Debt	Means debt that is subordinated to the Plan Claims. Debt shall be considered to be subordinated to the Plan Claims if such debt may not be repaid, before the Plan Claims have been satisfied in full, and shall also be a subordinated debt in case of liquidation.
Subsidiary	All corporations, limited liability companies, partnerships, joint ventures, joint stock companies and other entities in which the Company holds, directly or indirectly, at least 50% of the capital or the rights (as the case may be) or an entity controlled, directly or indirectly, by the Company.
Suspension of Payment Proceedings	The preliminary suspension of payment proceedings (*voorlopige surseance van betaling*) applicable to the Company.

TASE	Tel Aviv Stock Exchange Ltd.
Terms of the Notes	The terms and conditions set forth in the Series A Trust Deed, the Series B Trust Deed and the Polish Bond Terms.
Trading Day	A day on which trading occurs on the TASE.
Trust Deeds	The Series A Trust Deed and the Series B Trust Deed.
Unpaid Principal Balance of the Notes	The Unpaid Principal Balance of the Series A Notes, the Unpaid Principal Balance of the Series B Notes, and the Unpaid Principal of the Polish Bonds, jointly, all expressed in euro's using the exchange rate as published by the European Central Bank at the relevant time. As of December 31, 2013, the aggregate Unpaid Principal Balance of the Notes amounts to EUR 205,804,336.91, using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.
Unpaid Principal Balance of the Polish Bonds	The outstanding balance, as it may be from time to time, of the nominal value of the unpaid Polish Bonds plus, for the purpose of this definition, the Polish Bonds Deferred Interest. As of December 31, 2013, this balance amounts to PLN 62,764,997 (including the Polish Bonds Deferred Interest) which amounts to EUR 15.108.441,13 using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.
Unpaid Principal Balance of the Series A Notes	The outstanding balance, as it may be from time to time, of the nominal value of the unpaid Series A Notes (which as of January 1, 2014 will also include the Series A Deferred Interest), all of which is linked to the Israeli consumer index as set forth in the Series A Trust Deed. As of December 31, 2013, this balance amounts to NIS 302,338,505 (including the Series A Deferred Interest), which amounts to EUR 63,145,051.17, using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.

2.2.	**Unpaid Principal Balance of the Series B Notes**	The outstanding balance, as it may be from time to time, of the nominal value of the unpaid Series B Notes (which as of January 1, 2014 will also include the Series B Deferred Interest), all of which is linked to the Israeli consumer index as set forth in the Series B Trust Deed. As of December 31, 2013, this balance amounts to NIS 610,713,444 (including the Series B Deferred Interest), which amounts to EUR 127,550,844.61, using the exchange rate per close of business on 31 December 2013 as published by the European Central Bank.
	Unsold Shopping Malls	The remaining (rights in any) Shopping Malls at any time (or any part thereof) that have not yet been sold.

Rules of Interpretation and Annexes

2.2.1. For purposes of this Plan, unless otherwise provided herein:

(i) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural;

(ii) the Annexes form a binding and integral part of this Plan and any reference to this Plan shall include a reference to the Annexes.

3. TERMS OF THE PLAN

3.1. Terms Applicable to Noteholders

As of the Amendment Date the Original Terms of the Notes shall be amended as follows:

Deferral of principal payments

3.1.1. Each principal payment under the Notes due in the years 2013, 2014 and 2015 pursuant to the Original Terms of the Notes shall be deferred by exactly four and a half (4,5) years and each principal payment due pursuant to the Original Terms of the Notes in subsequent years (i.e., 2016 and 2017) will be deferred by exactly one (1) year.

3.1.2. In the event that the Company does not succeed in prepaying an aggregate amount of at least NIS 434,000,000[2] of the principal of the Notes, excluding linkage differentials within a period of two years from the Amendment Date or before 1 December 2016 (whichever is earlier), then

[2] If the repayment is not in NIS – pursuant to the exchange rate of the foreign currency compared to the NIS on the repayment date.

all principal payments under the Notes deferred in accordance with clause 3.1.1. above, shall be advanced by one (1) year (i.e., shall become due one (1) year earlier).

3.1.3. The revised payment schedules under the Notes are attached as **Annex 2**.

Interest payments

3.1.4. All unpaid interest accrued on the Israeli Notes until and including 31 December 2013 shall be paid by the Company by issuing shortly following the Amendment Date such additional number of Series A Notes to the Series A Noteholders and such additional number of Series B Notes to the Series B Noteholders (Additional Israeli Notes) that the total notional amount of the Additional Israeli Notes increased with the linkage differential accrued until and including December 31, 2013, is at least equal to the amount of unpaid interest accrued until and including 31 December 2013. The Additional Israeli Notes shall be issued in satisfaction of the unpaid interest accrued until said date for no further consideration.

3.1.5. All unpaid interest accrued on the Polish Bonds until and including 31 December 2013 shall be paid on the earlier of (i) the early redemption date, (ii) the call option redemption date or (iii) the redemption date as defined in the Polish Bond Terms together with all annually compounded interest calculated as from the Amendment Date with the same interest periods and rates as applicable to the principal due under the Polish Bonds.

3.1.6. On the First Interest Payment Date, the Company shall make an interest payment to the Noteholders in an amount that is equal to the higher of: (i) EUR 11.6 million, or (ii) the accrued and unpaid interest on the Notes as of January 1 2014 until the last day prior to the First Interest Payment Date. If the amount of EUR 11.6 million is the higher, then this amount will be divided among and paid to the Noteholders as follows: Series A – EUR 2.50 million, Series B – EUR 8.17 million, Polish Bonds – EUR 0.93 million. These amounts shall first be applied towards payment of unpaid interest accrued on the Notes as of 1 January 2014 until the First Interest Payment Date. Any remainder shall be an advance on and be set-off against future interest payments.

3.1.7. The amount to be paid to the Israeli Noteholders in accordance with section 3.1.6 above, shall be deposited in a trust account or with a nominee company prior to the Amendment Date as stipulated in the Trust Deeds.

3.1.8. All interest accrued on the Notes after the First Interest Payment Date shall be paid on the ordinary (bi-annual) interest payment dates in accordance with the Terms of the Notes.

Interest rate

3.1.9. Effective from 1 January 2014, the interest rate applicable to the Notes shall increase by 1.5% per annum.

Discretionary Early Prepayments of the Notes

3.1.10. The Company shall be allowed to make early prepayments on any part of the Outstanding Notes Debt without any penalty becoming due.

Mandatory Early Prepayment of the Notes

(I) Calculating the Mandatory Prepayment Amount

3.1.11. Upon the Occurrence of an Exercise Event as a result of which a positive Net Cash Flow is generated, the Company shall make an early prepayment of the Outstanding Notes Debt, in a total amount that is equal to the Mandatory Prepayment Amount (as defined below), which will include the following amounts and be calculated as follows:

(a) "Interest Prepayment Amount" - the amount of interest on the Unpaid Principal Balance of the Notes that has accrued in the given interest period (until the early repayment date) but has not yet fallen due, plus any applicable linkage differentials on such interest; and

(b) "Principal Prepayment Amount" - 75% of the Balance of the Net Cash Flow (as defined below).

However, in the event an Additional Capital Injection occurs and 50% or 60% of the Unpaid Principal Balance of the Notes outstanding on the Amendment Date has already been repaid[3], the aforesaid 75% ratio will be decreased to 60% or 50%, respectively.

The Interest Prepayment Amount and the Principal Prepayment Amount, are hereinafter collectively referred to as the: "**Mandatory Prepayment Amount**".

(II) Balance of the Net Cash Flow

"Balance of the Net Cash Flow" shall mean: the balance (if any) of the Net Cash Flow generated as a result of an Exercise Event, after deducting: (1) 100% (or less, at the Company's discretion) of the Interest Prepayment Amount - in case the Exercise Event is related to the Shopping Malls; or (2) 50% (or less, at the Company's discretion) of

[3] Excluding repayment of Notes which were sold by a Subsidiary following the Amendment Date.

the Interest Prepayment Amount in case the Exercise Event is unrelated to the Shopping Malls, provided, that such balance is positive.

(III) *The Use of the Amounts under the Mandatory Early Prepayment*

The Interest Prepayment Amount shall be used for the prepayment of interest that has accrued on the Notes in the given interest period but not yet fallen due.

The Principal Prepayment Amount shall be used for the prepayment of the Unpaid Principal Balance of the Notes to be allocated among the Noteholders in proportion to the Deferred Debt Ratio, and shall be applied towards repayment of the first principal payments falling due in accordance with the Terms of the Notes.

(IV) *Minimum Prepayment Amount*

Any early prepayment under this section 3.1.11 shall be made only in case the Mandatory Prepayment Amount is higher than EUR 2 million. In the event, the Mandatory Prepayment Amount is not higher than EUR 2 million ("**Minimum Amount**") it will be paid together with a future Mandatory Early Prepayment if and when the sum exceeds the Minimum Amount.

(V) *Timing of Mandatory Early Prepayment*

Mandatory Early Prepayment shall be performed, if required, within a calendar quarter following the date on which Company has received the Net Cash Flow, and no more than once in each calendar quarter.

Notwithstanding the aforesaid, in case the receipt of Net Cash Flow triggering the Early Mandatory Prepayment provisions in this section 3.1.11 occurs during the period that begins on May 15, 2014 and ends on the Amendment Date, then such Early Prepayment shall be made on the First Interest Payment Date.

(VI) *Receipt of Net Cash Flow by a Subsidiary*

In the event that the Net Cash Flow from the relevant Exercise Event is received by a Subsidiary, the Company will perform any action reasonably required in order to procure that the Net Cash Flow is transferred from the relevant Subsidiary to the Company no later than 14 days following receipt of the proceeds by the Subsidiary, unless such transfer is not possible within the said timeframe due to legal and/or other regulatory limitations or due to other limitations which are not under the Company's or the Subsidiary's control. In case such limitations exist, the Company shall act to remove the relevant limitations and transfer the relevant Net Cash Flow to the

Company on the date on which such limitation is removed and during that period the Subsidiary will not use the relevant Net Cash Flow and this amount will be deposited in solid bank deposit. Sums which were not transferred from the relevant Subsidiary to the Company within 14 days following receipt of the proceeds by the Subsidiary, due to limitations which are not under the Company's or the Subsidiary's control, shall only be used, once transferred to the Company, for repayment of principal.

(VII) Mandatory Early Prepayment of the Outstanding Notes Debt under this section 3.1.11 shall not be made by way of purchase of the Notes.

(VIII) Notwithstanding the aforesaid, the Mandatory Early Prepayment obligation shall not apply to any proceeds from Koregaon Park Project.

Restrictions on Issuance of Additional Notes

3.1.12. The Company undertakes not to issue any additional Notes other than as expressly provided for in this Plan.

Issuance of additional Securities

3.1.13. Subject to the terms of this Plan and the Terms of the Notes, the Company shall be entitled to issue, at any point in time, without the need to obtain any approval of the Noteholders or the Israeli Trustees, other notes or other series of notes or other securities of any kind or type whatsoever, and on such terms as the Company shall deem fit.

Restrictions on Amendments to the Terms of the Notes

3.1.14. The Company shall not be entitled to amend the Terms of the Notes, with the exception of purely technical changes, unless such amendment is approved under the terms of the relevant series and the applicable law and the Company also obtains the approval of the Noteholders of all other series of notes issued by the Company by ordinary majority.

Amendment of the Original Terms of the Notes

3.1.15. The amendment of the Original Terms of the Notes shall enter into effect on The Amendment Date. Before the amendment of the Original Terms of the Notes pursuant to this Plan becomes effective, the Company shall do all that is necessary to procure that by no later than 30 November 2014:

(i) a Capital Injection has occurred;

(ii) the Shares of the Company have been listed on the Tel Aviv Stock Exchange;

(iii) a pre-ruling from the Israeli tax authority is received on the tax implications for the Israeli Note Holders resulting from the amendment of the Original Terms of the Notes.

(iv) the Israeli Trustees have received signed undertakings from the Subsidiaries as set forth in section 3.5.14 below[4].

(v) the amount of interest to be paid to the Israeli Noteholders on the First Interest Payment Date pursuant to section 3.1.6 of this Plan, has been deposited in a Trust Account or with the Nominee Company as defined and stipulated in the Trust Deeds;

(vi) an amount of NIS 25,000 has been deposited with each of the Israeli Trustees as required under section 4c of the Trust Deeds.

3.1.16. The Company shall set a date that lies within a period of 10 Trading Days after completion of the actions set forth in section 3.1.15 above, on which date the amendment of the Original Terms of the Notes pursuant to this Plan shall take effect (the Amendment Date).

3.1.17. As of the Amendment Date the Original Terms of the Notes shall be amended and restated as set forth in **Annex 3** (Series A Trust Deed), **Annex 4** (Series B Trust Deed) and **Annex 5** (Polish Bond Terms).

3.1.18. During the period between the Effective Date and the Amendment Date (assuming the Effective Date will occur before the Amendment Date) (i) the Original Terms of the Notes shall remain in effect, albeit that Noteholders shall not be entitled to demand payment or enforce any claims under the Notes, unless and to the extent expressly provided otherwise in this Plan, and (ii) the Company shall do nothing that is forbidden under the terms of this Plan.

3.1.19. If the Company has failed to procure that all of the actions set forth in section 3.1.15 are completed before 30 November 2014, or fails to procure that the Additional Israeli Notes and the Noteholder Shares are issued in accordance with the terms of this Plan within 10 Trading Days following the Amendment Date, this Plan shall cease to be effective and the Original Terms of the Notes shall return to full force and effect.

3.1.20. The Terms of the Notes should be interpreted in conjunction with the terms of the Plan. In the event of a conflict between the terms of the Plan and the Terms of the Notes, the Terms of the Notes shall prevail.

[4] Any future new Subsidiary established folllowing the Amendment Date, shall sign and deliver to the Israeli Trustees a respective undertaking following its establishment.

3.2. Capital Injection and Issuance of Shares to Noteholders

Capital Injection by means of rights issue

3.2.1. The Company shall procure that a Capital Injection occurs after the Effective Date and before 30 November 2014 by means of a rights issue.

Issue of Noteholder Shares

3.2.2. Following the Amendment Date the Company shall issue new Shares representing on a aggregate basis (post issuance) 13.2106% of the Company's Shares issued and outstanding following the Capital Injection, to the Noteholders recorded as such on the Amendment Date (with the exception of a Subsidiary that holds Notes) at nominal value (EUR 0.01).

3.2.3. The Noteholder Shares shall be allocated among the Noteholders recorded as such on the Amendment Date as follows: Series A - 2.8660%; Series B –9.2197%; Polish Bonds – 1.1249%. Noteholders shall not be entitled to fractional shares and the number of shares to be allocated to each Bondholder shall be rounded down to the nearest integer.

3.2.4. The Company shall procure that the Noteholder Shares and the Additional Israeli Notes are listed for trade on the TASE, as soon as practicable after issuance.

Payment of nominal value by issue of Additional Shares

3.2.5. Simultaneously with the issue of the Noteholder Shares to the Noteholders, the Company shall issue Additional Shares to the Israeli Trustees.

3.2.6. The number of Additional Shares to be issued shall be equal to:

$$(N \times \text{EUR } 0.01) / (S - \text{EUR } 0.01) \quad \text{rounded down to the nearest integer}$$

where:

N = the number of Noteholder Shares to be issued

S = the subscription price of the rights issue for the Capital Injection expressed in euro's using the exchange rate (if applicable) as published by the ECB on the date that Elbit deposits the purchase price for the Additional Shares as stipulated below.

3.2.7. The Additional Shares shall be allocated among the Israeli Trustees as follows:

Series A Trustee: (A + P) / T

Series B Trustee: B / T

Where

A = the number of Noteholder Shares allocated to the Series A Noteholders

B = the number of Noteholder Shares allocated to the Series B Noteholders

P = the number of Noteholder Shares allocated to the Polish Noteholders

T = the total number of Noteholder Shares.

3.2.8. The Israeli Trustees shall, and are hereby instructed to, sell the Additional Shares to be received by each of them to Elbit at a purchase price per Share that is equal to the subscription price of the rights issue for the Capital Injection.

3.2.9. Elbit shall deposit the purchase price (the "**Purchase Price**") for the Additional Shares allocated to each of the Israeli Trustees in an account designated by them, before the Noteholder Shares and the Additional Shares are issued.

3.2.10. The Series A Trustee shall, and is hereby instructed to, use the Purchase Price received by it to pay the nominal capital contribution of EUR 0.01 per share that is due to the Company for the issue of Noteholder Shares to the Series A Noteholders and the Polish Bondholders and for the issue of Additional Shares allocated to the Series A Trustee.

3.2.11. The Series B Trustee shall, and is hereby instructed, to use the Purchase Price received by it to pay the nominal capital contribution of EUR 0.01 per share that is due to the Company for the issue of Noteholder Shares to the Series B Noteholders and for the issue of Additional Shares allocated to the Series B Trustee.

3.2.12. Simultaneously with the payment of the nominal contribution due to the Company for the issue of the Noteholder Shares and the Additional Shares, the Israeli Trustees shall, and are instructed to, transfer the Additional Shares held by each of them to Elbit.

3.2.13. The Noteholders hereby release the Israeli Trustees from and waive any (potential) liability in connection with the issue, sale and transfer of the Additional Shares and the application of the Purchase Price towards payment of the nominal capital contribution for the Noteholder Shares and Additional Shares as set out above.

3.3. Terms Applicable to Guarantee Creditors

3.3.1. Guarantee Creditors shall not exercise their rights under any Guarantee Claim for a period of four (4) years from the Effective Date. After said four (4) year period, a Guarantee Creditor is allowed to enforce its Guarantee Claim provided that:

(i) all collateral granted as security for the underlying guaranteed obligation has been realised; and

(ii) without prejudice to any further limitation contained in the relevant guarantee or undertaking, if the actual proceeds are lower than 90% of the fair market value of the realized collateral, the remaining Guarantee Claim shall be reduced by the difference between 90% of the fair market value of the collateral as determined by an external appraiser (to be agreed between the relevant Guarantee Creditor and the Company and failing such agreement the President of the District Court of Amsterdam) within a period of not more than three months prior to the sale of the asset on the one hand and the actual proceeds realized by the relevant Guarantee Creditor on the other hand.

3.4. Terms Applicable to Other Creditors

3.4.1. All Other Claims will be deferred by a period of four (4) years as of the Effective Date.

3.5. Terms Applicable to all Plan Creditors

Coverage Ratio covenant

3.5.1. In the event that the Coverage Ratio is lower than the Minimum Coverage Ratio, then as from the first Examination Date on which a breach of the Coverage Ratio covenant has been established and for as long as the breach is continuing, the Company shall not perform any of the following: (a) a sale, directly or indirectly, of a Real Estate Asset owned by the Company or a Subsidiary, with the exception that it shall be permitted to transfer Real Estate Assets in performance of an obligation to do so that was entered into prior to the said Examination Date, (b) investments in new Real Estate Assets; or (c) an investment that regards an existing project of the Company or of a Subsidiary, unless it does not exceed a level of 20% of the construction cost of such project (as approved by the lending bank of these projects) and the LTC Ratio of the project remains equal to or greater than the Minimum LTC Ratio.

3.5.2. The Coverage Ratio will be examined four (4) times per year on the approval date of the Company's consolidated audited annual financial statements and of its consolidated reviewed

quarterly financial statements and the Company shall report on compliance with this covenant on each Examination Date.

3.5.3. If a breach of the Minimum Coverage Ratio covenant has occurred and continued throughout a period comprising two (2) consecutives Examination Dates following the first Examination Date on which such breach has been established, then such breach shall constitute an event of default under the Trust Deeds and Polish Bond Terms, and the group of (i) Series A Noteholders, (ii) Series B Noteholders, (iii) Polish Bondholders, and (iv) Guarantee and Other Creditors shall, each as a separate group acting by Majority vote, be entitled to declare by written notice to the Company that all or a part of their respective (remaining) Plan Claims become immediately due and payable.

Limitations on Incurring new Financial Indebtedness by the Company and the Subsidiaries

3.5.4. The Company undertakes not to incur any new Financial Indebtedness (including by way of refinancing an existing Financial Indebtedness with new Financial Indebtedness) until the Outstanding Notes Debt has been repaid in full, except in any of the following events:

(i) the new Financial Indebtedness is incurred for the purpose of investing in the development of a Real Estate Asset, provided that: (a) the LTC Ratio of the investment is not less than the Minimum LTC Ratio; (b) the new Financial Indebtedness is incurred by the Subsidiary that owns the Real Estate Asset or, if the Financial Indebtedness is incurred by a different Subsidiary, any Encumbrance created as security for such new Financial Indebtedness is permitted under section 3.5.7(i) below; and (c) following such investment the Cash Reserve is not less than the Minimum Cash Reserve;

(ii) the new Financial Indebtedness is incurred by a Subsidiary for the purpose of purchasing a new Real Estate Asset by such Subsidiary, provided that following such purchase the Cash Reserve is not less than the Minimum Cash Reserve.

(iii) at least 75% of the Net Cash Flow resulting from the incurrence of new Financial Indebtedness is used to for a Mandatory Early Prepayment of the Notes under section 3.1.11 above. It shall be clarified that, subject to the terms of this Plan, the Group may also refinance existing Financial Indebtedness if this does not generate Net Cash Flow.

3.5.5. Notwithstanding the aforesaid, in the event that an Additional Capital Injection occurs then the restrictions under section 3.5.4 shall not apply to investments in an aggregate amount less than or equal to the amount of the Additional Capital Injection.

Negative Pledge on Real Estate Assets of the Company

3.5.6. The Company undertakes that until the Outstanding Notes Debt has been repaid in full, it shall not create any Encumbrance on any of the Real Estate Assets, held, directly or indirectly, by the Company except in the event that the Encumbrance is created over the Company's interests in a Subsidiary as additional security for Financial Indebtedness incurred by such Subsidiary which is secured by Encumbrances on assets owned by that Subsidiary as permitted by the terms of this Plan.

Negative Pledge on the Real Estate Assets of Subsidiaries

3.5.7. The Subsidiaries shall undertake that until the Outstanding Notes Debt has been repaid in full, none of them will create any Encumbrance on any Real Estate Assets except in the event that:

(i) the Subsidiary creates an Encumbrance over a Real Estate Asset owned by such Subsidiary exclusively as security for new Financial Indebtedness incurred for the purpose of purchasing, investing in or developing such Real Estate Asset;
Notwithstanding the aforesaid, Subsidiaries shall be entitled to create an Encumbrance on land as security for Financial Indebtedness incurred for the purpose of investing in and developing, but not for purchasing, a Real Estate Asset held by a different Group company (hereinafter: a "**Cross Pledge**"), provided the total value of the lands owned by the Group charged with Cross Pledges after the Commencement Date does not exceed EUR 35 million, calculated on the basis of book value (the "**Sum of Cross Pledges**"). When calculating the Sum of Cross Pledges, lands that were charged with Cross Pledges created prior to the Commencement Date or created solely for the purpose of refinancing an existing Financial Indebtedness shall be excluded.

(ii) the Encumbrance is created over an asset as security for new Financial Indebtedness that replaces existing Financial Indebtedness and such asset was already encumbered prior to the refinancing. For the avoidance of doubt, any Net Cash Flow generated from such refinancing, shall be subject to the Mandatory Early Prepayment provision in section 3.1.11 above;

(iii) the Encumbrance is created over interests in a Subsidiary as additional security for Financial Indebtedness incurred by such Subsidiary which is secured by Encumbrances on assets owned by that Subsidiary as permitted by sub-section (i) above, or

(iv) the Encumbrance is created as security for New Financial Indebtedness that is incurred for purposes other than the purchase of and/or investment in and development of a Real Estate Asset, provided that at least 75% of the Net Cash Flow generated from such new

Financial Indebtedness is used for Mandatory Early Prepayment in accordance with section 3.1.11 above.

Permitted Disposals

3.5.8. The Company and the Subsidiaries shall not procure or permit the occurrence of an Exercise Event with respect to any Real Estate Asset of the Group unless the Net Cash Flow resulting from such Disposal is used for Mandatory Early Prepayment in accordance with section 3.1.11 above.

3.5.9. The Company and the Subsidiaries shall not perform or permit a Disposition, directly or indirectly, or a refinancing of the Shopping Malls, unless the cumulative Net Cash Flow resulting from such Disposition or refinancing amounts to at least EUR 70 million. If the Disposition or the refinancing occurs only with respect to some but not all of the Shopping Malls, then such Disposition or refinancing shall not be permitted unless the Net Asset Value of the Unsold Shopping Malls plus the aggregate Net Cash Flows received from the intended Disposition or refinancing and from any previous Disposition or refinancing of a Shopping Mall amounts to at least EUR 70 million.

Permitted Investments

3.5.10. The Company agrees that an investment in new or existing Real Estate Assets of the Group shall only be permitted provided following such investment the Cash Reserve is not less than the Minimum Cash Reserve and the Coverage Ratio not less than the Minimum Coverage Ratio.

3.5.11. In the event the Coverage Ratio is lower than the Minimum Coverage Ratio, investments in existing projects of the Company or of Subsidiaries shall only be permitted if the investment does not exceed a level of 20% of the construction cost of such project (as approved by the lending bank of these projects) and the LTC Ratio of the project remains equal to or greater than the Minimum LTC Ratio in accordance with section 3.5.1(c) above.

No Distributions

3.5.12. The Company shall not make any Distributions, unless (i) at least 75% of the Unpaid Principal Balance of the Notes as per the Amendment Date has been repaid[5] and the Coverage Ratio on the last Examination Date prior to such Distribution is not less than 150% following such Distribution, or (ii) a Majority of the Plan Creditors consents to the proposed Distribution.

[5] For the purpose of this examination, the repayment of Notes sold by a Subsidiary of the Company after the Amendment Date shall not be considered as repaid Notes.

3.5.13. Notwithstanding the aforesaid, in the event an Additional Capital Injection occurs, then after one year following the date of the Additional Capital Injection, no restrictions other than those under the applicable law shall apply to dividend distributions in an aggregate amount up to 50% of such Additional Capital Injection.

Undertakings of Subsidiaries

3.5.14. Each of the Subsidiaries shall undertake (subject to the Plan becoming effective and the amendment of the Original Terms of the Notes pursuant to this Plan entering into effect) to act in accordance with and to be bound by and to comply with the obligations and undertakings set forth in sections 3.1.11(VI), 3.5.1, 3.5.4, 3.5.7, 3.5.8, 3.5.9 and 3.5.11 of this Plan and shall issue such undertaking no later than 4 June 2014.

Waiver of Claims

3.5.15. Each Plan Creditor hereby releases, to the extent permitted by law, the Company and all other companies of the Group, the current and former directors and officers of the Group, all direct and indirect shareholders of the Group (and their respective directors, officers, employees, agents, counsels or anyone acting on their behalf), from any and all liability under any applicable law other than with respect to claims or demands regarding which the grounds are fraud or malice or other ground for which a release is not permitted by law.

3.5.16. Without derogating from the aforesaid, full and binding mutual waiver of claims with respect to the Series A Noteholders and the Series B Noteholders, will enter into effect on the Amendment Date, attached as **Annex 6** to this Plan.

3.6. Miscellaneous

The Company shall as from the Effective Date publish its annual reviewed consolidated financial statements to the public, no later than three (3) calendar months following the end of the calendar year. In addition, as of the Effective Date and until the Outstanding Notes Debt has been repaid in full, the Company undertakes to publish reviewed consolidated financial statements on a quarterly basis, no later than two (2) months following the end of each of the first three (3) calendar quarters of each year. The Company shall include, within the quarterly and annual financial statements, a detailed report regarding its compliance with the undertakings under sections 3.5.1, 3.5.4, 3.5.6, 3.5.7, 3.5.8, 3.5.9, 3.5.10. 3.5.11 and 3.5.12 of this Plan and the performance of Mandatory Early Prepayments under section 3.1.11 of this Plan.

3.6.1. The Company will use reasonable endeavours to ensure that the general and administrative expenses, based on the Company's current level of operations, does not exceed an amount of EUR 7.5 million per year.

3.6.2. Each Plan Creditor shall provide all cooperation and take all such further actions as may be required to give effect to, execute and implement this Plan and the debt restructuring contemplated thereby.

3.6.3. This Plan will not be binding and will not create any rights or obligations and no rights can be derived or inferred from the Plan before the Effective Date.

3.6.4. Any notice or request made to the Company in connection with this Plan shall be made in writing and made by courier or certified mail to:

Plaza Centers N.V.
Prins Hendrikkade 48-S
1012 AC Amsterdam
The Netherlands
Attention: Mr. Uzi Eli
Email: uzi.eli@plazacenters.com.

In each case with copy (which shall not constitute notice hereunder) to:

RESOR N.V.
PO Box 75965
1070 AZ Amsterdam
The Netherlands
Attention: Mr. N.W.A. Tollenaar
Email: nico.tollenaar@resor.nl

3.6.5. This Plan, as well as all rights and obligations arising out of or in connection with this Plan, shall be governed by the laws of the Netherlands, without prejudice to the fact that the Series A Trust Deed, the Series B Trust Deed and the Polish Bond Terms are and shall continue to be governed by Israeli and Polish law respectively.

3.6.6. The Court of Amsterdam, the Netherlands shall have exclusive jurisdiction over any dispute arising out of or in connection with this Plan, without prejudice to the fact that any dispute arising from the Series A Trust Deed, the Series B Trust Deed and the Polish Bond Terms is

and shall remain subject to the (exclusive) jurisdiction of the Israeli and Polish courts, as applicable.