

DIRECTOR IRREVOCABLE UNDERTAKING

TO: Atrium European Real Estate Limited (AERE)

Gazit Hercules 2020 Limited (Newco)

Fifth Floor, 37 Esplanade, St. Helier, Jersey, JE1 2TR

22 November 2021

Dear Sirs,

Proposed merger of AERE and Newco

1. Offer

In this Undertaking, the “**Merger**” means the proposed statutory merger between Newco and AERE under Part 18B of the Companies (Jersey) Law 1991 (as amended) (the **Law**), substantially on the terms set out in the announcement released by Newco and AERE on 18 October 2021 (the **Announcement**).

2. Ownership of shares

I undertake to Newco and AERE that:

- 2.1 I am the beneficial owner of (or am otherwise able to control the exercise of all rights, including voting rights, attaching to) the number of ordinary no par value shares issued in the capital of AERE (the **AERE Shares**) specified in Schedule 1 (the **Existing AERE Shares**);
- 2.2 Save as set out in Schedule 1, and other than in relation to interests over AERE Shares pursuant to AERE’s share option schemes (if any), I am not interested in any other AERE Shares and I do not have any rights to subscribe, purchase or otherwise acquire any AERE Shares; and
- 2.3 I have full power and authority and the right (free from any legal or other restrictions) to enter into this Undertaking and to perform my obligations under it.

3. Dealings and undertakings

3.1 Subject to paragraph 3.2, I undertake to Newco and AERE that (other than in connection with the Merger) in respect of the Existing AERE Shares or any other shares in the capital of AERE issued or unconditionally allotted to, or otherwise acquired by, me (including through the exercise of options) or any shares in the capital of AERE in respect of which I become the registered holder and/or beneficial owner, (**Further AERE Shares** and, together with the Existing AERE Shares, the **Shares**) before this Undertaking lapses, I shall not (and shall procure that the registered holder shall not):

- 3.1.1 sell, transfer, charge, encumber, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) the Shares;
- 3.1.2 vote the Shares in favour of any resolution to approve an acquisition or any other transaction which is proposed by any person other than Newco or which would otherwise hinder or impede the implementation of the Merger;
- 3.1.3 in my capacity as a shareholder of AERE, accept, or give any undertaking (whether conditional or unconditional) to accept any offer, or approve any offer made or

proposed to be implemented by way of a contractual offer, scheme of arrangement or otherwise in respect of AERE Shares by any person other than Newco; or

3.1.4 in my capacity as a shareholder of AERE, enter into any agreement or arrangement, incur any obligation or give any indication of intent (or permit such circumstances to occur):

(a) to do all or any of the acts referred to in paragraphs 3.1.1, 3.1.2 and 3.1.3 above; or

(b) in relation to, or operating by reference to, the Shares,

which would restrict or impede giving effect to the Merger by any person or my ability to comply with this Undertaking,

and for the avoidance of doubt, references in this paragraph 3.1.4 to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not legally binding or subject to any condition, or which is to take effect upon or following the Merger being terminated or withdrawn, or upon or following this Undertaking ceasing to be binding, or upon or following any other event.

3.2 Paragraph 3.1 shall not restrict me from transferring some or all of my Shares (in one or more transactions) (such Shares being **Transferred Shares**) to my close relatives and/or related trusts provided that:

3.2.1 I notify you no less than five business days before such transfer;

3.2.2 such transfer is undertaken as part of my *bona fide* tax planning; and

3.2.3 the transferee or beneficiary enters into, and delivers to Newco and AERE, an undertaking in favour of Newco and AERE on terms no less favourable to Newco and AERE than those set out in this Undertaking.

4. **Undertaking to vote in favour of the Merger**

4.1 I hereby irrevocably undertake to Newco and AERE:

4.1.1 to exercise, or where applicable, to procure the exercise of all voting rights attaching to my Shares to vote in favour of all resolutions to approve the Merger, and any related matters (including those that would assist in the implementation of the Merger), proposed at any general meeting (**GM**) of AERE to be convened and held in connection with the Merger, or at any adjournment of any such GM;

4.1.2 to, in respect of Shares held in certificated form:

(a) execute (or procure the execution by the registered holder of) all relevant forms of proxy in respect of all of my Shares validly appointing any person nominated by Newco to attend and vote at any GM (or any adjournment thereof) in respect of the resolutions to approve the Merger and any related matters; and

(b) lodge (or procure the lodgement of) such executed forms of proxy by not later than the relevant proxy cut-off date as set out in the circular to AERE shareholders setting out the terms and conditions of the Merger (the **Shareholder Circular**);

- 4.1.3 in respect of Shares held in uncertificated form, to instruct (or procure that my nominee, broker or custodian instructs) the Euroclear sponsor to complete and transmit Euroclear proxy instructions in accordance with the instructions set out in the Shareholder Circular to vote in favour of the resolutions to approve the Merger and any related matters at the GM with such instructions to be sent by no later than the deadline for submission of Euroclear proxy instructions set out in the Shareholder Circular; and
 - 4.1.4 not to revoke or amend any form of proxy or Euroclear proxy instruction submitted in accordance with paragraphs 4.1.2 or 4.1.3, in writing, electronically or by attendance at any GM (or any adjournment of it) or otherwise; and
 - 4.1.5 in my capacity as a shareholder of AERE, to execute (or procure the execution of) all such documents or do (or procure the doing of) such acts and things as may be necessary or desirable to be executed or done by me for the purposes of giving effect to this Undertaking.
- 4.2 In the event that the Merger is modified or amended with the agreement of Newco and the Independent Committee of the Board of Directors of AERE, I confirm and agree that this Undertaking shall continue to be binding mutatis mutandis in respect of the Shares.

5. **Voting Rights and Prejudicial Action**

In my capacity as a beneficial owner of AERE Shares, I hereby irrevocably undertake that:

- 5.1 I shall not exercise (or procure the exercise of) any of the voting rights attached to the Shares at the GM other than in accordance with this Undertaking;
- 5.2 I shall not exercise (or procure the exercise of) the voting rights attached to the Shares on any resolution which would assist implementation of the Merger if it were passed or rejected at a general, class or other meeting of AERE shareholders (a **Resolution**) other than in accordance with Newco's directions;
- 5.3 I shall not requisition or join in the requisition of any general or class meeting of AERE shareholders for the purpose of considering any such Resolution and require AERE to give notice of such Resolution other than in accordance with Newco's directions; and
- 5.4 I shall not exercise (nor procure the exercise of) the voting rights attached to the Shares for any resolution which: (i) might prevent or delay implementation of the Merger; or (ii) purports to approve or give effect to a proposal by a person other than Newco, to acquire (or have issued to it) any AERE Shares (whether by way of statutory merger, scheme or arrangement or otherwise) or any assets of AERE.

6. **Consents**

I agree to:

- 6.1 promptly inform you of all information you may require in order to comply with the requirements of the Law or of other applicable law or regulation and immediately notify you in writing of any material change in the accuracy or import of any such information and consent to the public disclosure of such information, in each case in connection with the Merger;
- 6.2 the issue of the Announcement with the references to me and to particulars of this Undertaking;

6.3 particulars of this Undertaking being set out in any other announcement or document issued in connection with the Merger and in the Shareholder Circular; and

6.4 this Undertaking being available for inspection during the offer (and any related competition reference period) in accordance with the Law.

7. Announcing and Proceeding with the Merger

I acknowledge that the release of the Announcement is at Newco and the Independent Committee of the Board of Directors of AERE's absolute discretion. For the avoidance of doubt, nothing in this Undertaking shall oblige Newco or AERE to announce or proceed with the Merger.

8. Lapse of Undertaking

8.1 All of my obligations pursuant to this Undertaking will lapse and cease to have effect on the earliest of the following occurrences:

8.1.1 the Merger is terminated or withdrawn in accordance with its terms;

8.1.2 the Merger Implementation Agreement terminates in accordance with its terms; or

8.1.3 if Newco publicly announces that it does not intend to proceed with the Merger.

8.2 If my obligations in this Undertaking lapse, I shall have no claim against Newco or AERE and Newco and AERE shall have no claim against me, other than in respect of any prior breach of any of the terms of this Undertaking.

9. Confirmation

I confirm and accept that UBS AG, London Branch (being the Independent Committee of the Board of Directors of AERE's financial adviser) (acting through its investment bank) is not acting for me in relation to the Merger and is not responsible to me for providing protections afforded to its clients or advising me on any matters relating to the Merger.

10. Other

10.1 Any time, date or period referred to in this Undertaking may be extended by mutual agreement but as regards any time, date and period originally fixed or as extended, time shall be of the essence.

10.2 I have been given a realistic opportunity to consider whether or not I should give this Undertaking.

10.3 I agree that damages may not be an adequate remedy for breach of this Undertaking and, accordingly, Newco or AERE may be entitled to the remedies of specific performance, injunction or other equitable remedies or any analogous remedy as deemed appropriate by the Royal Court of Jersey.

10.4 This Undertaking shall bind my estate and personal representatives.

10.5 The ejusdem generis principle of construction shall not apply to this Undertaking. Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar

expression shall be construed as illustrative and shall not limit the sense of the words following or preceding those terms.

10.6 In this Undertaking, references to:

10.6.1 “**business day**” shall mean any day on which commercial banks are normally open for full banking business in Israel, Jersey, Austria, the Netherlands and the United States;

10.6.2 “**Merger**” shall include any increased proposals made by or on behalf of Newco; and

10.6.3 “**Merger Implementation Agreement**” shall mean the merger implementation agreement setting out certain mutual commitments to implement the Merger entered into between Newco and AERE on 17 October 2021;

10.6.4 being “**interested in**” or having “**interest in**” shall mean, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an “**interest**” by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

10.7 The parties agree that this Undertaking replaces and supersedes entirely the previous undertaking given by Mr Neil Flanzraich in relation to the same subject matter signed by the parties on 17 October 2021 (the **Original Undertaking**). The parties irrevocably waive any rights or claims that they may have under the Original Undertaking.

11. **Governing Law and Jurisdiction**

This Undertaking and all non-contractual obligations arising from or in connection with this Undertaking are governed by and construed in accordance with Jersey law. I submit to the exclusive jurisdiction of the Royal Court of Jersey to settle any dispute arising from or connected with this Undertaking (a **Dispute**) (including a dispute regarding the existence, validity or termination of this Undertaking or relating to any non-contractual or other obligation arising out of or in connection with this Undertaking or its formation). I agree that the Royal Court of Jersey is the most appropriate and convenient courts to settle any Dispute and accordingly, will not argue to the contrary.

I understand and confirm that:

- (i) this Undertaking is legally binding; and
- (ii) subject to the terms of this Undertaking, I will not be able to withdraw from the commitment in this Undertaking, nor (save as permitted) will I be able to deal in any of the Shares, or accept any other offer for the Shares.

SCHEDULE 1

Existing AERE Shares

No. of ordinary shares of Neil Flanzraich in AERE	Exact name(s) of registered holder as appearing on the register of members	Beneficial owner
35,741	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.	Neil Flanzraich

Dated: November 2021

Signed by

)
) *Neil Flanzraich*
Neil Flanzraich

Director name:

Acknowledged and Agreed:

for and on behalf

of Gazit Hercules 2020 Limited

Signed by

.....
Chaim Katzman

Signed by

.....
Zvi H. Gordon

Acknowledged and Agreed:

for and on behalf

of Gazit Hercules 2020 Limited

Signed by

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Chaim Katzman

Signed by


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Zvi H. Gordon

Signed by Neil Franzraich

for and on behalf of

**ATRIUM EUROPEAN REAL
ESTATE LIMITED**

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Neil Franzraich