

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services (Jersey) Law 1998 if you are in Jersey, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside Jersey.

If you have sold or otherwise transferred all of your Atrium Shares, please send this document (but not any personalised accompanying documents) and any reply-paid envelope at once 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. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Atrium Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred Atrium Shares in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should visit Atrium's website (www.aere.com) to obtain the Form of Proxy or the Form of Instruction, as applicable.

The release, publication or distribution of this document and the accompanying documents in or into jurisdictions other than Jersey, the Netherlands and Austria may be restricted by the laws or regulations of those jurisdictions and therefore persons into whose possession this document (and the accompanying documents) comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction.

Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Merger or otherwise, in any jurisdiction in which any such offer, invitation or solicitation is unlawful. No such offer, invitation or solicitation shall require Newco, Gazit or Atrium to publish a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This document is not a prospectus.

Circular to shareholders

ATRIUM EUROPEAN REAL ESTATE LIMITED

Proposed merger with Gazit Hercules 2020 Limited (an indirect wholly owned subsidiary of Gazit-Globe Limited)

**to be implemented by means of a statutory merger under
Part 18B of the Companies (Jersey) Law 1991, as amended**

and

Notice of Extraordinary General Meeting

This document, together with the accompanying Form of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chairman of the Committee of Independent Atrium Directors in Part 1 (*Letter from the Chairman of the Committee of Independent Atrium Directors*) of this document, which contains the unanimous recommendation of the Independent Atrium Directors that you vote in favour of the Merger Resolutions at the Merger Extraordinary General Meeting.

The Independent Atrium Directors continue to closely monitor the coronavirus pandemic and our priority at this time remains the health, safety and wellbeing of all of our stakeholders. As part of its monitoring, the Atrium Directors have noted, in particular, the continued easing of public health restrictions in Jersey in line with guidance from the States of Jersey most recently updated on 21 October 2021. Based on the latest guidance, it is not currently anticipated that attendance in person at the Merger Extraordinary General Meeting would be unlawful. In light of ongoing uncertainty as to any additional and/or alternative public health measures that may be put in place by the Jersey government, and in order to protect the health and safety of Atrium Shareholders while also maximising attendance, the Merger Extraordinary General Meeting will be held as a hybrid meeting, meaning Atrium Shareholders will be able to attend and participate either (i) remotely via teleconference or (ii) in person at 11-15 Seaton Place, St. Helier, Jersey JE4 0QH. References in this document to attendance of the Merger Extraordinary General Meeting shall mean attendance at the Merger Extraordinary General Meeting either remotely or in person. The Independent

Atrium Directors will continue to monitor the situation and any changes to these hybrid arrangements for the Merger Extraordinary General Meeting will be communicated to Atrium Shareholders before the Merger Extraordinary General Meeting, including through our website (www.aere.com) and by announcement.

Notice of the Merger Extraordinary General Meeting of Atrium, to be held on 23 December 2021, is set out on pages 38 to 41 of this document. The Merger Extraordinary General Meeting will start at 10.00 a.m. on that date.

A summary of actions to be taken by Atrium Shareholders and persons holding interests in Atrium Shares through Euroclear is set out on pages 17 to 19 of this document.

Persons who hold interests in Atrium Shares through Euroclear should instruct Euroclear (through Atrium's proxy agent Van Lanschot Kempen N.V. (**VLK**)) how to vote in respect of their interests in Atrium Shares held through Euroclear by following the instructions set out on pages 7 to 10 of this document. Persons who hold interests in Atrium Shares through Euroclear are asked to return the enclosed Form of Instruction through their account holding bank or broker in accordance with the instructions printed on the Form of Instruction as soon as possible but in any event so that the account holding bank or broker may forward the Form of Instruction (via an intermediary of Euroclear) to VLK so as to be received by no later than 10.00 a.m. on 17 December 2021 (or, in the case of an adjourned meeting, not less than 96 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in the Netherlands).

If you hold interests in Atrium Shares through Euroclear, you are strongly encouraged to complete and submit the Form of Instruction to your account holding bank or broker as soon as possible and, in any event, by 13 December 2021, in order to enable VLK to receive your Form of Instruction by 17 December 2021.

Atrium Shareholders who hold Atrium Shares directly (that is, not through Euroclear) are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the Form of Proxy as soon as possible, but in any event so as to be received by Aztec Financial Services (Jersey) Limited not later than 10.00 a.m. on 21 December 2021 (or, in the case of an adjourned meeting, not less than 48 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in Jersey).

If the Form of Instruction or the Form of Proxy is not lodged so as to be received by the times mentioned above and in accordance with the instructions on that Form of Instruction or Form of Proxy, it will be invalid.

The details of the teleconference will be provided with this document to registered Atrium Shareholders. Upon receipt by VLK of a Form of Instruction which stipulates a desire from a person who holds interests in Atrium Shares through Euroclear to attend the Merger Extraordinary General Meeting, VLK shall send by email the details of the teleconference to such person or his/her/their designated individual. Such persons should also ensure that their email address (or the email address of the individual appointed on their behalf) is included in the relevant section of Box 1 of Section B of the relevant Form of Instruction to be used by persons who hold interests in Atrium Shares through Euroclear.

If you have any questions about this document, the Merger, the Merger Extraordinary General Meeting, or how to complete the Form of Instruction or the Form of Proxy, please refer to the FAQs which are available on Atrium's website at www.aere.com or email Georgeson at atrium@georgeson.com. You can also call the shareholder helpline on: 0043 800 017876 (for calls outside of Austria, which are charged at the applicable international rate) or 0800 017876 (freephone, for calls from within Austria). If you would prefer to receive a call back, please contact atrium@georgeson.com. The helpline is open between 8.00 a.m. and 4.00 p.m. GMT, Monday to Friday, excluding public holidays. Please note that the helpline cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of UBS in connection with this document, any statement contained herein, the Merger or otherwise.

Goldman Sachs Israel LLC (**Goldman Sachs**) is acting exclusively for Gazit and Newco and no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Gazit and Newco for providing the protections afforded to clients of Goldman Sachs, or for providing advice in connection with this document, any statement contained herein, the Merger or otherwise.

IMPORTANT NOTICE

Overseas jurisdictions

The ability of Atrium Shareholders who are not resident in and citizens of the Netherlands, Austria, the United Kingdom or Jersey to participate in the Acquisition may be affected by the laws of the Relevant Jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the Netherlands, Austria, the United Kingdom or Jersey should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The release, publication or distribution of this document in or into jurisdictions other than the Netherlands, Austria, the United Kingdom or Jersey may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the Netherlands, Austria, the United Kingdom or Jersey should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes of complying with Jersey law, Dutch law, English law and Austrian law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the Netherlands, Austria, the United Kingdom and Jersey. Jersey law will apply in respect of the Acquisition.

This document will not be made available, directly or indirectly, in or into, or by use of the mails or any other means or instrumentality (including facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and no person may vote in favour of (or against) the Acquisition by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this document and formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send it in, into or from a Restricted Jurisdiction.

Notice to shareholders in the United States

The Acquisition relates to shares in a Jersey company and is proposed to be made by means of a statutory merger under Jersey law. The Acquisition will relate to the shares of a Jersey company that is a “foreign private issuer” as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a statutory merger under Jersey company law is not subject to the shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Moreover, the Acquisition will be subject to the disclosure requirements and practices applicable in Jersey to statutory mergers under Jersey company law, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in (or incorporated by reference into) this document has been prepared in accordance with accounting standards applicable in Jersey that may not be comparable to the standards used in preparing the financial statements of US companies.

Neither the SEC nor any US state securities commission has approved or disapproved any offer, or passed comment upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for US Holders of Atrium Shares to enforce their rights and any claim arising out of the US federal securities laws, since Atrium and Newco are each located in a non-US jurisdiction, and some or all of their officers and directors are residents of non-US jurisdictions. US Holders of Atrium Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

The settlement procedure with respect to the Merger will be consistent with Jersey practice, which differs from US domestic tender offer procedures in certain material respects.

Notice to shareholders in Israel

This document does not constitute an offer of securities in the state of Israel.

Neither this document nor any document accompanying or referenced in this document has been reviewed, qualified or approved by the Israeli Securities Authority or any other governmental or regulatory body.

Neither Atrium, Newco, Gazit nor any member of the board of directors of the foregoing is a licensed investment services provider or intends to be licensed as an investment services provider (whether investment advisers, marketers or portfolio managers) under Israel's Regularisation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the **Investment Services Law**) or necessarily maintains insurance as required of a licensee under such law. Nothing in this document or its accompanying or referenced documents may be considered counselling or advice regarding the worthwhileness of an investment, holding, purchase or sale of Atrium Shares, or of any Securities or Financial Assets, each as defined under the Investment Services Law. A Merger Shareholder is encouraged to consult with its own financial advisers prior to making any decision in connection with the Merger.

Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Merger, and other information published by Newco, Gazit and/or Atrium contain statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Newco, Gazit and/or Atrium about future events, and are therefore subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Merger on Newco, Gazit and Atrium, the expected timing and scope of the Merger and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Newco, Gazit and Atrium believe that the expectations reflected in such forward-looking statements are reasonable, Newco, Gazit and Atrium can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These factors include: the ability to complete the Acquisition; the ability to obtain requisite approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Newco, Gazit and Atrium operate; weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations; the degree of competition in the geographic and business areas in which Newco, Gazit and Atrium operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Newco, Gazit nor Atrium, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Newco, Gazit nor Atrium is under any obligation, and Newco, Gazit and Atrium expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings, for each share for Newco, Gazit or Atrium, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings, for each share for Newco, Gazit or Atrium, as appropriate.

No offer or solicitation

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security.

Publication on website

A copy of this document will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Atrium's website at www.aere.com and on Gazit's website at <https://www.gazitglobe.com/investor-relations/news-and-updates/>. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this document.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Date of publication

This document is dated 23 November 2021.

TO VOTE ON THE MERGER

The information on pages 7 to 10 of this document should be read in conjunction with the rest of this document, in particular the section headed “*Action to be taken by Atrium Shareholders*” in Part 1 (*Letter from the Chairman of the Committee of Independent Atrium Directors*) set out on pages 17 to 19 of this document and the Notice of Extraordinary General Meeting at the end of this document.

IF YOU HOLD INTERESTS IN ATRIUM SHARES THROUGH EUROCLEAR, YOU ARE STRONGLY ENCOURAGED TO COMPLETE AND SUBMIT A FORM OF INSTRUCTION TO YOUR ACCOUNT HOLDING BANK OR BROKER AS SOON AS POSSIBLE AND, IN ANY EVENT, BY 13 DECEMBER 2021 IN ORDER TO ENABLE VLK TO RECEIVE YOUR FORM OF INSTRUCTION BY 17 DECEMBER 2021.

Merger Extraordinary General Meeting

Whether or not you plan to attend the Merger Extraordinary General Meeting, you should:

1. if you hold interests in Atrium Shares through Euroclear, complete, sign and return the Form of Instruction through your account holding bank or broker as soon as possible and, in any event, so that the account holding bank or broker may forward the Form of Instruction (via an intermediary of Euroclear) to proxy agent VLK so as to be received not later than 10.00 a.m. on 17 December 2021 (or, in the case of an adjourned meeting, not less than 96 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in the Netherlands); and
2. if you are a registered holder of Atrium Shares, complete, sign and return the Form of Proxy as soon as possible and, in any event, so as to be received not later than 10.00 a.m. on 21 December 2021 (or, in the case of an adjourned meeting, not less than 48 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in Jersey).

If the Form of Instruction or Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Instruction or Form of Proxy, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the Merger Extraordinary General Meeting and voting in person, if you so wish.

Any person who holds interests in Atrium Shares through Euroclear and who wishes to instruct Euroclear on the way in which Euroclear will exercise the voting rights attached to such Atrium Shares at the Merger Extraordinary General Meeting must complete the Form of Instruction and send the Form of Instruction to its account holding bank or broker so that its account holding bank or broker may forward such Form of Instruction (via an intermediary of Euroclear) to VLK. Upon receipt of the Form of Instruction, VLK will communicate the instruction, as reflected in the Form of Instruction received by it, of such persons to Euroclear. Euroclear, as the registered member, will return a Form of Proxy to reflect the Form of Instruction in the manner as set out below.

Any Atrium Shareholder who wishes to vote must, by completing the Form of Proxy, name either itself, a third party or the Chairman of the meeting as a proxy. The person nominated as a proxy need not be a member or a holder of interests in Atrium Shares, but must attend the meeting in person. If no name is entered on a Form of Proxy, the return of the Form of Proxy duly signed will be a deemed nomination of the Chairman of the respective meeting as the proxy.

Atrium Shareholders who wish to appoint a proxy may do so by using the procedures described in the Form of Proxy. All Atrium Shareholders are entitled to participate in the Merger Extraordinary General Meeting.

Persons who hold interests in Atrium Shares through Euroclear should ensure that the completed Form of Instruction is submitted to your account holding bank or broker as soon as possible and, in any event, by 13 December 2021 so that your account holding bank or broker may forward the Form of Instruction (via an intermediary of Euroclear) to VLK well in advance of 17 December 2021. Euroclear, as the registered member, will return the Form of Proxy to reflect the Form of Instruction.

In order for a Form of Instruction to be valid, persons who hold interests in Atrium Shares through Euroclear should send the Form of Instruction to their account holding bank or broker so that their account holding bank or broker may forward (via an intermediary of Euroclear) the Form of Instruction together with a confirmation of holding to proxy agent VLK (by email to proxyvoting@kempen.nl or by fax to: +31 20 348 9549) so as to be received not later than 10.00 a.m. on 17 December 2021 (or, in the case of an adjourned meeting, not less than 96 hours before the time set for an adjourned meeting, excluding any

part of a day that is not a working day in the Netherlands). In accordance with Atrium's articles of association, the offices of VLK have been specified by Atrium as the place at which account holding banks or brokers (via an intermediary of Euroclear) must deposit the Form of Instruction. Once the Form of Instruction and confirmation from the relevant account holding bank or broker has been submitted to proxy agent VLK, the relevant account holding bank or broker will receive a confirmation from VLK. Any power of attorney or other authority under which the Form of Instruction is signed (or a copy of such power of attorney or authority certified notarially) must be sent with the Form of Instruction.

The details of the teleconference will be provided with this document to registered Atrium Shareholders. Upon receipt by VLK of a Form of Instruction which stipulates a desire from a person who hold interests in Atrium Shares through Euroclear to attend the Merger Extraordinary General Meeting, VLK shall send by email the details of the teleconference to such person or his/her/their designated individual. Such persons should also ensure that their email address (or the email address of the individual appointed on their behalf) is included in the relevant section of Box 1 of Section B of the relevant Form of Instruction to be used by persons who hold interests in Atrium Shares through Euroclear.

In order for a proxy appointment to be valid, only registered holders of Atrium Shares should send the Form of Proxy to Aztec Financial Services (Jersey) Limited (by email to atrium@aztegroup.co.uk) so as to be received not later than 10.00 a.m. on 21 December 2021 (or, in the case of an adjourned meeting, not less than 48 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in Jersey). Once an Atrium Shareholder's Form of Proxy has been submitted to Aztec Financial Services (Jersey) Limited, such Atrium Shareholder will receive a proxy confirmation. Any power of attorney or other authority under which the Form of Proxy is signed (or a copy of such power of attorney or authority certified notarially) must be sent with the Form of Proxy.

If you wish to appoint more than one proxy in respect of your shareholding, please contact Aztec Financial Services (Jersey) Limited by email to atrium@aztegroup.co.uk to obtain (an) additional Form(s) of Proxy.

The completion and return of the Form of Proxy or the submission of a proxy will not prevent registered holders of Atrium Shares from attending and voting at the Merger Extraordinary General Meeting, or any adjournments of such meetings, in person should you wish to do so and are entitled to do so.

Reduction Extraordinary General Meeting

If the Merger Resolutions receive the requisite approvals from Atrium Shareholders at the Merger Extraordinary General Meeting and the creditor and/or shareholder waiting periods, and any associated processes, have been fulfilled, a further extraordinary general meeting of Atrium Shareholders will be held in order to approve the Reduction Special Resolution.

Full details of the proposed reduction of capital, including the Reduction Special Resolution will be set out in a further notice of extraordinary general meeting of Atrium, which is expected to be published on 17 January 2022 (assuming that no objections to the Merger have been received by creditors or Atrium Shareholders in accordance with Jersey law).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Merger:

Event	Time and/or date
Date of Merger Implementation Agreement	17 October 2021
Announcement of the proposed Merger	18 October 2021
Publication and posting of this document, the Notice of Extraordinary General Meeting, the Form of Proxy and the Form of Instruction	23 November 2021
Recommended date for submission of Forms of Instruction by persons holding an interest in Atrium Shares through Euroclear to their account holding banks or brokers	By 13 December 2021
Latest time for lodging Forms of Instruction by persons holding an interest in Atrium Shares through Euroclear for the Merger Extraordinary General Meeting	10.00 a.m. on 17 December 2021
Latest time for lodging Forms of Proxy by Atrium Shareholders for the Merger Extraordinary General Meeting	10.00 a.m. on 21 December 2021
Merger Voting Record Time	6.00 p.m. on 21 December 2021
Merger Extraordinary General Meeting	10.00 a.m. on 23 December 2021
Announcement of results of the Merger Extraordinary General Meeting via a Regulatory Information Service	To be released immediately following the Merger Extraordinary General Meeting on 23 December 2021
Despatch of notice to creditors of Atrium and Newco in relation to the proposed Merger	23 December 2021
Publication of notice in Jersey Gazette	23 December 2021
Last date for creditors of Atrium and/or Newco to deliver to Atrium a written objection to the Merger pursuant to Article 127FE(2)(a) of the Companies Law	13 January 2022
Last date for holders of Atrium Shares to apply to the Court for an order under Article 143 of the Companies Law	13 January 2022
Publication and posting of the notice of extraordinary general meeting in respect of the Reduction Extraordinary General Meeting (including a form of proxy and form of instruction)	17 January 2022
Ex-dividend date for Special Dividend	6.00 p.m. on 31 January 2022
Reduction Extraordinary General Meeting	10.00 a.m. on 1 February 2022
Filing of solvency statement and minute of reduction with Registrar in connection with reduction of capital	1 February 2022
Delivery to the Registrar of all relevant documents in relation to the Merger, as required under Article 127FJ of the Companies Law	1 February 2022
Special Dividend Record Time	6.00 p.m. 1 February 2022
Special Dividend Payment Date	4 February 2022
Last day of trading in Atrium Shares	14 February 2022
Suspension of trading in Atrium Shares on the Exchanges	From, and including, 15 February 2022
Merger Record Time	6.00 p.m. (GMT) on 17 February 2022

Expected date of completion and effectiveness of the Merger and reduction of capital (subject to the Conditions being satisfied or waived) i.e. Closing and the date that the Registrar of Companies in Jersey registers the final notices in connection with the Merger pursuant to Article 127FM of the Companies Law	18 February 2022
Settlement of the consideration payable under the Merger to each Merger Shareholder	18 February 2022
De-listing of Atrium Shares in Amsterdam and Vienna	As soon as practicable after Closing
Longstop Date	17 April 2022 (see Note 1)

 Note:

(1) This is subject to extension in the event that objections are raised from creditors of Atrium or Atrium Shareholders.

All references in this document to times are to Jersey time unless otherwise stated. The dates and times given are indicative only and are based on Atrium’s current expectations and may be subject to change (including as a result of changes to the regulatory timetable). Furthermore, the indicative dates have been prepared on the basis that there are no lawful objections filed by any Atrium Shareholders or creditors in accordance with Jersey law. If any of the expected times and/or dates above change, the revised times and/or dates will be notified to Atrium Shareholders and persons who hold interests in Atrium Shares through Euroclear by announcement.

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PART 1

LETTER FROM THE CHAIRMAN OF THE COMMITTEE OF INDEPENDENT ATRIUM DIRECTORS

Committee of Independent Atrium Directors:
Neil Flanzraich (Chairman of the Committee of Independent
Atrium Directors and Non-Executive Director)
Andrew Wignall (Non-Executive Director)
Lucy Lilley (Non-Executive Director)
David Fox (Non-Executive Director)
Zvi Heifetz (Non-Executive Director)

Registered Office:
11-15 Seaton Place
St. Helier
Jersey
JE4 0QH

Incorporated in Jersey with registered number
70371

23 November 2021

Dear Atrium Shareholders

Proposed acquisition of Atrium by way of statutory merger under the provisions of the Companies (Jersey) Law 1991, as amended

1. Introduction

On 18 October 2021, the Independent Atrium Directors and the board of directors of Newco, which is an indirect wholly owned subsidiary of Gazit, announced that they had reached agreement on the terms and conditions of a recommended cash acquisition of the entire issued and to-be-issued ordinary share capital of Atrium that is not already owned, directly or indirectly, by Gazit and members of the Gazit Group for cash at a price of EUR 3.63 per Atrium Share. The Acquisition is to be implemented by means of a statutory merger between the Company and Newco under Part 18B of the Companies Law.

I am writing to you today to set out the terms, and provide further details, of the Merger and the background to and reasons why the Independent Atrium Directors consider the terms of the Merger to be fair and reasonable, and are unanimously recommending that you vote in favour of the Merger Resolutions at the Merger Extraordinary General Meeting.

In order to approve the Acquisition:

- (a) two thirds of Atrium Shareholders; and
- (b) a Majority of the Minority

must vote in favour of the Merger Resolutions to be proposed at the Merger Extraordinary General Meeting, which is to be held on 23 December 2021 at 10.00 a.m. at 11-15 Seaton Place, St. Helier, Jersey JE4 0QH.

2. Summary of the terms of the Merger

On 17 October 2021, Atrium and Newco entered into a Merger Implementation Agreement pursuant to which the parties agreed that Newco will be merged with and into Atrium, upon the terms and subject to the conditions set out in the Merger Implementation Agreement, with Atrium surviving as an indirect wholly owned subsidiary of Gazit. On 22 November 2021, Atrium and Newco entered into an amendment letter in respect of the Merger Implementation Agreement (the **Amendment Letter**). The Amendment Letter clarifies that the Newco share capital which is in issue immediately prior to Closing will be cancelled, and that Atrium shall pay to Midas the nominal value of each such share.

Under the terms of the Merger Implementation Agreement, Atrium Shareholders (other than holders of the Excluded Shares) will be entitled to receive EUR 3.63 in cash (inclusive of the Special Dividend Amount) for each Atrium Share held immediately before the effective time of the Merger (the **Merger Price**).

The Merger Price implies a 23.9 per cent. premium to the unaffected Atrium Share price as of 30 July 2021 (the last trading day before the announcement of the Initial Proposal) and a 22.3 per cent. premium to the 30-day VWAP to 30 July 2021.

Shareholders are also entitled to retain any dividends paid by Atrium before the Closing Date. It is expected that dividends will be paid based on the quarterly AFFO (which is estimated to approximate adjusted EPRA earnings less recurring capex (i.e. maintenance capex), in line with commonly used real estate market practice), with a final AFFO Dividend payable on a pro rata basis for the period from the last quarterly AFFO Dividend to the Closing Date.

Before the Closing Date, subject to any legal restriction and provided the Merger Resolutions and the Reduction Special Resolution have received the relevant approvals by Atrium Shareholders, Atrium also intends to pay a special dividend of EUR 0.60 per Atrium Share to all Atrium Shareholders (the **Special Dividend**) on the register of members of Atrium at the Special Dividend Record Time. Indicative dates for the Special Dividend Record Time and the Special Dividend Payment Date have been provided in this document and these dates will be confirmed by Atrium as soon as reasonably practicable following the Reduction Extraordinary General Meeting, which is expected to take place on 1 February 2022. The Merger Price will be reduced by the Special Dividend Amount.

Any individual or entity that becomes an Atrium Shareholder and/or a person holding interests in Atrium Shares through Euroclear after the Special Dividend Record Time will not be entitled to receive the Special Dividend. Atrium Shareholders and persons holding interests in Atrium Shares through Euroclear on the Special Dividend Record Time, but not on the Merger Record Time, will receive the Special Dividend, but they will not receive the Cash Consideration Amount and will not receive the Pro Rata AFFO Dividend.

Details of the Merger Implementation Agreement, including certain termination rights available to Atrium and Newco, are set out in Part 3 (*Summary of the Principal Terms and Conditions of the Merger*) of this document.

3. Background to and reasons for the Merger

Gazit and Newco believe that Atrium is an attractive real estate platform, with a high-quality portfolio of properties and a highly experienced, talented team of professionals. Gazit and Newco believe that the Merger will further advance Atrium under private ownership by becoming a fully-integrated real estate operating company with Gazit, combining Atrium's portfolio of approximately EUR 2.5 billion in real estate properties with Gazit's real estate portfolio and increasing opportunities for growth in major urban markets.

Gazit has been an investor in Atrium for more than 13 years and intends to continue supporting Atrium's strategy of expansion in the residential for rent sector.

As a privately owned company, Atrium will be further supported by Gazit's knowledge, sector expertise and access to capital, allowing Atrium to better take advantage of prospective new investment opportunities in its core markets.

4. Background to and reasons for the Independent Atrium Directors' Recommendation

Following careful consideration, the Independent Atrium Directors have concluded that the terms of the Merger provide an attractive opportunity for Atrium Shareholders to monetise their holdings in Atrium at a premium to the unaffected share price. The Merger Price represents a premium of 23.9 per cent. to the unaffected Atrium Share price as of 30 July 2021 (the last trading day before the announcement of the Initial Proposal), a premium of 22.3 per cent. to the 30-day VWAP to 30 July 2021 and a 23.9 per cent. premium to the 90-day VWAP to 30 July 2021. The final Merger Price also reflects an aggregate price increase of 8.4 per cent. to the Initial Proposal (not including the AFFO Dividends).

In the view of the Independent Atrium Directors, the Merger Price is attractive when measured against a number of key financial metrics which the Independent Atrium Directors have considered in their evaluation of the offer from Gazit. In assessing and negotiating the terms of the proposed Merger, the Independent Atrium Directors, together with UBS as the financial adviser to the Committee, have reviewed the proposed Merger Price against customary corporate finance methodologies typically used in connection with real estate transactions. The Merger Price compares favourably to precedent transactions.

The premium to the unaffected Atrium Share price of 23.9 per cent. as of 30 July 2021 is materially higher than the average premium of 16.0 per cent. for all-cash transactions in Europe, the Middle East and Africa (EMEA) real estate and EMEA REIT transactions over €200 million since 2012.

Whilst the Independent Atrium Directors recognise that Atrium has never traded at EPRA NTA or EPRA NDV, the Merger Price significantly closes the gap to EPRA NTA and is consistent with EPRA NDV in the first half of the 2021 financial year. The Merger Price reflects full EPRA NDV and in addition, Atrium Shareholders will receive the benefit of the AFFO Dividends, a negotiated element of the transaction that was not included in the Initial Proposal.

The Merger Price reflects a 6.4 per cent. funds from operations (**FFO**) yield. This is lower than Atrium's last five year FFO yield of 8.8 per cent. The Independent Atrium Directors consider this to be an attractive offer for Atrium Shareholders considering Atrium's peers are trading at 1.9 per cent. wider yields to their respective five year historical average. The peer group includes Klepierre, Mercialis, Unibail-Rodamco Westfield, Eurocommercial, Wereldhave, Citycon, Deutsche Euroshop, EPP NV and NEPI Rockcastle.

The Independent Atrium Directors have received a fairness opinion letter from UBS as to the financial terms of the Merger (the **Fairness Opinion**). A copy of the Fairness Opinion is contained in Part 2 (Fairness Opinion) of this document.

The Independent Atrium Directors had extensive discussions with Gazit during which the Committee of Independent Atrium Directors negotiated three increases to the price since the date of the Initial Proposal as well as the addition of the AFFO Dividends. In the course of their discussions with Gazit, the Independent Atrium Directors have had particular regard to the interests of the minority Atrium Shareholders and the Merger Implementation Agreement includes a number of provisions to protect the interests of the minority Atrium Shareholders. Among these, the Independent Atrium Directors have agreed with Gazit that the views of the minority Atrium Shareholders will be taken into account by providing that the Acquisition is conditional on the Merger Resolutions being approved by the holders of a majority of the Atrium Shares (other than the Gaia Shares, the Midas Shares and any Atrium Shares beneficially held by a Gazit Connected Person) entitled to vote and voting on the Merger Resolutions at the Merger Extraordinary General Meeting. Without this additional approval requirement, it would have been possible for Gazit to approve the Merger Resolutions regardless of the votes cast by other Atrium Shareholders.

In considering the merits of the Merger, the Independent Atrium Directors have taken into account, among other things:

- (a) the Merger Price, providing all Atrium Shareholders with an opportunity to exit for cash at an attractive premium to the undisturbed share price on 30 July 2021 (the last trading day before the announcement of the Initial Proposal);
- (b) each Atrium Shareholder's entitlement to receive the AFFO Dividends in addition to the Merger Price;
- (c) the financial analyses and opinion of UBS, addressed to the Independent Atrium Directors, that, as of the date of the Fairness Opinion, the Merger Price of EUR 3.63 per Atrium Share represents a fair valuation;
- (d) the challenging market environment in which Atrium currently operates, particularly in light of ongoing uncertainty and volatility caused by Covid-19;
- (e) the fact that Gazit's already substantial holding in Atrium, together with its representation on the Board, entitles Gazit to exercise significant influence on an ongoing basis on Atrium's corporate strategy and direction;
- (f) Gazit's substantial holding in Atrium also means that there is a limited public float of Atrium Shares which impacts liquidity;
- (g) the confirmations made by Gazit, as set out in this document, that it intends to safeguard the existing employment rights of Atrium employees in accordance with contractual and statutory requirements; and
- (h) that the Merger will require the approval by a majority of Atrium Shareholders (excluding Gazit and its affiliates).

In the event that the Independent Atrium Directors receive a Superior Proposal, the Independent Atrium Directors have discretion to withdraw their recommendation of the Acquisition in favour of the Superior Proposal. If this takes place, Gazit has confirmed that it will duly consider any Superior Proposal in good faith. Since the announcement of the Initial Proposal, the Independent Atrium Directors have not received any third party proposals.

The Independent Atrium Directors unanimously recommend that Atrium Shareholders vote in favour of the Merger.

5. Undertakings

Newco and Atrium have received irrevocable undertakings to vote (or procure the voting) in favour of the Merger Resolutions from each of the Independent Atrium Directors who hold Atrium Shares, in respect of their own beneficial holdings of 128,906 Atrium Shares, representing in aggregate approximately 0.032 per cent. of the ordinary share capital of Atrium at close of business on the Last Practicable Date.

Newco and Atrium have also received undertakings from Gazit's subsidiaries, Gaia and Midas, to vote in favour of the Merger Resolutions.

In aggregate, therefore, Newco and Atrium have received undertakings in respect of 299,872,775 votes in favour of the Merger Resolutions, representing in aggregate approximately 74.87 per cent. of the ordinary share capital of Atrium at the close of business on the Last Practicable Date.

Further details of these undertakings are set out in paragraph 7 of Part 5 (Additional Information in relation to the Merger) of this document.

6. Information on Atrium

Atrium is a leading owner, operator and re-developer of shopping centres and residential for rent rental apartments in Central Europe. Atrium specialises in locally dominant food, fashion and entertainment shopping centres in the best urban locations. Atrium owns 26 retail properties with a total gross leasable area of over 809,000 square metres and with a total market value of approximately EUR 2.5 billion. These properties are located in Poland, the Czech Republic, Slovakia and Russia and, with the exception of one, are all managed by Atrium's internal team of retail real estate professionals. In February 2020, Atrium announced a strategy to diversify its portfolio by investing in and managing residential for rent real estate, with a primary focus on Warsaw.

The Company is established as a closed-end investment company incorporated and domiciled in Jersey and regulated by the JFSC as a certified Jersey-listed fund, and is listed on the Exchanges. The majority shareholder of Atrium is Gazit, which indirectly holds 74.84 per cent. of the issued ordinary share capital of Atrium.

7. Information on Gazit and Newco

Gazit

Gazit is a global real estate company focused on the ownership, development and management of mixed-use income-producing real estate for a variety of uses including commercial, offices and residential in highly populated urban areas in key cities. As of 30 September 2021, the Gazit Group held and managed 102 properties covering a built-up area for lease of 2.5 million square metres with a value of NIS 37 billion (or approximately EUR 10 billion) as at the Exchange Rate.

Newco

Newco is an indirect, wholly owned subsidiary of Gazit which has not traded.

8. Atrium Trading Update

On 16 November 2021, Atrium released an interim financial report for the nine-month period ended 30 September 2021 which reflected the impact of the government-imposed lockdowns in the first half of the year followed by a solid recovery in the third quarter when all the Group's shopping centres were operational.

Atrium has made significant progress in the implementation of its residential for rent strategy by securing 650 housing units across two properties in Warsaw and Krakow in Poland in October and breaking ground in November on 200 units of the densification of Atrium Promenada centre in Warsaw.

Atrium's operational performance is trending towards pre-Covid-19 levels. Its tenant sales and footfall in September were 92 per cent. and 81 per cent. of 2019 levels. Restrictions have impacted footfall; at the end of October 2021, Russia introduced a QR system to allow vaccinated people access to shopping centres and Slovakia reinstated limitations on restaurants, cafes, gyms and other leisure activities.

9. Intentions with regards to the business, management, employees and pension schemes of Atrium

Statement by Gazit

Gazit expects to continue to build upon more than 13 years of cooperation and support that Gazit has provided Atrium in achieving Atrium's business objectives. Following completion of the Merger, Gazit will work with Atrium management to continue developing the strategy, operations and organisational structure of the business. The strategic focus of the business will be on owning and developing high-quality, urban retail and mixed-use properties in major cities in Europe with strong demographics and in areas with attractive growth profiles and on expanding in the residential for rent sector in major urban markets, including cities such as Warsaw and Prague.

Gazit intends to support Atrium in identifying and evaluating investment opportunities in real estate properties in urban locations in major cities in Europe that exhibit attractive long-term growth prospects, taking advantage of new investment opportunities in Atrium's core markets.

Gazit greatly values the skills, knowledge and expertise of Atrium's existing team of professionals and Gazit expects the personnel of Atrium to continue to contribute to the success of Atrium following completion of the Merger.

Gazit confirms that, following completion of the Merger, the existing contractual and statutory employment rights of all the employees of Atrium Group will continue to be safeguarded and their accrued rights to pensions benefits protected.

On completion of the Merger, Gazit intends to review the board of directors, governance and incentive structure of Atrium.

10. Share Plans, Share Remuneration and Retention Awards

Share Plans and Share Remuneration

The impact of the Merger on options and awards outstanding under the Share Plans and on the remuneration paid to the Independent Atrium Directors and key employees in Atrium Shares is described in paragraph 6 of Part 5 (Additional Information in relation to the Merger). In summary, outstanding options and awards under the Share Plans will vest in full and be cash cancelled in conjunction with the Merger. The Independent Atrium Directors and key employees will continue to receive the element of their remuneration delivered in Atrium Shares up to Closing.

Retention Plan

Since the date of the Announcement, the Board has approved a cash pool of up to EUR 5.1 million to provide retention awards to key employees of Atrium. Payment of a retention award will be made on the first anniversary of Closing, provided that the key employee concerned remains employed and has not given notice of termination of his or her employment at that time. If the employment of a key employee who has been awarded a retention award is terminated by Atrium before the first anniversary of Closing other than for cause, the key employee's award will be paid in full at the date of cessation.

11. Action to be taken by Atrium Shareholders

Voting on the Merger Resolutions

If the Merger Resolutions are approved at the Merger Extraordinary General Meeting and the Merger becomes effective, it will be binding on all Atrium Shareholders irrespective of whether or not they attended or voted at the Merger Extraordinary General Meeting (and irrespective of whether or not they voted in favour of the Merger Resolutions).

If you are an Atrium Shareholder, please vote on the Merger Resolutions by attending the Merger Extraordinary General Meeting in person or by proxy in accordance with the instructions set out in the Notice of Extraordinary General Meeting.

Atrium Shareholders will find accompanying this document a Form of Proxy and persons holding an interest in Atrium Shares through Euroclear will receive one Form of Instruction, each to be used in connection with the Merger Extraordinary General Meeting.

Any person who holds interests in Atrium Shares through Euroclear and who wishes to instruct Euroclear on the way in which Euroclear will exercise the voting rights attached to such Atrium Shares at the Merger Extraordinary General Meeting must complete the Form of Instruction and send the Form of Instruction to its account holding bank or broker so that its account holding bank or broker may forward the Form of Instruction (via an intermediary of Euroclear) to VLK. Upon the receipt of the Form of Instruction, VLK will communicate the instruction, as reflected in the Form of Instruction received by it, of such persons to Euroclear. Euroclear, as the registered member, will return a Form of Proxy to reflect the Form of Instruction.

In order for a Form of Instruction to be valid, a person who holds interests in Atrium Shares through Euroclear should send the Form of Instruction to their account holding bank or broker so that their account holding bank or broker may forward (via an intermediary of Euroclear) the Form of Instruction together with a confirmation of holding to proxy agent VLK (by email to proxymoting@kempen.nl or by fax to: +31 20 348 9549) so as to be received not later than 10.00 a.m. on 17 December 2021 (or, in the case of an adjourned meeting, not less than 96 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in the Netherlands). In accordance with Atrium's articles of association, the offices of VLK have been specified by Atrium as the place at which account holding banks or brokers (via an intermediary of Euroclear) must deposit the Form of Instruction. Once such Form of Instruction and confirmation from the relevant account holding bank or broker has been submitted to proxy agent VLK, the relevant account holding bank or broker will receive a confirmation from VLK. Any power of attorney or other authority under which the Form of Instruction is signed (or a copy of such power of attorney or authority certified notarially) must be sent with the Form of Instruction.

The details of the teleconference will be provided with this document to registered Atrium Shareholders. Upon receipt by VLK of a Form of Instruction which stipulates a desire from a person who hold interests in Atrium Shares through Euroclear to attend the Merger Extraordinary General Meeting, VLK shall send by email the details of the teleconference to such person or his/her/their designated individual. Such persons should also ensure that their email address (or the email address of the individual appointed on their behalf) is included in the relevant section of Box 1 of Section B of the relevant Form of Instruction to be used by persons who hold interests in Atrium Shares through Euroclear.

In order for a proxy appointment or a voting instruction to be valid, Atrium Shareholders should send the Form of Proxy to Aztec Financial Services (Jersey) Limited (by email to atrium@aztecgroupp.co.uk) so as to be received not later than 10.00 a.m. on 21 December 2021 (or, in the case of an adjourned meeting, not less than 48 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in Jersey). Once an Atrium Shareholder's Form of Proxy has been submitted to Aztec Financial Services (Jersey) Limited, such Atrium Shareholder will receive a proxy confirmation. Any power of attorney or other authority under which the Form of Proxy is signed (or a copy of such power of attorney or authority certified notarially) must be sent with the Form of Proxy

If the Form of Instruction or the Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Instruction or Form of Proxy, it will be invalid. The completion and return of the Form of Proxy will not preclude you from attending the Merger Extraordinary General Meeting and voting in person, if you so wish.

You are strongly urged to complete, sign and return your Form of Instruction or Form of Proxy or appoint a proxy as soon as possible.

Withdrawal from the Euroclear book-entry system

On the terms of and subject to the conditions as set out in the articles of association of Atrium and Article 45 of the Dutch Securities (Bank Giro Transactions) Act (*Wet giraal effectenverkeer*) (the Dutch Securities Act), a holder of interest in Atrium Shares held through the Euroclear book-entry system in uncertificated form is permitted to withdraw such interests from such system and to enter

directly onto the register of members of Atrium as an Atrium Shareholder. In order to initiate this process, a holder of an interest in Atrium Shares held through the Euroclear book-entry system will need to submit a request to this effect through the custodian with whom it holds its interest to VLK, acting as the agent of Euroclear. Euroclear will, after consultation with VLK and Atrium, assess such request in accordance with applicable rules and regulations, including in particular the articles of association of Atrium and Article 45 of the Dutch Securities Act. If approved, the materialization process will be implemented.

12. Overseas Shareholders

Overseas holders of Atrium Shares should refer to Part 4 (Additional Information for Overseas Shareholders) of this document, which contains important information relevant to such holders.

13. Reduction of Capital Share

Pursuant to the requirements of the Companies Law, it is necessary for the Reduction Special Resolution to only be passed within the period of 15 days prior to the Closing Date. Separately, due to the requirements of the Companies Law to allow for the Objection Period (which is longer than 15 days), the Merger Extraordinary General Meeting cannot take place within the period of 15 days prior to the Closing Date and must therefore be held in advance. This therefore means that it is not possible to propose the Reduction Special Resolution at the Merger Extraordinary General Meeting and a further Extraordinary General Meeting, being the Reduction Extraordinary General Meeting, is required.

To avoid the possibility of members of the Company voting in favour of the Merger at the Merger Extraordinary General Meeting but voting against the Reduction Special Resolution at the Reduction Extraordinary General Meeting, it is proposed that, following the Merger Extraordinary General Meeting, a single Reduction of Capital Share be issued to the Trust Agent.

The Reduction of Capital Share and Atrium Shares in issue from time to time shall rank *pari passu* in all respects and the Reduction of Capital Share shall have all of the same rights, limitations and preferences as Atrium Shares save that, should the Company convene an Extraordinary General Meeting to consider (among other things) a special resolution to approve a reduction of capital pursuant to Article 61(1A) of the Companies Law, the holder of the Reduction of Capital Share shall have the power to pass the special resolution by voting in favour thereof notwithstanding how any of the other Atrium Shareholders vote on such resolution.

To enable the Company to issue the Reduction of Capital Share, it is necessary to amend the articles of association of the Company (which requires a special resolution of the Company to be passed) and for Atrium Shareholders to authorise the issue of the Reduction of Capital Share. These two resolutions are part of the Merger Resolutions, as set out in Part 6 (*Notice of Extraordinary General Meeting*) of this document, together with a resolution irrevocably instructing the Trust Agent to vote the Reduction of Capital Share in favour of the Reduction Special Resolution at the Reduction Extraordinary General Meeting.

Pursuant to the terms of the Merger Implementation Agreement, on Closing, the Reduction of Capital Share shall be cancelled and cease to exist.

14. Merger Extraordinary General Meeting

The Merger Extraordinary General Meeting is being convened at 11-15 Seaton Place, St. Helier, Jersey JE4 0QH at 10.00 a.m. on 23 December 2021 for the purpose of seeking the approval of Atrium Shareholders for the Merger Resolutions.

This document contains the formal Notice of Extraordinary General Meeting. Gazit Group will be entitled to vote on its Atrium Shares at the Merger Extraordinary General Meeting and has provided irrevocable undertakings confirming it will vote in favour of the Merger Resolutions.

At the Merger Extraordinary General Meeting, you will be asked to:

- (a) consider and vote in favour of the Merger Resolutions set out in the Notice of Extraordinary General Meeting; and
- (b) act upon other business as may properly come before the Merger Extraordinary General Meeting or any adjournment or postponement of it.

The implementation of the Merger is conditional on, among other things, the Merger Resolutions having been duly passed by:

- (a) not less than two thirds of the votes cast by all Atrium Shareholders; and
- (b) a Majority of the Minority,

in each case, entitled to vote and voting on the Merger Resolutions at the Merger Extraordinary General Meeting.

If approved by the requisite majorities at the Merger Extraordinary General Meeting then subject to the satisfaction of the other Conditions to the Merger including the expiry of the applicable creditor and shareholder objection periods under Article 127FE and Article 127FB of the Companies Law (respectively), the Merger will be binding on all Atrium Shareholders, irrespective of whether or not they attended the Merger Extraordinary General Meeting or voted in favour of, or against, the Merger.

15. Merger process, delisting and resignation and appointment of Directors

It is the intention of Atrium that (subject to neither party exercising any termination right under the terms of the Merger Implementation Agreement and Atrium receiving all necessary approvals and consents), at Closing, as a consequence of the Merger becoming effective (upon the registration by the Registrar of Companies of Atrium as a merged company under Article 127FN of the Companies Law):

- (a) Newco and Atrium shall merge and continue as one merged body, with Atrium being the survivor company and Newco will cease to be incorporated as a separate company;
- (b) each Merger Share will be cancelled pursuant to the Reduction Special Resolution following which the holder of each Merger Share shall be entitled to receive the Cash Consideration Amount and the Pro Rata AFFO Dividend;
- (c) each share in Newco will be cancelled;
- (d) all property and rights to which Newco and Atrium were entitled immediately before Closing shall become the property and rights of Atrium;
- (e) Atrium becomes subject to all criminal and civil liabilities, and all contracts, debts and other obligations, to which each of Newco and Atrium were subject immediately before Closing; and
- (f) all actions and other legal proceedings which, immediately before Closing, were pending by or against Newco and/or Atrium may be continued by or against Atrium.

Atrium has consulted Euronext Amsterdam on Atrium's proposed delisting from the Amsterdam Stock Exchange, subject to completion of the Merger, which is expected to take place as soon as possible after Closing. In addition, after the completion and effectiveness of the Merger, Atrium will no longer fulfil the mandatory listing requirements of the Vienna Stock Exchange and, as a result, the Vienna Stock Exchange is expected to arrange a delisting of Atrium Shares. Trading in Atrium Shares on the Exchanges is expected to be suspended three trading days prior to completion of the Merger to allow the usual T+2 settlement cycle. In the event that the Merger does not proceed, Atrium intends to proceed with the plan to delist from the Amsterdam Stock Exchange as announced by Atrium on 29 July 2021.

Further details in respect of the Merger process are set out in Part 3 (*Summary of the Principal Terms and Conditions of the Merger*) of this document.

16. Shareholder objections to the Merger

Pursuant to Article 127B of the Companies Law, a holder of Atrium Shares may apply to the Court for an order under Article 143 of the Companies Law on the ground that the Merger would unfairly prejudice the interests of the holder of Atrium Shares.

An application may not be made:

- (a) more than 21 days after the Merger Resolutions are approved at the Merger Extraordinary General Meeting (or at any adjournment of it); or
- (b) by a holder of Atrium Shares who voted in favour of the Merger Resolutions at the Merger Extraordinary General Meeting (or at any adjournment of it).

In order to object to the Merger in the manner summarised above, shareholders who hold interests in Atrium Shares through Euroclear will be required to withdraw their interests in Atrium Shares held through the Euroclear book-entry system so as to become a holder of Atrium Shares noted directly on the register of members of Atrium. A summary for this process is set out at the end of paragraph 11 of this Part 1, under the heading “*Withdrawal from the Euroclear book-entry system*”.

17. The Independent Atrium Directors and the effect of the Merger on their interests

The names of the Independent Atrium Directors and details of their interests are set out in Part 5 (Additional Information in relation to the Merger) of this document.

The Independent Atrium Directors who hold (whether legally or beneficially) Atrium Shares have given irrevocable undertakings to vote (or procure votes) in favour of the Merger Resolutions at the Merger Extraordinary General Meeting, in respect of 128,906 Atrium Shares representing, in aggregate, approximately 0.032 per cent. of the ordinary share capital of Atrium in issue at close of business on the Last Practicable Date.

Save as set out above, the effect of the Merger on the interests of the Independent Atrium Directors does not differ from its effect on the interests of any other Merger Shareholder.

18. Taxation

The tax consequences of the Merger to an Atrium Shareholder or a person who holds interests in Atrium Shares through Euroclear will depend on the particular circumstances of Atrium Shareholder or person who holds interests in Atrium Shares through Euroclear, and Atrium Shareholders and persons who hold interests in Atrium Shares through Euroclear should consult their own tax advisers to determine the tax consequences of the Merger to them based on their particular circumstances.

19. Recommendation

The Independent Atrium Directors recommend unanimously that Atrium Shareholders vote in favour of the Merger Resolutions to be proposed at the Merger Extraordinary General Meeting, as the Independent Atrium Directors who are interested in Atrium Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 128,906 Atrium Shares.

The Independent Atrium Directors have received a fairness opinion from UBS as to the financial terms of the Merger. A copy of the Fairness Opinion is contained in Part 2 (Fairness Opinion) of this document.

20. Further information

Your attention is drawn to further information contained in Part 3 (Summary of the Principal Terms and Conditions of the Merger), Part 4 (Additional Information for Overseas Shareholders) and Part 5 (Additional Information in relation to the Merger) of this document, which provides further details concerning the Merger.

You are advised to read the whole of this document and the accompanying Form of Instruction (if you hold interests in Atrium Shares through Euroclear) and the Form of Proxy (if you hold Atrium Shares directly) and not just rely on the summary information contained in this letter.

Yours faithfully,



Chairman of the Committee of Independent Atrium Directors

Atrium European Real Estate Limited

PART 2
FAIRNESS OPINION



UBS AG, London Branch
5 Broadgate
London, EC2M 2QS
Tel: +44-20-7567 8000
www.ubs.com

STRICTLY PRIVATE & CONFIDENTIAL

The Independent Committee of the Board of Directors
Atrium European Real Estate Limited
11-15 Seaton Place
St. Helier
Jersey, JE4 0QH
Channel Islands

17 October 2021

Dear Sirs,

We understand that Atrium European Real Estate Limited (the “Company”) is considering a transaction whereby the minority shareholders of the Company will receive: i) €3.03 per share in cash (the “Cash Consideration”) from Gazit-Globe Ltd. (“Gazit-Globe” or the “Offeror”), currently the majority shareholder of the Company and ii) €0.60 per share in cash by way of a special dividend paid by the Company (the “Dividend Consideration”), adding up to a total consideration of €3.63 per share in cash (the “Consideration”), in exchange for all the outstanding shares in the Company that are currently not held by the Offeror (the “Transaction”), the terms and conditions of which are more fully described in the merger agreement and ancillary documents drafts dated 16 October 2021 (the “Transaction Documentation”).

In connection with the Transaction, the Independent Committee of the Board of Directors of the Company (the “Independent Committee” or “you”) have requested UBS AG, London Branch (“UBS”) to provide you with an opinion as to the fairness, from a financial point of view, of the Consideration to be received by the holders of ordinary shares in the Company (excluding the Offeror and its affiliates).

UBS has acted as financial adviser to the Independent Committee in connection with the Transaction and will receive a fee for its services, a substantial portion of which is contingent upon the consummation of the Transaction.

From time to time, UBS, other members of the UBS Group (which for the purpose of this letter means UBS Group AG and any subsidiary, branch or affiliate of UBS Group AG) and their predecessors may have provided investment banking services to the Company un-related to the proposed Transaction and received customary compensation for the rendering of such services. In the ordinary course of business, UBS, UBS Group AG and their successors and affiliates may trade securities of the Company for their own accounts or for the accounts of their customers and, accordingly, may at any time hold long or short positions in such securities.

In determining our opinion, we have used such customary valuation methodologies as we have deemed necessary or appropriate for the purposes of this opinion, including:

- i. Share price performance prior to the announcement of the Transaction;
- ii. Broker price targets;
- iii. Comparable trading multiples and yields;
- iv. Precedent transaction multiples and yields;
- v. Discounted cash flow analysis; and
- vi. Net asset, net tangible asset, and net disposal valuations defined by EPRA.

Our opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available to the Company or the underlying business decision of the Company to effect the Transaction. At your direction, we have not been asked to, nor do we, offer any opinion as to the material terms of the Transaction, other than the Consideration (to the extent expressly specified in this letter) under the Transaction Documentation, or the form of the Transaction. Our opinion does not constitute an offer by us, or represent a price at which we would be willing to purchase, sell, enter into, assign, terminate or settle any transaction. The valuation herein is not an indicative price quotation, in particular, it does not necessarily reflect such factors as hedging and transaction costs, credit considerations, market liquidity and bid-ask spreads, all of which could be relevant in establishing an indicative price for the Company's ordinary shares. A valuation estimate for any transaction does not necessarily suggest that a market exists for the transaction. In rendering this opinion, we have assumed, with your consent, that the Transaction as consummated will not differ in any material respect from that described in the draft Transaction Documentation we have examined, without any adverse waiver or amendment of any material term or condition thereof, and that the Company will comply with all material terms of the Transaction Documentation.

In determining our opinion, we have, among other things:

- i. reviewed certain publicly available business and historical financial information relating to the Company as well as research analysts' forecasts;
- ii. reviewed audited financial statements of the Company;
- iii. reviewed certain internal financial information and other data relating to the business and financial prospects of the Company, including estimates and financial forecasts prepared by the management of the Company, that were provided to us by the Company and not publicly available and that you have directed us to use for the purposes of our analysis;
- iv. conducted discussions with, and relied on statements made by, members of the senior management of the Company concerning the business and financial prospects of the Company;
- v. reviewed current and historic share prices for the Company and publicly available financial and stock market information with respect to certain other companies in lines of business we believe to be generally comparable to those of the Company;
- vi. compared the financial terms of the Transaction with the publicly available financial terms of certain other transactions which we believe to be generally relevant;
- vii. reviewed drafts of the Transaction documents (as of 16 October 2021); and
- viii. conducted such other financial studies, analyses, and investigations, and considered such other information, as we deemed necessary or appropriate.

In connection with our review, at your direction, we have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or was furnished to us by or on behalf of the Company, or otherwise reviewed by us for the purposes of this opinion, and we have not assumed and we do not assume any responsibility or liability for any such information. In addition, at your direction, we have not made any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Company, nor have we been furnished with any such evaluation or appraisal.

With respect to the financial forecasts, estimates prepared by the Company as referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company as to the future performance of the Company.

To the extent we have relied on publicly available financial forecasts from various equity research analysts, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the analysts as to the expected future results of operations and financial condition of the Company.

We have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on the Company or the Transaction. Our opinion is necessarily based on the economic, regulatory, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof (or as otherwise

specified above in relation to certain information). It should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

We accept no responsibility for the accounting or other data and commercial assumptions on which this opinion is based. Furthermore, our opinion does not address any legal, regulatory, taxation or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals.

Based on and subject to the foregoing, it is our opinion, as of the date hereof, that the Consideration to be received by the holders of ordinary shares in the Company (excluding the Offeror and its affiliates) in connection with the Transaction is fair, from a financial point of view.

This letter and the opinion are provided solely for the benefit of the Independent Committee, in their capacity as the Independent Committee, in connection with and for the purposes of their consideration of the Transaction. This letter is not on behalf of, and shall not confer rights or remedies upon, may not be relied upon, and does not constitute a recommendation by UBS to, any holder of securities of the Company or any other person other than the Independent Committee to vote in favour of or take any other action in relation to the Transaction.

This letter may not be used for any other purpose, or reproduced (other than for the Independent Committee, acting in such capacity, and, on a no-reliance basis, its advisers), disseminated or quoted at any time and in any manner without our prior written consent, save that you may provide a copy of this letter upon express requirement of any regulatory or judicial authority having jurisdiction over the Company.

This letter and the opinion are made without legal liability or responsibility on our part. We accept no responsibility to any person other than the Independent Committee in relation to the contents of this letter, even if it has been disclosed with our consent.

Yours faithfully,

Sebastiaan van Loon
Managing Director

Philipp Beck
Managing Director

For and on behalf of
UBS AG, London Branch

For and on behalf of
UBS AG, London Branch

PART 3

SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE MERGER

1. Merger Implementation Agreement

The Merger Implementation Agreement was entered into on 17 October 2021 between Atrium and Newco and was amended by the Amendment Letter on 22 November 2021. Pursuant to the Merger Implementation Agreement, the parties have agreed to implement a merger of Atrium and Newco in accordance with the merger provisions set out in Part 18B of the Companies Law and in accordance with the steps and timing set out in the expected timetable of principal events set out in the Merger Implementation Agreement.

The constituent companies in the Merger are Newco and Atrium, with Atrium to be the surviving company into which Newco shall be merged.

2. Conditions

Completion of the Merger is conditional on, among other things, the following matters being satisfied (or waived, where applicable) on or before the Longstop Date (the **Conditions**):

- (a) the Independent Atrium Directors, having received the Fairness Opinion, providing a unanimous and unqualified recommendation of the Merger to Atrium Shareholders in this document and there being no subsequent withdrawal or qualification of such recommendation before Closing;
- (b) each of Atrium and Newco having given notice to each of their respective creditors in accordance with Article 127FC(1) of the Companies Law and having published the contents of the relevant notices in accordance with Article 127FC(5) of the Companies Law, and each applicable date as set out in Article 127FJ(3)(c) of the Companies Law having passed;
- (c) all resolutions in connection with or required to approve and implement the Merger as set out in the notice of Extraordinary General Meeting having been duly passed by the requisite majority of Atrium Shareholders required to pass such resolutions at the Merger Extraordinary General Meeting under the Companies Law and a Majority of the Minority;
- (d) all resolutions in connection with or required to approve and implement the Merger as set out in the notice of the Reduction Extraordinary General Meeting (including the Reduction Special Resolution and the Pro Rata AFFO Dividend Ordinary Resolution) having been duly passed by the requisite majority of Atrium Shareholders and Reduction of Capital Shareholder required to pass such resolutions at the Reduction Extraordinary General Meeting;
- (e) the passing of a special resolution in writing of Newco approving the Merger Implementation Agreement and the implementation of the Merger pursuant to the terms and subject to the conditions contained in the Merger Implementation Agreement;
- (f) the issue and allotment by Atrium of the Reduction of Capital Share to the Trust Agent pursuant to the Merger Resolutions, before the expiry of the Objection Period;
- (g) if an Atrium Shareholder has applied to the Court in respect of an objection to the Merger under Article 127FB of the Companies Law, the last date on which such an application is disposed of (otherwise than by an order restraining the Merger) having passed (if applicable);
- (h) no material adverse change (as defined in the Merger Implementation Agreement) having occurred;
- (i) the delivery to the Registrar of Companies of all documents required in accordance with Article 127FJ of the Companies Law for the purposes of effecting the Merger;
- (j) there being no outstanding judgment, injunction, order or decree of a competent government authority, which shall prohibit or frustrate the undertaking of the Merger; and
- (k) Atrium having paid the Special Dividend Amount to all Atrium Shareholders on the Special Dividend Payment Date.

No breach shall be deemed to occur under (h) if the relevant action or omission has been approved in advance and in writing by Newco.

In the event that the Merger Resolutions have been passed and there is an unfair prejudice claim (including such a claim by a member pursuant to Article 127FB of the Companies Law) in Jersey or an application by an objecting creditor pursuant to Article 127FE(2)(b) of the Companies Law that has not been dismissed and Newco confirms that it is using its reasonable endeavours to complete the Acquisition, then the Longstop Date shall be automatically extended until 17 October 2022.

3. Superior Proposal

The Company's obligations to satisfy certain Conditions shall not apply if the Company receives a Superior Proposal and the Independent Atrium Directors determine that, due to the receipt by Atrium of the Superior Proposal, a recommendation of the Merger should (a) not be given, or (b) should be qualified or amended.

4. Undertakings

Atrium has given certain undertakings in relation to the period between the signing of the Merger Implementation Agreement and the Closing Date, including:

- (a) to conduct its business in the ordinary course and in substantially the same manner as conducted in the previous 12 months;
- (b) to make reasonable enquiries to identify all of Atrium's creditors to whom notice of the Merger must be sent in accordance with Article 127FC(1) of the Companies Law and provide written notice of the Merger to those creditors in accordance with the Companies Law;
- (c) subject to the Companies Law and the unanimous approval of the Atrium Directors voting at the relevant board meeting, to pay the Special Dividend Amount to all Atrium Shareholders on the Special Dividend Payment Date;
- (d) to despatch the notice of the Reduction Extraordinary General Meeting to Atrium Shareholders to convene the Reduction Extraordinary General Meeting;
- (e) to administer and minute the proceedings at both the Merger Extraordinary General Meeting and the Reduction Extraordinary General Meeting in accordance with the Companies Law and the articles of association;
- (f) other than providing information in response to a *bona fide* Third Party Proposal (as defined in the Merger Implementation Agreement) that in the opinion of the Independent Atrium Directors, acting reasonably and in good faith, may lead to a Superior Proposal, not take any action that is reasonably likely to prejudice the satisfaction of certain Conditions in a timely manner, or at all; and
- (g) to make appropriate filings with the Registrar of Companies in Jersey as required under the Companies Law in respect of the Merger and reduction of capital process.

5. Effect of the Merger

Following the Reduction Extraordinary General Meeting, Atrium will be required to register the relevant solvency statements and minute of reduction within 15 days of passing the Reduction Special Resolution in accordance with Article 61B of the Companies Law.

In addition, Atrium and Newco will be required to file the various documentation contemplated in Article 127FJ(4) of the Companies Law. Once the requisite filings have been made, the Registrar of Companies shall enter a notice in the register in respect of Atrium and Newco in accordance with Article 127FM of the Companies Law. The entry of these notices by the Registrar of Companies (together with the registration of the documents under Article 61B of the Companies Law contemplated above) shall mark the completion date of the Merger, at which point the Merger shall become effective with the result that, among other things:

- (a) Newco and Atrium shall merge and continue as one merged body, with Atrium being the survivor company and Newco ceasing to be incorporated as a separate company;
- (b) Atrium shall cancel Merger Shares and the Reduction of Capital Share and they shall cease to exist; and

- (c) each Atrium Shareholder shall receive an aggregate amount equal to the sum of:
 - (i) the Cash Consideration Amount per Merger Share held by them; and
 - (ii) the Pro Rata AFFO Dividend; and
- (d) all of the shares in the capital of Newco in issue immediately prior to Closing shall be cancelled and Atrium shall pay to Midas, as the sole shareholder of Newco, an aggregate amount equal to the nominal value of each such share, being EUR 1.00 per such issued share.

6. Payment of the Cash Consideration Amount

(a) Atrium Shares in certificated form and held through Euroclear

If the Merger is approved at the Merger Extraordinary General Meeting, all Atrium Shares (except Excluded Shares):

- (i) in issue as at the date of this document;
- (ii) issued after the date of this document and prior to the Merger Voting Record Time (if any); and
- (iii) issued on or after the Merger Voting Record Time and at or before Closing either on terms that the original or subsequent holder of such Atrium Shares shall be bound by the Merger or in respect of which the holder of such Atrium Shares shall have agreed in writing to be bound by the Merger (if any),

shall be cancelled at Closing and each holder of such shares will receive the Cash Consideration Amount per Merger Share on the Closing Date. In the case of persons who hold interests in Merger Shares through Euroclear at the Merger Record Time, their interests in Merger Shares in the Euroclear book-entry system will be cancelled, and simultaneously replaced by an entitlement to an amount equal to the Cash Consideration Amount in favour of the appropriate Euroclear account through which such persons hold their interest. An amount equal to the Cash Consideration Amount and the Pro Rata AFFO Dividend will be paid by the Paying Agent at Closing (or in the case of the Pro Rata AFFO Dividend, within three Business Days of Closing) against simultaneous cancellation of the entitlement to such payment.

(b) General

All documents and remittances sent to, by or on behalf of, Atrium Shareholders will be sent at their own risk.

On Closing, each certificate representing a holding of Merger Shares will cease to be a valid document of title and should be destroyed or, at the request of Atrium, delivered up to Atrium, or to any person appointed by Atrium to receive the same, for cancellation. On Closing, entitlements to interests in Merger Shares held within Euroclear will be disabled and replaced in the Euroclear system by an entitlement to payment of the Cash Consideration Amount. It is expected that all Atrium Shares will be removed from Euroclear in due course.

7. Share Plan and Share Remuneration

The impact of the Merger on options and awards outstanding under the Share Plans and on the remuneration paid to the Independent Atrium Directors and key employees in Atrium Shares is described in paragraph 3.2 of Part 5 (Additional Information in relation to the Merger) of this document. In summary, outstanding options and awards under the Share Plans will vest in full and be cash cancelled in conjunction with the Merger. The Independent Atrium Directors and key employees will continue to receive the element of their remuneration delivered in Atrium Shares up to Closing.

8. Employees

Atrium's employees will continue to be employed by Atrium following implementation of the Merger. Gazit has confirmed that it intends to fully respect the terms of all employees' contracts.

9. Warranties

Atrium has given limited warranties to Newco relating to title, capacity and authority. Newco has given similar warranties to Atrium.

10. Termination

The Merger Implementation Agreement may be terminated before Closing:

- (a) if agreed to by Newco and Atrium; or
- (b) if the Conditions have not been satisfied on or before the Longstop Date (subject to the parties agreeing to an extension to the Longstop Date).

11. Amendments to Atrium's Articles of Association

It is proposed, as part of the Merger Resolutions, to amend Atrium's articles of association to:

- (a) incorporate provisions requiring that any Atrium Shares issued under the Share Plans or otherwise after the passing of the Merger Resolutions but before Closing will, subject only to the passing of the Reduction Special Resolution, compulsorily be cancelled at Closing in consideration for the Cash Consideration Amount per Atrium Share; and
- (b) set out the rights and terms of the Reduction of Capital Share.

The Merger Resolutions set out in the Notice of Extraordinary General Meeting in Part 6 (Notice of Extraordinary General Meeting) of this document include a special resolution seeking the approval of Atrium Shareholders for such an amendment.

12. Governing Law and Jurisdiction

The Merger Implementation Agreement is governed by Jersey law. The Court has exclusive jurisdiction in relation to all disputes arising out of or in connection with the Merger Implementation Agreement.

PART 4

ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

The implications (and availability) of the Acquisition for Overseas Shareholders may be affected by the laws of the Relevant Jurisdiction in which they are located. Overseas Shareholders should inform themselves about, and observe, any applicable requirements in those jurisdictions. It is the responsibility of each Overseas Shareholder to satisfy himself/herself/itself as to the full observance of the laws of the jurisdiction in which he/she/it is situated in connection therewith, including obtaining any governmental, exchange control or other consents that may be required, or the compliance with other necessary formalities that are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The distribution of this document and/or the accompanying documents, in whole or in part, in, into or from jurisdictions other than Jersey, the Netherlands and Austria, may be restricted by law and therefore persons in such jurisdictions into whose possession this document (and the accompanying documents) come(s) should inform themselves about, and observe, any applicable legal and regulatory requirements or restrictions. Any person (including nominees, trustees and custodians) who would, or otherwise intends to, forward this document or any accompanying document to any jurisdiction outside Jersey, the Netherlands and Austria should refrain from doing so and seek appropriate professional advice before taking any action. In particular, the ability of persons who are not resident in Jersey to exercise their voting rights at the Merger Extraordinary General Meeting, or to execute and deliver a Form of Proxy and/or Form of Instruction appointing another to exercise their voting rights at the Merger Extraordinary General Meeting on their behalf, may be affected by the laws of the Relevant Jurisdiction in which they are located. Any failure to comply with the applicable requirements or restrictions may constitute a violation of the securities laws of any such Relevant Jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility and liability for the violation of such restrictions by any person or any other failure to satisfy any applicable laws, regulations or requirements.

This document and the accompanying documents have been prepared for the purposes of complying with Jersey law, Dutch law and Austrian law, and the information disclosed in this document may not be the same as that which would have been disclosed if this document and the accompanying documents had been prepared in accordance with the laws of any jurisdiction other than the Netherlands, Austria or Jersey. Nothing in this document or the accompanying documents should be relied upon for any other reason or purpose. This document and the accompanying documents are for information purposes only and neither this document nor the accompanying documents are intended to, and do not, constitute an offer or invitation to sell, purchase, subscribe for or issue any securities or the solicitation of an offer to buy or subscribe for securities in any jurisdiction in which such offer or solicitation is unlawful. No such offer, invitation or solicitation shall require Newco, Gazit or Atrium to publish a prospectus pursuant to the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This document is not a prospectus.

This document will not be made available, directly or indirectly, in or into, or by use of the mails or any other means or instrumentality (including facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and no person may vote in favour of (or against) the Acquisition by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this document and formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not distribute or send it in, into or from a Restricted Jurisdiction.

The Acquisition relates to the shares of a Jersey company and it is proposed to be made by means of a statutory merger under the laws of Jersey. The Merger will relate to the shares of a Jersey company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a statutory merger under Jersey law is not subject to the shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Moreover, the Merger will be subject to the disclosure requirements and practices applicable in Jersey to statutory mergers, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in (or incorporated by reference into) the relevant documentation has been prepared in accordance with accounting standards applicable in Jersey and may not be comparable to the financial statements of US companies.

The settlement procedure with respect to the Merger will be consistent with Jersey practice, which differs from US domestic tender offer procedures in certain material respects.

The receipt of cash pursuant to the Merger by a US Holder of Atrium Shares as consideration pursuant to the terms of the Merger will be a taxable transaction for US federal income tax purposes and under applicable US state and local tax laws.

Each Atrium Shareholder is urged to consult his or her own professional advisers immediately regarding the legal and tax consequences of the Merger applicable to him or her.

PART 5

ADDITIONAL INFORMATION IN RELATION TO THE MERGER

1. Responsibility

- 1.1 The Atrium Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to paragraphs 1.2 and 1.3 below. To the best of the knowledge and belief of the Atrium Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Atrium Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the recommendations and opinions of the Independent Atrium Directors relating to the Acquisition. To the best of the knowledge and belief of the Independent Atrium Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Newco Directors, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this document relating to Newco, the Newco Directors, Gazit, the Gazit Group and, to the extent applicable, their respective immediate families, related trusts of and other connected persons, and persons acting or deemed to be acting in concert with Newco. To the best of the knowledge and belief of the Newco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The Atrium Directors and their respective positions in Atrium are:

<u>Name</u>	<u>Position</u>
Chaim Katzman	Non-Executive Chairman of the Board
Neil Flanzraich	Chairman of the Committee of Independent Atrium Directors and Non-Executive Director
Andrew Wignall	Non-Executive Director
Lucy Lilley	Non-Executive Director
David Fox	Non-Executive Director
Zvi Heifetz	Non-Executive Director
Oren Hod	Non-Executive Director

The registered office of Atrium is 11-15 Seaton Place, St. Helier, Jersey JE4 0QH. The business address of each of the Independent Atrium Directors is 4th floor, Channel House, Green Street, St. Helier, Jersey JE2 4UH.

The company secretary of Atrium is Aztec Financial Services (Jersey) Limited.

- 2.2 The Independent Atrium Directors are Neil Flanzraich, Andrew Wignall, Lucy Lilley, David Fox and Zvi Heifetz.

- 2.3 The Newco Directors and their respective positions in Newco are:

<u>Name</u>	<u>Position</u>
Zvi Hersch Gordon	Director
Chaim Katzman	Director
VG Corporate Director One Limited	Director
VG Corporate Director Two Limited	Director

The registered office of Newco and the business address of each of the Newco Directors is Fifth Floor, 37 Esplanade, St. Helier, Jersey JE1 2TR.

3. Directors' Service Contracts and Emoluments

3.1 Executive Directors

Atrium does not have any executive directors and therefore there are no service contracts currently in place with executive directors.

3.2 Independent Atrium Directors

The Independent Atrium Directors do not have current letters of appointment or agreed terms with Atrium other than those as set from time to time by the Board. A summary of the agreed terms currently in place with the Independent Atrium Directors are as follows:

<u>Name of director</u>	<u>Start of mandate</u>	<u>Term of directorship</u>	<u>Remuneration (salary and other benefits)</u>
<i>Neil Flanzraich</i>	1 April 2017	The director shall retire at each shareholders' annual general meeting (the Annual General Meeting) following the date of appointment and shall be eligible for re-election at that Annual General Meeting, unless the directors determines otherwise	EUR 50,000 in cash per year EUR 50,000 in Atrium Shares per year, subject to a two-year vesting period EUR 10,000 in cash as Chairman of the Audit Committee per year EUR 1,000 per meeting in person EUR 750 per telephonic meeting
<i>Andrew Wignall</i>	6 March 2008	same as above	EUR 50,000 in cash per year EUR 50,000 in Atrium Shares per year, subject to a two-year vesting period EUR 10,000 in cash as Chairman of the Operations Committee per year EUR 1,000 per meeting in person EUR 750 per telephonic meeting
<i>Lucy Lilley</i>	1 April 2018	same as above	EUR 50,000 in cash per year EUR 50,000 in Atrium Shares per year, subject to a two-year vesting period EUR 1,000 per meeting in person EUR 750 per telephonic meeting
<i>David Fox</i>	14 May 2020	same as above	EUR 50,000 in cash per year EUR 50,000 in Atrium Shares per year, subject to a two-year vesting period EUR 1,000 per meeting in person EUR 750 per telephonic meeting

Name of director	Start of mandate	Term of directorship	Remuneration (salary and other benefits)
Zvi Heifetz	28 July 2021	same as above	EUR 50,000 in cash per year EUR 50,000 in Atrium Shares per year, subject to a two-year vesting period EUR 1,000 per meeting in person EUR 750 per telephonic meeting

- 3.3 The Atrium Directors have discretion to set the annual director's ordinary remuneration, in their capacity as Atrium Directors, up to an aggregate limit of EUR 2 million per annum. If the Atrium Directors wish to increase this limit, prior shareholder approval by ordinary resolution would be required.
- 3.4 In recognition of the significant increase in services provided and time devoted to Atrium by each of the Independent Atrium Directors in relation to the Merger, the Independent Atrium Directors have received, in addition to his/her/their current fees, including (for the avoidance of doubt) the attendance fees to which the Independent Atrium Directors are entitled for each relevant committee meeting, a fee in an amount equal to EUR 50,000 per person which was paid in instalments with the final instalment of EUR 25,000 paid on 15 November 2021.
- 3.5 Save as set out in this document, the effect of the Merger on the interests of the Atrium Directors does not differ from its effect on the like interests of any other holder of Atrium Shares.

4. Material Interests under Article 127F(2)(a)(v) of the Companies Law

4.1 Atrium

The material interests of the Independent Directors are as set out in paragraphs 2, 3, 6 and 7 of this Part 5 (*Additional Information in relation to the Merger*).

The material interests of Chaim Katzman are as set out in paragraph 2 of this Part 5 (*Additional Information in relation to the Merger*). Chaim Katzman holds, directly or indirectly, 392,119 Atrium Shares and 190,000 options over Atrium Shares. In addition, Mr Katzman holds, directly, 60,000 shares in Gazit and indirectly holds and/or controls a further 83,850,317 shares in Gazit through his interests in Norstar Holdings Inc.

The material interests of Oren Hod are as set out in paragraph 2 of this Part 5 (*Additional Information in relation to the Merger*). In addition, Oren Hod has been the Deputy CEO of Gazit since June 2020 and holds, directly or indirectly, 43,973 shares in Gazit, 648,980 options over shares in Gazit and 74,474 restricted share units.

4.2 Newco

Chaim Katzman has material interests, which are more fully set out in paragraph 4.1 above.

Zvi Gordon holds a number of co-directorships with other Gazit controlled companies, including Gaia and Midas as material shareholders of the Company. Mr Gordon is also an employee of the Gazit Group, namely as Vice President of Investments (Chief Investment Officer) of Gazit.

VG Corporate Director One Limited and VG Corporate Director Two Limited are corporate director entities of VG Trust and Corporate Services Limited, the corporate administrator of Newco in Jersey. VG Corporate Director One Limited and VG Corporate Director Two Limited are also corporate directors of Gaia and Midas as material shareholders of the Company.

5. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Atrium Group in the period beginning on 18 October 2019 and ending on the Last Practicable Date.

Merger Implementation Agreement

On 17 October 2021, Newco and Atrium entered into the Merger Implementation Agreement (and was amended by the Amendment Letter on 22 November 2021) pursuant to which Atrium and Newco have each undertaken, among other things, to provide information and assistance in connection with the implementation of the Merger.

Details and a summary of the Merger Implementation Agreement are set out in Part 3 (Summary of the Principal Terms and Conditions of the Merger) of this document.

Equity Commitment Letter

On 17 October 2021, Newco, Atrium and Gazit entered into an equity commitment letter pursuant to which Gazit has undertaken to Atrium and Newco: (a) to pay to Newco (or the Paying Agent) (subject to the approval of the Merger and the satisfaction, approval or waiver of the Conditions in accordance with the terms of the Merger Implementation Agreement) in immediately available funds a maximum aggregate amount of EUR 313 million by no later than two Business Days before the Closing Date; and (b) to procure that the amount it has paid to Newco under the Equity Commitment Letter is applied towards Atrium satisfying the Payment Obligation and will not be used for any other purpose until the Payment Obligation has been discharged in full (the **Equity Commitment Letter**).

2025 Notes Increase

In June 2020, Atrium issued EUR 200 million notes (the **New 2025 Notes**). The New 2025 Notes are consolidated and form a single series with the EUR 300 million 3.000 per cent. notes due 2025 issued by Atrium on 11 September 2018. The New 2025 Notes carry a coupon of 3.000 per cent. per annum and have a maturity date of 11 September 2025. An amount equal to the net proceeds of the issue of the New 2025 Notes will be used for the refinancing of existing debt and general corporate purposes. The New 2025 Notes are listed on the Luxembourg Stock Exchange.

Repurchase of the 2022 Notes

In June 2020, Atrium invited holders of its EUR 500 million 3.625 per cent. Notes due October 2022 (the **2022 Notes**), of which EUR 458,588,000 in principal amount were outstanding, to tender their 2022 Notes for purchase by Atrium (the **2020 Tender Offer**). Pursuant to the 2020 Tender Offer, EUR 217,764,000 in principal amount of the 2022 Notes were purchased by Atrium, as a result of which EUR 240,824,000 in principal amount of the 2022 Notes were outstanding immediately after settlement of the 2020 Tender Offer.

Additional Repurchase of the 2022 Notes

In January 2021, Atrium invited holders of the 2022 Notes, of which EUR 232,950,000 in principal amount were outstanding, to tender their 2022 Notes for purchase by Atrium (the **2021 Tender Offer**). Pursuant to the 2021 Tender Offer, EUR 78,233,000 in principal amount of the 2022 Notes were purchased by Atrium, as a result of which EUR 154,717,000 in principal amount of the 2022 Notes were outstanding immediately after settlement of the 2021 Tender Offer.

New Green Notes

In February 2021, Atrium Finance Issuer B.V., a subsidiary of Atrium, issued EUR 300 million inaugural green notes guaranteed by Atrium under its euro medium-term note (EMTN) programme (the **New Green Notes**). The New Green Notes carry a coupon of 2.625 per cent. per annum and have a maturity date of 5 September 2027. An amount equal to the net proceeds of the issue of the New Green Notes will be applied specifically for the financing or refinancing, in part or in full, of new and/or existing assets, developments or projects (**Green Assets**) that meet the requirements of the Green Financing Framework. The New Green Notes are listed on the Luxembourg Stock Exchange.

Green Hybrid Notes

In May 2021, Atrium issued EUR 350 million of green subordinated hybrid notes under its EMTN programme (the **Green Hybrid Notes**). The Green Hybrid Notes carry a coupon of 3.625 per cent. per annum until the first reset date in November 2026 and have no maturity date. However, the Green Hybrid Notes are callable by Atrium during a three-month period immediately preceding 4 November 2026 and thereafter annually on each interest payment date and in certain other circumstances, including upon the occurrence of certain special events, in relating to changes in tax law, rating methodologies and accounting rules. Pursuant to the conditions of the Green Hybrid Notes, Atrium

may defer the payment of interest at its option, unless certain mandatory payment events occur. An amount equal to the net proceeds of the issue of the New Green Notes will be applied specifically for the financing or refinancing, in part or in full, of Green Assets that meet the requirements of the Green Financing Framework. The Green Hybrid Notes are listed on the Luxembourg Stock Exchange.

6. Share Incentive Arrangements

The impact of the Merger on the Share Plans under the rules of the respective Plan and the treatment of the Independent Atrium Directors and key employees' share arrangements, as agreed by Atrium and Newco, is summarised below.

ESOP 2013 and ESOP 2020

The Board will determine that all options outstanding under the ESOP 2013 and the ESOP 2020 will be exercisable in full immediately before and conditional on Closing occurring. The Board has also determined that all options will be cancelled on Closing in consideration of a cash payment equal to the amount that an option holder would have received if they had exercised their option and participated in the Acquisition.

As the exercise price of options outstanding under the ESOP 2013 is higher than the Merger Price payable for each Merger Share under the terms of the Merger, no payment will be made in respect of the cancellation of those options.

ESPP

All awards outstanding under the ESPP on the Closing Date will automatically vest on the Closing Date, in accordance with the rules of the ESPP, and will be cancelled on Closing in consideration of a cash payment equal to the amount that a participant would have received if they had received the Atrium Shares due in respect of their award and participated in the Acquisition.

Independent Directors' Share Remuneration and Election for Shares

Each Independent Atrium Director receives EUR 50,000 of Atrium Shares allocated in semi-annual instalments each year. Atrium Shares vest after a period of two years from the date of their allocation. With the agreement of Newco, the Board will resolve that all awards of Atrium Shares that would remain outstanding on the Closing Date will vest early and in full before the Closing Date so that the Merger will apply to those Atrium Shares.

Each Independent Atrium Director is also entitled to elect semi-annually to receive his/her annual cash fee in Atrium Shares. The election must be made in the four-week period (inclusive) following the announcement by Atrium of the end of the closed period in relation to its annual results and half-year results. Due to a special closed period in relation to the Merger, the election period for the first semi-annual instalment has been delayed to the election period of the second semi-annual instalment, which took place in the ordinary course after the special closed period in relation to the Merger and the closed period in relation to the half-year results had ended. Atrium delayed the satisfaction of any election under the Restricted Share Plan (i.e. the issuance of Atrium Shares) for the first semi-annual instalment in order to take into account any election for the second semi-annual instalment. To the extent that an Independent Atrium Director has elected to receive his/her annual cash fee in Atrium Shares, Atrium Shares will be issued by Atrium before the Merger Voting Record Time and therefore the Merger will apply to those shares.

Key Employee Share Remuneration

Certain of Atrium's key employees (the CEO, the CFO and the Managing Director of Retail) receive a specified value of Atrium Shares allocated in semi-annual instalments each year. The right to receive these share allocations will continue up to Closing (pro-rated for any fraction of a semi-annual period).

7. Undertakings

7.1 Atrium Directors

Newco and Atrium have received irrevocable undertakings to vote (or procure the voting) in favour of the Merger Resolutions to be proposed at the Merger Extraordinary General Meeting from the Independent Atrium Directors in respect of their own beneficial holdings totalling 128,906 Atrium Shares, representing in aggregate approximately 0.032 per cent. of the ordinary share capital of Atrium in issue at close of business on the Last Practicable Date:

Name	Number of Atrium Shares in respect of which undertaking is given	Percentage of Atrium's issued share capital
Neil Flanzraich	35,741	0.009%
Andrew Wignall	70,013	0.017%
Lucy Lilley	22,537	0.006%
David Fox	615	0.0002%
Total	128,906	0.032%

These irrevocable undertakings will cease to be binding on the earlier of:

- (a) the Merger being terminated or withdrawn in accordance with its terms;
- (b) the Merger Implementation Agreement terminating in accordance with its terms; or
- (c) Newco publicly announcing that it does not intend to proceed with the Merger.

7.2 Gazit

Gazit's subsidiaries, Gaia and Midas, have provided an undertaking in favour of Newco and Atrium confirming that they will vote in favour of each of the Merger Resolutions at the Merger Extraordinary General Meeting, in respect of their entire beneficial holdings of Atrium's issued share capital as at the Last Practicable Date. The obligations of Gaia and Midas shall lapse and cease to have effect on the earliest of the Merger terminating or being withdrawn in accordance with the terms of the Merger Implementation Agreement.

8. Financing Arrangements relating to Newco

The Cash Consideration Amount payable to Merger Shareholders pursuant to the Merger will be provided by Newco from the Gazit Group's cash resources and credit facilities.

9. No Significant Change

Save to the extent disclosed in this document, there has been no significant change in the financial or trading position of Atrium since 30 September 2021, being the date to which interim results for the nine-month period ended 30 September 2021 were prepared.

10. Documents Published on a Website

Copies of the following documents are available for view on Atrium's website at www.aere.com/ (subject to, in each case, any applicable restrictions relating to persons resident in Restricted Jurisdictions) up to and including the Closing Date or the date the Merger lapses or is withdrawn, whichever is earlier:

- (a) this document (including the Form of Proxy and Form of Instruction);
- (b) the Merger Implementation Agreement;
- (c) the Amendment Letter;
- (d) the irrevocable undertakings referred to in paragraph 7 above;
- (e) the articles of association of Atrium, as well as the proposed amendments to the articles of association contemplated under the Merger Implementation Agreement;
- (f) the certificates signed under Articles 127E(5) and (6) of the Companies Law in respect of Atrium, and a copy of any information that has been provided to Atrium by Newco under Article 127E(4)(b) of the Companies Law, each as at the Last Practicable Date; and
- (g) the Announcement.

Neither the contents of Atrium's or Gazit's website, nor those of any other website accessible from hyperlinks on Atrium's or Gazit's website, are incorporated into or form part of this document.

11. Sources of Information and Bases of Calculation

- 11.1 As at close of business on the Last Practicable Date, Atrium had in issue 400,507,737 ordinary shares of no par value. The International Securities Identification Number for Atrium Shares is JE00B3DCF752.
- 11.2 All percentages of Atrium's issued share capital are stated as at close of business on the Last Practicable Date, and are based on the 400,507,737 Atrium Shares in issue as at the close of business on the Last Practicable Date.
- 11.3 The market prices of Atrium Shares are the reported closing prices as quoted on the Exchanges for the relevant date(s).

PART 6

NOTICE OF EXTRAORDINARY GENERAL MEETING

ATRIUM EUROPEAN REAL ESTATE LIMITED

(Registered in Jersey under number 70371)

NOTICE IS GIVEN that an Extraordinary General Meeting (the **Merger Extraordinary General Meeting**) of Atrium European Real Estate Limited (the **Company**) will be held at the offices of Aztec Financial Services (Jersey) Limited at 11-15 Seaton Place, St. Helier, Jersey, JE4 0QH at 10.00 a.m. on 23 December 2021 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions of the shareholders of the Company.

SPECIAL RESOLUTIONS

1. **THAT** the terms of the Merger Implementation Agreement between the Company and Gazit Hercules 2020 Limited dated 17 October 2021 (as amended by the Amendment Letter on 22 November 2021) be and are generally and unconditionally approved for all purposes including Articles 127F(1) and (3) of the Companies Law and the directors of the Company (or a duly authorised committee thereof) be and are authorised to take all such action as they may consider necessary or desirable for the implementation of the Merger pursuant to the terms and subject to the conditions contained in the Merger Implementation Agreement.
2. **THAT**, subject to the passing of Resolution 1, the articles of association of the Company be and are amended by the adoption and inclusion of the following new article 45:
 45. Merger
 - 45.1 In Article 45, references to the “Merger” are to the merger between the Company and Gazit Hercules 2020 Limited, the terms of which are contained in a merger implementation agreement between the Company and Gazit Hercules 2020 Limited dated 17 October 2021 (as amended pursuant to the terms of an amendment letter dated 22 November 2021) (the **Merger Implementation Agreement**), pursuant to Part 18B of the Law. Terms defined in the Merger Implementation Agreement shall have the same meanings when used in this Article.
 - 45.2 Notwithstanding any other provisions in these Articles, if the Company issues any Atrium Shares other than to Gazit (or any of its wholly owned subsidiaries) (together the **Gazit Group**) or its nominee(s) on or after the date of the adoption of this Article and before 6.00 p.m. GMT on the Business Day immediately before the Closing Date (the **Merger Record Time**), such Atrium Shares shall be issued subject to the terms of the Merger and the holder or holders of such Atrium Shares shall be bound by the Merger accordingly.
 - 45.3 Notwithstanding any other provision of these Articles, if the Company issues any Atrium Shares to any person (other than any member of the Gazit Group or its nominee(s)) (a **New Member**) at or after Closing, such Atrium Shares will, provided that the Merger has become effective, be immediately cancelled in consideration of and conditional on the payment to the New Member of the same cash consideration per Atrium Share as would have been payable to a holder of Merger Shares under the Merger.
 - 45.4 On any reorganisation of, or material alteration to, the share capital of the Company (including any subdivision and/or consolidation), the value of the consideration per Atrium Share to be paid under Article 45.3 above shall be adjusted by the Directors in such a manner as the Auditors or an independent investment bank selected by the Company (whichever the Directors may elect in their absolute discretion) may determine to be fair and reasonable to the New Member reflecting such reorganisation or alteration. References in this Article to “Atrium Shares” shall, following such adjustment, be construed accordingly.
 - 45.5 The consideration to be paid for any Atrium Shares to be cancelled under Article 45.3 will be paid at the same time as the Cash Consideration Amount is paid to Merger Shareholders under the Merger Implementation Agreement and the payment of such consideration shall constitute a complete discharge to the Company in respect of their obligations.

45.6 Notwithstanding any other provision of these Articles, neither the Company nor the Directors shall register the transfer of any Merger Shares effected between the Merger Record Time and the date on which the Merger becomes effective, other than to a member of the Gazit Group or its nominee(s) pursuant to the Merger.”

3. **THAT**, subject to the passing of Resolution 1 and Resolution 2 the Company shall allot and issue to an independent provider of nominee shareholder services (to be appointed by the Company in accordance with the Merger Implementation Agreement) (the **Trust Agent**) one reduction of capital share of no par value in the Company (the **Reduction of Capital Share**) for a subscription price of EUR 1 with the new Reduction of Capital Share having the rights as set out in the following new article 4A:

“4A. Reduction of Capital Share

4A.1 The Reduction of Capital Share and the Ordinary Shares in issue from time to time shall rank *pari passu* in all respects and the Reduction of Capital Share shall have all of the same rights, limitations and preferences as the Ordinary Shares save that, should the Company convene an extraordinary general meeting to consider (among other things) a special resolution to approve a reduction of capital pursuant to Article 61(1A) of the Law, the holder of the Reduction of Capital Share shall have the power to pass the special resolution by voting in favour thereof notwithstanding how any of the other Shareholders vote on such resolution.”

4. **THAT**, subject to the passing of Resolution 3, the Trust Agent be and is irrevocably instructed to vote for the Reduction of Capital Share in favour of the Reduction Special Resolution at the Reduction Extraordinary Meeting (as such terms are defined in the Merger Implementation Agreement).
5. **THAT**, subject to the passing of Resolution 1, the Independent Atrium Directors be and are authorised to take all such action as they may consider necessary or appropriate for giving full effect to the Merger.

23 November 2021

By Order of the Board
Aztec Financial Services (Jersey) Limited
Company Secretary

Registered Office:
11-15 Seaton Place
St. Helier
Jersey JE4 0QH

Registered in Jersey No. 70371

NOTES:

1. Capitalised terms used but not defined in the notes below have the meanings given to them in the document of which this notice forms part.
2. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 21 December 2021 (or, in the event of any adjournment, on the date which is two Business Days before the time of the reconvened meeting) shall be entitled to attend or vote at the Merger Extraordinary General Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Merger Extraordinary General Meeting.
3. Every shareholder entitled to attend and vote at the Merger Extraordinary General Meeting is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and, on a poll, to vote instead of that shareholder.
4. A Form of Instruction is enclosed with the document of which this notice forms part. Instructions for use are shown on the form. To be valid, the Form of Instruction (together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof) must be returned through an account holding bank or broker in accordance with the instruction printed on the Form of Instruction so that the account holding bank or broker may forward the Form of Instruction (via an intermediary of Euroclear) to proxy agent VLK, so as to be received not later than 10.00 a.m. on 17 December 2021 (or in case of an adjourned meeting, not less than 96 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in the Netherlands). If the Form of Instruction for the Merger Extraordinary General Meeting is not returned by the time stated above, it will be invalid.
5. A Form of Proxy for the Merger Extraordinary General Meeting is enclosed with the document of which this notice forms part. Instructions for use are shown on the form. To be valid, the Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof) must be returned to Aztec Financial Services (Jersey) Limited, not later than 10.00 a.m. on 21 December 2021 (or in case of an adjourned meeting, not less than 48 hours before the time set for an adjourned meeting, excluding any part of a day that is not a working day in Jersey). If the Form of Proxy is not returned by the time stated above, it will be invalid.
6. In the case of joint holders of shares, such shareholder shall not have the right of appointing a proxy individually in respect of such shares, but shall elect one of their number to represent them and name a proxy. In default of such election, the shareholder whose name appears first in order on the Form of Proxy in respect of such shares shall be the only person entitled to appoint a proxy by completing the Form of Proxy.
7. Completion and return of a Form of Proxy for the Merger Extraordinary General Meeting, or the appointment of a proxy will not prevent a shareholder from attending and voting in person at the Merger Extraordinary General Meeting, or any adjournment thereof, if such shareholder wishes and is entitled to do so.
8. If you wish your proxy to cast all of your votes for or against a resolution, you should insert an "X" in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, or to withhold certain votes, insert the relevant number of shares in the appropriate "For", "Against" or "Vote Withheld" boxes. In the absence of instructions, your proxy may vote or abstain from voting as he/she thinks fit on the specified resolution and, unless instructed otherwise, may also vote or abstain from voting as he/she thinks fit on any other business (including on a motion to amend a resolution, to propose a new resolution or to adjourn the meeting) which may properly come before the Merger Extraordinary General Meeting. If an instruction is given to abstain from voting in respect of any resolution, this instruction will be deemed to be neither a vote for nor against the resolution.
9. If the person appointed to vote on your behalf does not register at the Merger Extraordinary General Meeting or leaves the meeting after registering, your right to vote shall automatically pass to the chairman.
10. The statement of the rights of shareholders in relation to the appointment of proxies in these notes can be exercised only by shareholders of the Company.

11. As at 6.00 p.m. on 19 November 2021 (being the last practicable date prior to the publication of the document of which this notice forms part), the Company's issued share capital consisted of 400,507,737 ordinary shares of no par value, carrying one vote each. Therefore, the total voting rights in the Company as at 19 November 2021 were 400,507,737.
12. Persons who hold interests in Atrium Shares through Euroclear and wish to appoint a proxy or proxies may do so by using the procedures described in the Forms of Instruction. Shareholders who hold shares through an account holding bank or broker (a financial institution which is an intermediary in Euroclear), should refer to their account holding bank or broker, who will be able to assist in taking the appropriate action on their behalf.
13. The completion and return of the Form of Proxy shall be at the sole risk of the shareholder first-named on the Form of Proxy, and neither the Company nor any other person shall be liable for any loss arising out of any delay or failure of the Form of Proxy to arrive by the due date and time.

PART 7

DEFINITIONS

2020 Tender Offer	has the meaning set out in paragraph 5 of Part 5 (Additional Information in relation to the Merger) of this document;
2021 Tender Offer	has the meaning set out in paragraph 5 of Part 5 (Additional Information in relation to the Merger) of this document;
2022 Notes	has the meaning set out in paragraph 5 of Part 5 (Additional Information in relation to the Merger) of this document;
Acquisition	the acquisition by Newco of the entire issued and to-be-issued ordinary share capital of Atrium (other than Atrium Shares already held by members of the Gazit Group) to be implemented by way of the Merger;
AFFO	Atrium's adjusted funds from operations calculated in accordance with commonly accepted industry standards;
AFFO Dividends	the distribution of an amount each quarter equal to the AFFO as determined by the Board, as derived from the management accounts for Atrium and its subsidiaries for the relevant financial quarter;
Amendment Letter	has the meaning set out in paragraph 2 of Part 1 (Letter from the Chairman of the Committee of Independent Atrium Directors) of this document;
Amsterdam Stock Exchange	the stock exchange of Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V.;
Announcement	the announcement of the Merger dated 18 October 2021;
Atrium or Company	Atrium European Real Estate Limited, a company incorporated in Jersey whose registered office is at 11-15 Seaton Place, St. Helier, Jersey JE4 0QH;
Atrium Directors	the persons whose names are set out in paragraph 2.1 of Part 5 (Additional Information in relation to the Merger) of this document or, where the context so requires, the directors of Atrium from time to time;
Atrium Group	Atrium and its subsidiaries;
Atrium Shareholders	the registered holders of Atrium Shares from time to time;
Atrium Shares	ordinary shares of no par value in the capital of Atrium;
Audit Committee	the audit committee of directors of Atrium from time to time;
Board	the board of directors of Atrium from time to time;
Business Day	any day on which commercial banks are normally open for full banking business in Israel, Jersey, Austria, the Netherlands and the United States;
Cash Consideration Amount	EUR 3.63 for each Merger Share, less (if the Special Dividend is paid) an amount equal to the Special Dividend Amount;
CEO	Chief Executive Officer;
CFO	Chief Financial Officer;
Closing	completion of the Merger in accordance with Article 127FM(2)(b) of the Companies Law;
Closing Date	the date on which Closing occurs;
Companies Law	the Companies (Jersey) Law 1991, as amended from time to time;
Conditions	the conditions to the implementation of the Merger contained in the Merger Implementation Agreement, as set out in Part 3 (<i>Summary of the Principal Terms and Conditions of the Merger</i>) of this document;

Court	the Royal Court of Jersey;
EPRA	the European Public Real Estate Association
EPRA NDV	has the meaning given in the “Best Practice Recommendations Guidelines” published by EPRA as at the date of this document;
EPRA NTA	has the meaning given in the “Best Practice Recommendations Guidelines” published by EPRA as at the date of this document;
Equity Commitment Letter	has the meaning set out in paragraph 5 of Part 5 (Additional Information in relation to the Merger) of this document;
ESOP 2013	the Atrium European Real Estate Limited “Share Option Plan” 2013 adopted by Atrium’s board of directors on 23 May 2013;
ESOP 2020	the Atrium European Real Estate Limited Employee Stock Option Plan (ESOP) 2020 adopted by Atrium’s board of directors on 5 November 2020;
ESPP	the Atrium European Real Estate Limited Employee Share Participation Plan adopted by Atrium’s board of directors on 20 March 2018;
EUR	the lawful currency of the European Union;
Euroclear	Euroclear Nederland (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>), the central securities depository of the Netherlands;
Exchange Rate	means the relevant currency exchange rate taken from FactSet at 4.00 p.m., UK time on 30 September 2021, being, in the case of NIS/EUR, 0.2675;
Exchanges	the Vienna Stock Exchange and the Amsterdam Stock Exchange;
Excluded Shares	Gaia Shares, Midas Shares and any other Atrium Shares which are held or acquired by or on behalf of Gazit or any direct or indirect subsidiaries of Gazit (but excluding any Atrium Shares beneficially held or acquired by a Gazit Connected Person);
Extraordinary General Meeting	an extraordinary general meeting of shareholders;
Fairness Opinion	the fairness opinion letter from UBS as to the financial terms of the Merger, a copy of which is contained in Part 2 (Fairness Opinion) of this document;
FCA	the UK Financial Conduct Authority;
Form of Instruction	the form of instruction in connection with the Merger Extraordinary General Meeting;
Form of Proxy	the form of proxy in connection with the Merger Extraordinary General Meeting, which shall accompany this document;
Gaia	Gazit Gaia Limited, a company incorporated in Jersey with its registered office at Fifth Floor, 37 Esplanade, St. Helier, Jersey JE1 2TR;
Gaia Shares	at the relevant date, all Atrium Shares beneficially owned by Gaia;
Gazit	Gazit-Globe Limited, a company incorporated in the State of Israel with its registered office at 10 Nissim Aloni Street, Tel-Aviv 62919, Israel;
Gazit Connected Person	a director, officer or employee of Gazit or any of Gazit’s wholly owned subsidiaries, or any spouse, parent, sibling or child of any such person;
Gazit Group	Gazit and its subsidiaries;
Gazit Shareholder Directors	Chaim Katzman and Oren Hod;
Goldman Sachs	Goldman Sachs Group Inc.;

Green Assets	has the meaning set out in paragraph 5 of Part 5 (Additional Information in relation to the Merger) of this document;
Green Financing Framework	the green financing framework requirements adopted by Atrium European Real Estate Limited;
Green Hybrid Notes	has the meaning set out in paragraph 5 of Part 5 (Additional Information in relation to the Merger) of this document;
Independent Atrium Directors	the directors of Atrium, other than the Gazit Shareholder Directors;
Independent Directors' Share Remuneration	the share remuneration of each Independent Atrium Director, equal to an annual amount of EUR 50,000, allocated in semi-annual instalments each year and payable on the expiry of two years from the date of allocation of Atrium Shares;
Initial Proposal	the initial proposal from Gazit to acquire all of the shares of Atrium that Gazit (and its affiliates) do not already own for a consideration of EUR 3.35 per Atrium Share, as publicly announced on 2 August 2021;
Jersey	the island of Jersey;
JFSC	the Jersey Financial Services Commission;
Last Practicable Date	19 November 2021 (being the date that is two Business Days before publication of this document);
Longstop Date	17 April 2022 or, if extended pursuant to the Merger Implementation Agreement, 17 October 2022;
Majority of the Minority	approval of the Merger Resolutions by the holders of a majority of Atrium Shares (other than Excluded Shares and any Atrium Shares beneficially held by a Gazit Connected Person) entitled to vote and voting on the Merger Resolutions at the Merger Extraordinary General Meeting or any adjournment or postponement thereof, voting together as a single class;
Merger	the proposed merger under Part 18B of the Companies Law between Newco and Atrium to be implemented on the terms and subject to the conditions set out in the Merger Implementation Agreement (with or subject to any modification of it or addition to it, in each case, agreed to in writing by Newco and Atrium);
Merger Extraordinary General Meeting	the Extraordinary General Meeting of Atrium Shareholders (including any adjournment, postponement or reconvention) to be convened to consider and, if thought fit, to approve the Merger Resolutions (with or without amendment);
Merger Implementation Agreement	the merger implementation agreement dated 17 October 2021, between Newco and Atrium and relating, among other things, to the implementation of the Merger (as amended by the Amendment Letter);
Merger Price	has the meaning set out in paragraph 2 of Part 1 (<i>Letter from the Chairman of the Committee of Independent Atrium Directors</i>) of this document;
Merger Record Time	6.00 p.m. (GMT) on the Business Day immediately before the Closing Date;
Merger Resolutions	the resolutions relating to the Merger to be proposed at the Merger Extraordinary General Meeting as set out in Part 6 (<i>Notice of Extraordinary General Meeting</i>) of this document;
Merger Shareholder	a holder of Merger Shares at the relevant time;
Merger Shares	any Atrium Share: (a) in issue at the date of this document;

- (b) (if any) issued after the date of this document and before the Merger Voting Record Time; and
- (c) (if any) issued on or after the Merger Voting Record Time and at or before Closing either on terms that the original or subsequent holder of such Atrium Share shall be bound by the Merger or in respect of which the holder of such Atrium Shares shall have agreed in writing to be bound by the Merger, but excluding the Excluded Shares;

Merger Voting Record Time	6.00 p.m. (GMT) on the day falling two days before the Merger Extraordinary General Meeting or, if the Merger Extraordinary General Meeting is adjourned, at 6.00 p.m. on the day falling two days before the time fixed for such adjourned meeting;
Midas	Gazit Midas Limited, a company incorporated in Jersey with its registered office at Fifth Floor, 37 Esplanade, St. Helier, Jersey JE1 2TR;
Midas Shares	at the relevant date, all Atrium Shares beneficially owned by Midas;
New 2025 Notes	has the meaning set out in paragraph 4 of Part 5 (Additional Information in relation to the Merger) of this document;
New Green Notes	has the meaning set out in paragraph 4 of Part 5 (Additional Information in relation to the Merger) of this document;
New Member	has the meaning set out in paragraph 2 of Part 6 (Notice of Extraordinary General Meeting) of this document;
Newco	Gazit Hercules 2020 Limited, a company incorporated in Jersey with its registered office at Fifth Floor, 37 Esplanade, St. Helier, Jersey JE1 2TR;
Newco Directors	the persons whose names are set out in paragraph 2.3 of Part 5 (Additional Information in relation to the Merger) of this document or, where the context so requires, the directors of Newco from time to time;
NIS	Israeli New Shekel, the lawful currency of the State of Israel;
Objection Period	the date as set out in Article 127FJ(3) of the Companies Law, if applicable, having passed in respect of Atrium and Newco following the Merger Extraordinary General Meeting;
Operations Committee	the operations committee of directors of Atrium from time to time;
Overseas Shareholders	Atrium Shareholders who are not resident in the Netherlands, Austria or Jersey;
Paying Agent	any reputable professional paying agent appointed by Newco in accordance with the terms of the Merger Implementation Agreement in order to facilitate satisfaction of the Payment Obligation;
Payment Obligation	the obligation of Atrium to pay to each Merger Shareholder the Cash Consideration Amount and the Pro Rata AFFO Dividend;
Pro Rata AFFO Dividend	a dividend in respect of the Relevant Period, the amount of which shall be the amount of the AFFO Dividend that was paid in the quarter immediately preceding the Relevant Period, reduced on a pro rata basis to reflect the number of days by which the Relevant Period is shorter than a calendar quarter;
Pro Rata AFFO Dividend Ordinary Resolution	the ordinary resolution, in the form to be agreed by Newco and Atrium, to be proposed by Atrium at the Reduction Extraordinary General Meeting to approve the payment of the Pro Rata AFFO Dividend;

Reduction Extraordinary General Meeting	the Extraordinary General Meeting of Atrium Shareholders (including any adjournment, postponement or reconvention) to be convened to consider and, if thought fit, to approve the Reduction Special Resolution and the Pro Rata AFFO Dividend Ordinary Resolution;
Reduction of Capital Share	the reduction of capital share of no par value in the capital of Atrium to be issued following the passing of the Merger Resolutions and having the rights and terms set out in the amended articles of association;
Reduction of Capital Shareholder	the holder of the Reduction of Capital Share from time to time;
Reduction Special Resolution	the special resolution, in the form to be agreed by Newco and Atrium, to be proposed by Atrium at the Reduction Extraordinary General Meeting to approve the reduction of the issued share capital of Atrium upon the cancellation of the Merger Shares at Closing;
Registrar of Companies	the Registrar of Companies in Jersey;
Regulatory Authority	any central bank, ministry, governmental, quasi-governmental (including the European Union), supranational, statutory, regulatory or investigative body or authority (including any national or supranational antitrust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction;
REIT	a real estate investment trust;
Relevant Jurisdiction	Israel, Jersey, Austria, the Netherlands, Poland, the United States and any other country where any member of the Atrium Group has real estate assets or is assessed for tax;
Relevant Period	the period from the date of the most recently paid AFFO Dividend to and including the Closing Date;
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to Atrium Shareholders in that jurisdiction;
Restricted Share Plan	Atrium's "Restricted Share Plan" adopted by Atrium's board of directors on, and dated, 16 May 2011;
SEC	the Securities and Exchange Commission;
Share Plans	the ESOP 2013, the ESOP 2020 and the ESPP;
Special Dividend	a special dividend in the amount of the Special Dividend Amount to be paid to all holders of Atrium Shares on the register of members of Atrium at the Special Dividend Record Time;
Special Dividend Amount	EUR 0.60 per Atrium Share;
Special Dividend Payment Date	a date to be notified to Atrium Shareholders but which shall be before the Closing Date;
Special Dividend Record Time	means 6.00 p.m. GMT on a date which occurs after satisfaction of the Conditions in Clauses 4.1.1(b), 4.1.1(c), 4.1.1(d), 4.1.1(e), 4.1.1(f) and 4.1.1(g) of the Merger Implementation Agreement;
Superior Proposal	a <i>bona fide</i> third party proposal that the Independent Atrium Directors determine, acting reasonably and in good faith and after consultation with their legal and financial advisers, to be more beneficial to Atrium and in the best interests of Atrium Shareholders;

Trust Agent	an independent provider of nominee shareholder services to be appointed by Atrium in accordance with the Merger Implementation Agreement;
UBS	UBS AG London Branch;
United States or US	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
US Exchange Act	the United States Securities Exchange Act 1934 and the rules and regulations promulgated thereunder (as amended);
US Holders	holders of Atrium Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Atrium Shares for persons in the US or with a registered address in the US;
Vienna Stock Exchange	the official market (Amtlicher Handel) of the Vienna Stock Exchange, together with any successor to it; and
VWAP	volume weighted average price.

For the purposes of this document, “subsidiary” shall have the meaning given by the Companies Law.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this document. All references to time in this document are to London time unless otherwise stated.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.

