

# MINUTES of the Annual General Meeting of Shareholders of RONSON EUROPE N.V., 24 June 2015

Minutes of the proceedings at the annual general meeting of shareholders of RONSON EUROPE N.V., a company with limited liability organised under the laws of the Netherlands, having its statutory seat in Rotterdam and address at Weena 210-212, 3012 NJ Rotterdam (hereinafter referred to as: the "**Company**"), which meeting was held at the Company's office on Monday 24 June 2015, commencement 11.00 AM.

In accordance with article 36, paragraph 1, of the articles of association of the Company, upon the request of the Supervisory Board, Mr. W.O.C.M. van Twuijver acted as Chairman of the meeting and Mr. T.C. Koster acted as Secretary of the meeting.

## 1. Opening

The Chairman opened the meeting and recorded that the meeting is held in one of the places referred to in the articles of association of the Company. The meeting was convened with due observance of the provisions of the Articles of Association and Dutch law and other relevant rules and regulations. It was announced in a current report on 13 May 2015 and the Convocation Notice was published on the same day by posting on the Company's website. The Chairman recorded that the meeting is being attended by 4 shareholders who deposited 236.698.374 shares representing 86.9% of the voting rights, equal to 86.9% of the outstanding number of shares (272,360,000) in the Company, whereby all shareholders registered for the meeting are represented by virtue of a proxy in writing. As a consequence, valid resolutions by the meeting can be passed and adopted.

For this meeting the Company has published and distributed the Annual Report 2014, dated 19 February 2015 ("Annual Report 2014") and the AGM Shareholder Circular, dated 13 May 2015 in order to inform the shareholders of the relevant facts and circumstances to be considered by shareholders before exercising their voting rights. All AGM documents are and have been available for inspection by the shareholders at the Company's offices in the Netherlands, at the Company's group office in Warsaw, Poland, as of 13 May 2015. All documents are also available for shareholders and investors via the Company's website as of the same date. The meeting was held in accordance with the following agenda:

- 1) Opening of the General Meeting
- 2) Discussion on the Company's Annual Report for the financial year 2014, including the report of the Management Board and the report of the Supervisory Board and its committees and including management board and supervisory board remuneration (policies)
- 3) Adoption of the annual accounts for the financial year 2014 \*
- 4) Discussion on the policy on additions to the reserves and dividends
- 5) Appropriation of the net result for the financial year 2014 \*
- 6) Discharge from liability ('*decharge*') of the members of the Management Board for their management tasks during the financial year 2014 \*
- 7) Discharge from liability ('*decharge*') of the members of the Supervisory Board for their supervisory tasks during the financial year 2014\*
- 8) Authorization of the Board of Supervisory Directors to appoint the Company's external auditor for the financial year 2015\*
- 9) Discussion of the corporate governance policy as set out in the Company's Annual Report for the financial year 2014
- 10) Composition of the Board of Managing Directors\*:
  - a) Acceptance of the resignation of Mr. M.R. Ashkenazi as Managing Director B and member of the Board of Managing Directors, effective the date of the AGM\*
  - b) Appointment of Mr. Aharon Soffer as Managing Director B and member of the Board of Managing Directors for a 4 year term effective the date of the AGM and expiring the date of the AGM of the fourth year, \*
- 11) Composition of the Board of Supervisory Directors\*: Re-Appointment of four members\*:
  - a) Re-appointment of Mr. M. Segall as member of the Board of Supervisory Directors
  - b) Re-appointment of Mr. R. Shilhav as member of the Board of Supervisory Directors
  - c) Re-appointment of Mr. A. Mientkavich as member of the Board of Supervisory Directors
  - d) Re-appointment of Mr. P. Kowalczyk as member of the Board of Supervisory Directors
  - e) term expiring the date of the AGM of the fourth year, effective the date of the meeting\*
- 12) Any Other Business
- 13) Closing of the General Meeting

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The outcome of the voting on each voting item was in accordance with the schedule 1 attached to these minutes, specifying votes for, neutral votes and votes against.

2. Discussion on the Company's Annual Report for FY 2014, including the report of the Board of Managing Directors and the Report of the Board of Supervisory Directors, and its committees including management board and supervisory board remuneration (policies)

The Chairman proposed that the meeting discuss the Annual Report 2014, including the managing directors' report and the supervisory directors' report included in the Annual Report 2014). The Chairman noted that this is not a voting item. As here were no questions on this point, the Chairman then proceeded to agenda item 3.

3. Adoption of the annual accounts for the financial year 2014

The Chairman referred to the annual accounts for the financial year 2014 and the auditor's report, both included in the Annual Report 2014 and proposed the meeting to adopt and to confirm the annual accounts 2014 by adopting the following resolution:

*3. to adopt the annual accounts of the Company for the financial year 2014 in accordance with the accounts included in the Annual Report 2014*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 3 and declared that the resolution had been adopted with the requisite majority.

4. Discussion on the policy on additions to the reserves and dividends

The Chairman noted this agenda item is an annually recurring item and he pointed out that in accordance with Article 30 of the Articles of Association, the Board of Managing Directors, with prior approval of the Supervisory Board, shall determine which portion of the profits – the positive balance of the profit and loss account – shall be reserved. The profit remaining shall be at the disposal of the general meeting. Profit distributions may only be made to the extent the equity exceeds the paid and called up part of the capital increased with the reserves which must be maintained pursuant to the law (paragraph 2 of Article 30). In addition, dividends shall be paid after adoption of the annual accounts evidencing that payment of dividends is lawful. Furthermore, the Board of Managing Directors, with prior approval of the Supervisory Board may resolve to pay an interim dividend provided the requirement of the second paragraph has been complied with as shown by interim accounts drawn up in accordance with the provision of the law. The General Meeting is authorized to determine the dividend on the basis of article 30.1 and 30.4 of the Articles of Association upon a proposal by the Board of Managing Directors, approved by the Board of Supervisory Directors.

The Chairman then made reference to the Annual Report 2014 and the Company's appertaining current report and press release of 19 February 2015 and reminded the meeting that under the prevailing dividend policy, the boards will no longer proposing to retain all profits as a matter of principle in order for these to be added to the reserves, but the boards may be proposing to the shareholders to declare a dividend to the extent the financial position of the Company and the business so permits. For financial year 2014 this has resulted in the proposal under agenda item 5. The Chairman noted that this is not a voting item. As there were no questions on this point, the Chairman then proceeded to agenda item 5.

5. Appropriation of the net result for the financial year 2014

The Chairman referred to the Annual Report 2014. The Board of Managing Directors is

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authorized under article 30.1 of the Articles of Association to determine which portion of the profits shall be reserved. The General Meeting is authorized to determine a dividend only on the basis of article 30.1 and 30.4 of the Articles of Association upon a proposal by the Board of Managing Directors, approved by the Board of Supervisory Directors. The Boards are currently not proposing a dividend, but are proposing to the shareholders to charge the net loss for 2014 to the retained earnings reserve. The Board will be reviewing the financial position of the Company in the coming months and may or may not propose to declare (interim) dividends based on the outcome of such review. Such proposal, if any, will be duly announced in a press release and current report in due course.

The Chairman then proposed to the meeting to consider the proposal by the Board of Managing Directors, as approved by the Board of Supervisory Directors, by adopting the following resolution.

*5. To acknowledge the decision by the Board of Managing Directors to charge the net loss of the Company for financial year 2014 in the amount of PLN 15,431 thousand to the retained earnings reserve.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 5 and declared that the resolution had been adopted with the requisite majority.

**6. Discharge from liability of the members of the Board of Managing Directors**

The Chairman referred to Paragraph 2 of Article 31 of the Articles of Association and proposed to approve the management of the Company as performed by the Management Board during the financial year 2014 and proposed that the Management Board, including former members, be entirely discharged from liability (“décharge”) in the exercise of its functions for the financial year 2014 by adopting the following resolution:

*6. to grant discharge from liability (“décharge”) to the members (including former members) of the Board of Managing Directors for their management during the financial year 2014.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 6 and declared that the resolution had been adopted with the requisite majority.

**7. Discharge from liability of the members of the Board of Supervisory Directors**

The Chairman referred to Paragraph 2 of Article 31 of the Articles of Association and proposed to approve the supervision as performed by the Supervisory Board during the financial year 2014 and proposed that the Supervisory Board, including former members, be entirely discharged from liability (“décharge”) in the exercise of its functions for the financial year 2014 by adopting the following resolution:

*7. to grant discharge from liability (“décharge”) to the members (including former members) of the Board of Supervisory Directors for their supervision during the financial year 2014*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 7 and declared that the resolution had been adopted with the requisite majority.

**8. Authorization of the Board of Supervisory Directors to appoint the Company’s external auditor for the financial year 2015**

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The Chairman pointed out that the GM is authorized to appoint the auditor on the basis of article 27.1 of the AoA. Under Dutch law, appointment of an auditor is mandatory for the Company. If the GM would fail to appoint an auditor the Board of Managing Directors and the Board of Supervisory Directors are obliged and authorized to do so. It is the Company's policy to schedule the appointment of the auditor each year for the AGM. The appointment right of the AGM includes the right to authorize an other corporate body to take a decision. The Company is currently evaluating the audit of the annual accounts for 2014. After completion of this process the Board of Managing Directors will make a recommendation to the Board of Supervisory Directors to appoint the auditor for FY 2015. Each of the big four firms (including EY, PWC, Deloitte and KPMG) are eligible for such appointment and the Boards intend to recommend and select one of these firms.

The recommendation and selection will be made, upon the recommendation of the Audit Committee, having consulted management and having conducted a thorough assessment of the functioning of external auditing within the Company.

The Chairman then proposed to the meeting to authorize the Board of Supervisory Directors to appoint the Company's external auditor for the financial year 2015 by adopting the following resolution:

*8. To authorize the Board of Supervisory Directors to appoint the Company's external auditor for the financial year 2015*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 8 and declared that the resolution had been adopted with the requisite majority.

### **9. Discussion of the Corporate Governance Policy**

The Chairman referred to the Company's Corporate Governance policy as described in the Annual Report 2014 and pointed out to the meeting that the policy of the Company is to schedule this subject each year for discussion with the shareholders. The Chairman then invited questions and, as there were none, went on to the next agenda item.

### **10. Composition of the Board of Managing Directors\*:**

a) Acceptance of the resignation of Mr. Ronen Ashkenazi as Managing Director B and member of the Board of Managing Directors, effective the date of the AGM\*

b) Appointment of Mr. Aharon Soffer as Managing Director B and member of the Board of Managing Directors for a term of four years to expire on the date of the AGM in the fourth year

The Chairman explained that on the date of the 2015 AGM, Mr. Ronen Ashkenazi will formally resign as Managing Director B and member of the Management Board. Mr. Ashkenazi is resigning from the Ronson Management Board in light of his other activities. It is proposed that Mr. Ashkenazi be replaced by Mr. Aharon Soffer. Mr. Soffer is nominated on behalf of the U.Dori Group Ltd, one of the Company's leading shareholders. Reference is made to the Annual Report, section Corporate Governance.

Under article 13 of the AoA, managing directors are appointed by the general meeting of shareholders of the Company. In accordance with article 13.2 of the AoA the Board of Supervisory Directors may prepare a list of two nominees for the appointment of a member of the board of managing directors. Under the AoA, the nomination is binding upon the general meeting of shareholders but may be disregarded by the meeting with a vote of two thirds of the votes cast representing more than 50% of the outstanding shares. The general meeting of shareholders is free in its choice for either of the so nominated candidates. As a matter of exception and for practical reasons, the Board of Supervisory Directors has decided to nominate one person only, i.e. Mr. Soffer. The resume of the nominee is included in annex 1 to this circular. Given his

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experience and expertise, the Board of Supervisory Directors believes that the appointment of Mr. Soffer would fit the Board of Managing Directors and will to the board's conviction meaningfully contribute to and complement the board's expertise for the benefit of the Company and its business. The Board of Managing Directors and the Board of Supervisory Directors are unanimously recommending to appoint Mr. Soffer. As member of the Board of Managing Directors the appointee will be entitled to remuneration in accordance with the remuneration policy and - program of the Company for members of the Board of Managing Directors. By this appointment as proposed, the GM accepts the resignation of Mr. Ashkenazi and acknowledges and confirms the Company's policy that four year terms expire on the date of the AGM in the fourth year of the term.

The Chairman then proposed to accept the resignation of Mr. Ashkenazi and appoint Mr. Aharon Soffer as Managing Director B and member of the Board of Managing Directors by adopting the following resolutions:

*10a) To accept the resignation of Mr. Ronen Ashkenazi as Managing Director B and member of the Board of Managing Directors, effective the date of the AGM\**

*10b) To appoint Mr. Aharon Soffer as Managing Director B and member of the Board of Managing Directors for a term of four years to expire on the date of the AGM in the fourth year*

The meeting then voted to adopt each of the resolutions separately. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 10 a and b and declared that the resolutions had been adopted with the requisite majority.

### 11. Composition of the Board of Supervisory Directors; Re-appointment of four members

11 a) Re-appointment of Mr. Mark Segall as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years, expiring the date of the AGM of the fourth year.

11 b) Re-appointment of Mr. Yair Shilhav as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years, expiring the date of the AGM of the fourth year.

11 c) Re-appointment of Mr. Arie Mientkavich as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years, expiring the date of the AGM of the fourth year.

11 d) Re-appointment of Mr. Przemyslaw Kowalczyk as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four year,s expiring the date of the AGM of the fourth year.

The Chairman reminded the meeting that a) Mr. Mark Segall was re-appointed at the AGM of 2011 for a four year term and his re-appointment is scheduled for renewal of his term for 4 more years, b) Mr. Yair Shilhav was re-appointed at the AGM of 2011 for a four year term and his re-appointment is scheduled for renewal of his term for 4 more years, c) Mr. Arie Mientkavich was appointed at the AGM of 2011 for a four year term and his re-appointment is scheduled for renewal of his term for 4 more years and d) Mr. Przemyslaw Kowalczyk was appointed at the AGM of 2011 for a four year term and his re-appointment is scheduled for renewal of his term for 4 more years.

Under article 21 of the AoA, supervisory directors are appointed by the general meeting of shareholders of the Company. In accordance with article 21.1 of the AoA, the Board of Supervisory Directors may prepare a list of two nominees for each appointment of a member of the Board of Supervisory Directors. Such nomination would be binding upon the general meeting of shareholders but may be disregarded by the meeting with a vote of two thirds of the votes cast representing more than 50% of the outstanding shares. The general meeting of shareholders is free in its choice for either of the so nominated candidates. As a matter of exception and for

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practical reasons, the Board is only nominating one person for each re-appointment. For the resumes of the nominees and the other information required by article 21.6 of the AoA, reference is made to the 2014 Annual Report. Given their experience and expertise, the Board of Supervisory Directors believes that the re-appointment of either nominee would fit the Board of Supervisory Directors' profile drawn up in accordance with article 21.3 of the AoA and available on the Company's website and will to the Board's conviction meaningfully contribute to and complement the board's expertise for the benefit of the Company and its business. Following these re-appointments, supervisory directors Messrs. Y. Shilhav, R. Sharoni and P. Kowalczyk would qualify as independent members of the Board of Supervisory Directors in accordance with article 20.2 of the AoA and the Company's prevailing Corporate Governance Policy. The Board of Managing Directors and the Board of Supervisory Directors are unanimously recommending to re-appoint the nominees for each appointment. As member of the Board of Supervisory Directors the re-appointees will be entitled to remuneration in accordance with the remuneration policy and - program of the Company for members of the Board of Supervisory Directors.

By these re-appointments the GM the number of members of the Board of Supervisory Directors remains at 6 and confirms the Company's policy that four year terms expire on the date of the AGM in the fourth year of the term. It is the intention of the Board of Supervisory Directors to re-elect Mr. Segall as Chairman and no changes in the composition of board committees are envisaged.

The Chairman then proposed to the meeting to re-appoint each of the four members separately as member of the Board of Supervisory Directors by adopting each of the following resolutions:

*11 a) To re-appoint Mr. Mark Segall as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years, expiring the date of the AGM of the fourth year.*

*11 b) To re-appoint Mr. Yair Shilhav as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years, expiring the date of the AGM of the fourth year.*

*11 c) To re-appoint Mr. Arie Mientkavich as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four years, expiring the date of the AGM of the fourth year.*

*11 d) To re-appoint Mr. Przemyslaw Kowalczyk as member of the Board of Supervisory Directors, effective the day of the meeting, for a term of four year,s expiring the date of the AGM of the fourth year.*

The meeting then voted to adopt each resolution separately. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 11 a, b, c and d and declared that the resolutions had been adopted with the requisite majority.

**12. Any other business**

None

**13. Closing**

With no other business to be transacted, the Chairman closed the meeting at 11:55 am

w/s

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W.O.C.M. van Twuijver  
Chairman

w/s

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T.C. Koster  
Secretary

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*Schedule 1 Voting Summary*

Voting Summary Ronson Europe 2015 AGM										
Agenda Item	number of shares				check	percentage of shares present				
	for	against	neutral	not voted		for	against	neutral	not voted	check
3. Adoption of the annual accounts for the financial year 2014	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
5. Appropriation of net profit and dividend for the financial year 2014	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
6. discharge from liability of the members of the MB	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
7. discharge from liability of the members of the SB	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
8. authorization of the board of SD to appoint external auditor for the financial year 2015	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
10a. Acceptance of members, resignation of mr. Moshe Ronen Ashkenazi	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
10b. Appointment of mr. Roni Aharon Soffer as MDB	216.698.374	0	20.000.000	0	236.698.374	91,6%	0,0%	8,4%	0,0%	100,0%
11a. Re-appointment of Mr. M. Segall as member of the Board of Supervisory Directors	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
11b. Re-appointment of Mr. R. Shilhav as member of the Board of Supervisory Directors	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
11c. Re-appointment of Mr. A. Mientkavich as member of the Board of Supervisory Directors	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%
11d. Re-appointment of Mr. P. Kowalczyk as member of the Board of Supervisory Directors	236.698.374	0	0	0	236.698.374	100,0%	0,0%	0,0%	0,0%	100,0%