

MirLand Development Corporation Plc.

(the “Company”)

June 3, 2021

Attn:
The Israel Securities Authority
www.isa.gov.il

Attn:
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Re: Immediate report regarding convening an extraordinary annual general meeting of shareholders of the Company¹

Pursuant to the Companies Law, 5759-1999 (the “Companies Law”), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “Report Regulations”), the Companies Regulations (Voting in Writing and Position Notices), 5766-2005 (the “Voting in Writing Regulations”), and the Companies Regulations (Notice and Announcement of a General Meeting and Class Meeting of a Public Company and Adding an Agenda Item), 5760-2000, the Company hereby announces the convention of a general meeting of shareholders of the Company, which shall be held on Monday, July 12, 2021 at 14:00 at the Company’s offices in Cyprus - Office 606 (6th floor), Nicolaou Pentadromos Centre, Thessalonikis St., 3025 Limassol Cyprus (the “Meeting” or the “General Meeting”), its agenda items and a summary of their resolutions are described below in this report.

1. The Meeting’s agenda items and summary of the proposed resolution

1.1. Discussion on the Company’s financial statements for the year ended as of December 31, 2020

Presentation and discussion on the Company’s consolidated audited financial statements including the attached auditors’ report and the board report for the year ended as of December 31, 2020, as approved by the Company’s board and published by the Company on March 25, 2021 (ref. no: 2021-01-046935) (the “2020 Periodic Report”).

¹ This notice for a general meeting of the Company’s shareholders is published pursuant to the provisions of Section 36 of the Israel Securities Law, 5728-1968 (the “Securities Law”), applicable to the Company since its securities were issued to the Israeli public and are listed on the Tel Aviv Stock Exchange Ltd. (“TASE”). Notwithstanding, please note that due to the fact that the Company is incorporated under the laws of the Republic of Cyprus, pursuant to Section 39A of the Securities Law, only the provisions of the Companies Law and the regulations promulgated thereto included in Schedule IV of the Securities Law apply thereto. In this regard, please also note the manner of participation and voting in the meeting in accordance with the provisions of the TASE Bylaws and the regulations enacted thereunder pertaining to a foreign company as detailed below.

1.2. Reappointing the Company’s auditors

Proposed resolution: “To reappoint the Company’s Israeli and Cypriot auditors – Kost, Forer, Gabbay & Kasierer (Ernst & Young), as the Company’s auditors until the Company’s next annual general meeting and to empower the Company’s board to set the terms of their fees in accordance with the nature and scope of services to be provided to the Company”.

1.3. Approving the reappointment of Mr. Glenn Scott Kolleeny as a director for an additional term of service

Proposed resolution: “To approve the appointment of Mr. Glenn Scott Kolleeny (“**Mr. Kolleeny**”) for an additional term of service as a director of the Company, for a period commencing on the date of his appointment by the general meeting convened under this invitation report until the Company’s next annual meeting”.

1.3.1 Below are Mr. Glenn’s details in accordance with the provisions of Regulation 26 of the Report Regulations:

Name:	Glenn Scott Kolleeny
Identification number:	483807975
Date of birth:	October 17, 1954
Address for service of legal process:	96-2 Naberezhnaya Kanala Griboedova St. Petersburg 190068
Citizenship:	U.S.
Membership in board of director committees:	Investments Committee
External or independent director:	No
Accounting and/or financial expertise and/or professional qualifications and/or expert external director:	No
The director is an employee of the Company, a subsidiary or a related company or of an interested party, and the roles he fills are as follows:	No
Date of commencement of service:	January 21, 2019
Education:	Academic: (B.Phil in literature and Russian and French languages – University of Oxford; BA in Russian – Columbia College; Juris Doctor –

	Columbia University; certificate in Russian literature and language – Pushkin Institute and certificate in French – University of Grenoble.
Main occupations in the last 5 years:	Partner at the law firm of Dentons Europe AO Corporate Law (2012-present)
Details of corporations in which he serves as a director:	-
Relative of an interested party in the Company:	No
Independent signatory in the Company:	No
Whether the Company consider him as possessing accounting and financial expertise for the purpose of complying the minimal number determined by the board of directors according to Section 92(a)(12) of the Companies Law:	No

1.3.2 In accordance with Section 224B of the Companies Law, Mr. Kolleeny signed a declaration about his qualifications and ability to function as a director of the Company. Mr. Kolleeny’s declaration is attached as **Annex A** to this invitation report.

1.3.3 For his service as a director of the Company, Mr. Kolleeny shall be entitled to director fees at the “maximum amount” possible for directors set in the Companies Regulations (Rules Regarding Compensation and Expenses for External Directors), 5760-2000 (the “**Remuneration Regulations**”), as they may be from time to time and in accordance with the Company’s rank at the relevant time. Similarly, Mr. Kolleeny shall be entitled to be included in the D&O liability insurance and indemnity arrangement as customary in the Company, this like the Company’s other officers.

1.4. Amending the Company’s articles of association

Proposed resolution: “To amend the Company’s current articles of association, whereby Section 3 captioned “Authorized Share Capital” shall be deleted”.

In accordance with the provisions of the Cypriot law applicable to the company, the above section is not required to be specified in the company's articles of association and its cancelation is purely technical.

A draft of the Company's articles of association following the requested amendment (marked against the Company's current articles of association, as published on June 7, 2017 (Ref. No: 2017-01-058275)), is attached as **Annex B** to this invitation report.

1.5. The acquisition of D&O liability insurance coverage

1.5.1. Background

- (a) The spread of COVID-19 at the end of 2019 caused dramatic changes in the insurance market in general, and particularly in the D&O liability insurance sector. These changes were primarily seen, on the one hand, in a significant increase in the required premiums and deductibles, and the possible decrease in scope of insurance coverage on the other. In extreme cases it was also felt that certain insurance companies were refraining from issuing quotes to provide continued coverage beyond periods already covered under existing agreements.
- (b) Due to such external changes in the insurance market and on the backdrop of a multitude of inquiries made to the Israel Securities Authority (the "ISA") on the issue of D&O liability insurance, the ISA staff examined the necessity of providing a description of all the components in the remuneration policy (as stipulated in ISA Position no. 101-21: Remuneration Policy (Best Practice)), considering the unique characteristics of the D&O liability insurance market, whose terms are generally dictated by overseas reinsurers; after examining the issue, the ISA staff found it correct to update their aforementioned position pertaining to adopting a new remuneration policy, so that it would be sufficient for the description in the remuneration policy to make reference to the scope of insurance coverage, provided that the cost of the premium and scale of the deductible are at arm length terms on the date the policy is made and the cost is not material for the company. This was based on the understanding that the premium and scale of the deductible are generally based on customary market terms (as, in any event, required as part of the exemption terms set forth in Regulation 1B1 of the Relief Regulations) and when they, in and of themselves, do not give rise to a significant concern of a conflict of interests between the company and its officers - especially when considering that the interest to acquire insurance coverage is not only that of the officers but is also shared by the company, both in order to retain the officers and due to the fact that, at least with derivative actions, insurance payments are generally made to the company (the "ISA Position").
- (c) With the foregoing background, on September 17, 2020, the Current Remuneration Policy was presented for approval of the Company's general meeting, which, *inter alia*, had the

data regarding the policy's premium retracted in the clause regarding D&O insurance - this is consistent with the ISA Position².

- (d) On November 4, 2020, the Company's general meeting decided not to approve the Remuneration Policy³. Thereafter, on November 25, 2020, the Company's board of directors approved (following the approval and recommendation of the Company's remuneration committee) the Remuneration Policy, notwithstanding the opposition of the general meeting, by virtue of the authority to do so set forth in Section 267A(c) of the Companies Law, and on the basis of reasons detailed in the Company's announcement dated November 26, 2020 (ref no.: 2020-01-119644).
- (e) On February 28, 2021, the Company's D&O insurance policy expired, in accordance with its terms. Accordingly, on February 25, 2021, the audit committee (in its capacity as the remuneration committee) and the board of directors of the Company approved the acquisition of D&O liability insurance coverage for a period of one year commencing on March 1, 2021 and ending on February 28, 2022, with the current insurance provider⁴, which includes the following main terms: a limit of up to USD 7.5 million per event and per period, an annual premium of USD 128 thousand, and a deductible of up to USD 100 thousand per insured event (the "**Insurance Policy**").⁵ In this context, it should be noted that under the Insurance Policy the scope of coverage was lowered significantly compared to the scope prior to its expiry, from USD 50 million to USD 7.5 million, while the premium was increased significantly relative to the amount previously paid.
- (f) In accordance with the provisions of the Companies Law, approval for acquiring D&O liability insurance pursuant to a remuneration policy, which was not approved in the company's general meeting in accordance with Section 267A of the Companies Law, in addition to requiring approval of the Company's audit committee (in its capacity as remuneration committee) and board of directors as specified above in subsection (e), also

² For details, see the invitation report dated September 17, 2020 (ref. no: 2020-01-093530), as amended on October 8, 13 and 20, 2020 and the latest version of the remuneration policy in the form attached to the immediate report dated October 21, 2020 (ref no.: 2020-01-105817), incorporated into this invitation report by reference.

³ See the immediate report dated November 4, 2020 (ref no.: 2020-01-110101), incorporated into this invitation report by reference.

⁴ Note that such insurance policy also includes coverage in respect of the discovery period (Run-off), as already approved by the Company's audit committee (in its capacity as remuneration committee) and the board of directors on June 24, 2020, according to the remuneration policy existing at such time, which as a result of the foregoing changes in the insurance market was also lowered significantly from USD 50 million to USD 10 million (the "**Run-off**"). It should be clarified – the resolution on the agenda of the general meeting which is being convened under this invitation report does not pertain to the insurance policy for the Run-off but only to the ongoing insurance.

⁵ In the case of a lawsuit in the US and Canada, the deductible is USD 150 thousand. In the case of a securities lawsuit, the deductible is USD 250 thousand.

requires approval of the Company's General Meeting by the majority set forth in Section 267A(b) of the Company's Law – which is being convened by this invitation report⁶.

1.5.2 **Proposed resolution:** “To approve the Company's acquisition of D&O liability insurance on the terms set forth in this invitation, effective from March 1, 2021 until February 28, 2022, and the inclusion in this policy of the directors and officers of the Company and subsidiaries, who are currently serving, and who will serve from time to time.”

1.5.3 Summary of the reasons of the audit committee (in its capacity as remuneration committee) and board for approving the acquisition of the Insurance Policy

- (a) The acquisition of D&O insurance is customary among public companies in Israel;
- (b) The purpose of the acquisition of the Insurance Policy is to provide the directors and officers of the Company with a more secure work environment, subject to the limitations of the Companies Law;
- (c) Acquisition of the Insurance Policy is in the Company's interests, since it allows the Company's directors and officers to fill their roles appropriately for the Company's benefit, considering the risks involved in this and the personal liability imposed by law on the Company's directors and officers;
- (d) The coverage is provided for all directors and officers on the same terms and in accordance with the provisions of the Company's articles of association;
- (e) The terms of the Insurance Policy are reasonable considering the nature of the Company and the scope of its activities, and were determined following consultation with the Company's insurance advisors, considering the insurance terms that are customary in the market;
- (f) The acquisition of such an Insurance Policy was made in the Company's ordinary course of business, the terms of coverage, including the cost of the annual premium and the deductible, are not material to the Company and are on market terms, and the acquisition of such an Insurance Policy is not expected to significantly affect the Company's profitability, its assets or liabilities. The foregoing is consistent with the ISA Position. It should be clarified that, as aforesaid, the audit committee (in its capacity as remuneration committee) and the board of directors of the Company discussed and confirmed that the

⁶ At the same time, note that in accordance with Regulation 1B(4) of the Companies Regulations (Leniencies for Transactions with Interested Parties), 2000 (the “**Leniency Regulations**”), acquisition of the Insurance Policy will not require approval of the General Meeting in relation to the period from the date of the acquisition of the Insurance Policy until the convening of the General Meeting, in light of the confirmation of the remuneration committee and the board of directors of the Company that the Company is in compliance with the cumulative conditions required for this in the foregoing Regulation, in their meeting dated February 25, 2021 as aforementioned.

terms of the Insurance Policy are on market terms and that the costs of the annual premium and deductible are not material to the Company.

- (g) The Company is in the midst of negotiations for debt arrangements with its main creditors - holders of its Bonds (Series G) (the “**Bondholders**”) together with negotiations with the banks financing the consolidated companies in Russia (for which the Company has provided a guarantee to secure their undertakings) (the “**Russian Financing Banks**”). The results of this arrangement (if completed according to its terms), would be a restructure of the debt to the Bondholders, in a manner that will enable the Company to continue to operate and to conduct its business. The continued employment of the Company’s officers (including its management) is of utmost importance and bears directly on the Company’s ability to complete the arrangement with the Bondholders and conclude the negotiations with the Russian Financing Banks. Therefore, the acquisition of the Insurance Policy is critical to the successful completion of these processes and to the rehabilitation of the Company.
- (h) The audit committee (in its capacity as remuneration committee) and the board of directors confirmed in their aforesaid meeting, that the Company is in compliance with the provisions of Regulation 1B(4) of the Leniency Regulations, in accordance thereto, until the date of the General Meeting convened by this report, the acquisition of the Insurance Policy will not require the approval of the General Meeting; that is: (1) the terms of the policy were approved by them in accordance with Sections 272(c)(1) and 273(1) if the Companies Law; (2) the terms of the Insurance Policy comply with the Company’s remuneration policy determined in accordance with Section 267A of the Companies Law; and (3) the terms of the Insurance Policy are not better than those granted to directors and officers in the past (on the contrary - they are significantly inferior to those).

2. **Place, date and time for convening the Meeting**

The Meeting will be held on Monday, July 12, 2021, at 14:00 at the Company's offices in Cyprus - Office 606 (6th floor) Nicolaou Pentadromos Centre Thessalonikis St., 3025 Limassol, Cyprus.

3. **The quorum for holding the Meeting**

Discussions at the Meetings may only commence if a legal quorum is present. A legal quorum will be constituted at the Meeting when at least two (2) shareholders who hold or represent at least twenty five percent (25%) of the Company’s voting rights are present, within half an hour of the time stipulated for the opening of the Meeting. If a legal quorum is not present at the General Meeting within half an hour after the time stipulated for the Meeting, the Meeting will be postponed to the same day on the following

week, at the same time and location, or to a different day, time and place as determined by the board of directors (the “**Deferred Meeting**”). If there is no legal quorum at the Deferred Meeting within half an hour after the time stipulated for the Meeting, then the Meeting shall take place regardless of the number of participants.

4. **Majority required for approval of the proposed resolution**

The majority required for the approval of the proposed resolutions detailed above in paragraphs 1.2 - 1.3 (inclusive) of the agenda, is a regular majority; i.e.,: more than 50% of the votes of shareholders participating in the vote (excluding abstentions).

The majority required to approve the resolution proposed in paragraph 1.4 of the Meeting’s agenda is a majority of 75% of the participating votes.

For the purpose of approving the resolution proposed in paragraph 1.5 of the Meeting’s agenda, and pursuant to the provisions of Section 267A(b) of the Companies Law, the required majority is a majority of all votes of shareholders permitted to vote and participating in the Meeting (or Deferred Meeting), provided that one of the following has been satisfied: (a) In the tally of votes the majority at the Meeting shall include a majority of all votes of all participating shareholders who are not controlling shareholders of the Company or who do not have a personal interest in approval of the resolution. Abstaining shareholders shall not be included in the tally of votes. Persons with a personal interest shall be subject to the provisions of Section 276 of the Companies Law; (b) The total number of opposing votes from the shareholders set forth in subsection (a) above has not exceeded more than two percent of all the voting rights in the Company.

5. **Date of record**

The date of record for determining eligibility to participate and the right to vote at the Meeting in accordance with Regulation 3 of the Voting Regulations, as well as for voting by proxy, is Monday, June 14, 2021 (the “**Date of Record**”).

6. **Manner of voting, voting ballot**

Due to the fact that the provisions of Section 88 and 132 of the Israel Companies Law regarding the status of nominee companies do not apply with respect to the Company as a Cypriot company, shareholders interested in participating and voting at the General Meeting, are required to request such from the relevant TASE member by whom the Company's shares are being held, by indicating the number by which they wish to vote, in order to receive the power of attorney from the nominee company of Israel Discount Bank Ltd. (the “**Nominee Company**”) to participate and vote in the General Meeting, pursuant to the provisions of Section 12A(d)(3) of Chapter I, Part B, of the TASE clearing house rules. A TASE member receiving such request, as stated, shall approach the TASE clearing house with a request to confirm to the Nominee

Company that, as of the Date of Record, such shares are registered in favor of the shareholders with the TASE clearing house. It should be clarified that pursuant to the provisions of Section 12A(d)(3) of Chapter I, Part B, of the TASE clearing house rules, the TASE clearing house is not obligated to process requests submitted less than 72 hours prior to the General Meeting.

In light of the foregoing, as of the date of this report, the Company's shareholders will not be able to vote at the General Meeting by way of the electronic voting system. In the event that such is arranged and voting via the electronic system is enabled, the Company shall publish an immediate report on the matter.

Shareholders who are entitled to participate in the Meeting and vote on the agenda items will be able to do so in one of the following ways, as they choose: (1) to attend the Meeting and vote in person thereat; (2) to appoint a proxy to attend the Meeting and to vote in their stead, in accordance with a letter of appointment and power of attorney/proxy statement; (3) to vote by means of a voting ballot attached to this invitation report, constituting an integral part hereof - all based on the confirmations of ownership and powers of attorney from the Nominee Company attached thereto, as detailed in this Report.

A shareholder is entitled to request a copy of the voting ballot directly from the Company as published by the Company and available on the ISA and TASE websites, as follows: the ISA distribution site: www.magna.isa.gov.il (the "Distribution Site"); the TASE website: www.maya.tase.co.il (the "TASE Website").

In accordance with the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at the General Meeting), 5760-2000, a shareholder in whose favor a share is registered with a TASE member, and where that same share is included amongst the shares listed in the shareholder registry in the name of the Nominee Company, who wishes to vote in the Meeting, is required to provide the Company with confirmation from a TASE member regarding ownership of the share on the Date of Record, at least four (4) hours before the time of the Meeting, together with a power of attorney from the Nominee Company, as required under the aforementioned regulations.

Shareholders whose shares are registered with a TASE member may obtain a confirmation of ownership from the TASE member holding their shares, at one of the TASE member's branches or sent by mail to their address for the cost of dispatch, if requested. Requests in this regard shall be made in advance with respect to a specific securities account. TASE members will send a link to the ballot on the Distribution Website by email, free of charge, to all shareholders not registered in the shareholder registry and whose shares are registered with that same TASE member, if the shareholder gave notice that they are interested in receiving such link and provided that the notice was given regarding a specific securities account and on a date prior to the Date of Record.

Shareholders wishing to appoint a proxy to attend the Meeting and vote in their stead (the “**Proxy**”) shall sign a letter of appointment. Proxies are not required to personally be shareholders of the Company. The letter of appointment shall be signed by the appointer or by their representative with written authority to do so, or if the appointer is a corporation – the appointment shall be made through a duly executed written statement with the corporation's stamp or with the signature of its authorized representative. A letter of appointment of a proxy to vote and a power of attorney or a copy thereof certified by a notary shall be deposited at the Company’s offices at least forty-eight (48) hours prior to the date scheduled for the Meeting or for the Deferred Meeting.

Voting by means of a voting ballot shall only be valid if it is received at the Company's registered address, together with a confirmation of ownership of the unregistered shareholder and a power of attorney from the Nominee Company or a copy of an identity card, passport or certificate of incorporation, if the shareholder is registered in the Company's books, no later than four (4) hours prior to the time of the Meeting. Voting will be done on the second part of the ballot.

The notice shall be published on the Company's website in accordance with the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and the Addition of an Agenda Item), 5760-2000 (“**Notice and Announcement Regulations**”).

7. **Adding an agenda item**

One or more shareholders with at least one percent (1%) of the voting rights at the Meeting may ask the Company's board of directors, in accordance with Section 66(b) of the Companies Law, to include an item on the Meeting’s agenda, provided that the matter is suitable for discussion at the Meeting, and in accordance with the time schedule set forth in Section 5A of the Notice and Announcement Regulations.

If the board of directors finds that an agenda item that has been requested to be raised at the Meeting, as aforesaid, is suitable to be discussed at the Meeting, the Company will publish an amended voting ballot together with an amended invitation report no later than seven (7) days after the deadline for the submission of a shareholder request to include an item on the agenda. The updated agenda may be viewed together with the Company’s reports on the Distribution website.

Under Cypriot law, where a meeting has had an agenda item added in accordance with this section (the “**Additional Item**”), the meeting shall be held at least 14 days after the publication of the invitation including the Additional Item for a resolution where the majority required is a simple majority, and at least 21 days in advance where the majority required for its approval is a special majority.

It should be clarified that the publication of the updated agenda (which includes Additional Items), if relevant, does not change the Date of Record set forth in the notice of convening the meeting.

8. **Details regarding the Company's representation regarding the handling of the immediate report**

The Company's representatives for the handling of this immediate report are Advocates Shani Azulay and Idan Azaraty of Steinmetz, Haring, Gurman & Co. Law Offices, 37 Begin Rd, by the corner of 20 Lincoln St. (Rubinstein House, 12th floor), Tel Aviv 6522042. Tel: 03-5670100; Fax 03-5670101

9. **The place and times where and when the report can be viewed**

Any of the Company's shareholders may view the immediate report and the documents referred to therein at the office of the Company's attorneys, at Steinmetz, Haring, Gurman & Co. at 37 Begin Rd, by the corner of 20 Lincoln St. (Rubinstein House, 12th floor), Tel Aviv, after prior coordination on Sun-Thurs between 9:00-16:00 (Tel: 03-5670100; Fax: 03-5670101), until the date of convening the Meeting.

Sincerely,

MirLand Development Corporation Plc.

By:

Mr. Roman Rozental, CEO

Mr. Yevgeny Steklov, CFO