



March 28, 2018

**Tax withholding on dividend Payable on April 24, 2018**

Following the Company's announcement made on March 28, 2018, with respect to the contemplated payment of the quarterly dividend for the Q1/ 2018, and subject to a specific tax ruling the Company received, we would like to elaborate about the new procedure which shall apply the deduction of taxes from such dividend payment subject to the new instructions issued by the Israeli tax authorities (the "**ITA Instructions**"):

1. The Company has appointed IBI Trust Management from Ehad Ha'am 9 Tel Aviv (Shalom Tower); e-mail address IBI-CM@IBI.co.il; phone number +972 506 209 410 (the "**Tax Trustee**"), in compliance with the ITA Instructions.
2. At the payment date of any dividend from now and on, the Company shall deduct at source from any payment made through 25% (twenty five percent) of the gross amount of such dividend and shall transfer such amount to the Tax Trustee. The remaining amount of such dividend (75%) shall be transferred to the shareholders through the CDS and/or the relevant broker.
3. Any shareholder of the Company who is a resident of a country which is a party to a treaty for the avoidance of double taxation with Israel (An "**Eligible State**") and who has an equitable right to receive such dividend from the Company (an "**Applicant**"), may apply to the Tax Trustee, until the 15<sup>th</sup> day of the following month, from the date of the dividend payment, and request that the tax rate which shall apply to such payment shall be lower according to a relevant tax treaty (the "**Application**").
4. In order to establish such Application, the Applicant shall submit to the Tax Trustee the following documents:
  - a. A written bank statement from the bank that the Company's shares are being held through, referring to the account details updated to the dividend declaration day, specifying the name of the bank, the name of the branch of the bank, the account number, the name of the registered owner of such bank account and the number of the Company's shares held through such account.
  - b. A written bank statement from the bank that the Company's shares are being held through, referring to the account details updated to the date of payment of such dividend, specifying the name of the bank, the name of the branch of the bank, the account number, the name of the registered owner of such bank account and the amount of dividend which was actually paid to such account.
  - c. A copy of the Applicant's certificate of identity:
    - i. If the Applicant is an individual – a clear scanned copy of the Applicant's passport or formal national identity card issued by the respective Eligible State.
    - ii. If the Applicant is a corporate entity – a copy of the Applicant's certificate of incorporation, issued by the Eligible State.

d. A letter issued by the tax authorities of the Eligible State, confirming that the Applicant is a resident of such Eligible State.

e. The Applicant shall state in the form attached as Appendix A that:

i. he/she/it is not a resident of Israel.

ii. he/she/it is the equitable owner of the dividend and any other fruits of the shares of the Company.

iii. he/she/it has not invested in the Company's shares through his/her/its permanent establishment in Israel.

f. A private company, resident of a treaty country, which received a dividend in an amount exceeding NIS 4 million per distribution, shall attach its shareholders' register updated as of the Books Closure Date and shall attach a statement of at least 75% of its, directly or indirectly, shareholders who are individuals and residents of the same Eligible State.

5. The Tax Trustee shall review all of the Applicant's documents, as well as any other document which may be required in order to establish the Applicant's eligibility to a reduced tax rate.

6. Upon the completion of the Tax Trustee's review, the Tax Trustee shall either transfer to the Designated Account any tax refund due to the Applicant under the applicable tax regime and/or pay the balance amount to the Israeli tax authorities.

**Appendix A**

**Gazit Globe Ltd. dividends distribution**

**CLAIM FOR REDUCED RATE OF WITHHOLDING TAX**

**IN ISRAEL ON DIVIDEND PAYMENTS TO A NON ISRAELI TAX RESIDENT**

You are receiving this form "Declaration of Status For Israeli Income Tax Purposes" as a holder of shares of common stock, par value (1.52 ILS annually – 0.38 ILS per Quarter) per share (the "**Shares**") of Gazit Globe Ltd. ("**Gazit**"), in connection with the payment of dividends to the shareholders of Gazit in (2018)

By completing this form in a manner that would substantiate your eligibility for a reduced rate of Israeli withholding tax with respect to this dividend distribution, you will allow Gazit and its Israeli tax agent, to withhold tax in Israel from the dividend distribution made to you at a reduced tax rate.

This form shall be completed and signed by the recipient of the dividend or by an authorized officer or representative of the recipient.

This claim is made pursuant to the Double Tax Convention between Israel and the country of residence of the recipient of the dividend.

## **PART A: RECIPIENT DECLARATION**

### **RECIPIENT INFORMATION**

Full name of the recipient:	<b>For Individuals:</b> Identity Number, Social Security No., or Passport No./  <b>For Legal Entities:</b> Registration No. /Corporation No.	Type of Investor: Legal Entity <input type="checkbox"/> Individual <input type="checkbox"/> Trust Beneficiary <input type="checkbox"/>
<b>With respect to an individual</b>		<b>With respect to a legal entity</b>
		The country in which it was incorporated:
Country of residence:		
Country of citizenship:		The country in which control and management are conducted:
Income Tax File number of recipient in place of residence: _____		
Permanent Address (country, city, street, house or apartment number):		
Mailing Address:	Investor's Telephone number:	
	Telephone number of authorized signatory:	

## With regard to an Individual:

I declare that I am not an Israeli resident because (please mark all applicable boxes):

<input type="checkbox"/>	1.	The State of Israel is not my permanent place of residence.
<input type="checkbox"/>	2.	The State of Israel is neither my place of residence nor my family's place of residence.
<input type="checkbox"/>	3.	My ordinary or permanent place of activity is not within the State of Israel, and I do not have a permanent establishment in the State of Israel.
<input type="checkbox"/>	4.	I do not engage in any occupation within the State of Israel.
<input type="checkbox"/>	5.	I do not own a business or part of a business within the State of Israel.
<input type="checkbox"/>	6.	This year, I did not stay and I do not intend to stay in Israel for 183 days or more.
<input type="checkbox"/>	7.	This year, I did not stay in Israel and I also do not intend to stay in Israel for 30 days or more and my total stay in Israel this year and in the two preceding years will not reach 425 days.
<input type="checkbox"/>	8.	I am not insured with the National Insurance Institute in the State of Israel.
<input type="checkbox"/>	9.	I am the sole beneficial owner of the dividend income.

## With regard to a Legal Entity:

I declare that the Legal Entity is a non - Israeli resident because (please mark all applicable boxes):

<input type="checkbox"/>	1.	Over 75% of the shareholders are individuals with the same residency as the Legal Entity (attached declaration of shareholders) – only for private companies and dividends over 4 million shekels per distribution
<input type="checkbox"/>	2.	It is not registered /incorporated with the Registrar of Companies in Israel.
<input type="checkbox"/>	3.	It is not registered with the Registrar of non profit organizations in Israel. (Amutot)
<input type="checkbox"/>	4.	The control of the legal entity is not in Israel.
<input type="checkbox"/>	5.	The management of the legal entity is not in Israel.
<input type="checkbox"/>	6.	The legal entity does not have a permanent enterprise in Israel and the entity does not have a permanent establishment in the State of Israel
<input type="checkbox"/>	7.	No Israeli resident holds, directly or indirectly via shares or through a trust or in any other manner, alone or with another who is an Israeli resident, one or more of the means of control of the legal entity, as specified below, at a rate exceeding 25%. The term "means of control" refers to the following:  (a) the right to participate in profits; (b) the right to appoint a director; (c) the right to vote; (d) the right to share in the assets of the entity at the time of its liquidation; (e) the right to direct the manner of exercising one of the rights specified above.
<input type="checkbox"/>	8.	The legal entity is the sole beneficial owner of the dividend income.

## DETAILS OF INCOME RECEIVED

Place of receipt (country, city, bank account number, Amount)

Country	City	Bank name and account number	Amount

The recipient declares that all the information provided above is accurate and complete.

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Date of Signature

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Signature of Recipient

## **PART B: DOCUMENTATION**

**With regard to an Individual** - List all documents attached –:

1. Tax residency certificate signed by the tax authority of the contracting state.
2. Copy of passport or identity card issued by the country of tax residency of shareholder
3. Broker's/financial institution statement with respect to the bank account in which the shares are being held at current to the date of entitlement to the dividend including bank account details of the account holder, bank name and account number and the number of listed shares held by the shareholder.
4. Broker's/financial institution statement, as mentioned in section 1 above current to the date of payment of the dividend, including bank account details of the account holder, bank account number and the amount of the dividend received.

**With regard to a Legal Entity** - List all documents attached:

1. Tax residency certificate signed by the tax authority of the contracting state.
2. Copy of Certificate of Incorporation issued by the country of tax residency of shareholder
3. Broker's/ financial institution statement with respect to the bank account in which the shares are being held current to the date of entitlement to the dividend including bank account details of the account holder, bank name and account number and the number of listed shares held by the shareholder.
4. Broker's / financial institution statement, as mentioned in section 1 above, current to the date of payment of the dividend, including bank account details of the account holder, bank account number and the amount of the dividend received.
5. List of shareholders of the Legal Entity.