



ISRAEL REAL ESTATE FORUM

A not-for-profit industry association (amuta)

A U T U M N · 2 0 2 6

Israeli property stocks: lower float, but stronger protection

Minority protections and CEM's compared, drawing on the OECD Corporate Governance Factbook 2025

Research note for the IREF community

IMPORTANT LEGAL STATEMENTS

This presentation is for general information only. By reading or using it, you accept the terms below in full.

No investment advice

This presentation is for general informational and educational purposes only. It does not constitute, and should not be construed as, investment, legal, tax, accounting or other professional advice, or an offer, solicitation or recommendation to buy, sell, hold or otherwise transact in any security, instrument or investment in any jurisdiction.

No reliance

Nothing in this presentation should be relied upon in making any investment, financial or business decision. Recipients must make their own independent assessment and obtain independent professional advice before acting or refraining from acting on anything covered here.

No guarantee of accuracy or completeness

Information is drawn from third-party sources (including the OECD, LSEG, FTSE Russell, EPRA, Nareit and the Israel Securities Authority) and from IREF's own research, believed reliable but not independently verified. IREF and its officers, employees, members and advisers make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of any information, estimate, forecast or opinion in this presentation.

No obligation to update

Figures, estimates and views are stated as of the dates indicated and may be incomplete, preliminary, restated or superseded by later information. IREF undertakes no obligation to update, revise or correct this presentation for events or new information arising after its date of preparation.

Jurisdictional notice — Europe, UK, Israel, USA

This presentation is not directed at, and must not be relied upon by, any person in a jurisdiction where doing so would be unlawful, and is not intended for retail investors. In the UK, it is directed only at investment professionals under the FSMA 2000 (Financial Promotion) Order 2005. In the EEA, it is directed only at qualified investors under the Prospectus Regulation (EU) 2017/1129. In Israel, it is not "investment advice" or "investment marketing" under the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995, and IREF is not a licensed adviser or marketer. In the US, it is not an offer or solicitation to buy or sell any security, and no securities are offered or sold in the US absent registration or an applicable exemption under the Securities Act of 1933. References to specific companies, indices, cities or transactions throughout this presentation are illustrative only and are not coverage, initiation or a rating of any security; past performance is not indicative of future results.

Forward-looking statements

Projections, estimates, inferred or modelled figures and characterisations of trends are forward-looking, involve known and unknown risks and uncertainties, and actual results may differ materially. Nothing here is a guarantee of future performance.

No liability

To the fullest extent permitted by law, IREF, its directors, officers, employees, members, contributors and advisers disclaim all liability, whether in contract, tort, negligence or otherwise, for any direct, indirect, incidental or consequential loss or damage arising from use of, or reliance on, this presentation or its contents.

Acceptance of these terms

By accessing, reading or otherwise using this presentation, the recipient accepts and agrees to be bound by these disclaimers in full. A recipient who does not accept these terms should not use, retain or rely on this presentation and should destroy or delete all copies.

Third-party data and marks

Organisation names, logos, indices and data referenced (including the OECD, LSEG, FTSE Russell, EPRA, Nareit and the Israel Securities Authority) remain the property of their respective owners. Their inclusion does not imply endorsement of, or association with, IREF or any view expressed here.

KEY FINDINGS

Lower free float but better minority protection

50%

public float

The overall average for the leading Investment Property stocks on the TASE is a public float of 50%, reflecting the frequent (not universal) presence of founders, families and strategic investors. Among markets in the FTSE EPRA Nareit global developed index that positions Israel between Hong Kong (45%) and Sweden (63%), and behind the US (98%), the UK (97%), Canada (95%) and Australia (94%).

9 of 10

minority protections

On ten tests built from the OECD Corporate Governance Factbook 2025, Israel scores 9 of 10 on minority shareholder protections — one higher than the next best, Greece (8). The only gap in the Israeli score is lack of mandatory auditor rotation.

A regulator with teeth

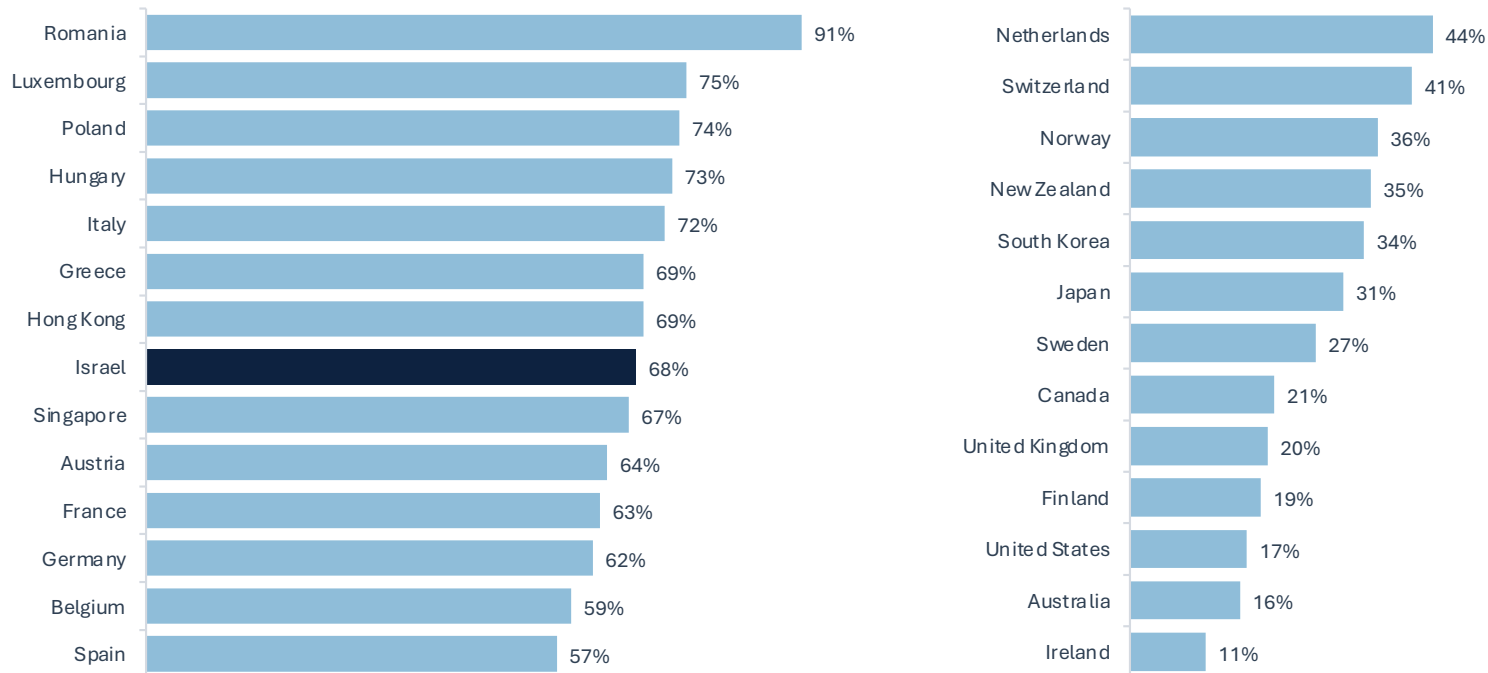
rare power of arrest

Israel's capital markets overseer, the ISA, is empowered by law with the ability to arrest suspects (Securities Law, s.56C1). Of the 26 peer regulators, only South Korea's, through staff designated as special judicial police, has a comparable power.

Source: OECD Corporate Governance Factbook 2025; LSEG; Israel Securities Law 5728-1968; IREF calculations.

Across all sectors, Israel ranks 8th of 27 for concentrated ownership

% OF LISTED COMPANIES WHERE THE 3 LARGEST OWNERS HOLD OVER 50%



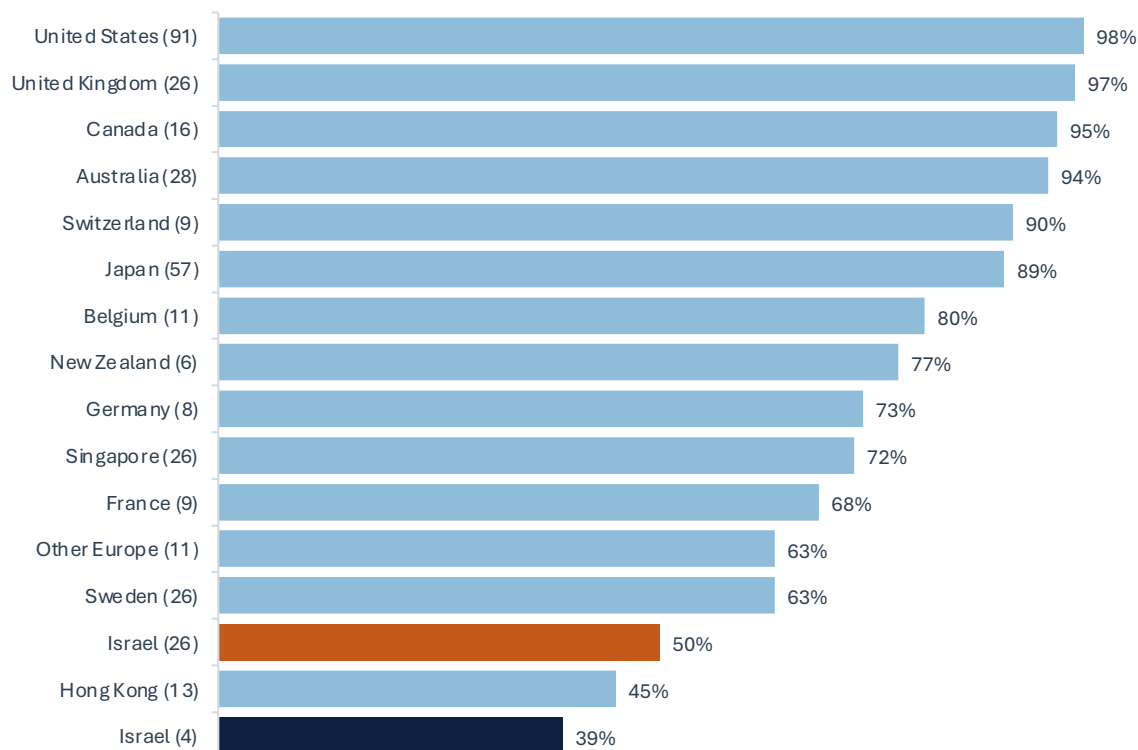
Concentrated markets: in 14 of the 27, the three largest owners hold a majority in most listed companies. Widely held: the US, the UK, Canada, Australia, Finland and Ireland.

Source: OECD Corporate Governance Factbook 2025, Table 1.2: ownership of listed companies, 2024 (Israel: 435 companies). Covers all listed companies with ownership data; excludes REITs and investment funds.

REAL ESTATE SECTOR COMPARISON: STOCKS IN THE FTSE EPRA NAREIT DEVELOPED INDEX

Israel's real estate index stocks (4) float 39% and its eligible stocks (26) float 50%

FREE FLOAT, WEIGHTED BY MARKET CAP (NUMBER OF STOCKS)



HOW THE 39% IS BUILT FROM THE 4 INDEX STOCKS

Israel index stock	Mkt cap	Float
Azrieli Group	US\$15.9bn	34%
Melisron	US\$6.4bn	49%
Amot Investments	US\$3.3bn	49%
Nimrodi Land Development	US\$0.5bn	36%
Weighted by market cap	US\$26.1bn	39%

Israel (26): the wider measure

Adds 22 TASE stocks that appear benchmark-eligible on business mix, float, liquidity and relative size, identified in IREF's September 2026 note. No other European market has a reserve on Israel's scale: Switzerland has 6 such stocks, Greece 3, Sweden about 1. Adding Switzerland's would lower its float by about 4 points.

Source: LSEG free float, 17 October 2026 (Israel: 19 September 2026), for the 345 FTSE EPRA Nareit Developed constituents on EPRA's 16 October 2026 list; float not available for 6 (Switzerland 2; UK, Australia, Canada, Hong Kong 1 each); Korea (4) not shown. Other Europe = Netherlands, Spain, Greece, Ireland, Finland, Italy, Norway, Austria. IREF calculations.

Ten rules that protect minority shareholders from a controlling owner

Test	What it means	Why it matters	Israel's rule
1 Disinterested vote on RPTs (p. 8)	A deal with the controller needs approval by shareholders not party to it.	Stops the controller voting through a self-dealing transaction.	Required vote by a majority of the minority shareholders (disinterested shareholders).
2 Auditor or expert opinion on RPTs (p. 8)	An auditor or outside expert reviews the deal before approval.	Gives minorities an independent view of price and terms.	Auditor opinion required.
3 No multiple-vote shares (pages 9–10)	No share class may carry extra votes. Multiple-vote shares are one of the four control enhancing mechanisms (CEMs).	Stops a controller holding control with a small equity stake.	Prohibited. Israel bans all four CEMs.
4 Minority say on board seats	Minority shareholders elect or approve some directors.	Puts directors on the board who answer to the minority.	At least two outside directors approved by a majority of the minority.
5 Directors independent of holders	An independent director cannot be tied to a major shareholder.	Independence from management alone is not enough with a controller.	Required (5% test).
6 Binding vote on pay levels	Shareholders' vote on directors' or executives' pay is binding, not advisory.	Stops a controller rewarding itself through pay.	Binding on CEO's pay.
7 CEO and chair must be separate	The CEO and the board chair cannot be the same person.	Stops a controller appointing one person to run and oversee.	Required by law.
8 Tenure limit on independents	A cap on how long someone can serve as an independent director.	Prevents cosy relationships that erode independence over time.	Nine years (Companies Law s.245A).
9 Binding vote on pay policy	Shareholders vote on the remuneration policy and the vote binds.	The board must follow the policy shareholders approved.	Binding (Companies Law s.267A).
10 Mandatory audit rotation	Audit firms or partners must rotate after a set period.	Prevents auditor capture by management or a controller.	Not required. Israel's only gap of the ten.

Source: OECD Corporate Governance Factbook 2025, Tables 3.7, 3.13, 3.14, 4.7, 4.13, 4.16, 4.19 (frameworks at end-2024). A market scores a test only where the rule is set by law, regulation or listing rule, not by a voluntary code.

MINORITY RIGHTS · THE OECD FACTBOOK SCORECARD

Israel scores 9 of 10, the highest of its FTSE EPRA Nareit index peers

Market	1 Min. vote	2 Audit opn.	3 No multi- vote	4 Min. board	5 Indep. holder	6 Pay level	7 CEO/ chair	8 Tenure limit	9 Pay policy	10 Audit rot.	/ 10
Israel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	9
Greece	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	8
Norway	✓	✓	✗	✗	✓	✓	✓	✗	✓	✓	7
Romania	✗	✓	✓	✗	✓	✓	✗	✓	✓	✓	7
Spain	✓	✓	✗	✗	✓	✓	✗	✓	✓	✓	7
Sweden	✓	✓	✗	✗	✓	✓	✓	✗	✓	✓	7
Italy	✓	✗	✗	✓	✓	✓	✗	✗	✓	✓	6
Netherlands	✓	✗	✗	✗	✓	✗	✓	✗	✓	✓	5
Singapore	✓	✓	✗	✗	✗	✓	✗	✓	✗	✓	5
United Kingdom	✗	✓	✗	✓	✓	✗	✗	✗	✓	✓	5
Australia	✓	✓	✓	✗	✗	✗	✗	✗	✗	✓	4
Belgium	✗	✗	✗	✗	✓	✗	✗	✓	✓	✓	4
Hong Kong	✓	✓	✗	✗	✓	✗	✗	✗	✗	✓	4
New Zealand	✓	✓	✗	✗	✗	✓	✗	✗	✗	✓	4

Market	1 Min. vote	2 Audit opn.	3 No multi- vote	4 Min. board	5 Indep. holder	6 Pay level	7 CEO/ chair	8 Tenure limit	9 Pay policy	10 Audit rot.	/ 10
South Korea	✗	✗	✓	✗	✓	✓	✗	✗	✗	✓	4
Canada	✓	✓	✗	✗	✗	✗	✗	✗	✗	✓	3
France	✗	✓	✗	✗	✗	✓	✗	✗	✗	✓	3
Luxembourg	✗	✗	✗	✗	✓	✗	✗	✓	✗	✓	3
Poland	✗	✗	✗	✗	✗	✓	✗	✗	✓	✓	3
Austria	✗	✗	✓	✗	✗	✗	✗	✗	✗	✓	2
Germany	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	2
Hungary	✗	✗	✗	✗	✓	✗	✗	✗	✗	✓	2
Ireland	✗	✗	✗	✗	✓	✗	✗	✗	✗	✓	2
Japan	✗	✗	✗	✗	✓	✗	✗	✗	✗	✓	2
Switzerland	✗	✗	✗	✗	✗	✓	✗	✗	✗	✓	2
Finland	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	1
United States	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	1

Peer set: 27 markets. The 22 countries (other than Israel) with constituents in the FTSE EPRA Nareit Developed Index, including Greece since 21 September 2026, plus Luxembourg, Poland, Romania and Hungary — EU members included for the governance comparison only; they have no index constituents in the FTSE EPRA Nareit Global Developed and do not appear in the free-float chart.

Source: OECD Corporate Governance Factbook 2025 (end-2024); IREF scoring, tests defined on page 6. Protections outside the ten tests are not scored, such as US controlling-shareholder fiduciary duties (case law), German group law or the UK Takeover Code.

DEEP DIVE ON TESTS 1–2 · RELATED-PARTY SAFEGUARDS

Israel is 1 of 5 markets with all five safeguards on deals with insiders

Market	Board approves, insiders out	Indep. directors review	Holders must approve	Insiders cannot vote	Auditor or expert opinion	Score
Israel	✓	✓	✓	✓	✓	5
Greece	✓	✓	✓	✓	✓	5
Hong Kong	✓	✓	✓	✓	✓	5
Singapore	✓	✓	✓	✓	✓	5
Spain	✓	✓	✓	✓	✓	5
Australia	✓	✗	✓	✓	✓	4
Canada	✓	✗	✓	✓	✓	4
Italy	✓	✓	✓	✓	✗	4
Norway	✓	✗	✓	✓	✓	4
New Zealand	✗	✗	✓	✓	✓	3
Romania	✓	✗	✓	✗	✓	3
Sweden	✗	✗	✓	✓	✓	3
Belgium	✓	✓	✗	✗	✗	2
Finland	✓	✓	✗	✗	✗	2

Market	Board approves, insiders out	Indep. directors review	Holders must approve	Insiders cannot vote	Auditor or expert opinion	Score
France	✓	✗	✗	✗	✓	2
Germany	✓	✗	✓	✗	✗	2
Hungary	✓	✗	✓	✗	✗	2
Ireland	✓	✗	✓	✗	✗	2
Netherlands	✗	✗	✓	✓	✗	2
United Kingdom	✓	✗	✗	✗	✓	2
Austria	✓	✗	✗	✗	✗	1
Japan	✓	✗	✗	✗	✗	1
Luxembourg	✓	✗	✗	✗	✗	1
Poland	✓	✗	✗	✗	✗	1
United States	✗	✗	✓	✗	✗	1
South Korea	✗	✗	✗	✗	✗	0
Switzerland	✗	✗	✗	✗	✗	0

Peer set: 27 markets. The 22 countries (other than Israel) with constituents in the FTSE EPRA Nareit Developed Index, including Greece since 21 September 2026, plus Luxembourg, Poland, Romania and Hungary — EU members included for the governance comparison only; they have no index constituents and do not appear in the free-float chart.

Source: OECD Corporate Governance Factbook 2025, Tables 3.13 and 3.14 (end-2024): deals between a listed company and related parties such as its controlling shareholder. ✓ required by law, regulation or listing rule. Greece, Hong Kong, Singapore and Spain also have all five. Opinion column: an auditor or an outside specialist, at board or shareholder stage; Israel requires an auditor opinion (Table 3.14), not an outside specialist (Table 3.13).

Four CEMs a controller can use — Israel bans all of them

CEM	What it is	Effect
Shares that vote only on limited items	Shares that carry votes only on a few matters, such as changes to their own rights.	Investors put up capital but have almost no say.
Non-voting shares without a dividend preference	Ordinary shares with no vote at all and no extra dividend in exchange.	The cleanest way to raise money without diluting control.
Multiple-vote shares	A class with several votes per share, often 10 to 1, typically held by founders. Includes loyalty shares with double votes.	A founder keeps control while owning a minority of the equity.
Voting caps	A ceiling on how many votes one shareholder can cast, whatever its stake.	Shields an incumbent from a large outside shareholder or bidder.

Israel bans all four CEMs

The only one of 52 jurisdictions in the OECD Factbook to do so. Non-voting shares are allowed only with a dividend preference.

Source: OECD Corporate Governance Factbook 2025, Table 3.7 and notes 17 and 34 (end-2024).

DEEP DIVE ON TEST 3 · CONTROL ENHANCING MECHANISMS (CEMs) BY MARKET

Israel bans all four CEMs

Market	Bans limited-voting shares	Bans non-voting shares	Bans multiple-vote shares	Bans voting caps
Israel	✓	✓	✓	✓
Australia	✗	✓	✓	✓
Germany	✓	✓	✗	✓
Romania	✓	✓	✓	✗
Austria	✗	✓	✓	✗
South Korea	✗	✗	✓	✓
Greece	✗	✗	✓	–
Italy	✗	✓	✗	✗
Japan	✗	✗	✗	✓
Poland	✗	✓	✗	–
Singapore	✗	–	✗	✓
Spain	✗	✓	✗	✗
Belgium	✗	✗	✗	✗
Canada	✗	✗	✗	✗

Market	Bans limited-voting shares	Bans non-voting shares	Bans multiple-vote shares	Bans voting caps
Finland	✗	✗	✗	✗
France	✗	–	✗	✗
Hong Kong	✗	–	✗	–
Hungary	✗	✗	✗	✗
Ireland	✗	✗	✗	✗
Luxembourg	✗	–	–	–
Netherlands	✗	–	–	✗
New Zealand	✗	✗	✗	✗
Norway	✗	–	✗	✗
Sweden	✗	–	✗	✗
Switzerland	✗	✗	✗	✗
United Kingdom	✗	✗	✗	✗
United States	✗	✗	✗	✗

Peer set: 27 markets. The 22 countries (other than Israel) with constituents in the FTSE EPRA Nareit Developed Index, including Greece since 21 September 2026, plus Luxembourg, Poland, Romania and Hungary — EU members included for the governance comparison only; they have no index constituents and do not appear in the free-float chart.

Source: ✓ banned by law, regulation or listing rule ✗ allowed – no specific rule. OECD Corporate Governance Factbook 2025, Table 3.7 (end-2024). Non-voting shares: those without a dividend preference. Rules apply to all listed companies, not only REITs.

ENFORCEMENT WITH TEETH

Israel's securities regulator (ISA) has the power of arrest

SECURITIES LAW 5728-1968

56C1. (a) "In the case of a securities offense, the investigator shall have the powers to detain, arrest and release...[as] vested in a policeman..."

CAN THE REGULATOR'S OWN STAFF ARREST?

Market	Regulator	Arrest	Market	Regulator	Arrest
Israel	ISA	✓	Japan	SESC	✗
South Korea	FSS	✓	Luxembourg	CSSF	✗
Australia	ASIC	✗	Netherlands	AFM	✗
Austria	FMA	✗	New Zealand	FMA	✗
Belgium	FSMA	✗	Norway	NFSA	✗
Canada	OSC	✗	Poland	KNF	✗
Finland	FIN-FSA	✗	Romania	ASF	✗
France	AMF	✗	Singapore	MAS	✗
Germany	BaFin	✗	Spain	CNMV	✗
Greece	HCMC	✗	Sweden	FI	✗
Hong Kong	SFC	✗	Switzerland	FINMA	✗
Hungary	MNB	✗	United Kingdom	FCA	✗
Ireland	CBI	✗	United States	SEC	✗
Italy	CONSOB	✗			

Source: Israel Securities Law 5728-1968, sections 56B, 56C and 56C1 (Israel Securities Authority, official English translation). Peers: IREF review of all 26 peer regulators' published powers and enforcement practice; where marked X, criminal cases go to prosecutors and the police. South Korea: FSS staff designated as special judicial police can arrest and detain under court warrant, directed by prosecutors. Canada: Ontario Securities Commission.

GET IN TOUCH



GENERAL ENQUIRIES

info@israelrealestateforum.org

LEGAL FORM · AMUTA

The Israeli Forum for Real Estate Investment and Capital Markets (R.A.) — a non-profit association under Israel's Law of Associations (5740-1980), registered with the Israel Corporations Authority.

Registration Number 580843423 Registration Date 5 July 2026