

**Unofficial translation**

**Articles of Association**

**of**

**Strauss Group Ltd.**

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### **Preamble and interpretation**

1. In these articles of association, unless the context requires otherwise:

- “Person” or “Persons”** - including a Corporation;
- “Shareholder”** - a person who is a Shareholder, as provided in article 19.1 on the Effective Date, as stipulated in section 182 of the Companies Law, in the event of there being an Effective Date in this regard;
- "Registered Shareholder"** - A Shareholder who is registered in the Register of Shareholders of the Company;
- "Non-Registered Shareholder"** - A Shareholder for whose benefit a Share is registered with a Stock Exchange Member and which is included amongst the Shares that are registered in the Register of Shareholders of the Company, in the name of the Registration Company;
- the **“Company”** - Strauss Group Ltd.
- "Registration Company"**- The Registration Company of Bank Leumi Le'Israel Ltd.
- “Law” or the “Companies Law”** - the Companies Law, 5759-1999, as shall prevail from time to time, and the regulations which shall be promulgated by virtue thereof;
- “Secretary”** - the person who is appointed as secretary of the Company;
- “Register” or the “Register of Shareholders”** - the Register of Shareholders of the Company which must be kept in accordance with the Law;
- “Office” or the “Registered Office”** - the Company’s office, whose address shall be recorded at the Registrar, as shall be from time to time;

- “Ordinance”** or the **“Companies Ordinance”** - the Companies Ordinance [New Version], 5743-1983, as well as the regulations promulgated by virtue thereof;
- “Officer”** - Director, General Manager, Chief Business Manager, Deputy General Manager, Vice General Manager, any person who holds a said position in the Company, even if he has a different title, and also any other manager who is directly subordinate to the General Manager;
- “Incapacitated”** - within the meaning thereof in the Legal Capacity and Guardianship Law, 5722-1962;
- “Ordinary Majority”** - an ordinary majority of all the votes of the Shareholders who are present at an Annual or Extraordinary General Meeting or at a class meeting, as the case may be, who are eligible to vote at the meeting and who voted thereat, without counting the abstaining votes;
- “Year”** or **“Month”** - according to the Gregorian calendar;
- “Corporation”** - A company, partnership, cooperative society, non-profit organization and any other body corporate, whether or not incorporated.
- “these Articles”** or **“the Articles”** - the articles of association which have been formulated herein, as may be amended from time to time.
2. Any term in these Articles which was not defined in the above article, shall have the meaning ascribed thereto in the Companies Law, unless the aforesaid is in contradiction of the provisions of these Articles; words appearing in the singular shall include the plural, and vice versa, and words appearing in the masculine gender shall include the feminine gender; all unless the context requires otherwise.
  3. The headings in these Articles were designed for convenience only and shall not be used in construing these Articles.
  4. Where it has been stipulated in these Articles that any of the provisions thereof shall be applicable subject to the provisions of any law, the meaning is to the provisions of the Ordinance or to the provisions of the Companies Law or to the provisions of any law, which may not be contracted out, or to the provisions which may be contracted out but which were not explicitly contracted out, unless the context requires otherwise.

5. All provisions of these Articles shall apply subject to the provisions of the Ordinance or to the provisions of the Companies Law or to the provisions of any law, which may not be contracted out. The provisions which may be contracted out in the Companies Law shall apply to the Company, to the extent it has not been stipulated otherwise in these Articles and insofar as there is no contradiction between them and the provisions of these Articles.

### **Name of the Company**

6. The name of the Company is as follows:

6.1 In Hebrew: **שטראוס גרופ בע"מ**

6.2 In English: **Strauss Group Ltd.**

### **Limited liability**

7. Subject to the provisions of the memorandum of association of the Company, the liability of each of the Company's Shareholders is limited to the amount which they undertook to pay for the Shares that they received at the time of founding the Company on the occasion of allotting Shares subsequently thereto.

### **Objectives of the Company**

8. Subject to the provisions of the memorandum of association of the Company, the Company may engage in any legitimate business.

### **Donations**

9. The Board of directors may decide that the Company shall make reasonable donations to worthy causes, even if such donations are not in the framework of the Company's business considerations.

### **Business**

10. The Company may engage in any field or type of businesses, in which it is explicitly or implicitly authorized to engage, pursuant to article 8 above. The Company may also cease to engage in such businesses, whether or not it has begun to engage in such field or type of business.

### **The Registered Office**

11. The Company's registered office shall be at such address as shall be determined board of directors, from time to time.

### **The Articles of Association**

12. Subject to the provisions of the Companies Law, the Company may alter these Articles by a resolution that was passed at the General Meeting, by an Ordinary Majority.
13. Subject to the provisions of these Articles, changes to these Articles shall be in force from the date of passing the resolution in respect thereof at the Company or on a later date stipulated in the resolution.

### **The Authorized Share Capital**

14. The Company's authorized share capital is NIS 150,000,000 (one hundred and fifty million), divided into 150,000,000 (one hundred and fifty million) Ordinary Shares of nominal value NIS 1.00 (one) each.
15. The Company may alter the authorized share capital in accordance with the provisions of the Companies Law and the provisions of these Articles.

### **Shares**

16. The Company may issue securities of whatsoever nature and/or rights which are convertible into Shares, carrying rights in accordance with the provisions of these Articles and/or as shall be determined in the resolution pursuant to which they were created.
17. Deleted.
18. Each of the Ordinary Shares entitles the owner thereof to the right to participate in the General Meeting of the Company and to one vote.
19.
  - 19.1 A Shareholder of the Company is a person who is registered as a Shareholder in the Register of Shareholders or a person for whose benefit a Share is registered with a Stock Exchange Member and which is included amongst the Shares that are registered in the Register of Shareholders of the Company, in the name of the Registration Company;
  - 19.2 A Shareholder who is a trustee shall be registered in the Register of Shareholders, while stating his trusteeship and he shall be regarded as a shareholder as far as the Companies Law is concerned. Without derogating from the foregoing, the Company shall acknowledge the trustee, as stated, as Shareholder, for all intents and purposes and shall not acknowledge any other person, including the beneficiary, as having any right in the share.
  - 19.3 Without derogating from the foregoing and subject to the provisions of these Articles, save for Shareholders of the Company, no person shall be acknowledged by the Company as holding any right in a Share and the

Company shall not be bound and shall not acknowledge any benefit pursuant to the laws of equity or any equitable right, future or partial, in any Share or in any benefit, in a fraction of a Share or in any other right relating to a Share, except for the right of a Shareholder, as aforesaid, in a whole Share, save if a competent court has directed otherwise.

20. A Shareholder shall not be entitled to a dividend and shall not be authorized to exercise any right of a Shareholder in the Company (including, but not only, the right to participate in or vote at any General Meeting, in person or by proxy), save by virtue of the Shares in respect of which the consideration thereon, as determined and called by the board of directors, has been paid in full to the Company.

### **Share Certificates**

21. Certificates attesting to a proprietary right in the Shares shall bear the Company's stamp and the signatures of the authorized signatories, in accordance with the signatory rights in the Company.
22. Save in a case in which the terms of allotment of Shares provide otherwise, each Shareholder is entitled to receive from the Company, on request and without payment, one Share Certificate attesting to his title to the Shares registered in his name. The Company shall not refuse a Shareholder's request to receive a number of Share Certificates instead of one Share Certificate, unless the request is unreasonable. A Shareholder, who has sold or transferred a portion of his Shares, shall be entitled to receive a Share Certificate in respect of the balance of his Shares, free of charge.
23. Each Share Certificate shall state the quantity of Shares in respect of which it has been issued, their nominal value and serial numbers, unless the Board of directors has determined otherwise.
24. A Share Certificate relating to a Share which is registered in the name of two or more persons, shall be delivered to the person whose name appears first in the Register of Shareholders in relation to such Share, unless all the registered owners of such Share instruct the Company to deliver it to a different registered owner.
25. Where a Share Certificate has been destroyed, spoiled, lost or defaced, the board Company may issue a new Share Certificate in its place, provided the previous Share Certificate has been furnished to the Company and was destroyed by it, or that it has been proven that the Share Certificate was lost or destroyed and the Company has received warranties, for any possible damage.

### **Share Warrants**

26. The Company may issue Share Warrants.
27. The directors may issue, in their discretion and based on an application in writing of a Registered Shareholder, in respect of fully paid-up Shares, a Share

Warrant bearing the Company's seal and which is duly stamped, attesting that the bearer is entitled to the Shares specified in the Warrant and an arrangement may be determined, by means of vouchers or in another manner, for payment of the dividends or other monies in respect of the Shares specified in the Warrant; the request shall be accompanied by evidence, as determined by the board of directors, for proving the identity of the signatory thereof, the Share Certificates, if any, the stamp tax necessary for the Share Warrant and the fee amount as determined by the board of directors. Where a Share Warrant has been issued, as aforesaid, the name of the Shareholder to whom such Share Warrant was issued shall be deleted from the Register of Shareholders.

28. A Share Warrant confers on the holder thereof a right to the Shares specified therein. The Shares may be transferred by delivering the Warrant and the Articles of the Company pertaining to the transfer of Shares shall not apply to Shares included in a Share Warrant.
29. The holder of a Share Warrant who returns it to the Company for the cancellation thereof, is entitled, by payment of the fee set by the board of directors, to have his name registered in the Register of Shareholders as a Shareholder of the Company, by virtue of the Shares included in the Warrant.
30. The holder of a Share Warrant shall not be able, by virtue thereof, to sign a request to convene a meeting of the Company or to be present and vote thereat or to exercise any other privilege which a Shareholder has at meetings of the Company and he shall not be entitled to receive any notices from the Company; however, in all other respects, he shall have all the rights and privileges as though his name was registered in the Register of Shareholders as owner of the Shares included in the Warrant.
31. The holder of a Share Warrant may deposit the Warrant at the Company's Office and as long as it is there, the depositor shall have the right to sign a request to convene a meeting of the Company, to be present and vote thereat and to exercise the remaining rights of a Shareholder at any meeting which is convened after the elapse of three whole days after the depositing thereof, as though his name was registered in the Register of Shareholders as owner of the Shares included in the Share Warrant; only one person shall be acknowledged as the depositor of the Warrant; the Company is obliged to return the Warrant to the depositor where he has requested this in writing, two days in advance.
32. The board of directors may establish rules regarding the conditions on which a new Share Warrant or new voucher shall be given, if the original Warrant or voucher have been destroyed or lost.
33. On the issuance of a Share Warrant, the name of the Member who is registered at that time in the Register of Members, shall be deleted as holder of the Shares or the Stock specified in the Share Warrant and the following particulars shall be recorded in the Register of Members:

33.1 The fact of issuance of the Share Warrant;



- 33.2 A specification of the Shares included in the Share Warrant, while distinguishing each Share by its serial number.
- 33.3 The name of the person to whom the Share Warrant was issued;
- 33.4 The date of issuing the Share Warrant.

### **Payments for Shares**

34. The amount to be paid to the Company at the time of submitting a request for each Share shall not be less than 5% (five percent) of its nominal value, unless determined otherwise by the board of directors.

### **Forfeiture of Shares**

35. The board of directors may forfeit a Share which the Company has allotted and sell it, if the consideration undertaken by the Shareholder, in whole or in part, was not paid to the Company and the provisions of the Companies Law shall apply in this regard.

### **Transfer and Transmission of Shares**

36. Any transfer of Shares which are registered in the Register of Shareholders in the name of a Registered Shareholder, including a transfer by or to the Registration Company shall be in writing, as set forth in article 37 hereinbelow, provided the deed of transfer is signed by the transferor and by the transferee, or in their name, and is delivered to the Registered Office or to any other place which is determined by the board of directors for such purpose. Subject to the provisions of the Companies Law, a transfer of Shares shall not be registered in the Register of Shareholders until the deed of transfer has been delivered to the Company, as provided above; the transferor shall continue to be regarded as holder of the transferred Shares until registration of the transferee as owner of the transferred Shares in the Register of Shareholders.
37. The Share transfer form shall be in writing, in the following form or as similar thereto as possible, or in any other form as approved by the board of directors:

**“I, \_\_\_\_\_ I.D. No. \_\_\_\_\_ (hereinafter: the  
 “Transferor”) transfer to Mr. \_\_\_\_\_ I.D. No.  
 \_\_\_\_\_ of \_\_\_\_\_ (hereinafter: the  
 “Transferee”) in consideration for the sum of NIS \_\_\_\_\_  
 which he has paid me, Shares of the class \_\_\_\_\_ of  
 NIS \_\_\_\_\_ nominal value each, marked by numbers from  
 \_\_\_\_\_ to \_\_\_\_\_ (inclusive) of \_\_\_\_\_ Ltd. and they  
 shall be held by the Transferee according to the terms on  
 which I held the Share at the time of signing this  
 instrument, and I, the Transferee, agree to accept the  
 above-mentioned Shares on the said terms.**

**In witness whereof we have set our hands for signature on  
this \_\_ day of \_\_\_\_\_ 200\_\_**

\_\_\_\_\_  
**Signature of the  
Transferor**

\_\_\_\_\_  
**Signature of the  
Transferee**

\_\_\_\_\_  
**Witness to signature  
of the Transferor**

\_\_\_\_\_  
**Witness to signature  
of the Transferor"**

38. The Company may close the Register of Shareholders for such period of time as decided by the board of directors, provided it does not exceed, cumulatively, thirty days in each year. At the time of the Register being closed, no transfer of Shares shall be registered in the Register of Shares.
39. Subject to the provisions of these Articles or to the terms of issuance of Shares of any specific class, the Shares may be transferred without the need for approval by the board of directors.
40. Every deed of transfer shall be submitted to the Office or to any other place as shall be determined by the board of directors for the sake of registration, together with the certificate of the certificates which are to be transferred and any other proof which the board of directors may require regarding the Transferor's proprietary right or his right to transfer the Shares. The deeds of transfer that are registered shall be retained by the Company, but any transfer deed which the board of directors refuses to register shall be returned upon demand to the persons who has furnished it, on his request.
41. Where the board of directors has refused to register a transfer of Shares, it shall inform the Transferor no later than one month from the date of receiving the deed of transfer.
42. Each deed shall refer to only one class of Shares, unless the board of directors has stipulated otherwise.
43. The Company may collect payment for registration of the transfer, in such amount as may be fixed by the board of directors from time to time and which shall be reasonable, having regarding for the circumstances of the matter.
44. Subject to the provisions of the Companies Law and the provisions of these Articles, where it has been proven to the Company, to the board of directors' satisfaction and in the manner determined thereby, that the conditions have been fulfilled for assigning the right in the Shares registered in the Register, the Company shall acknowledge the assignee and him alone, as holder of the right in the said Shares.
45.
  - 45.1 Subject to the provisions of these Articles, the Company shall alter the registration of title to the Shares in the Register of Shareholders where a

Court order have been furnished to the Company for amendment of the Register, or if proof was provided to the Company, to the board of directors' satisfaction and in the manner stipulated thereby, that the conditions prescribed by law for transmission of the right in the Shares have been fulfilled and the Company shall not acknowledge a person's right in the Shares before his right has been proven, as aforesaid.

- 45.2 Without derogating from the foregoing, the board of directors may refuse to execute the registration or delay it, as it would have been entitled to do had the registered owner himself transferred the Share before assigning the right.
46. Subject to the provisions of the Companies Law and to the provisions of these Articles, a person who has become entitled to a Share, as stated in article 45 above, shall be entitled to dividends and to other rights in respect of the Share, as though he were the registered owner of the Share, even if same has yet to be registered. However, before being registered in the Register as the shareholder in respect of that share, such person shall not be entitled, by virtue of the share, to benefit from any right of a shareholder with respect to meetings of the Company.
47. Notwithstanding the foregoing, the board of directors may, at any time, demand of the person who is entitled to the Share, as provided in article 45 above, to be registered in the Register or to transfer the Share to another. Where the said demand has not been complied with within 60 days from the date of its delivery, the board of directors may delay dividends or other rights in respect of the Share until the demand is executed. Where such a demand has been presented, the above shall be considered as authorization by the board of directors to register the party entitled to the Share as the owner thereof, in the Register of Shareholders, however, the directors shall reserve the right to refuse to approve a transfer of the Share in accordance with the provisions of article 45.2 above.
48. The Company may destroy share transfer deeds at the end of seven years from the date of registration in the Register and the Company may also destroy share certificates which have been cancelled, at the end of seven years from the date of their cancellation. There shall be a *prima facie* assumption that all the transfer deeds and certificates that were destroyed, as aforesaid, were in full force and effect and that the transfers, cancellations and registrations, as the case may be, were duly performed.
49. The board of directors may acknowledge a waiver of an allotment of Shares by the recipient of the allotment in favor of another, on the terms which it may establish.

### **Redeemable Shares and Securities**

50. The Company may issue redeemable securities shares and redeem them, on such terms and in such manner as laid down by the board of directors, in its discretion.

### **Changes to the Share Capital**

51. The Company may decide to increase its authorized share capital, by a resolution adopted at the General Meeting, by an Ordinary Majority.
52. The Company may, by a resolution adopted at the General Meeting, by an Ordinary Majority:
  - 52.1 consolidate all or any of its share capital and divide it into shares of a nominal value greater than that of its existing shares;
  - 52.2 sub-divide all or any of its shares, into shares of a nominal value smaller than that of its existing shares;
  - 52.3 cancel shares which, on the date of passing the resolution thereon, have not been acquired by any person and which the Company has not undertaken to issue, including by way of a contingent undertaking, and to reduce its capital.
53. For the purpose of implementing any resolution, as provided in article 52 above, the board of directors may, in its discretion, settle any difficulty which arises in this context.

### **Change of Rights**

54. At any time during which the share capital is divided into different classes, the Company shall be entitled, by a resolution passed at the General Meeting, to convert, extend, add to, limit or alter in any other manner, the rights of a class of the Company's shares, provided the written consent of the majority of the Shareholders of that class has been received in respect thereof, or that the resolution was ratified by an Ordinary Majority at a General Meeting of the Shareholders of that class, or where it has been stipulated otherwise in the terms of issue of a certain class of Shares of the Company – as was stipulated in the terms of issue of that class.
55. The provisions prescribed in these Articles with regard to General Meetings shall apply, *mutatis mutandis*, to any class meeting, provided a quorum at the class meeting shall be constituted when at least two shareholders, who hold 25% (twenty five percent) or more of the number of Shares which have been issued of that class, are present, in person or by proxy, at the time of commencing the meeting. Where a quorum has not been constituted, as aforesaid, the class meeting shall be adjourned to another date and at the adjourned meeting, any number of participants, irrespective of the number of shares which they hold, shall be considered a quorum.
56. The rights vested in the Shareholders or the owners of a class of Shares, which were issued, whether with ordinary rights or with preemptive rights or with other special rights, shall not be deemed as having been converted, limited, impaired or altered in any other manner by the creation or issuance of additional Shares of whatsoever class, whether ranking equal to them or ranking differently

to them or in preference to them, and shall not be deemed as having been converted, limited, impaired or altered in any other manner, by altering the rights attached to the Shares of any other class, all unless explicitly stipulated otherwise in the terms of issuance of those Shares and subject to the provisions of these Articles.

### **The Issuing of Shares and Other Securities**

57. The board of directors may issue and allot shares and other securities, which are convertible or exercisable into Shares, up to the amount of the Company's authorized share capital. Without derogating from the generality of the foregoing, the board of directors may issue the shares and other securities to persons, on such dates and conditions and at such prices as it may decide, it may grant rights of choice in relation to their acquisition, including options or vest them in any other way, as well as to determine any other provision in connection therewith, including instructions regarding the method for distribution of the shares and securities to be issued by the Company amongst the purchasers thereof, including in the case of an over-subscription, all the foregoing in the board of directors' discretion.
58. Without derogating from the generality of the foregoing and subject to the provisions of these Articles, the board of directors may determine that the consideration for the Shares shall be paid in cash or in property in kind, including in securities or in any other way, in its discretion, or that the Shares shall be issued for consideration which is equal to or higher than their nominal value, whether in units or in series, all the foregoing on the conditions and dates determined by the board of directors, in its discretion.
59. The existing Shareholders of the Company shall not have a pre-emptive or preferential right to acquire Shares which the board of directors has decided to allot. For purposes of this article: "**Shares**" – including share options, convertible debentures and any other security which is convertible into Shares of the Company.
60. The board of directors may resolve to pay agency fees or underwriting fees to any person, at the time of subscription or agreement to subscribe or on obtaining subscriptions or on securing the subscription of shares, or debentures or other securities of the Company. The board of directors may also resolve that agency fees shall be paid in any case of the issuance of securities of the Company, all the aforesaid, in cash, in shares of the Company or in other securities which were issued by the Company, or in any other way, or a part thereof in one form and a part thereof in another form, all subject to the provisions of any law.

### **Additional Register of Shareholders**

61. The Company may keep an additional Register of Shareholder outside of Israel, on terms that have been prescribed in this regard in the Companies Law.

### **General Meetings**

62. The Company shall convene an annual General Meeting once a year and no later than fifteen months from the last annual General Meeting, at such time and place as shall be determined by the board of directors.

A General Meeting as mentioned above shall be referred to as an “**Annual Meeting**” and any other general meeting shall be referred to as an “**Extraordinary Meeting**”.

63. The Company’s resolutions in the following matters shall be adopted at the General Meeting:

63.1 Changes to the Articles or Memorandum of Association of the Company;

63.2 The exercising of powers of the board of directors in accordance with the provisions of section 52(a) of the Law;

63.3 Appointment of the Company’s auditor and termination of his employment;

63.4 The appointment and dismissal of directors of the Company;

63.5 The approval of acts and transactions which require approval of the General Meeting according to the provisions of sections 255 and 268 to 275 of the Law;

63.6 Changes to the Company's authorized share capital, including an increase and reduction of the registered share capital;

63.7 A merger, as provided in section 320(a) of the Law.

63.8 Any resolution which, in accordance with these Articles, must be passed at the General Meeting.

58. The board of directors of the Company shall convene an Extraordinary Meeting, on its decision and on the demand of each of the following:

58.1 Two directors;

58.2 One or more Shareholders, having at least 5 (five) percent of the issued capital and one percent of the voting rights in the Company, or one or more Shareholders, having at least 5 (five) percent of the voting rights in the Company.

Where the board of directors has been required to summons an Extraordinary Meeting, as aforesaid, it shall convene it within twenty one days of the date on which the request was submitted to it, on such date as stated in the notice of the Extraordinary Meeting, provided the date of convening shall be not later than 35

(thirty five) days from the date of publishing the notice, all subject to the provisions of the Companies Law.

65. Where the board of directors has failed to convene an Extraordinary Meeting which was requested pursuant to article 64 above, the requesting party, and in the case of Shareholders – also some of them who have more than half their voting rights, may convene the meeting himself, provided it is not held after the passing of 3 (three) months from the date of such request having been submitted and it shall be convened, as far as is practicable, in the same manner in which meetings are convened by the board of directors.

66. The agenda of a general meeting

- 66.1 Subject to the provisions of articles 66.2 and 66.3 hereinbelow, the agenda of a General Meeting shall be determined by the board of directors.
- 66.2 The agenda at an Annual General Meeting shall include the following matters:
- 66.2.1 a discussion of the Company's financial statements and of the board of directors' report on the state of the Company's affairs, which is submitted to the General Meeting;
- 66.2.2 The appointment of directors;
- 66.2.3 The appointment of an auditor;
- 66.2.3 A report of the board of directors concerning the auditor's fees;
- 66.2.4 Any other matter that has been decided by the board of directors.
- 66.3 One or more Shareholders, who hold at least 1% (one percent) of the voting rights at the General Meeting, may request the board of directors to include a matter on the agenda of a General Meeting which is to be held in the future, provided the matter is suitable for deliberation at a General Meeting. Such a request shall be submitted to the Company, in writing, before issuing the notice a propos the convening of the General Meeting, and the text of the resolution proposed by the shareholder in such matter shall be attached to thereto.

67. Notice of a general meeting

- 67.1 Notice of a General Meeting shall be published in at least two daily newspapers, with a wide circulation, which are published in the Hebrew language; the notice shall be published before convening the meeting, in accordance with the number of days necessitated under the Law..
- 67.2 Save for notice of a General Meeting as provided in article 67.1 above, the Company shall **not** give any notice of a General Meeting, to the

Registered Shareholders, to the Non-Registered Shareholders and to the Shareholders holding a Share Warrant.

68. Subject to the provisions of any law, a defect, in good faith, in convening or holding the General Meeting, including a defect resulting from non-compliance with a provision or condition that were stipulated in the Law or in these Articles, including with regard to the manner in which the General Meeting is convened or held, shall not invalidate any resolution that was passed at the General Meeting and shall not disqualify the discussions held thereat, subject to the provisions of any law.
69. The board of directors may change the venue for convening the General Meeting and the time thereof, provided the above shall not affect the provisions of these Articles regarding the minimal timeframes which must elapse between the date of the notice and the date of the General Meeting and subject to the notice regarding the aforesaid change being delivered in the same manner as the notice of the General Meeting in respect of which a change has been made in the place or date of its convening.
70. Quorum
  - 70.1 No discussion may be held at a General Meeting of the Company unless a quorum is present at the time the meeting began the discussion. A quorum shall be constituted when there are present, in person or by proxy, two shareholders who are entitled, by virtue of the Shares which are held or represented by them, to at least 25% of the voting rights at the meeting.
  - 70.2 If a quorum is not present within half an hour of the time fixed for a meeting, the meeting shall be adjourned to the same day in the following week, at the same time and place, without repeat notice of the convening of the adjourned meeting, or to any other day, time and place as the board of directors shall determine in a notice regarding the General Meeting; and if a quorum is not present at the adjourned meeting within half an hour of the time fixed for the meeting, the meeting shall be held with any number of participants. No matters may be discussed at the adjourned meeting save for those matters which were included in the agenda of the first meeting.
71. The chairman of the board of directors (where there is one), or, in his absence, the deputy-chairman of the board of directors (where there is one), shall be entitled to serve as chairman and shall preside at each General Meeting of the Company at which he is present. In the absence of a chairman or vice-chairman of the board of directors, or if neither of them is present at any particular General Meeting within fifteen minutes after the time fixed for holding it, or if either of them, even though present at the meeting, is unable or unwilling to serve as chairman of the meeting and if more than one director were present at the meeting, those directors shall elect one director from amongst them to preside at the meeting. If none of the directors is present at the meeting within fifteen minutes after the time fixed for holding it, or if none of the directors,



although present at the meeting, was elected or is able or unwilling to serve as chairman of the meeting, then the members present at the meeting, either in person or by means of a proxy (who are entitled to be present and vote at the meeting), shall elect one member from amongst them to preside at the meeting. No matter shall be discussed at a General Meeting without a chairman, other than the election of a chairman of the meeting.

72. A General Meeting at which a quorum is present may resolve to adjourn the meeting, the discussion or the passing of a resolution on a matter that was specified in the agenda, to such other date and place as it determines; no matter may be deliberated at an adjourned meeting save for those matters that were on the agenda and in respect whereof a resolution was not passed. Where a General Meeting has been adjourned to a date exceeding twenty one days, notices and invitations to the adjourned meeting shall be given in the same manner as in the case of the original meeting.

73. Minutes

- 73.1 The Company shall keep minutes of the proceedings at the General Meeting which shall include the following details:

73.1.1 The names of the Shareholders participating in the General Meeting and the number of Shares held by them.

73.1.2 The matters which are discussed at the General Meeting and the resolutions that were passed.

- 73.2 Minutes that have been signed by the chairman of the meeting constitute *prima facie* evidence of the contents thereof.

**Voting at and Participation in General Meetings**

74. A Shareholder who wishes to vote at the General Meeting is required to prove his ownership of the Share to the Company, as necessitated under the Companies Law. Without derogating from the foregoing, the board of directors may lay down provisions and procedures with regard to proving ownership of Shares in the Company.
75. A shareholder may vote at a General Meeting or at a class meeting, in person or by proxy, all in accordance with the provisions of these Articles and subject to the provisions of the Companies Law. A proxy need not be a Shareholder of the Company.
76. A proxy may participate in discussions at the General Meeting and be elected as chairman of the meeting, as the appointing Shareholder would have so been entitled, provided it has not been noted to the contrary in the Instrument of Appointment.
77. Subject to the provisions of any law, in the case of joint shareholders, each of them may vote at any meeting, whether in person or by proxy, in relation to such

Share, as though he was the sole party entitled thereto. Where more than one of the joint shareholders have participated in the meeting, in person or by proxy, the shareholder whose name appears first in the Register of Shareholders in relation to the Share, or in the confirmation of the Stock Exchange Member regarding ownership of the Share (hereinafter: the "**Confirmation of Ownership**") or in any other documents which is determined by the board of directors in this regard, as the case may be, shall vote.

78. A Shareholder who is legally incompetent may vote by means of his guardian or any other person who has been appointed by the Court and any such guardian or other person may vote by means of a proxy.
79. The instrument appointing a proxy (hereinafter: the "**Instrument of Appointment**") and the power of attorney pursuant whereto the Instrument of appointment was signed (if any), or a suitable copy thereof, to the board of directors' satisfaction, shall be deposited at the Registered Office or at any other place or places, in Israel or abroad – as may be stipulated by the board of directors from time to time, in general or in relation to a specific case, at least forty eight hours prior to commencing the meeting at which the proxy intends voting, on the basis of such Instrument of Appointment. Notwithstanding the foregoing, the chairman of the meeting may, in his discretion, accept such an Instrument of Appointment and a power of attorney, also after the said date, where he has seen fit to do so, in his discretion. Where the Instrument of Appointment and power of attorney have not been received, as provided in this article above, they shall have no force at such meeting.

The Instrument of Appointment shall be in writing and signed by the appointer or by the person who has been duly authorized to do so, in writing, as well as by a witness to his signature, if so required by the board of directors. Where the appointer is a Corporation, the Instrument of Appointment shall be prepared in writing and signed in the manner which is binding on the Corporation. The board of directors may demand that written certification be given to the Company, to the board of directors' satisfaction, regarding the authority of the signatories to bind the Corporation.

80. Deed of appointment appointing a proxy

- 80.1 An instrument of appointment appointing a proxy shall be prepared in the following form or in the closest possible form:

"I \_\_\_\_\_ of \_\_\_\_\_ as a shareholder of \_\_\_\_\_ Ltd., hereby appoint Mr. \_\_\_\_\_ or in his absence, Mr. \_\_\_\_\_ I.D. \_\_\_\_\_, as my proxy, to vote in my name and stead in respect of \_\_\_\_\_ shares, class \_\_\_\_\_ which are held by me, at the General Meeting (Annual/Extraordinary) of the Company to be held on the \_\_\_\_ day of \_\_\_\_\_ 200\_ and at any adjourned meeting thereof.

Unless stated otherwise below, the proxy may vote as he sees fit.

**The proxy is obliged to vote as follows:**

---

**In witness whereof I have set my hand for signature on this \_\_\_\_ day  
of \_\_\_\_\_ 200\_.**

---

**Signature”**

- 80.2 The Instrument of Appointment shall state the class and number of Shares in respect of which it is being given. Where the Instrument of appointment fails to state the numbers of the Shares in respect of which it was given or where a number of shares was stated therein which is higher than the Shares which are registered in the Shareholder's name, the Instrument of Appointment shall be regarded as having been given in respect of all the Shareholder's Shares.
- 80.3 Where an Instrument of Appointment was given in respect of a number of Shares which is lower than the Shares which are registered in the shareholder's name, the Shareholder shall be regarded as having abstained from being present at the voting in respect of the balance of his Shares and the Instrument of Appointment shall be valid for the number of Shares stated therein.
81. Without derogating from the provisions hereof regarding the appointment of a proxy, a Shareholder who holds more than one Share may appoint more than one proxy, subject to the following provisions:
- 81.1 Each Instrument of Appointment shall specify the class and the number of the Shares in respect of which it is being given.
- 81.2 Where the overall number of Shares of any particular class stated in the Instruments of Appointments that were given by a Shareholder, exceeds the number of Shares of that class which are registered in his name or which are specified in the Confirmation of Ownership, as the case may be, all the Instruments of Appointment given by that shareholder shall be cancelled.
82. A Shareholder or proxy may vote by virtue of some of the Shares held by him or for which he serves as proxy and he may vote by virtue of some of the Shares in one way and by virtue of some of them in another way.
83. A vote cast by virtue of the Instrument of Appointment shall be valid notwithstanding any defect therein and also if prior to the voting, the appointer died or became incapacitated or the instrument of appointment was cancelled or the Share in respect of which the Instrument of Appointment was given was transferred, unless notice in writing of the defect, death, disqualification, cancellation or transfer, as the case may be, was received at the Company's Registered Office, prior to commencing the meeting.

84. An Instrument of Appointment shall be valid also with respect to any adjourned meeting to which the Instrument of Appointment refers, provided it was not specified otherwise therein.
85. A Shareholder shall not be entitled to participate in or vote at any General Meeting, in person or by proxy, other than by virtue of the Shares for which the consideration thereon has been paid in full to the Company.
86. Each director shall be entitled to be present and speak (but not to vote, unless he himself is a Shareholder of the Company who is so entitled) at every General Meeting of the Company or at every separate meeting of the holders of a specific class of Shares of the Company.

### **The Passing of Resolutions at the General Meetings**

87. Each of the Ordinary Shares confers on its holder the right to participate in the General Meeting of the Company and to one vote thereat.
88. Subject to the provisions of the Companies Law or provisions of these Articles regarding a different majority, the resolutions of the General Meeting shall be passed by an Ordinary Majority.
89. A resolution up for vote at a General Meeting shall be decided on a show of hands or by poll, by an ordinary majority; the chairman shall decide on the method of voting. The chairman's decision that a resolution has been passed, or that it has been passed unanimously or by a certain majority, and a note recorded to such effect in the Company's minutes book, shall serve as *prima facie* proof of such fact and it shall not be necessary to prove the number of votes or proportion of votes given for and against the proposed resolution. The chairman's decision on whether a resolution at the General Meeting has been passed or rejected, whether unanimously or by a certain majority, shall serve as *prima facie* proof of the accuracy of its contents.
90. In the case of a tied vote in any voting at the General Meeting, the chairman of the meeting shall have an additional or casting vote, in addition to each vote or votes to which he is entitled as a member or proxy of the Company.

### **The Board of Directors**

91. The number of members on the board of directors shall not be less than 2 (two) and shall not exceed 14 (fourteen).
92. A director is not obliged to be a shareholder of the Company.
93. A Corporation may serve as a director.
94. The members of the board of directors will be appointed at the Annual Meeting. Apart from a person who has served as director up until the date of the Annual Meeting, no director shall be appointed at the Annual Meeting, unless the board of directors has recommended his appointment, or if he, or a Shareholder of the

Company who wishes to propose him, has delivered to the Company's Registered Office, no less than 4 (four) and no later than 14 (fourteen) days before the date fixed for holding such meeting, an instrument in writing, announcing his candidacy for the position or that Shareholder's intention to propose him.

95. At each Annual General Meeting, one third of the directors at that time, or if their number is not three or a multiple of three, then the nearest number to one third, which does not exceed it, shall resign from their office. The directors who resign each year shall be those who have served in their position for the longest period of time since their last election, however amongst those who have most recently become or been re-elected as directors on that day, those who are to retire shall be decided by means of a draw, unless they have agreed otherwise. A director's retirement in accordance with the provisions of this article shall be deemed as being effective at the end of the meeting at which he so retires and accordingly, a retiring director shall be entitled to continue to act as director throughout the meeting at which he retires. A director who has so retired may be re-elected. This article shall not apply with respect to external directors and they shall not be counted amongst the directors for purposes of this article.
96. The Company may, at an Extraordinary Meeting, appoint another director or other directors of the Company, whether for the sake of filling an office which has become vacant incidentally or in the capacity of another director or additional directors, provided the number of directors does not exceed the maximum number prescribed in article 191 above. Directors, who have been appointed under this article, excluding external directors, shall end their term of office at the end of the first Annual Meeting after their appointment.
97. The board of directors may, from time to time, appoint another director or additional directors of the Company, whether for the sake of filling the office of director which has become vacant incidentally or in the capacity of another director or additional directors, provided the number of directors does not exceed the maximum number prescribed in article 91 above. Directors, who have been appointed under this article, shall vacate their office at the end of the first Annual Meeting which is held after their appointment.
98. The general meeting or the board of directors may decide that the office of a director, who they have appointed, as the case may be, shall commence on a date later than the date of his appointment.
99. Notwithstanding the foregoing, the general meeting may at all times, by an Ordinary Majority, at an Extraordinary Meeting, remove any director from his position before the end of his term of office, provided the director is afforded a reasonable opportunity of presenting his position before the General Meeting.
100. In the event of a director being absent, without special permission from the directors, from meetings of the board of directors, for a successive period of six months and such absence was not caused by his illness or his stay abroad or by any other reason, which in the directors' opinion is not voluntary or pardonable, the directors may remove such director from his position by passing a resolution

that his position shall be vacated as a result of such successive absence.

101. Without derogating from the provisions of any law, the office of director shall expire before the end of the period for which he was appointed, in any of the following cases:
  - 101.1 On his death or on being declared legally incapacitated by a competent Court,
  - 101.2 He is a minor, incapacitated, on being declared bankrupt and where the director is a Corporation – on its declaring a voluntary liquidation or where a winding-up order has been issued in respect thereof;
  - 101.3 On having been convicted in a peremptory judgment of an offense, as provided in section 232 of the Companies Law;
  - 101.4 On a competent court having ordered the expiry of his office, as provided in section 232 of the Companies Law;
  - 101.5 On resigning by delivering a notice, as provided in article 103 below;
  - 101.4 On being removed from his office by the General Meeting, as provided in article 99 above;
  - 101.5 On being removed from his office by the board of directors, as provided in article 100 above.
102. Where the office of a director has become vacant, the board of director may continue to act in all matters, as long as the number of directors is not less than the minimum number of directors prescribed in article 91 above. Where the number of directors is less than this number, the board of directors shall not be allowed to act other than for convening a General Meeting for purposes of appointing additional directors, but not for any other purpose.
103. A director may resign by delivering notice to the board of directors, to the chairman of the board of directors or to the Company, as required under the Companies Law and the resignation shall enter into force on the date of delivering the notice, unless the notice has stipulated a later date. A director shall give the reasons for his resignation.
104. Subject to the provisions of the Companies Law, the following provisions shall apply to the directors:
  - 104.1 The Company may pay the directors remuneration for fulfilling their position as directors.
  - 104.2 The Company may reimburse the directors for reasonable transportation expenses, travel and living expenses and other expenses relating to their participation in meetings of the board of directors and in fulfilling their position as directors.

- 104.3 The Company may pay a further fee to a director who was requested to render special services to the Company or to invest special efforts for the Company.

### **External Directors**

105. At least two external directors shall hold office in the Company and the provisions that have been prescribed in the Companies Law shall apply to their eligibility for appointment, the manner of their election, the terms of their office, the duration of their term of office and their dismissal from office.

### **Alternate Directors**

106. Each director may, by notice in writing which shall be given to the board of directors, appoint one person as an alternate and may also cancel such appointment and appoint a different alternate. An alternate director for a member of a Board of Directors' Committee may be a director, provided the candidate for appointment as an alternate director of the committee member, does not serve as a member of that Board of Directors' Committee at such time and if he is an alternate director of an external director, the candidate shall be an external director with accounting and financial expertise or with professional qualifications, in accordance with the qualifications of the replaced director. An alternate for an external director may not be appointed other than in accordance with the foregoing.
107. The deed of appointment of an alternate director shall be according to the following form and content, as far as circumstances may allow, or in any other form which may be approved, from time to time, by the directors in this respect:

#### **"Deed of Appointment of Alternate Director**

I \_\_\_\_\_ I.D. No. \_\_\_\_\_, in my capacity as a director of \_\_\_\_\_ Ltd., while invoking my authority in the above-mentioned matter which is vested in me under article 106 of the articles of association of the said Company, hereby appoint \_\_\_\_\_ I.D. No. \_\_\_\_\_ (and \_\_\_\_\_ I.D. \_\_\_\_\_, each individually) (or in his/their absence, \_\_\_\_\_, I.D. \_\_\_\_\_, to be present and act as an alternate director in my stead, to fulfill my duties as a director of the said Company at all meetings of its directors or at all general meetings of the Company, or in any other manner, and that he shall have and that he shall be able to exercise all my rights, powers and privileges as a director of the said Company (or to fulfill all my obligations and to exercise all my future rights and privileges, as a director of the said Company), for the duration of my absence from Israel and also/or for the duration of my inability, for any reason, to act or to be present as a director, and also/or for the period of \_\_\_\_\_, commencing from \_\_\_\_\_ and culminating on \_\_\_\_\_.

**This deed of appointment shall enter into force forthwith/commencing from \_\_\_\_\_**

**In witness whereof, I have signed this deed of appointment, on \_\_\_\_\_**

**Signature of the appointer: \_\_\_\_\_**

**and I/we the above-mentioned appointee/s, hereby accept/s the said appointment.**

**In witness whereof, I/we have signed the above-mentioned deed of appointment:**

**Signature/s of the appointee/s: \_\_\_\_\_ "**

108. The deed for removal of an alternate director shall be according to the following form and content, as circumstances may permit, or in any other form which may be approved by the directors, from time to time:

**"Deed of removal of alternate director**

**I \_\_\_\_\_, I.D. \_\_\_\_\_, in my capacity as director of \_\_\_\_\_ Ltd., while exercising my authority in the matter, as is vested in me in accordance with article 106 of the articles of association of the said Company, hereby remove \_\_\_\_\_ from his position as my alternate director in the said Company.**

**In witness whereof I have signed this deed of removal, on this \_\_\_\_\_**

**Signature of the director: \_\_\_\_\_ "**

109. A person shall not be appointed as an alternate director, if he is not entitled and/or eligible to be appointed as a director, as well as a person who serves as a director or alternate director of the Company.
110. Such alternate director shall have all those rights and powers, both with respect to participating in the Company's management and with respect to signatures and the like, as the director who appointed him. The office of an alternate director shall be vacated in and of itself upon vacation of the office of the director for whom he substitutes.
111. Subject to the provisions of the Companies Law, the Company may pay an alternate director remuneration for his participation in meetings of the board of directors.



### **The Board of Directors' Powers and Functions**

112. The board of directors shall have the powers and authority which are conferred thereon pursuant to these Articles, according to the Companies Law and under any law. Without derogating from the provisions hereof, the board of directors shall formulate the Company's policy and shall supervise performance of the General Manager's functions and acts, including:
- 112.1 It shall determine the Company's program of operations, principles for financing them and the order of priority between them;
  - 112.2 It shall examine the Company's financial position, and shall determine the credit facilities which the Company may receive;
  - 112.3 It shall determine the organizational structure and the salary policy;
  - 112.4 It may decide on the issuance of a series of debentures;
  - 112.5 It shall be responsible for drawing up the financial statements and for their ratification, as provided in section 171 of the Companies Law;
  - 112.6 It shall report to the Annual Meeting regarding the state of the Company's affairs and on the business results, as provided in section 173 of the Companies Law;
  - 112.7 It shall appoint and dismiss the General Manager;
  - 112.8 It shall decide on acts and transactions which require its approval pursuant hereto or according to the provisions of sections 255 and 268 to 275 of the Companies Law;
  - 112.9 It may allot Shares and securities which are convertible into Shares up to the limit of the registered share capital of the Company;
  - 112.10 It may decide on a distribution, within the meaning of this term in section 1 of the Companies Law, as provided in sections 307 or 308 of the Companies Law;
  - 112.11 It may decide on an acquisition (within the meaning thereof in section 1 of the Companies Law), from all or some of the shareholders of the Company;
  - 112.12 It shall express its opinion on a special purchase offer, as provided in section 328 and 329 of the Companies Law; and
  - 112.13 It may approve a merger, as provided in sections 314 to 327 of the Law.
  - 112.14 It shall determine the minimum number necessary of directors on the board of directors of the Company, who are required to have accounting

and financial expertise, within the meaning thereof in the Law.

The board of directors' powers according to this article 112 may not be delegated to the General Manager.

113. Any authority of the Company which was not vested in another organ, by law or under these Articles, may be exercised by the board of directors.
114. The board of directors may resolve, whether in a specific resolution or whether in the framework of the board of directors' procedures, that powers which are vested in the General Manager shall be transferred to its authority, all in a specific matter or for a specific period. Without derogating from the foregoing, the board of directors may instruct the General Manager how to act in a certain matter. Where the General Manager has failed to comply with the instruction, the board of directors may exercise the authority which is required for executing the instruction, in his stead. Where the General Manager is unable to exercise his powers, the board of directors may exercise them in his place.
115. Subject to the provisions of the Companies Law, the board of directors may delegate some of its powers to the Company's committees, to its General Manager, to an officer of the Company or to any other person. A delegation of the board of directors' authority may be for a specific matter or for a certain period of time, all in the board of directors' discretion.

### **Borrowing Powers; the Receipt of Credit and the Giving of Guaranties and Collateral**

116. Without derogating from any of the provisions hereof, the directors may from time to time and in their discretion, borrow and secure the payment of any amount or amounts of money for the Company's objects. Without derogating from the generality of the foregoing, the board of directors may, from time to time, in its discretion, resolve to: receive credit by the Company in any amount and to secure its settlement, in any way it sees fit; provide collateral for securing credit, as aforesaid, of whatsoever kind; issue a series of debentures, including capital notes or deeds of undertaking and including debentures, capital notes or convertible deeds of undertaking or which may be realized for Shares and formulate their terms and encumber all or any of its property, whether in the present or in the future, whether under a floating charge or under a fixed charge. Debentures, capital notes, deeds of undertaking or other collateral, as aforesaid, may be issued, whether at a discount, at a premium or in any other manner, whether with deferred rights or with special rights or privileges or other rights, all as the board of directors shall resolve, in its discretion.
117. The directors may secure the settlement of any such amounts, in such manner and on such terms and conditions as it deems fit and in particular, by issuing promissory notes, debentures or any current charge over all or any of the Company's property, in the present or in the future, including the share capital which has not yet been called and against any charges and other collateral of whatsoever nature.

118. All promissory notes, debentures or other collateral may be issued at a discount, at a premium or in another manner and with special privileges regarding redemption and conversion into Shares.
119. The provisions of article 116 above do not negate the authority of the General Manager or of whoever he has authorized, to decide to obtain credit by the Company, within the limits of the credit facilities which have been set by the board of directors.

### **The Board of Directors' Acts**

120. The directors may convene for the sake of conducting business, adjourn their meetings and conduct their acts and discussions as they deem fit, including the holding of meetings by using means of communications (including electronic means of communications or the passing of resolutions, also without actually convening), all in accordance with the stipulations of the Law.
121. The directors may determine the quorum which is required for the purpose of holding their meetings. Save for a case in which the directors determine otherwise, two directors who are present, whether in person or by proxy, shall constitute a quorum.
122. The board of directors shall elect one of its members as chairman of the board of directors and it may dismiss the chairman and appoint another in his stead. The board of directors may also appoint, from amongst its members, a person who shall serve as the deputy-chairman of the board of directors, who shall serve as his substitute in his absence.
123. The chairman of the board of directors shall preside over and run meetings of the board of directors. Where the chairman of the board of directors is absent from a meeting of the board of directors, in accordance with notice which he has given in advance, or has failed to appear at the meeting of the board of directors within 15 minutes of the time fixed for the meeting's commencement (hereinafter: "**Absence**"), then the deputy-chairman of the board of directors, if elected, shall preside over the meeting. In the absence of both the chairman of the board of directors and his deputy from the meeting, the members of the board of directors who are present shall elect one of their number to serve as chairman of the meeting.
124. The board of directors shall convene for its meetings according to the Company's needs.
125. The chairman of the board of directors may convene the board of directors at any time and fix the place and time for holding the meeting.
126. Without derogating from the foregoing, the chairman of the board of directors shall be obliged to convene the board of directors on the occurrence of each of the following:

- 126.1 The receipt of a request to convene the board of directors from one or more directors, for the sake of discussion a matter stated in the request;
- 126.2 The receipt of any notice or report of the General Manager which necessitate action of the board of directors.
- 126.3 The receipt of notice from the auditor regarding material shortcomings in the accounting control of the Company.

On receipt of any such notice or a report, the chairman of the board of directors shall convene the board of directors, without delay, and no later than the end of 14 days of the date of the demand, notice or report, as the case may be.

- 127. The agenda of meetings of the board of directors shall be set by the chairman of the board of directors, in accordance with the Law.
- 128. Notice of a board of directors' meeting shall be given to all its members. Any notice of a board of directors' meeting shall include a reasonable itemization of all matters on the agenda. The notice may be oral, in a telephone conversation, in writing or by cable or telex or telefax or electronic mail, provided the notice is given a reasonable time before the time of the meeting, and not less than 24 hours prior thereto, unless all the directors entitled to receive notice have agreed to waive receipt of such notice.
- 129. Notice of a board of directors' meeting shall be delivered to the address of the director which was given to the Company, in advance, unless the director has requested the notice to be delivered to him in a different place. A director who is out of the country at any time, shall not be entitled to receive notice of the convening of a meeting during his absence, unless he gave an address for sending the notice. In the event of the appointment of an alternate director, the alternate director shall receive notice of the board of directors' meeting, provided he has informed the Company of his aforesaid appointment. Confirmation in writing which has been signed by the chairman of the board of directors or by the deputy-chairman of the board of directors (if any), or by any other person (if any), who has been authorized by the directors in this regard, confirming that at a certain time, a specific director or a specific alternate director was out of Israel, shall serve, for purposes of these Articles, as conclusive evidence of the facts specified therein.
- 130. Questions which arise at meetings of the board of directors shall be resolved by a majority of the votes participating in the meeting. In the case of a tied vote in favor of and opposing a proposed resolution, the chairman shall have an additional casting vote.
- 131. Any board of directors' meeting at which a quorum is present may exercise all the powers, authority and discretions which are at such time vested in the board of directors, or which are generally exercised by it.
- 132. Where a director is precluded from voting in accordance with the provisions of any law, the quorum for the purposes of such voting shall be the number of

directors who are present in his absence. The foregoing does not derogate from the provisions of section 278 of the Law.

133. Any act performed at a board of directors' meeting or at a directors' committee or by whoever fulfills the position of director, shall not be invalidated merely by reason of a defect in the appointment of one or more of the persons performing the act or that they were not qualified to hold office
134. The board of directors may pass resolutions also without actually convening, provided all the directors who are eligible to participate in the discussion and to vote on a matter in respect of which a resolution has been proposed, have agreed to convene for a discussion of such matter, a resolution was passed not to convene, as aforesaid, minutes are recorded of the resolutions, including the resolution not to convene and they are signed by the chairman of the board of directors.

### **Minutes**

135. The board of directors shall procure that minutes are kept of the proceedings at meetings of the board of directors; the minutes shall include, *inter alia*, the following details:
  - 135.1 The names of the participating directors and those others who are present at any meeting of the board of directors;
  - 135.2 The matters discussed at meetings of the board of directors and the resolutions that were passed.
  - 135.3 The minutes shall be signed by the chairman of the board of directors or by a chairman of the meeting, as the case may be; minutes which have been affirmed and signed, as aforesaid, shall serve as *prima facie* evidence of their contents.
136. The provisions of article 135 above shall apply also to the meetings of each committee of the board of directors and to the passing of resolutions of the board of directors, without convening.

### **Committees of the Board of Directors**

137. Subject to the provisions hereof, the board of directors may, as it deems fit, establish committees of the board of directors(hereinafter: a “**Board of Directors' Committee**”), appoint thereto members from amongst the members of the board of directors and on a Board of Directors' Committee whose function it is to advise the board of directors or to only recommend, to appoint thereto also persons who are not members of the board of directors, and delegate all or any of its powers to such committee. Notwithstanding the foregoing, the board of directors may not delegate any of its powers to a board of directors' committee in the following matters and may establish committees on these matters for the sake of recommendation alone:

- 137.1 The formulation of general policy for the Company;
  - 137.2 Any distribution, unless it involves a purchase of the Company's Shares in accordance with the framework which has been formulated in advance by the board of directors;
  - 137.3 The determining of the board of directors' position in a matter requiring approval of the General Meeting or the giving of an opinion, as provided in section 329 of the Law;
  - 137.4 The appointment of directors;
  - 137.5 An issue or allotment of Shares or of securities which are convertible into Shares or which may exercised for Shares, or of a series of debentures, other than as specified in the Law;
  - 137.6 Ratification of the financial statements;
  - 137.7 Approval by the board of directors, of transactions and acts that require the board of directors' approval pursuant to sections 255 and 268 to 275 of the Companies Law.
- 138. A resolution that was passed or an act that was performed at a Board of Directors' Committee, shall be treated as a resolution that was passed or an act that was performed at the board of directors, unless explicitly stipulated otherwise by the board of directors, for a specific matter of with respect to a specific committee.
  - 139. The board of directors may from time to time expand, limit or cancel the delegation of authority to a Board of Directors' Committee. However, nothing in the aforesaid limitation or cancellation of powers shall serve to impair the validity of a resolution of a committee on which the Company has acted, in respect of any other person who was not aware of its cancellation.
  - 140. The provisions included herein regarding the board of directors' acts shall apply also, *mutatis mutandis*, to Board of Directors' Committees, as long as they have not been replaced by instructions which were given by the board of directors in this regard.
  - 141. A Board of Directors' Committee shall report to the board of directors, on an ongoing basis, on its resolutions or recommendations.
  - 142. A resolution that was passed or an act which was carried out at a Board of Directors' Committee, shall be treated as a resolution passed or an act carried out at the board of directors, unless explicitly determined otherwise, by the board of directors, in a specific matter to with respect to a specific committee.
  - 143. The board of directors shall appoint an audit committee from amongst its members. The number of members of the audit committee shall not be less than three and all the external directors shall be members thereof. The audit

committee shall not include amongst its members: the chairman of the board of directors, any director who is employed by the Company or who provides it with services on a fixed basis and the controlling shareholder of the Company or a relative of his. The functions of the audit committee shall be in accordance with the stipulations of the Companies Law, including any other function which is imposed on it by the board of directors.

### **The General Manager**

144. The board of directors may, from time to time, appoint a general manager of the Company (hereinafter: the “**General Manager**”) and it may dismiss or replace him whenever it deems fit.
145. The General Manager is not obliged to be a director or Shareholder of the Company.
146. The General Manager is responsible for the ongoing management of the Company’s affairs, in the framework of the policy laid down by the board of directors and subject to its directions.
147. The General Manager shall have all the management and executive powers which were not conferred under the Law or in these Articles or by virtue thereof to any other organ of the Company; the General Manager shall be under the supervision of the board of directors.
148. Subject to the provisions hereof, the board of directors may, from time to time, give and grant powers to the General Manager which the board of directors has in accordance with these Articles, as it sees fit, and it may grant some of these powers for such period, for such purposes, on such terms and conditions and with such restrictions as the board of directors sees fit. The board of directors may grant these powers, both without waiving its powers in the matter as well as in place or instead of all or any of these powers and it may from time to time cancel, negate and alter these powers, in whole or in part.
149. The General Manager may, with the board of directors’ approval, delegate some of his powers, to another or to others, who are subordinate to him. Such approval may be given, whether by general approval or for a specific matter, whether in a specific resolution or in the framework of the board of directors’ procedures.
150. Without derogating from the provisions of the Companies Law and any law, the General Manager shall submit reports to the board of directors on such matters and on dates and in such scope as determined by the board of directors, whether in a specific resolution or in the framework of the board of directors’ procedures.
151. The General Manager's fee may be paid by means of payment of a salary or commissions or participation in profits or by awarding securities or a right to purchase them, or in any other way.

### **Managers and officers**

152. The General Manager may from time to time appoint managers, clerks, employees, agents and members of staff for the Company, for permanent, temporary or special positions, as the General Manager shall deem fit from time to time. Similarly, the General Manager may discontinue the service of one or more of the above persons, from time to time and at any time, in his sole discretion. The General Manager may determine the powers and duties of those persons mentioned above, as well as their salaries and grants, and demand security in such cases and in such amounts as he sees fit.

### **Signatory Rights on the Company's Behalf**

153. Subject to the provisions hereof, the board of directors may empower any person to act and to sign in the Company's name, whether alone or together with another person, whether in a general manner or for specific matters.
154. The Company shall have a stamp bearing the Company's name. A signed document shall not be binding on the Company unless those persons who are authorized to sign on the Company's behalf have signed it, as provided in article 121 above, together with the Company stamp or its name in print.

### **Appointment of Attorneys**

155. The Company may at any time empower any person to serve as the Company's attorney, for such objects and with such powers, authority and discretion, for such period and subject to such terms, as it deems fit. The board of directors may grant such person, *inter alia*, authority to transfer to another, either fully or partially, the powers, authorizations and discretion vested in him.

### **Validity of Acts and Approval of Transactions**

156. All acts which have been executed by the board of directors or by a Board of Directors' Committee or by any person acting as a director or as a member of a Board of Directors' Committee or by the General Manager, as the case may be, shall be valid even if it is subsequently discovered that there was a defect in appointing the board of directors, the Board of Directors' Committee, the director, the committee member or the General Manager, respectively, or that any of the said officers was ineligible to serve in his position.
157. The holding of shares in the Company and the fact that an officer of the Company is an interested party or an officer in any other company, including a Corporation in which the Company is an interested party or which is a shareholder of the Company, shall not disqualify the officer from serving as an officer of the Company. Similarly, an officer shall not be disqualified from serving as an officer of the Company due a contract between him or between any such Corporation and the Company, in respect of any matter and in any form.



158. The fact of a person being an officer of the Company shall not disqualify him or any relative of his or any other Corporation in which he is an interested party, from executing transactions with the Company, in which the officer has a personal interest, in any form.
159. An officer may participate in and vote at discussions concerning the ratification of transactions or acts in which he has a personal interest.
160. An officer of the Company who knows he has a personal interest in an existing or proposed transaction of the Company, shall disclose to the Company without delay and by no later than the board of directors' meeting at which the transaction is first discussed, the nature of his personal interest, including any material fact or document. The provisions of this section shall not apply when the personal interest derives solely from the existence of a personal interest of a relative in a transaction which is not exceptional.
161. A transaction of the Company with an officer thereof, as well as a transaction of the Company with another person in which the officer of the Company has a personal interest and which are not exceptional transactions, shall be approved in the following manner:
  - 161.1 The execution of a transaction which is not exceptional, as above-mentioned, requires approval of the board of directors or by the audit committee or by any other party which shall be authorized for such purpose by the board of directors, whether by a specific resolution or in the framework of the board of directors' procedures, whether by general approval, by approval of certain kinds of transactions or by approval of a specific transaction.
  - 161.2 The approval of transactions which are not exceptional, as stated above, can be carried out by giving general approval to certain types of transactions or by approval of a specific transaction.
162. A general notice which is given to the board of directors by an officer regarding his office or regarding his occupying a position in certain entities or regarding his providing services to such entities, shall constitute disclosure by the officer to the Company regarding his personal interest, deriving from the foregoing, for purposes of any such agreement, in a transaction which is not exceptional.

### **Insurance and Indemnification**

163. The Company shall be entitled to enter a contract to insure the liability of any officer thereof, in full or in part, for any of the following:
  - 163.1 a breach of the duty of care vis-à-vis the Company or vis-à-vis another person, but excluding the duty of care which was intentionally or recklessly breached;
  - 163.2 a breach of a fiduciary duty vis-à-vis the Company, provided that the officer acted in good faith and had a reasonable basis to believe that the

act would not prejudice the Company's interests;

- 163.3 Any monetary liability imposed on him in favor of another person by reason of an act done by virtue of his being an officer of the Company.
- 163.4 Any monetary liability imposed on the officer as a result of payment for the benefit of a person injured by a violation, as provided in section 52Aab (A)(1)(a) of the Securities Law, 1968.
- 163.5 Expenses incurred by the officer in connection with an administrative proceeding conducted in his respect, inclusive of reasonable litigation expenses, including attorney's fees.
- 163.6 Any other liability that is insurable according to the law.

**"Administrative proceeding"** – a proceeding in accordance with Chapters 8.C (Imposition of A Monetary Sanction by the Securities Authority), 8.D (Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee), or 9.A.1 (Arrangement in Order to Abstain from Proceedings or Stop Proceedings Subject to Conditions) of the Securities Law, 1968, as amended from time to time.

- 164. The Company may indemnify any of its officers due to any liability or expense that was imposed on him or which he has incurred as a result of an act which he performed by virtue of his being an officer of the Company, the aforesaid for any of the following:
  - 164.1 monetary liability imposed on him in favor of another person pursuant to a judgment, including a judgment rendered in a settlement, or an arbitrator's award that has been approved by a court;
  - 164.2 reasonable litigation expenses, including attorney's fees, which were incurred by the officer as a result of an investigation or proceeding conducted against him by an authority that has the power to conduct such investigation or proceeding, and which ended without a criminal indictment having been brought against him and without a monetary liability having been imposed on him in lieu of criminal proceedings (as defined in the Companies Law), or which ended without the filing of a criminal indictment against him but with the imposition of a monetary liability in lieu of criminal proceedings, in an offence which does not require proof of criminal intent or in connection with a monetary sanction;
  - 164.3 reasonable litigation expenses, including attorney's fees, which were incurred by the officer or which he was ordered to pay by a court, in proceedings brought against him by the Company or in its name or by another person, or in a criminal indictment of which he was acquitted or a criminal indictment in which he was convicted of an offense that does not require proof of criminal intent;

- 164.4 any other liability or expense in which respect indemnification is permissible according to the Companies Law;
  - 164.5 a monetary liability imposed on the officer as a result of payment for the benefit of a person injured by the violation as provided in section 52Aab (A)(1)(a) of the Securities Law, 1968;
  - 164.6 expenses incurred by an officer in connection with an administrative proceeding conducted in his respect, inclusive of reasonable litigation expenses, including attorney's fees.
165. The Company may give an undertaking of indemnification to an officer, in advance, provided that the undertaking of indemnification with respect to the contents of article 164 in its entirety shall be limited to events which, in the opinion of the board of directors, may be anticipated, in light of the Company's actual activity at the time the undertaking of indemnification was given, and to the amount or to the criterion which the board of directors has established as being reasonable in the circumstances, and that the undertaking of indemnification shall specify the events which, in the opinion of the board of directors, may be anticipated in light of the Company's actual activity at the time the undertaking of indemnification was given and the amount or the criterion which the board of directors has established as being reasonable in the circumstances. The amount of indemnification for all officers, cumulatively, under all letters of indemnification issued to them by the Company, in accordance with the resolution to grant indemnification, shall not exceed 25% of the Company's equity, according to its most recent financial statements as at the date of actual payment of indemnification.
166. The Company may indemnify an officer thereof retroactively.
167. Deleted.
168. Subject to the provisions of section 165 above, the Company may give an undertaking towards an employee of the Company, including an officer of the Company who is not a director therein, who serves or shall serve on the Company's behalf or at its request, as a director in another company whose shares are held by the Company, directly or indirectly (hereinafter: "**Director of the Other Company**"), to indemnify him on account of any liability or expense, as set forth in section 164 above, which may be imposed on him due to an act which he performed by virtue of his being a Director of the Other Company, provided the undertaking shall be limited to types of events which, in the board of directors' opinion, may be anticipated, provided the indemnity amount shall not exceed 25% of the Company's equity, according to its most recent financial statements, as of the date of actual payment of the indemnity.
169. Without derogating from the provisions of article 167 above, the Company may retroactively indemnify a Director of the Other Company, due to any liability or expense, as set forth in section 164 above, which was imposed on him due to an act which he performed by virtue of his being a Director of the Other Company.

170. The Company may exempt an officer, in advance and in retrospect, from his liability, in whole or in part, for damage as a result of the breach of his duty of care toward the Company, to the maximum extent permitted by applicable law. Notwithstanding the foregoing, it is understood that the exemption that is granted, if and to the extent it is granted, shall not apply to a decision made by the officer or to a transaction he had approved, in which approval the controlling shareholder or any officer in the Company has a personal interest.
171. Entitlement to exemption as provided in article 170 shall also apply with respect to the exemption of an officer of the Company in connection with his holding office, on behalf of the Company or at its request, in another corporation in which the Company holds shares, directly or indirectly, and/or in a related corporation of the Company, as they are from time to time.
172. The provisions hereof shall not serve to restrict the Company, in any way, with regards to its execution of an insurance contract, or as regards awarding a release or indemnification:
- 172.1 In connection with a person who is not an officer of the Company or a Director of the Other Company, including but without derogating from the generality of the foregoing, employees, contractors or consultants.
- 172.2 In connection with an officer of the Company or a Director of the Other Company, to the extent the insurance, release or indemnity are not prohibited according to law.

### **The Auditor and Financial Statements**

173. An auditor shall be appointed at every Annual Meeting, and shall serve in his position until the end of the Annual Meeting thereafter.
174. Where an auditor of the Company has been appointed, as provided in article 170 above, the board of directors shall fix his fee for the auditing work, in the board of directors' discretion.
175. The auditor's fee for additional services to the Company, which are not auditing work, shall be fixed by the board of directors, in its discretion.
176. An auditor may be present at all General Meetings of the Company and express his opinion by virtue of his position as auditor of the Company.
177. Any act performed by the auditor shall be valid vis-à-vis any person who deals with the Company, in good faith, notwithstanding a defect in the appointment or training of the auditor.
178. The Company shall draw up financial statements for every year, which shall include a balance sheet for 31 December and a profit and loss statement for a period of one year ending on that day, as well as additional financial statements, all in accordance with what is required according to accepted accounting procedures; the auditor shall audit the said financial statements. The financial

statements shall be signed by whoever has been authorized to do so by the board of directors, as required by law.

### **Merger**

179. Any act of merger in which the Company is involved shall require approval of the board of directors and the General Meeting, in accordance with the stipulations prescribed in the Law.

### **Dividends, Funds and Capitalization of Funds and Profits**

180. The board of directors may, prior to deciding of the distribution of a dividend as provided in article 183 herein below, allocate from amongst the profits, such amounts as they deem fit, as a general fund or a reserve fund for whatsoever needs or objects, as the board of directors shall decide in its discretion.
181. Until the said funds are used, the board of directors may invest the amounts so allocated and the fund monies, in any investment, as it sees fit, handle such investments, alter them or make any other use thereof and it may divide the reserve fund into special funds and use any fund or a part thereof for the Company's business, even without holding it apart from the Company's remaining assets, in accordance with the board of directors' discretion and on the terms and conditions which it prescribes.
182. Subject to the provisions of any law, the board of directors may, from time to time, re-evaluate the Company's assets and property, in whole or in part, and if the new value exceeds the value which was determined in the Company's balance sheet preceding the evaluation – the board of directors may credit the difference, in whole or in part, to the account of a revaluation fund.
183. The board of directors may adopt a decision on the distribution of a dividend. The board of directors which decides on the distribution of a dividend may decide that the dividend shall be paid, in whole or in part, in cash or by way of a distribution of assets in kind, including securities or in any other way, all in the board of directors' discretion.
184. Allotment of bonus shares
- 184.1 The board of directors may decide on the distribution of bonus shares and on the conversion into share capital part of the Company's profits, within the meaning thereof in section 302(b) of the Companies Law, from a premium on shares or from any other source in its equity, which are stated in its most recent financial statements, in an amount to be determined by the board of directors and which shall not be less than the nominal value of the bonus shares. Bonus shares which are allotted pursuant hereto shall be deemed as being fully paid-up.
- 184.2 The board of directors which decides on an allotment of bonus shares may decide that the Company shall transfer to a special fund, which shall

be designated for distributing bonus shares in the future, such amount whose conversion into share capital shall be sufficient for the allotment, to whoever shall at such time be, for whatsoever reason, eligible to purchase shares of the Company (including a right which may only be exercised on a later date), bonus shares to which he would have been entitled had he exercised the right to purchase all or some of the shares, the aforesaid by way of converting a suitable part of the said special fund into share capital.

- 184.3 The bonus shares shall confer on their holders the right to participate in a distribution of the dividends, in cash or in bonus shares, commencing from the date determined by the board of directors and in any other right, as determined by the board of directors. With regard to determining the amount to be transferred to the said special fund, any amount transferred to such fund in respect of previous distributions of bonus shares shall be seen as though it has already been capitalized and that shares entitling the holders of the right to purchase shares, to bonus shares, have been allotted from such amount.
185. Where the rights attached to any shares, or the terms of issue of the shares do not stipulate otherwise, shares that were paid-up or which were credited as being fully or partially paid-up during any particular period in respect of which dividends are paid, shall entitle their owners to a dividend relative to the amount which was paid-up or which was credited as being paid-up on the nominal value of those shares and on the date of their payment (*pro rata temporis*), without taking into account any premium that was paid thereon.
186. For the purpose of implementing a resolution with regard to the distribution of a dividend or the allotment of bonus shares, the board of directors may:
  - 186.1 Settle, as it sees fit, any difficulty which arises in connection therewith and adopt all steps which it sees fit in order to overcome this difficulty.
  - 186.2 Decide that fractions, in general, or fractions in an amount lower than a certain amount as decided by the board of directors, shall not be taken into account for the purpose of adjusting the right of the shareholders or sell fractions of shares and pay the (net) consideration to those persons who are eligible.
  - 186.3 Empower to sign, in the name of the shareholders, any contract or other document which shall be necessary for giving validity to an allotment or distribution, and in particular, to empower, sign and submit for registration, a document in writing, as provided in section 291 of the Companies Law.
  - 186.4 Make any arrangement or other settlement which may be necessary in the board of directors' opinion in order to facilitate the allotment.
187. A dividend or other benefits in respect of shares shall not bear interest.

188. Without derogating from the provisions hereof, the board of directors may retain any dividend or bonus shares or other benefits in respect of a share for which the consideration thereon has not been paid, in whole or in part, to the Company and to collect any such amount or consideration received on the sale of any bonus shares or other benefit on account of the debts or obligations in respect of the said share.
189. The board of directors may, but is not obliged to, as it shall find conducive and appropriate, appoint trustees or nominees for the owners of share warrants who during a period as determined by the board of directors, have not approached the Company in order to receive dividends, shares or other securities or other benefits, as well as for those Registered Shareholders who have not complied with their duty to inform the Company of a change of their address and who have not approached the Company for purposes of receiving dividends, shares, other securities or other benefits, during the above-mentioned period. These nominees or trustees shall be appointed for the realization, collection or receipt of dividends, shares, other securities or other benefits, the subscription for shares which have yet to be issued which are offered to the Shareholders, but they shall not be allowed to transfer the original shares in respect of which they were appointed or to vote by virtue thereof. In each condition of trust or appointment of nominees, the Company shall stipulate that on the first demand by the holder of a share in respect whereof the trustees or the nominees serve, to return the share in question to such shareholder or all those rights which they are holding on his behalf, as the case may be. Any act and arrangement which are made by these nominees or trustees and any agreement between the board of directors and these nominees or trustees shall be valid and binding on all parties concerned.
190. The board of directors may from time to time determine the method of payment of the dividends or the allotment of bonus shares or the transfer thereof to eligible parties, as well as instructions, procedures and arrangements in connection therewith, with respect to the Registered Shareholders, the Non-Registered Shareholders and the shareholders who hold a Share Warrant. Without derogating from the generality of the foregoing, the board of directors may stipulate as follows:
- 190.1 Subject to the provisions of article 190.2 below, a dividend or money shall be distributed to a Registered Shareholder by sending a cheque by mail to his address, as appears in the Register of Shareholders. Each sending of such cheque shall be done at the Registered Shareholder's risk; without derogating from the foregoing, the board of directors may resolve that a dividend amount which is lower than a certain amount which is to be set by the board of directors, shall not be sent by cheque, as aforesaid, and the provisions of sub-article 188.2 below shall apply thereto.
- 190.2 The board of directors may resolve that payment of a dividend or money which is to be distributed to Registered Shareholders shall be executed at the Office or at any other place determined by the board of directors.

191. A dividend which is distributed to Non-Registered Shareholders shall be transferred to the said Shareholders by means of the Registration Company or in any other way determined by the board of directors.
192. In those cases in which the board of directors has decided on the payment of a dividend, on an allotment of shares or securities or on the granting of a right to subscribe for securities which have yet to be issued and which are being offered to Shareholders, against the delivery of a suitable voucher that is attached to any share warrant, such payment, allotment or granting of a right of subscription, shall constitute, against a suitable voucher, for the holder of the voucher, a discharge of debt to the Company in respect of the act, vis-à-vis any person claiming a right to such payment, allotment or granting of a right of subscription, as the case may be.
193. If two or more persons are registered in the Register as joint shareholders, each one may give a valid receipt for any dividend, share or other value, or other monies or benefits which are due in respect of the Share and the cheque or the payment order may be drawn up to the order of one of them and the cheque may be sent by registered mail to his address, as recorded in the Register.

### **The Company's Documents**

194. The shareholders have a right to inspect the documents of the Company, as detailed in section 184 of the Companies Law, upon fulfillment of the conditions stipulated in this regard.
195. Without derogating from the provisions of article 193 above, the board of directors may, in its discretion, decide to grant a right to inspect all or any of the Company's documents, including to all or any of the shareholders, as it deems fit.
196. The shareholders shall not have a right to inspect all or any of the Company's documents, unless they were granted such right, under a statute or according to these articles, or if they were so authorized by the board of directors, as provided in article 194 above.
197. Subject to the provisions of any law, any book, ledger or register which the Company is obliged to keep, according to law or pursuant hereto, shall be kept by technical, mechanical or other means, as shall be decided by the board of directors.

### **Winding-Up**

198. Without derogating from the liquidator's authority under section 334 of the Ordinance and subject to the rights attached to the classes of Shares issued in the Company, if the Company is wound-up voluntarily or in any other manner, the Company's assets shall be distributed after discharging all its liabilities amongst the Shareholders, in a manner proportionate to the amount which was paid-up or which was credited as being paid-up on the nominal value of those Shares and



on the date of their payment (*pro rata temporis*), without taking into account any premium that was paid thereon.

199. Subject to the provisions of any law, the liquidator may distribute in kind amongst the shareholders, according to a resolution of the general meeting passed by an ordinary majority, all or some of the surplus assets and the liquidator may also, according to a resolution of the general meeting passed by an ordinary majority, deposit any part of the surplus assets with trustees who shall hold them in trust for the shareholders, as the liquidator shall see fit. For the purpose of dividing the surplus assets in kind, the liquidator may determine the fair value of the distributable assets and decide how the distribution amongst the ordinary shareholders shall be executed, having regard for the rights attached to the various classes of shares of the Company which they own.

### **Notices**

200. The giving of notices or the delivery of documents to shareholders according to the provisions of the Law or pursuant hereto shall be carried out in one of the ways mentioned in this section below.
- 201.
- 201.1 The Company may deliver a notice or document to a shareholder by hand delivery, or by facsimile or by sending it by mail or by means of electronic mail; delivery by mail shall be made according to the address of the Shareholder as recorded in the Register, and if there is no such address recorded, according to the address which has been given to the Company for the purpose of sending notices to him. A notice delivered by means of transmitting a facsimile shall be sent to the Shareholder in accordance with the facsimile number which he has given to the Company. A notice which is delivered by electronic mail shall be sent to the Shareholder according to the electronic mail address which he has given the Company.
- 201.2. Any notice or document which was delivered to a Shareholder shall be deemed as having been delivered on the date of their having been delivered to him. A notice or document sent by mail shall be deemed as having been duly delivered if deposited for dispatch at a post office, while bearing the correct address and duly stamped. The delivery shall be deemed as having been made at the time the letter was delivered in the normal fashion, by mail and no more than two days from the date on which the letter containing such notice was deposited at the post office. Notice which is sent by fax or by electronic mail shall be deemed as having been delivered twenty four hours after its transmission.
202. Without derogating from the foregoing, the Company may give notice to the Registered Shareholders, to the Non-Registered Shareholders and to Shareholders who hold the Share Warrant, by publishing the notice once, in two daily newspapers that are published in Israel, in the Hebrew language, both in addition to and in lieu of delivering the notice by hand, by mail or by fax. The

date of publication in the newspaper shall be regarded as the date on which the notice was received by the Shareholders.

203. The Company may advise of the sending of documents to the Office or at any other place which the board of directors may decide, or in any other way, including via the Internet.
204. In the case of joint shareholders, the Company may send notice to the joint shareholder whose name appears first in the register of members in respect of the Share.
205. Any document or notice which have been furnished to shareholders of the Company, in accordance with the provisions hereof, shall be deemed as having been duly served notwithstanding the death, bankruptcy or winding-up of that Shareholder or an assignment of the right in the Shares according to law (whether or not the Company was aware thereof), as long as no other person has been recorded as shareholder in his place and such dispatch or delivery shall be deemed, for all purposes, as being sufficient with respect to any person who has an interest in those Shares or who is entitled thereto, by virtue of an assignment of the right, pursuant to law, whether together with such Shareholder or by virtue or in lieu of such Shareholder.
206. Subject to the provisions of any law, a shareholder, director or any other person, who is entitled to receive notice pursuant hereto or in accordance with the Law, may waive the receipt thereof, whether in advance or *post factum*, whether for a special case or in general, and once he has done so, it shall be deemed as though the notice has been duly served, and any proceeding or act in respect of which the furnishing of notice was necessary, shall be considered as being in full force and effect.
207. Written confirmation which is signed by a director or by the secretary of the Company regarding the serving of a document or the furnishing of notice in any of the manners specified herein, shall be deemed *prima facie* proof with respect to the accuracy of any detail contained therein.
208. Whenever it is necessary to give advance notice of a few days or notice which is valid for a specific period, the date of delivery shall be counted amongst the number of days of the period, unless determined otherwise. Where notice has been given in one of the above-mentioned ways, it shall be deemed as having been received on the earliest possible date on which it is deemed as having been delivered, as provided above.

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