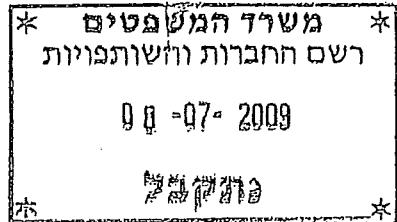


Amended by special resolution in an
Annual General Meeting of the Company
held on June 26th, 2000; further amended by special
resolution passed at an Annual General Meeting of
the Company held on 26 July 2007 and further
amended by special resolution passed at an Annual
General Meeting of the Company held on 17 June
2009

**THE COMPANIES ORDINANCE
A COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BATM ADVANCED
COMMUNICATIONS LIMITED**



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THE COMPANIES ORDINANCE
A COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BATM ADVANCED COMMUNICATION LIMITED

PRELIMINARY

1. Interpretation

- 1.1 Unless the subject or the context otherwise requires: words and expressions defined in the Companies Law in force on the date when these articles or any amendment thereto, as the case may be, first became effective shall have the same meanings herein; words and expressions importing the singular shall include the plural and vice versa; words and expressions importing the masculine gender shall include the feminine gender; and words and expressions importing persons shall include bodies corporate.
- 1.2 The captions in these articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.
- 1.3 London Stock Exchange means The London Stock Exchange Limited.
- 1.4 The Regulations means the English Uncertificated Securities Regulations 1995(SI 1995 No 3272) including any modification thereof or any regulation in substitution therefor made under Section 207 of the United Kingdom Companies Act 1989 having effect as if made under sections 783, 784(3), 785 and 788 of the United Kingdom Companies Act 2006.
- 1.5 The "Companies Law" means the Israeli Companies Law, 5759 – 1999 which came into effect on 1 February 2000 as well as all regulations promulgated under this law.
- 1.6 "Special Resolution" shall mean the resolution adopted by a majority of 75% of the shareholders entitled to vote and present and voting at a Shareholders' Special or Annual general meeting, as the case may be.
- 1.7 "General Meeting" shall mean either an Annual General Meeting or a Shareholders' Special Meeting.

2. Not a Private Company

- 2.1 The Company is not a private company.
- 2.2 The liability of the shareholders is limited as prescribed under the Companies Law.

SHARE CAPITAL

3. Share Capital

- 3.1 The share capital of the Company is 10,000,000 (Ten Million) New Israeli Shekels (NIS -) divided into 100,000,000 (One Hundred Million) Ordinary Shares of a nominal value of 0.1 New Israeli Shekel (NIS) each. Each fully paid up Ordinary Share in the Company confers on the holder thereof the right to one vote at the Company's General Meeting for each share held by such shareholder of record, the equal right to receive dividends if and when declared and the equal right to receive assets of the Company upon distribution of the Company's assets following the winding up of the Company due to liquidation or dissolution.

4. Increase of Share Capital

- 4.1 The Company may, from time to time, by special resolution, whether or not all the shares then authorised have been issued, and whether or not all the shares theretofore issued have been called up for payment, increase its share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such special resolution shall provide.

- 4.2 Except to the extent otherwise provided in such special resolution, such new shares shall be subject to all the provisions applicable to the shares of the original capital.

5. Special Rights: Modifications of Rights

- 5.1 Subject to the provisions of the Memorandum of Association of the Company, and without prejudice to any special rights previously conferred upon the holders of existing shares in the Company, the Company may, from time to time, by Special Resolution, provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such Special Resolution. The Company may, by a Special Resolution, adopted by a shareholders' meeting duly convened in accordance with these articles amend these Articles or any part thereof.

5.2

- 5.2.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these articles, may be modified or abrogated by the Company, by Special Resolution, subject to the consent in writing of the holders of seventy-five per cent (75%) of the issued shares of such class or the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of such class.

- 5.2.2 The provisions of these articles relating to General Meeting shall, mutatis mutandis, apply to any separate General Meeting of the holders of the shares of a particular class, provided, however, that the requisite quorum at any such separate General Meeting shall be one or more

members present in person or proxy and holding not less than one-third of the issued shares of such class.

6. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

- 6.1 The Company may, from time to time, by special resolution (subject, however, to the provisions of article 5.2 hereof and to applicable law):
 - 6.1.1 consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;
 - 6.1.2 subdivide its shares (issued or unissued) or any of them, into shares of smaller nominal value than is fixed by the Memorandum of Association (subject however, to the provisions of the Companies Law), and the resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;
 - 6.1.3 cancel any shares which, at the date of the adoption of such special resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
 - 6.1.4 reduce its share capital in any manner, and with and subject to any authorisation or consent required, by law.
- 6.2 With respect to any consolidation of issued shares into shares of larger nominal value, and with respect to any other action which may result in fractional shares, the Board of directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, *inter alia*, resort to one or more of the following actions:
 - 6.2.1 determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;
 - 6.2.2 allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;
 - 6.2.3 redeem in the case of redeemable preference shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;
 - 6.2.4 cause the transfer of fractional shares by certain shareholders of the Company to other shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board of directors is hereby authorised to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of subarticle 6.2.4.

SHARES

7. Issuance of Share Certificates: Replacement of Lost Certificates

- 7.1 The Company may issue share certificates, which will bear the rubber stamp or printed name of the Company and shall bear the signatures of two Directors (or if there be only one Director, the signature of such Director), or of any other person or persons authorised thereto by the Board of directors;
- 7.2 Each member shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if the Board of directors so approves, to several certificates, each for one or more of such shares, Each certificate shall specify the serial numbers of the shares represented thereby and may also specify the amount paid up thereon;
- 7.3 A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register of Members in respect of such co-ownership;
- 7.4 The company is not bound to register more than four persons as the joint holders of any share or shares, except in the case of executors or trustees of a deceased member. In the case of a share held jointly by several persons, the company is not bound to issue more than one certificate for it.
- 7.5 If a share certificate is worn out, lost or destroyed, it shall be replaced, without charge (other than exceptional out of pocket expenses) upon the furnishing of such evidence of ownership and such indemnity, as the Board of directors may think fit, prior to the issue of a replacement certificate;
- 7.6 Where a member transfers part of his holding of shares, he will be entitled to a certificate for the balance of his holding without charge.

8. Registered Holder

- 8.1 Except as otherwise provided in these articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognise any equitable or other claim to, or interest, in such share on the part of any other person.

9. Disclosure of interests in shares

- 9.1 For the purposes of this article, unless the context otherwise requires:-
 - 9.1.1 "2006 Act" means the United Kingdom Companies Act 2006;
 - 9.1.2 "disclosure notice" means a notice issued by or on behalf of the Company requiring disclosure of interest in shares pursuant to section 793 of the 2006 Act;
 - 9.1.3 "specified shares" means all or, as the case may be, some of the shares specified in a disclosure notice;

- 9.1.4 "restrictions" means one or more, as the case may be, of the restrictions referred to in article 9.3;
- 9.1.5 "restriction notice" means a notice issued by or on behalf of the Company stating, or substantially to the effect, that (until such time as the Board of Directors determines otherwise pursuant to article 9.4) the specified shares referred to therein shall be subject to one or more of the restrictions stated therein;
- 9.1.6 "restricted shares" means all or, as the case may be, some of the specified shares referred to in a restriction notice;
- 9.1.7 a person other than the member holding a share shall be treated as appearing to be interested in that share if:-
- (a) the member has informed the Company, whether under any statutory provision relating to disclosure of interests or otherwise, that the person is, or may be, or has been at any time during the three years immediately preceding the date upon which the disclosure notice is issued, so interested; or
 - (b) the Board of Directors (after taking account of any information obtained from the member or, pursuant to a disclosure notice, from any other person) knows or has reasonable cause to believe that the person is, or may be, or has been at any time during the three years immediately preceding the date upon which the disclosure notice is issued, so interested; or
 - (c) in response to a disclosure notice, the member or any other person appearing to be so interested has failed to establish the identities of all those who are so interested and (after taking into account the response and any other relevant information) the Board of Directors has reasonable cause to believe that such person is or may be so interested;
- 9.1.8 "connected" shall have the meaning given to it in section 839 of the Income and Corporation Taxes Act 1988;
- 9.1.9 "interested" shall be construed as it is for the purpose of section 793 of the 2006 Act;
- 9.1.10 "recognised investment exchange" shall have the same meaning as in the Financial Services and Markets Act 2000; and
- 9.1.11 for the purposes of articles 9.2.2 and 9.4 the Company shall not be treated as having received the information required by the disclosure notice in accordance with the terms of such disclosure notice in circumstances where the Board of Directors knows or has reasonable cause to believe that the information provided is false or materially incorrect.
- 9.2 Notwithstanding anything in these articles to the contrary, if:-

9.2.1 a disclosure notice has been served on a member or any other person appearing to be interested in the specified shares; and

9.2.2 the Company has not received (in accordance with the terms of such disclosure notice) the information required therein in respect of any of the specified shares within 14 days after the service of such disclosure notice,

then the Board of Directors may (subject to article 9.7) determine that the member holding the specified shares shall, upon the issue of a restriction notice referring to those specified shares in respect of which information has not been received, be subject to the restrictions referred to in such restriction notice, and upon the issue of such restriction notice such member shall be so subject. As soon as practicable after the issue of a restriction notice the Company shall serve a copy of the notice on the member holding the specified shares.

9.3 The restrictions which the Board of Directors may determine shall apply to restricted shares pursuant to this article shall be one or more, as determined by the Board of Directors, of the following:-

9.3.1 that the member holding the restricted shares shall not be entitled, in respect of the restricted shares, to attend or be counted in the quorum or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll or to exercise any other right or privilege in relation to any general meeting or any meeting of the holders of any class of shares;

9.3.2 that no transfer of the restricted shares shall be effective or shall be registered by the company, provided that where the restricted shares are held in uncertificated form registration of a transfer may only be refused if permitted by the Regulations;

9.3.3 that no dividend (or other moneys payable) shall be paid in respect of the restricted shares and that, in circumstances where an offer of the right to elect to receive shares instead of cash in respect of any dividend is or has been made, any election made thereunder in respect of such specified shares shall not be effective.

9.4 The Board of Directors may determine that one or more of the restrictions imposed on restricted shares cease to apply at any time. If the company receives in accordance with the terms of the relevant disclosure notice the information required therein in respect of all or any restricted shares, which would otherwise be given effect to, pursuant to a sale:-

9.4.1 on a recognised Investment exchange; or

9.4.2 on any stock exchange outside the United Kingdom on which the Company's shares are normally dealt; or

9.4.3 on any acceptance of a takeover offer (as defined in section 974 United Kingdom Companies Act 2006) for the shares of the class of which such restricted shares form part,

to a party not connected with the member holding such restricted shares or with any other person appearing to be interested in such restricted shares, then all the restrictions imposed on such restricted shares shall cease to apply with effect from the date on which any such notice as aforesaid is received by the Company provided always that if, within ten days after such receipt, the Board of Directors decides that it has reasonable cause to believe that the change in the registered holder of such restricted shares would not be as a result of an arm's length sale resulting in a material change in the beneficial interests in such restricted shares, the restrictions imposed on the restricted shares shall continue to apply.

- 9.5 Where the Board of Directors makes a decision pursuant to the proviso to article 9.4, the company shall notify the purported transferee of such decision as soon as practicable and any person may make representations in writing to the Board of Directors concerning any such decision. The company shall not be liable to any person as a result of having imposed restrictions or deciding that such restrictions shall continue to apply if the Board of Directors acted in good faith.
- 9.6 Where dividends or other moneys are not paid as a result of restrictions having been imposed on restricted shares, such dividends or other moneys shall accrue and, upon the relevant restriction ceasing to apply, shall be payable (without interest) to the person who would have been entitled had the restriction not been imposed.
- 9.7 Where the aggregate number of shares of the same class as the specified shares in which any person appearing to be interested in the restricted shares (together with persons connected with him) appears to be interested represents less than 0.25 per cent. (in nominal value) of the shares of that class in issue (excluding any shares of that class held as treasury shares) at the time of service of the disclosure notice in respect of such specified shares only the restriction referred to in article 9.3.1 may be determined by the Board of Directors to apply.
- 9.8 Shares issued in right of restricted shares shall on issue become subject to the same restrictions whilst held by that member as the restricted shares in right of which they are issued. For this purpose, shares which are allotted or offered or for which applications are invited (whether by the company or otherwise) pro rata (or pro rata ignoring fractional entitlements and shares not allocated to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued in right of restricted shares.
- 9.9 The Board of Directors shall at all times have the right, at its discretion, to suspend, in whole or in part, any restriction notice given pursuant to this article either permanently or for any given period and to pay to a trustee any dividend payable in respect of any restricted shares or in respect of any shares issued in right of restricted shares. Notice of any suspension, specifying the sanctions suspended and the period of suspension, shall be given to the relevant holder in writing within seven days after any decision to implement such a suspension.
- 9.10 The limitations on the powers of the Board of Directors to impose and retain restrictions under this article are without prejudice to the Company's power to apply to the court pursuant to any other statutory power that the Company may have to apply these or any other restrictions on any conditions.

10. Allotment of Shares

- 10.1 The unissued shares from time to time shall be under the control of the Board of directors, who shall have the power to allot shares or otherwise dispose of them to such persons, on such terms and conditions (including inter alia terms relating to calls as set forth in article 12.6 hereof), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of directors may think fit, and the power to give to any person the option to acquire from the Company any shares, either at par or at a premium, or, subject as aforesaid, at a discount, during such time and for such consideration as the Board of directors may think fit.

11. Payment in Instalments

- 11.1 If by the terms of allotment of any share, the whole or any part of the price thereof shall be payable in instalments, every such instalment shall, when due, be paid to the Company by the then registered holder(s) of the share of the person(s) entitled thereto.

12. Calls on Shares

- 12.1 The Board of directors may, from time to time, make such calls as it may think fit upon members in respect of any sum unpaid in respect of shares held by such members which is not, by the terms of allotment thereof or otherwise, payable at a fixed time, and each member shall pay the amount of every call so made upon him (and of each instalment thereof if the same is payable in instalments), to the person(s) and at the time(s) and place(s) designated by the Board of directors, as any such time(s) may be thereafter extended and/or such persons(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all shares in respect of which such call was made.
- 12.2 Notice of any call shall be given in writing to the member(s) in question not less than 14 days prior to the time of payment, specifying the time and place of payment, and designating the person to whom such payment, shall be made, provided, however, that before the time for any such payment the Board of directors may, by notice in writing to such member(s), revoke such call, in whole or in part, extend such time, or alter such person and/or place. In the event of a call payable in instalments, only one notice thereof need be given.
- 12.3 If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Board of directors and of which due notice had been given, and all the provisions herein contained with respect to such call shall apply to each such amount.
- 12.4 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.
- 12.5 Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding 3% above the

base rate charged by leading commercial banks in Israel), and at such time(s) as the Board of directors may prescribe.

- 12.6 Upon the allotment of shares, the Board of directors may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.

13. Prepayment

- 13.1 With the approval of the Board of directors, any member may pay to the Company any amount not yet payable in respect of his shares, and the Board of directors may approve the payment of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of directors. Any such payment in advance will not entitle the holder of the Shares in question to participate in any dividend in respect of the amount advanced. The Board of directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in article 13 shall derogate from the right of the Board of directors to make any call before or after receipt by the Company of any such advance.

14. Forfeiture and Surrender

- 14.1 If any member fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of directors, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which the said call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest including, inter alia, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.
- 14.2 Upon the adoption of a resolution of forfeiture, the Board of directors shall cause notice thereof to be given to such member, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than 14 days and which may be extended by the Board of directors), such shares be ipso facto forfeited, provided, however, that prior to the expiration of such period, the Board of directors may nullify such resolution of forfeiture, but no such nullification shall estop the Board of directors from adopting a further resolution of forfeiture in respect of the non payment of the same amount.
- 14.3 Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.
- 14.4 The Company, by resolution of the Board of directors, may accept the voluntary surrender of any share.
- 14.5 Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these articles, may be sold, reallocated or otherwise disposed of as the Board of directors thinks fit.

- 14.6 Any member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in article 12.5 above, and the Board of directors, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board of directors, may accelerate the date(s) of payment of any or all amounts then owing by the member in question (but not yet due) in respect of all shares owned by such member, solely or jointly with another, and in respect of any other matter or transaction whatsoever.
- 14.7 The Board of directors may at any time, before any share so forfeited or surrendered shall have been sold, reallocated or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it thinks fit but no such nullification shall estop the Board of directors from re-exercising its powers of forfeiture pursuant to this article 14.

15. Lien

- 15.1 Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares other than fully paid shares registered in the name of each member (without regard to any equitable or other claim or interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, for his debts, liabilities and engagements arising from any cause whatsoever, solely or jointly with another, to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.
- 15.2 The Board of directors may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board of directors may think fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within 14 days after written notice of the intention to sell shall have been served on such member, his executors or administrators.
- 15.3 The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such member (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the member, his executors, administrators or assigns.

16. Sale after Forfeiture or Surrender or in Enforcement of Lien

- 16.1 Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board of directors may appoint some person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the

Register of Members in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

17. Redeemable Shares

- 17.1 The Company may, subject to applicable law, issue redeemable shares and redeem the same.
- 17.2 Where the Company's shares are listed on any Stock Exchange and the Company has listed redeemable shares then:
 - 17.2.1 purchases must be limited to a maximum price which, in the case of purchases through the market of redeemable shares other than those which are normally bought and traded in by a limited number of investors who are particularly knowledgeable in investment matters, must not exceed 5% above the average market value for the ten business days before the purchase; and
 - 17.2.2 If purchases are by tender, tenders must be available to all shareholders alike.

18. Conversion of Shares into Stock

- 18.1 The Board of directors may, with the sanction of the members previously given by Special Resolution, convert any paid up shares into stock, and may, with like sanction, reconvert any stock into paid-up shares of any denomination.
- 18.2 The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as the shares from which the stock arose might have been transferred prior to conversion, or as near thereto as circumstances admit, provided, however, that the Board of directors may from time to time fix the minimum amount of stock so transferable, and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not exceed the nominal value of each of the shares from which such stock arose.
- 18.3 The holders of stock shall, in accordance with the amount of stock held by them, have the same rights and privileges as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which such stock arose, but no such right or privilege, except participation in the dividends and profits of the Company, shall be conferred by any such aliquot part of such stock as would not, if existing in shares, have conferred that right or privilege.
- 18.4 Such of the articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" (or "member") therein shall include "stock" and "stockholder."

TRANSFER OF SHARES

19. Effectiveness and Registration

- 19.1 No transfer of shares shall be registered unless in the reasonable opinion of the Board of directors a proper instrument of transfer has been submitted to the Company, together with the share certificate(s) and such other evidence of title as the Board of directors may reasonably require. Until the transferee has been registered in the Register of Members in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof.
- 19.2 The Board of directors may, in its discretion and to the extent that it deems necessary, close the Register of Members for the registration of transfer of shares for such periods as may be determined by the Board of directors, and no transfers of shares shall be registered during any period in which the Register of Members is so closed.
- 19.3 The Board of directors may, in their absolute discretion and without giving any reason, refuse to register any transfer of shares unless:
- 19.3.1 subject to article **שגיאתה מקור ההפניה לא נמצא**, it is in respect of a fully paid share;
 - 19.3.2 it is duly stamped, is deposited at the office or such other place as the Board of directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board of directors may reasonably require to show the right of the transferor to make the transfer;
 - 19.3.3 it is in respect of only one class of share;
 - 19.3.4 it is in favour of not more than four transferees except in the case of executors or trustees of a deceased member; or
 - 19.3.5 it is in respect of a share on which the Company does not have a lien in respect of which the Company has not served a notice pursuant to article 15.2.
- 19.4 In exceptional circumstances approved by the London Stock Exchange, the Board of directors may refuse to register any transfer of shares to which article 19.3 would otherwise apply, provided that their refusal does not disturb the market.
- 19.5 If the Board of directors refuse to register a transfer of any shares, they must, within 2 months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- 19.6 The Company is not entitled to charge any fee in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other document relating to or affecting the title to any shares.
- 19.7 Any transfers of shares which the Board of Directors are required to register shall be registered within 14 days of the transfer being lodged with the Company.

20(A) Uncertificated Shares

- 20(A).1. Notwithstanding any other provisions of these Articles, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form, and converted from uncertificated form to certificated form and *vice versa*, in accordance with the Regulations and practices instituted by the operator of the relevant system. To the extent that the provisions of these Articles concerning uncertificated shares are inconsistent with:
- 20(A).1.1. the holding of shares in uncertificated form;
 - 20(A).1.2. the transfer of title to shares by means of a relevant system; or
 - 20(A).1.3. any provision of the Regulations.
- the provisions of these Articles shall not apply.
- 20(A).2. Without prejudice to the generality and effectiveness of Article 20(A).1 hereof:
- 20(A).2.1. Articles 8 and 20.1 shall not apply to uncertificated shares and Article 20.5. hereof shall apply in relation to such shares as if the reference therein to the date on which the transfer was lodged with the Company were a reference to the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the facilities and requirements of the relevant system;
 - 20(A).2.2. without prejudice to Article 20.3. hereof, the Board of directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Regulations and the relevant system;
 - 20(A).2.3. references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board of directors may make from time to time pursuant to Article 20(A).2.10. hereof;
 - 20(A).2.4. for the purposes referred to in Article 22.2. hereof, a person entitled by transmission on death or bankruptcy to a share in uncertificated form who elects to have some other person registered shall either:
 - 20(A).2.4.1. procure that instructions are given by means of the relevant system to effect

transfer of such uncertificated share to that person; or

20(A).2.4.2. change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person;

- 20(A).2.5. the Company shall enter on the Register of Members the number of shares which are held by each member in uncertificated form and in certificated form, and shall maintain the Register of Members in the former case as is required by the Regulations and the relevant system and, unless the Board of directors otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;
- 20(A).2.6. a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which applies only in respect of certificated shares or uncertificated shares;
- 20(A).2.7. for the purposes referred to in Article 7.2 hereof, the Board may in respect of uncertificated shares authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system;
- 20(A).2.8. for the purposes of Article 63 hereof, any payment in the case of uncertificated shares may be made by means of the relevant system and, without prejudice to the generality of the foregoing, such payment may be made by the sending by the Company or any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct, and for such purposes the making of a payment in accordance with the facilities and requirements of the relevant system shall be a good discharge to the Company;
- 20(A).2.9. subject to the United Kingdom Companies Act 2006 the Board of directors may issue shares as certificated shares or as uncertificated shares in its absolute discretion and Articles 6, 57, 58 and 59 shall be construed accordingly;
- 20(A).2.10. the Board of directors may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and

otherwise for the purpose of implementing and/or supplementing the provisions of this Article 20(A).1. hereof and the Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 20(A);

20(A).2.11. for the purposes referred to in Articles 26. and 70. hereof, the Company may in respect of uncertificated shares give any notice or other document by means of the relevant system (subject always to the provisions of the Regulations and to the facilities and requirements of the relevant system); and

20(A).2.12. the Board of directors may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.

20(A).3. Where any class of shares in the capital of the Company is a participating security and the Company is entitled under the provisions of the United Kingdom Companies Act 2006 or the rules made and practices instituted by the operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right to:

20(A).3.1. request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or

20(A).3.2. require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by notice in writing to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares, or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or

20(A).3.3. appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares, and so that such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or

20(A).3.4. transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register of

Members in respect of that share as a transferred share;
and/or

20(A).3.5. otherwise rectify or change the Register of Members in respect of that share in such manner as may be appropriate; and/or

20(A).3.6. take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him.

20(A).4 For the purposes of this Article 20(A):

20(A).4.1. words and expressions shall have the same respective meanings as in the Regulations;

20(A).4.2. references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a certificated share or to a share being in certificated form are references to that share being a unit of a security which is not an uncertificated unit; and

20(A).4.3. "cash memorandum account" means an account so designated by the operator of the relevant system.;"

20(A).4.4 any reference in the Regulations to courts or UK courts shall be deemed to also include reference to the courts of the State of Israel.

20. Record Date for General Meetings

20.1 Notwithstanding any provision to the contrary in these articles, for the determination of the members entitled to receive notice of and to vote at a Shareholders Special or Annual General Meeting, or to express consent to or dissent from any corporate action in writing, or to receive payment of any dividend or other distribution of allotment of any rights or to exercise any rights in respect of shares of the Company, the Board of directors shall fix, in advance, a record date, which shall not be more than 21 days prior to the date of the scheduled meeting and not less than 4 days prior to the General Meeting or other action, as the case may be. No persons other than holders of record of shares as of such record date shall be entitled to notice of and to vote at such General Meeting, or to exercise such other right, as the case may be. A determination of members of record with respect to a General Meeting shall apply to any adjournment of such meeting, provided that the Board of directors may fix a new record date for an adjourned meeting.

TRANSMISSION OF SHARES

21. Descendants' Shares

- 21.1 In case of a share registered in the names of two or more holders, the Company may recognise the survivor(s) as the sole owner(s) thereof unless and until the provisions of article 21.2 have been effectively invoked.
- 21.2 Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of directors may reasonably deem sufficient that he sustains the character in respect of which he proposes to act under this article or of his title), shall be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein contained, transfer such share.

22. Receivers and Liquidators

- 22.1 The Company may recognise the receiver or liquidator of any corporate member in winding up or dissolution, or the receiver or trustee in bankruptcy of any member, as being entitled to the shares registered in the name of such member.
- 22.2 The receiver or liquidator of a corporate member in winding up or dissolution, or the receiver or trustee in bankruptcy of any member, upon producing such evidence as the Board of directors may deem sufficient that he sustains the character in respect of which he proposes to act under this article or of his title, shall with the consent of the Board of directors (which the Board of directors may grant or refuse in its absolute discretion), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

GENERAL MEETINGS

23. Annual General Meeting

- 23.1 An Annual General Meeting shall be held once in every calendar year at such time (within a period of not more than 15 months after the last preceding Annual General Meeting) and at such place either within or without the State of Israel as may be determined by the Board of directors.

24. Extraordinary General Meeting

- 24.1 All General Meetings other than Annual General Meetings shall be called "Special Shareholders' Meetings". The Board of directors may, whenever it thinks fit, convene a Special Shareholders' Meeting at such time and place, within or without the State of Israel, as may be determined by the Board of directors, and shall be obliged to do so upon a requisition in writing in accordance with Section 62 of the Companies Law.

25. Notice of General Meetings: Omission to Give Notice

- 25.1 Not less than 21 days prior notice shall be given of every general meeting. Each notice shall specify the place and the day and hour of the meeting and the proposed agenda of the meeting. Notice shall be given to all members who would

be entitled to attend and vote at such meeting, if it were held on the date when such notice is issued. Anything herein to the contrary notwithstanding, with the consent of all members entitled to vote thereon, a resolution may be proposed and passed at such meeting although a lesser notice than hereinabove prescribed has been given.

- 25.2 The accidental omission to give notice of a meeting to any member, or the non receipt of notice sent to such member, shall not invalidate the proceedings at such meeting.

PROCEEDINGS AT GENERAL MEETINGS

26. Quorum

- 26.1 Two or more members (not in default in payment of any sum referred to in article 32.1 hereof), present in person or by proxy, shall constitute a quorum at General Meetings. No business shall be transacted at a General Meeting or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business.
- 26.2 If within an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, any two (2) members (not in default as aforesaid) present in person or by proxy, shall constitute a quorum.

27. Chairman

- 27.1 The Chairman, if any, of the Board of directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unwilling to act as Chairman, the members present shall choose someone of their number to be Chairman. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairman to vote as a shareholder or proxy of a shareholder if, in fact, he is also a shareholder or such proxy).

28. Adoption of Resolutions at General Meetings

28.1

- 28.1.1 An Ordinary Resolution shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon.
- 28.1.2 A Special Resolution shall be deemed adopted if approved by the holders of not less than 75 per cent. of the voting power represented at the meeting in person or by proxy and voting thereon.

- 28.2 At any General Meeting, a resolution put to the vote of the meeting is decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded:
- 28.2.1 by the Chairman; or
 - 28.2.2 by not fewer than five members present in person or by proxy and entitled to vote at the meeting; or
 - 28.2.3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - 28.2.4 by a member or members holding shares of the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 28.3 The instrument appointing a proxy to vote at a meeting is deemed also to confer authority to demand or join in demanding a poll and to vote on a poll on the election of a Chairman and on a motion to adjourn a meeting. For the purposes of article 28.2, a demand by a person as proxy for a member is the same as a demand by the member.
- 28.4 If any votes are counted which ought not to have been counted or might have been rejected, or if any votes are not counted which ought to have been counted, the error will not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of it, and it is in the opinion of the Chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
- 28.5 If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the Chairman of the meeting, the proceedings on the substantive resolution will not be invalidated by any error in such ruling. In the case of a resolution proposed as an extraordinary or special resolution, no amendment to it, other than a mere clerical amendment to correct a patent error, may in the event be considered or voted upon.
- 28.6 Subject to the provisions of article 28.9, if a poll is duly demanded, it will be taken in such manner as the chairman may direct, including the use of ballot or voting papers or tickets, and the result of a poll will be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll, appoint scrutineers, who need not be members, and may fix some place and time for the purpose of declaring the result of the poll.
- 28.7 A poll demanded on the election of a Chairman or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken immediately or at such time and place as the Chairman directs, not being more than 30 days from the date of the meeting or the adjourned meeting at which the poll was demanded. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

- 28.8 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded is entitled to a further or casting vote.
- 28.9 The demand for a poll will not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 28.10 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman, and a demand so withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the Chairman, the meeting will continue as if the demand had not been made.
- 28.11 Unless a poll is demanded a declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall constitute *prima facie* evidence of the matters recorded therein.

29. Resolutions in Writing

- 29.1 A resolution in writing signed by all members of the Company then entitled to attend and vote at General Meetings or to which all such members have given their written consent (by letter, facsimile, telex or e-mail or other electronic means or otherwise), or their oral consent by telephone (provided that a written summary thereof has been approved and signed by the Chairman of the Board of Directors of the Company) shall be deemed to have been unanimously adopted by a General Meeting duly convened and held.

30. Power to Adjourn

- 30.1 The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.
- 30.2 It shall not be necessary to give any notice of an adjournment, whether pursuant to article 26.2 or article 30.1, unless the meeting is adjourned for 30 days or more in which event notice thereof shall be given in the manner required for the meeting as originally called.

31. Voting Power

- 31.1 Subject to the provisions of article 32.1 and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every member shall have one vote for each share held by him of record, on every resolution without regard to whether the vote is conducted by a show of hands, by written ballot or by any other means.

32. Voting Rights

- 32.1 No member shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls and other sums then payable by him in respect of his shares in the Company have been paid, but this article shall not apply to separate General Meetings of the holders of a particular class of shares pursuant to article 5.2.
- 32.2 A company or other corporate body being a member of the Company may, by resolution of its directors or any other managing body thereof authorise any person to be its representative at any meeting of the Company. Any person so authorised shall be entitled to exercise on behalf of such member all the power which the latter could have exercised if it were an individual shareholder. Upon the request of the Chairman of the meeting, written evidence of such authorisation (in form acceptable to the Chairman) shall be delivered to him.
- 32.3 Any member entitled to vote may vote either personally or by proxy (who need not be a member of the Company), or, if the member is a company or other corporate body, by a representative authorised pursuant to article 32.2.
- 32.4 If two or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

PROXIES

33. Instrument of Appointment

- 33.1 The instrument appointing a proxy shall be in writing and shall be substantially in the following form:

I • of • being

(Name of Shareholder) (Address of Shareholder)

a member of • hereby appoint

(Name of the Company)

•
(Name of Proxy) (Address of Proxy)

as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on the • day of 20• and at any adjournment(s) thereof.

Signed this • day of • 20•.

(Signature of Appointor)

or in any usual or common form or in such other form as may be approved by the Board of directors. It shall be duly signed by the appointor or his duly authorised attorney or, if such

appointor is a company or other corporate body, under its common seal or stamp or the hand of its duly authorised agent(s) officer or attorney(s).

33.2 The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its Registered Office, or at its principal place of business or at the offices of its registrar and/or transfer agent or at such place as the Board of directors may specify) not less than two hours (or not less than 24 hours with respect to a meeting to be held outside of Israel) before the time fixed for the meeting at which the person named in the instrument proposes to vote, or presented to the Chairman at such meeting.

34. Effect of Death of Appointor or Revocation of Appointment

34.1 A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death of the appointing member (or of his attorney in fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast, provided no written intimation of such death, revocation or transfer shall have been received by the Company or by the Chairman of the meeting before such vote is cast and provided, further, that the appointing member, if present in person at said meeting, may revoke the appointment by means, of a written or oral notification to the Chairman or otherwise.

BOARD OF DIRECTORS

35. Powers of Board of directors

35.1 *In General*

35.1.1 The management of the business of the Company shall be vested in the Board of directors, which may exercise all such powers and do all such acts and things as the Company is authorised to exercise and do, and are not hereby or by law required to be exercised or done by the Company in General Meeting. The authority conferred on the Board of directors by article 35 shall be subject to the provisions of the Companies Law, of these articles and any regulation or resolution consistent with these articles adopted from time to time by the Company in General Meeting, provided, however, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of directors which would have been valid if such regulation or resolution had not been adopted,

35.2 *Borrowing Powers*

35.2.1 Subject as provided in articles 35.2.2 to 35.2.11, the Board of directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and subject to the provisions of the Companies Law, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

- 35.2.2 The Board of directors must restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure, as regards subsidiaries so far as by such exercise they can secure, that, except with the previous sanction of an ordinary resolution, no money may be borrowed if the aggregate principal amount outstanding, including any premium payable on final repayment, of all money borrowed by the Company and its subsidiaries, excluding amounts borrowed by the Company and its subsidiaries from any other of such companies, then exceeds, or would as a result of such borrowing, exceed an amount equal to 4 (four) times the aggregate of:
- 1.1.1.1 the nominal amount paid up on the issued share capital of the Company; and
 - 1.1.1.2 the amounts standing to the credit of the consolidated reserves of the Company and its subsidiaries whether distributable or undistributable and including, without limitation, share premium account, capital redemption reserve and profit and loss account.
- 35.2.3 The amounts referred to in article 35.2.2 are all as shown in a consolidation of the then latest audited balance sheets of the Company and each of its subsidiary companies but after:
- 1.1.1.3 making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital, the share premium account and the capital redemption reserve fund of the Company since the date of its latest audited balance sheet;
 - 1.1.1.4 excluding from them any sums set aside for future taxation and amounts attributable to outside shareholders in subsidiaries;
 - 1.1.1.5 deducting from them:
 - 1.1.1.5.1 an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet;
 - 1.1.1.5.2 goodwill and other intangible assets; and
 - 1.1.1.5.3 any debit balances on profit and loss account; and
 - 1.1.1.6 making such adjustments as may be appropriate to reflect any variation in the amount of such share capital and reserves which would result from any transaction for the purpose of which this calculation is being made or any transaction to be carried out contemporaneously with it. For this purpose, if any proposed allotment of shares for cash has been underwritten at any time when the underwriting of such shares is unconditional, such shares will be deemed to have been allotted and the

- 1.1.1.14 a proportion of the borrowings of any partly owned subsidiary, but only to the extent that an amount equivalent to such proportion exceeds the amount of any borrowings from such partly owned subsidiary by the Company or another of its subsidiaries, such proportion being equal to the proportion of the issued equity share capital of the partly owned subsidiary, the beneficial interest of which is owned by the Company or another of its subsidiaries.
- 35.2.6 A report by the auditors as to the aggregate amount which may at any one time in accordance with the provisions of article 35.2.2 be owing by the Company and its subsidiaries without the sanction of an ordinary resolution is conclusive in favour of the Company and all persons dealing with the Company.
- 35.2.7 When the aggregate amount of borrowings required to be taken into account for the purposes of article 35.2.2 on any particular day is being ascertained, any of such money denominated or repayable in a currency other than sterling will be converted for the purpose of calculating the sterling equivalent either:
- 1.1.1.15 at the rate of exchange prevailing on that day in London, provided that all but not some only of such money will be converted at the rate of exchange prevailing in London 6 months before such day if by virtue of the current rate of exchange such aggregate amount would be less; for this purpose the rate of exchange will be taken as the middle market rate as at the close of business; or
- 1.1.1.16 where the repayment of such money is expressly covered by a forward purchase contract, currency option, back to back loan, swaps or other agreement taken out or entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in it.
- 35.2.8 No debt incurred or security given in respect of money borrowed, or to be taken into account as money borrowed in excess of the limit in article 35.2.2, will be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that such limit had been or was exceeded by the debt or security in question, but no lender or other person dealing with the Company will be concerned to see or enquire whether such limit is observed.
- 35.2.9 Subject as set out in articles 35.2.2 to 35.2.11, the Board of directors may secure or provide for the payment of any money to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security. The Board of directors may confer upon any mortgagees or persons in whom any debenture or security is vested such rights and powers as they think necessary or expedient. They may vest any property of the Company

amount, including any premium, of the subscription moneys payable in respect of them, not being money payable later than 4 months after the date of allotment, will be deemed to have been paid up to the extent that underwriters are liable for them.

35.2.4 For the purposes of article 35.2.2 **money borrowed** is deemed to include the following except as otherwise taken into account:

- 1.1.1.7 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed money, the beneficial interest of which is not for the time being owned by any of the Company and its subsidiaries, or any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by any of the Company and its subsidiaries;
- 1.1.1.8 the outstanding amount raised by acceptances by any bank, acceptance house or finance company under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries other than acceptances relating to the purchase or sale of goods or services in the ordinary course of trading;
- 1.1.1.9 the principal amount of any debenture, whether secured or unsecured, of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;
- 1.1.1.10 the principal amount of any non-participating preference share capital and any other share capital which has limited rights to dividend and capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and
- 1.1.1.11 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing.

35.2.5 For the purpose of article 35.2.2 **money borrowed** is deemed not to include:

- 1.1.1.12 borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within 6 months of being so borrowed, pending their application for such purpose within such period;
- 1.1.1.13 borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function or otherwise, to an amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured; and

in trustees for the purpose of securing any money so borrowed or raised and confer upon the trustees, or any receiver to be appointed by them, or by any debenture holder, such rights and powers as the Board of directors may think necessary or expedient in relation to the undertaking or property of the Company or its management or realisation or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise. The Board of directors may make and issue debentures to trustees for the purpose of further security and the Company may remunerate any such trustees.

- 35.2.10 The Board of directors may give security for the payment of any money payable by the Company in same manner as for the payment of money borrowed or raised but, in such case, the amount will for the purposes of the limitation in article 35.2.2 be reckoned as part of the money borrowed.
- 35.2.11 The Board of Directors must keep a register of charges in accordance with the Companies Law and the fee to be paid by any person, other than a creditor or member of the Company, for each inspection of the register of charges which is kept in accordance with the requirements of the Companies Law should be as set by the Board of Directors from time to time in accordance with the requirements of the Companies Law.

35.3. Reserves

- 35.3.1 The Board of directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board of directors, in its absolute discretion, shall think fit, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments, and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or redesignate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of directors may from time to time think fit.

36. Exercise of Powers of Directors

- 36.1 A meeting of the Board of directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretions vested in or exercisable by the Board of directors.
- 36.2 A resolution proposed at any meeting of the Board of directors shall be deemed adopted if approved by a majority of the directors present when such resolution is put to a vote and voting thereon.
- 36.3 A resolution in writing signed by all the directors then in office and lawfully entitled to vote thereon (as conclusively determined by the Chairman of the Audit Committee (Va'adat Bikoret), and in the absence of such determination by the Chairman of the Board of directors) or to which all such directors have given their consent (by letter, telegram, telex, facsimile or otherwise), or their oral consent by

telephone (provided that a written summary thereof has been approved and signed by the Chairman of the Board of directors of the Company) shall be deemed to have been unanimously adopted by a meeting of the Board of directors duly convened and held.

- 36.4 The Board of directors shall appoint an Audit Committee (Va'adat Bikoret) and an Internal Auditor as such terms are defined in sections 114, 115 and 146 of the Companies Law.

37. Delegation of Powers

- 37.1 The Board of directors may, subject to the provisions of section 112(a) of the Companies Law, delegate some of its powers to committees (except in those matters set forth in section 112(a) of the Companies Law, each consisting of two or more persons (all of whose members must be directors), and it may from time to time revoke such delegation or alter the composition of any such committee. Any Committee so formed (in these articles referred to as a **Committee of the Board of directors**) shall in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of directors. The meetings and proceedings of any such Committee of the Board of directors shall mutatis mutandis, be governed by the provisions herein contained for regulating the meetings of the Board of directors, so far as not superseded by any regulations adopted by the Board of directors under this article. Unless otherwise expressly provided by the Board of directors in delegating powers to a Committee of the Board of directors, such Committee shall not be empowered to further delegate such powers.
- 37.2 The Board of Directors may, subject to the provisions of the Companies Law from time to time appoint a Secretary to the Company, as well as officers, agents, employees and independent contractors, as the Board of directors may think fit and may terminate the service of any such person. The Board of directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the salaries and emoluments, of all such persons, and may require security in such cases and in such amounts as it thinks fit.
- 37.3 The Board of directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it thinks fit and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

38. Number of Directors

- 38.1 The Board of directors shall consist of such number of Directors (not less than four nor more than 12) as may be determined by Ordinary Resolution of the General Meeting. The Board of Directors shall always consist of at least two External Directors, as that term is defined in section 239 of the Companies Law.

39. Election and Removal of Directors

- 39.1 Directors shall be elected at the Annual General Meeting by the vote of the holders of a majority of the voting power represented at such meeting in person or by proxy and voting on the election of directors, and each director shall serve, subject to article 42 hereof, and with respect to a director appointed pursuant to article 41 hereof subject to such article, until the next Annual General Meeting following the Annual General Meeting at which such director was appointed, or his earlier removal pursuant to article 39. The holders of a majority of the voting power represented at a General Meeting and voting thereon shall be entitled to remove any director(s) from office, to elect directors in place of the directors so removed or to fill any vacancy, however created, in the Board of directors by way of ordinary resolution
- 39.2 No person other than a director retiring at the meeting, unless recommended by the Board of directors for appointment, is eligible for appointment to the office of a director at any general meeting unless, not fewer than four nor more than 21 clear days before the day appointed for the meeting, there is given to the Company notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the required particulars and, also, notice in writing signed by the person to be proposed of his willingness to be appointed.

40. Disqualification of Directors

- 40.1 No person shall be disqualified to serve as a director by reason of his not holding shares in the Company or by reason of his having served as a director in the past.

41. Continuing Directors in the Event of Vacancies

- 41.1 In the event of one or more vacancies in the Board of directors, the continuing directors may continue to act in every matter, and, pending the filling of any vacancy pursuant to the provisions of article 39, may temporarily fill any such vacancy, provided, however, that if they number less than a majority of the minimum number provided for pursuant to article 38 hereof, they may only act in an emergency, and may call a General Meeting of the Company for the purpose of electing directors to fill any or all vacancies, so that at least the minimum number of directors provided for pursuant to article 38 hereof are in office as a result of said meeting. Any Director appointed by the Board of directors in accordance with this article shall hold office only until the conclusion of the next following annual general meeting and is eligible for reappointment at that meeting

42. Vacation of Office

- 42.1 The office of a director shall be vacated, ipso facto, upon his death, or if he be found lunatic or become of unsound mind, or if he become bankrupt, or, if he becomes prohibited by law from being a director, or if the director is a company, upon its winding up.
- 42.2 The office of a director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

43. Remuneration of Directors

- 43.1 No director shall be paid any remuneration by the Company for his services as director except as may be approved by the Company's Audit Committee and pursuant to the provisions of the Companies Law.

44. Conflict of Interests

- 44.1 Subject to the provisions of the Companies Law, the Company may enter into any contract or otherwise transact any business with any director in which contract or business such director has a personal interest, directly or indirectly; and may enter into any contract or otherwise transact any business with any third party in which contract or business a director has a personal interest, directly or indirectly.

- 44.2 A director may not vote in respect of any contract transaction or arrangement or any other proposal whatsoever in which he has an interest, whether directly or indirectly which, together with any interest of any person connected with him as defined in Regulation 45.3 below, is a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A director is not counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

44.3

- 44.3.1 A person is connected with a director of a company if, but only if, he (not being himself a director of it) is:

1.1.1.17 that director's spouse, child or step-child; or

1.1.1.18 except where the context otherwise requires, a body corporate with which the director is associated; or

1.1.1.19 a person acting in his capacity as trustee of any trust the beneficiaries of which include:

1.1.1.19.1 the director, his spouse or any children or step-children of his, or

1.1.1.19.2 a body corporate with which he is associated, or of a trust whose terms confer a power on the trustees that may be exercised for the benefit of the director, his spouse, or any children or step-children of his, or any such body corporate; or

1.1.1.20 a person acting in his capacity as partner of that director or of any person who, by virtue of paragraph 1.1.1.17, 1.1.1.18 or 1.1.1.19 of this regulation, is connected with that director;

44.3.2 In regulation 45.3.1:

1.1.1.21 a reference to the child or step-child of any person includes an illegitimate child of his, but does not include any person who has attained the age of 18; and

1.1.1.22 paragraph 1.1.1.19 does not apply to a person acting in his capacity as trustee under an employees' share scheme or a pension scheme.

44.4 If any question arises at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other director will be final and conclusive, except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. If the question concerns the chairman, it must be referred to such other director present at the meeting, other than the chairman, as the directors present appoint.

45. Alternate Directors

- 45.1 A director may, by written notice to the Company, appoint an alternate for himself (In these articles referred to as *Alternate Director*), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes.
- 45.2 Any notice given to the Company pursuant to article 45.1 shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.
- 45.3 An Alternate Director shall have all the rights and obligations of the Director who appointed him provided, however, that he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides), and provided further that an Alternate Director shall have no standing at any meeting of the Board of directors or any committee thereof while the director who appointed him is present,
- 45.4 Any natural person, who is eligible to act as a director under the provisions of the Companies Law and who is not an acting director or alternate director on the Board, may act as an Alternate Director. An Alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed the agent of the director(s) who appointed him.
- 45.5 An Alternate Director shall alone be responsible for his own acts and defaults, and he shall not be deemed the agent of the director(s) who appointed him.
- 45.6 The office of an Alternate Director shall be vacated under the circumstances, mutatis mutandis, set forth in article 42, and such office shall ipso facto be vacated if the director who appointed such Alternate Director ceases to be a director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

46. Meetings

- 46.1 The Board of directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Board of directors think fit.
- 46.2 Any two directors may at any time, and the Secretary, upon the request of such Director, shall convene a meeting of the Board of directors, but not less than seven days' notice (oral or written) shall be given of any meeting so convened. The failure to give notice to a director in the manner required hereby may be waived by such director. The Board of Directors shall hold meetings as required for the conducting of the Company's business, but not less than once every three months pursuant to section 97 of the Companies Law.

47. Quorum

- 47.1 Until otherwise unanimously decided by the Board of directors, a quorum at a meeting of the Board of directors shall be constituted by the presence of not less than a majority of the directors then in office who are lawfully entitled to participate in the meeting (as conclusively determined by the Chairman of the Audit Committee and in the absence of such determination - by the Chairman of the Board of directors), but shall not be less than two.

48. Chairman of the Board of directors

- 48.1 The Board of directors may from time to time elect one of its members to be the Chairman of the Board of directors, remove such Chairman from office and appoint another in its place. The Chairman of the Board of directors shall preside at every meeting of the Board of directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if he is unwilling to take the chair, the directors present shall choose one of their number to be the chairman of such meeting. The Chairman shall not have a casting vote.

49. Validity of Acts Despite Defects

- 49.1 Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of directors, or of a Committee of the Board of directors, or by any person(s) acting as director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

GENERAL MANAGER

50. General Manager

- 50.1 The Board of directors may from time to time appoint one or more persons, whether or not directors, as General Manager(s) of the Company and may confer upon such person(s), and from time to time modify or revoke, such title(s) (including Managing Director, Director General or any similar or dissimilar title) and such duties and authorities of the Board of directors as the Board of directors

may deem fit, subject to such limitations and restrictions as the Board of directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of directors may from time to time (subject to the provisions of the Companies Law and of any contract between any such person and the Company) fix his or their salaries and emoluments, remove or dismiss him or them from office and appoint another or others in his or their place or places.

MINUTES

51. Minutes

- 51.1 Minutes of each General Meeting and of each meeting of the Board of directors shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.
- 51.2 Any minutes as aforesaid, if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting, shall constitute prima facie evidence of the matters recorded therein.

DIVIDENDS

52. Declaration of Dividends

- 52.1 The Board of directors may from time to time subject to the provisions and rules laid down in the Companies Law for "permitted distributions" declare, and cause the Company to pay, such interim dividend as may appear to the Board of directors to be justified by the profits of the Company. The final dividend in respect of any fiscal period shall be proposed by the Board of directors and shall be payable only after the same has been approved by Ordinary Resolution of the General Meeting, but no such resolution shall provide for the payment of an amount exceeding that proposed by the Board of directors for the payment of such final dividend, and no such resolution or any failure to approve a final dividend shall affect any interim dividend theretofore declared and paid. The Board of directors shall determine the time for payment of such dividends, both interim and final, and the record date for determining the shareholders entitled thereto.

53. Funds Available for Payment of Dividends

- 53.1 No dividend shall be paid otherwise than out of the profits of the Company and subject to the rules permitting "permitted distributions", as defined in section 302 of the Companies Law.

54. Amount Payable by Way of Dividends

- 54.1 Subject to the rights of the holders of shares with special rights as to dividends, any dividend paid by the Company shall be allocated among the members entitled thereto in proportion to the nominal value of their respective holdings of the shares in respect of which such dividend is being paid.

55. Interest

55.1 No dividend shall carry interest as against the Company.

56. Payment in Specie

56.1 Upon the recommendation of the Board of directors approved by Ordinary Resolution of the Company, a dividend may be paid, wholly or partly, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or debenture stock of the Company or of any other companies, or in any one or more of such ways.

57. Capitalisation of Profits, Reserves etc.

57.1 Upon the recommendation of the Board of directors approved by Ordinary Resolution of the General Meeting, the Company:

57.1.1 may cause any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, or to the credit of a reserve fund for the redemption of capital, or in the hands of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalised and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the footing that they become entitled thereto as capital, or may cause any part of such capitalised fund to be applied on behalf of such shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly, in payment, in full or in part of the uncalled liability on any issued shares or debentures or debenture stock; and

57.1.2 may cause such distribution or payment to be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

58. Implementation of Powers under articles 56 and 57

58.1 For the purpose of giving full effect to any resolution under articles 56 or 57, and without derogating from the provisions of article 6.2 hereof, the Board of directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and, in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed, or that fractions of less value at the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debenture stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board of directors. Where requisite, a proper contract shall be filed in accordance with section 130 of the Companies Law, and the Board of directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund.

59. Deductions from Dividends

- 59.1 Except in the case of fully paid shares the Board of directors may deduct from any dividend or other money payable to any member on or in respect of a share all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if, in respect of at least two consecutive dividends payable on those shares, the cheques or warrants have been returned undelivered or remain uncashed or, if following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder. Subject to the provisions of these articles, the company must recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

60. Retention of Dividend

- 60.1 The Board of directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities or engagements in respect of which the lien exists;
- 60.2 The Board of directors may retain any dividend or other moneys payable or properly distributable in respect of a share in respect of which any person is, under article 21 or 22, entitled to become a member, or which any person is, under said articles, entitled to transfer, until such person shall become a member in respect of such share or shall transfer the same.

61. Unclaimed Dividends

- 61.1 All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of directors for the benefit of the Company until claimed. The payment by the Board of directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of 12 years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, provided, however, that the Board of directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

62. Mechanics of Payment

- 62.1 Any dividend or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to, or left at the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one of such persons or to his bank account), or to such person and at such address as the person entitled thereto may by writing direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the person entitled thereto as aforesaid may direct, and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

63. Receipt from a Joint Holder

- 63.1 If two or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

ACCOUNTS

64. Books of Account

- 64.1 The Board of directors shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable law. Such books of account shall be kept at the Registered Office of the Company, or at such other place or places as the Board of directors may think fit, and they shall always be open to inspection by all directors. No member, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorised by the Board of directors or by Ordinary Resolution of the Company,
- 64.2 The Board of directors must from time to time, in accordance with the provisions of the Company's Law, ensure that there are prepared and laid before the Company in general meeting such profit and loss accounts balance sheets, group accounts, if any, and reports as are specified in the Company's Law.
- 64.3 The auditors' report must be read before the Company in general meeting and is open to inspection as required by the Company's Law.
- 64.4 A copy of every balance sheet and profit and loss account, including every document required by law to be annexed to them, which is to be laid before the Company in general meeting, and of the directors' and auditors' reports, must, not fewer than 21 days before the date of the meeting, be sent to every member and to every holder of debentures of the Company, except that:
- 64.4.1 this article does not require copies of such documents to be sent to any person whose address the Company is not aware of nor to more than one of the joint holders of any shares or debentures; and
- 64.4.2 instead of these documents, there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required by law to be sent, to the members of and holders of debentures of the Company.
- 64.5 Whenever any of the Company's shares or debentures have been admitted to listing by the London Stock Exchange, the required number of such documents must, at the same time, be forwarded to the appropriate officer of the London Stock Exchange.

65. Audit

- 65.1 At least once in every fiscal year the accounts of the Company shall be audited and the correctness of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

66. Accountant - Auditors

- 66.1 The Company, at every annual General Shareholders' Meeting, shall appoint an independent accountant-auditor in accordance with the provisions of sections 154-170 of the Companies Law. The remuneration of the auditor(s), shall be determined by the Shareholders' General Meeting who may, by Ordinary Resolution, act (and in the absence of any action in connection therewith shall be deemed to have so acted), to authorise the Board of directors to fix such remuneration subject to such criteria or standards, if any, as may be provided in such Ordinary Resolution, and if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with the volume and nature of the services rendered by such auditor(s). If the Board of Directors fixes the auditor(s) remuneration it shall submit a written report thereof to the Shareholders' Meeting.

BRANCH REGISTERS

67. Branch Registers

- 67.1 The Company is authorised to maintain additional branch register(s) pursuant to Section 138 of the Companies Law to be kept in any place outside Israel as the Board of directors may think fit, and, subject to all applicable requirements of law, the Board of directors may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such branch registers.

RIGHTS OF SIGNATURE, STAMP AND SEAL

68. Rights of Signature, Stamp and Seal

- 68.1 The Board of directors shall be entitled to authorise any person or persons (who need not be directors) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority.
- 68.2 The Company shall have at least one official stamp.
- 68.3 The Board of directors may provide for a seal. If the Board of directors so provides, it shall also provide for the safe custody thereof. Such seal shall not be used except by the authority of the Board of directors and in the presence of the person(s) authorised to sign on behalf of the Company, who shall sign every instrument to which such seal is affixed.
- 68.4 The Company may exercise the powers conferred by Section 102 of the Companies Law regarding a seal for use abroad, and such powers shall be vested in the Board of directors.

NOTICES

69. Notices

- 69.1 The Company can deliver a notice or other document, including a share certificate and the Company's financial reports, to a shareholder:
- 69.1.1 by delivering it by hand to the address recorded for the shareholder on the register;
 - 69.1.2 by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for the shareholder on the register;
 - 69.1.3 by fax (except for share certificates) to a fax number notified by the shareholder in writing;
 - 69.1.4 by electronic mail (except a share certificate) to an address notified by the shareholder in writing;
 - 69.1.5 by a website (except a share certificate) the address of which shall be notified to the shareholder in writing;
 - 69.1.6 by a relevant system in accordance with Article 5; or
 - 69.1.7 by advertisement in at least one national newspaper in the United Kingdom and one national newspaper in the State of Israel.
- 69.2 This article does not affect any provision in any relevant legislation or the articles requiring notices or documents to be delivered in a particular way.
- 69.3 If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the shareholder.
- 69.4 If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered:
- 69.4.1 48 hours after it was posted, if first class post was used; or
 - 69.4.2 72 hours after it was posted or given to delivery agents, if first class post was not used,
 - provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:
- 69.4.3 properly addressed; and
 - 69.4.4 put into the post system or given to delivery agents with postage or delivery paid.
- 69.5 If a notice or document (other than a share certificate) is sent by fax, it is treated as being delivered at the time it was sent.

- 69.6 If a notice or document (other than a share certificate) is sent by electronic mail, it is treated as being delivered at the time it was sent.
- 69.7 If a notice or document (other than a share certificate) is sent by a website, it is treated as being delivered when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 69.8 If a notice or document (other than a share certificate) is sent by a relevant system, it is treated as being delivered when the Company (or a sponsoring system participant acting on its behalf) sends the issuer instruction relating to the notice or document.
- 69.9 If a notice is given by advertisement, it is treated as being delivered at midday on the day when such advertisement appears in the newspapers.
- 69.10 All notices to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Members, and any notice so given shall be sufficient notice to the holders of such share.
- 69.11 Any member whose address is not described in the Register of Members, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company."

INSURANCE AND INDEMNITY

70. Insurance and Indemnity

- 70.1 For purposes of these articles, the term **Office Holder** shall mean every Director and every officer of the Company, including, without limitation, each of the persons defined as in Section 1 (definitions) of the Companies Law.
- 70.2 Subject to the provisions of the Companies Law, the Company may enter into a contract for the insurance of all or part of the liability of any Office Holder, in respect of one of the following:
- 70.2.1 a breach of his duty of care to the Company or to another person;
 - 70.2.2 a breach of his fiduciary duty to the Company, provided that the Office Holder acted in good faith and had reasonable cause to assume that such act would not prejudice the interests of the Company;
 - 70.2.3 a financial obligation imposed on him in favour of another person in respect of an act performed in his capacity as an Office Holder.
- 70.3 Subject to the provisions of the Companies Law, the Company may indemnify an Office Holder in respect of one of the following:
- 70.3.1 a financial obligation imposed on him in favour of another person by a court judgment, including a compromise judgment or an arbitrator's award approved by court, in respect of an act performed in his capacity as an Office Holder;

- 70.3.2 reasonable litigation expenses, including attorneys' fees, expended by an Office Holder or charged to him by a court, in a proceeding instituted against him by the Company or on its behalf or by another person, or in a criminal charge from which he was acquitted, all in respect of an act performed in his capacity as an Office Holder.
- 70.4 The provisions of articles 70.1, 70.2 and 70.3 above are not intended, and shall not be interpreted, to restrict the Company in any manner in respect of the procurement of insurance and/or in respect of indemnification (1) in connection with any person who is not an Office Holder, including, without limitation, any employee, agent consultant or contractor of the Company who is not an Office Holder, and/or (ii) in connection with any Office Holder to the extent that such insurance and/or Indemnification is not specifically prohibited under law; provided that the procurement of any such insurance and/or the provision of any such indemnification shall be approved according to the Company's Law.

WINDING UP

71. Winding Up

- 71.1 If the Company be wound up, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, the assets of the Company available for distribution among the members shall be distributed to them in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made.

