BIG Shopping Centers Ltd.

Articles of Association of a Public Company

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Public Company Limited by Shares

The Companies Law, 5759 - 1999

Articles of Association

Big Shopping Centers Ltd.

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1. Interpretation

In these Articles, unless the context otherwise requires:

"These Articles" or "the Articles"	shall mean these Articles as drafted herein or as changed from time to time by the shareholders;
"The Company"	shall mean Big Shopping Centers Ltd.;
"The Board of Directors"	shall mean the Board of Directors of the Company elected in accordance with the provisions of these Articles;
"The Companies Law" or "the Law"	shall mean the Companies Law, 5759-1999, as amended from time to time;
"The Companies Ordinance" or "the Ordinance"	the provisions of the Companies Ordinance [New Version], 5743-1983 that have not been repealed, as changed from time to time;
"Securities Law"	shall mean the Securities Law, 5728-1968;
"The Office"	shall mean the registered office of the Company as it shall be from time to time;
"Shareholder Register"	shall mean the register of shareholders to be managed in accordance with the Law and in accordance with the provisions of these Articles;
"Writing"	shall mean print, photograph, telegram, telex, facsimile, electronic mail, and any other form of writing, creation or imprinting of words in a visible form;
"Ordinary Majority Resolution"	a resolution adopted at a general meeting (whether an annual meeting or a special meeting) by a majority of the votes of the voters, without taking into account the votes of those abstaining;
"Administrative Proceeding"	a proceeding under Chapter H'3 (Imposition of financial sanction by the Authority), H'4 (Imposition of administrative enforcement measures by the Administrative Enforcement Committee) or I'1 (Arrangement to avoid taking proceedings or to terminate proceedings, subject to conditions), of the Securities Law, as amended from time to time.
"Electronic Voting System"	as defined in the Companies Regulations (Written Voting and Position Statements), 5766-2005.

Subject to the provisions of this Article, unless the context requires otherwise, terms defined in the Companies Law shall have the meanings assigned to them therein; words in the singular shall include the plural and vice versa, words in the masculine gender shall include the feminine, and words referring to persons shall also include corporations.

2. The Company's Purposes

The Company may engage in any lawful occupation.

Limitation of Liability .3

[a] The liability of a shareholder in the company for the company's debts is limited to the amount to be paid by him for the shares held by him, and in any case to an amount not less than the par value of each share held by him.

[b] If the company allocates shares for consideration lower than their par value, as stated in Section 304 of the Law (hereinafter: the "**Reduced Consideration**"), the liability of a shareholder shall be limited to the payment of the amount of the Reduced Consideration for the share allocated to him as stated.

Company's Articles of Association .4

[a] The company is entitled to change its Articles of Association by a resolution passed by an ordinary majority at the General Meeting of the company.

[b] No change shall be made to the Articles of Association that prejudices the rights of a class of shares without the approval of a meeting of shareholders of that class of shares.

[c] Notwithstanding the provisions of this chapter, a change in the Articles of Association requiring a shareholder to purchase additional shares or to increase the scope of his liability shall not bind the shareholder without his consent.

The Company's Capital .5

[a] The registered share capital of the company is four million two hundred thousand NIS (NIS 4,200,000), divided into 420 million (420,000,000) ordinary shares of NIS 0.01 par value each (hereinafter in these Articles of Association: the "**Shares**" or the "**Ordinary Shares**").

[b] All Ordinary Shares have equal rights among them for all intents and purposes, and each Ordinary Share grants its holder the following rights:

[1] The right to be invited and to participate in the General Meetings of the company's shareholders, and the right to one vote for each Ordinary Share in any vote at any General Meeting of the company in which its holder participated;

[2] The right to receive dividends, if and when distributed, and the right to receive bonus shares if and when distributed - all in proportion to the par value of the shares, and without regard to any premium paid for them;

[3] The right to participate in the distribution of the company's surplus assets after its liquidation in accordance with its proportional part in the issued share capital of the company;

[c] The above does not derogate from the company's right to create different classes of shares, as specified in these Articles of Association below and according to any law.

Change of Registered Capital and Changes in Rights .6

[a] The General Meeting of the company's shareholders may, by a resolution passed by an ordinary majority, and subject to Section 46B of the Securities Law, 5728 –

1968 and any law:

[1] To increase its share capital by an amount to be decided by creating new shares, on terms and with rights as shall be decided. Such a resolution may be passed whether all existing shares have been issued or it has been decided to issue them, and whether they have not yet been issued or it has not yet been decided to issue them.

Unless otherwise determined in the Meeting's resolution on capital increase, any new share capital shall be considered part of the company's original share capital and shall be subject to the same regulations regarding the settlement of payment calls, lien right, transfer, ownership, forfeiture, or otherwise, applying to the original share capital;

[2] To consolidate its share capital, in whole or in part, and divide it into shares of a higher par value than the current par value, and if its shares were without par value – into capital composed of a smaller number of shares, provided that this shall not change the holding rates of the shareholders in the issued capital;

[3] to subdivide its shares, all or some of them, into shares of a smaller par value than the current par value, and if its shares were without par value – into capital composed of a smaller number of shares, provided that this shall not change the holding rates of the shareholders in the issued capital;

[4] to change, cancel, convert, expand, add or otherwise change the rights, privileges, advantages, restrictions and provisions associated or not associated at that time with the company's shares;

[5] to cancel registered share capital that has not yet been allocated, provided that there is no obligation of the company, including a contingent obligation, to allocate shares from this registered capital;

[6] to reduce its share capital in the same manner, under the same conditions and upon obtaining the approvals required by law;

[B] The rights granted to holders of shares shall not be deemed to have been changed by the creation or issuance of additional shares of equal rank with them, unless otherwise stipulated in the terms of issuance of those shares.

[C] A change, conversion, cancellation, expansion, addition or other change in the rights, privileges, advantages, restrictions and provisions associated with a certain class of shares issued to shareholders in the company, is subject to the consent of the shareholders of that issued class, given in writing by the owners of all the issued shares of that class or by an ordinary majority resolution passed at a special meeting of shareholders of this class.

[D] The provisions of these Articles regarding general meetings shall apply, mutatis mutandis as the case may be, to any class meeting of shares of the company's shares.

[E] For the purpose of implementing any such resolution, the Board of Directors may settle any difficulty that may arise as it sees fit. Without derogating from the authority of the Board of Directors as aforesaid, in the event that as a result of a consolidation of capital there are shareholders whose consolidation of shares leaves fractional shares, the Board of Directors shall be entitled to:

[1] sell the total sum of all fractions and for this purpose appoint a trustee, in whose name share certificates including the fractions will be issued, who will sell them and the proceeds received less commissions and expenses will be distributed to those entitled;

[2] allocate to each shareholder for whom the consolidation leaves a fraction, shares of the type prior to the consolidation, fully paid up, in such number that their consolidation with the fraction will suffice for one whole consolidated share, and such allocation shall be deemed valid immediately prior to the consolidation;

[3] determine that the shareholders shall not be entitled to receive a consolidated share for a fraction of a consolidated share resulting from the consolidation of half or less than the number of shares whose consolidation creates one consolidated share, and shall be entitled to receive a consolidated share for a fraction of a consolidated share resulting from the consolidation of more than half of the number of shares whose consolidation creates one consolidated share;

[4] in the event that an action under paragraphs (2) or (3) above requires the issuance of additional shares, then their payment shall be made in the manner in which bonus shares can be paid. Such consolidation and division shall not be considered a change in the rights of the shares subject to consolidation and division.

[F] In any case of consolidation of shares into shares of a larger par value, the Board of Directors may determine arrangements to overcome any difficulty that may arise in connection with the consolidation, and in particular it may determine which shares will be consolidated into one share or another, and in the case of consolidation of shares not owned by one owner, it may determine arrangements for the sale of the consolidated share, the manner of its sale and the manner of distribution of the proceeds (net) and appoint a person to perform the transfer, and any action taken by that person shall be valid and no claims shall be heard against it.

7. [G] The securities of the company shall be under the supervision of the Board of Directors which shall be entitled to allocate or grant them at its discretion, subject to the provisions of any law and the provisions of these Articles. The Board of Directors of the company shall be entitled to:

[1] issue or allocate shares and other securities, convertible or exercisable into shares, up to the limit of the company's registered share capital, and including that it shall be entitled to allocate them (or otherwise handle them), for cash or for other non-cash consideration, under the same restrictions and conditions, whether at a premium, at par value or at a discount, at such times as it deems appropriate;

[2] decide on the issuance of a series of BONDS within its authority to borrow on behalf of the company, and within the limit of that authority;

[h] Unless otherwise decided by the Company in a resolution passed by an ordinary majority, in any case of an offer of shares to a holder of shares of the Company, there is no obligation to offer a similar offer to all holders of shares in the Company. The Board of Directors may offer securities of the Company to whoever it deems appropriate, whether the offerees are some of them holders of securities of the Company or not, all subject to the provisions of any law, the provisions of the Regulations and the contracts applicable to the Company at the date of allocation.

[i] Upon the allocation of shares, the Board of Directors may determine different conditions for shareholders in relation to the consideration, the payment demand amounts and/or their repayment times.

7. Ownership of Shares

7.

[a] The Company shall be entitled to treat the registered owner of a share as its absolute owner, and accordingly shall not be obliged to recognize any claim based on an equitable right or on another basis in relation to such share, or in relation to any benefit therein for any other person, unless a court order of a competent court directs otherwise or if the law requires so. The aforementioned shall not apply to a nominee company as defined in the Law.

[b] If the Company receives a request for registration as a shareholder in the register from someone in whose possession those shares are recorded with a stock exchange member, and those shares are registered in the register in the name of a nominee company, the Company shall register him in the register of shareholders if the following conditions are met:

[1] The applicant provided the Company with an undertaking from the stock exchange member with whom his shares are recorded to notify the Company of the applicant's new holdings immediately upon performing an action that changes his holdings in the share.

[2] The applicant undertook in writing to the Company to notify it of the performance of such actions.

[c] Where two or more persons are registered as joint holders of a share, each of them may give binding receipts for any dividend, shares, bonus shares, share certificates, BONDS, warrants or any other funds or rights in respect of the share, and this even if the dividend, the share, the bonus shares, the share certificates, BONDS, the warrants or any other funds or rights as aforesaid were delivered to another joint holder.

[d] The Company may at any time pay a commission to any person for his signature or his agreement to sign, whether unconditional or conditional, on any share, BONDS or series of BONDS of the Company or for his agreement to have signed, whether unconditional or conditional, on any share, BONDS or BONDS stock of the Company, and all subject to the provisions of the law.

[e] [1] The guardians and administrators of the estate of a deceased single shareholder, or, when there are no administrators of the estate or guardians, the persons who have a right as the heirs of the deceased single shareholder, shall be the only ones whom the Company will recognize as those having the right to the share that was registered in the name of the deceased.

If a share was registered in the name of two or more owners, the Company shall recognize only the surviving partner or the surviving partners as the persons who have the right to the share or the benefit therein, subject to the provisions of any law. [2]

A partner in ownership of a share may transfer his right to joint ownership, subject to the provisions of the Regulations. [3]

The Company shall be entitled to recognize a receiver or a liquidator of a shareholder that is a corporation in liquidation or dissolution or a trustee in bankruptcy or a guardian of an incapacitated person, as a person entitled to the shares registered in the name of such shareholder. [4]

Any person who becomes entitled to shares due to the death of a shareholder shall be entitled, upon presenting evidence of a probate order or appointment of a guardian or an inheritance order, indicating that he has the right to the shares of the deceased shareholder, to be registered as a shareholder in respect of these shares, or may, subject to the approval of the Board of Directors according to these Regulations, transfer those shares. [f]

8. Share Certificates **8.**

The share certificates shall be issued under the seal of the Company, and with the signatures of two directors, or with the signature of the General Manager of the Company and one director or another person as shall be determined by the Board of Directors. [a]

Every member shall be entitled to receive, within six months from the date of allocation or the date of registration of the transfer, one share certificate for all the shares registered in his name and for which the consideration has been paid in full, or, if the board of directors approves, several share certificates for the shares registered in his name. [b]

Every share certificate shall specify the numbers of the shares for which it was issued and any other detail important in the opinion of the board of directors or which must be specified according to any law. [c]

A share certificate registered in the names of two or more persons shall be delivered to the person whose name appears first in the register of shareholders among the names of the joint owners, and the company shall not be obligated to issue more than one certificate to all joint holders of shares - the delivery of such a certificate to one of the holders shall be considered as delivery to all holders. [d]

If a share certificate is spoiled, lost, or destroyed, the board of directors may issue a new certificate in its place, provided that the certificate was submitted to it and destroyed by it or it was proven to its satisfaction that the certificate was lost or destroyed, and it received security to its satisfaction for any possible damage and all in exchange for payment, if imposed. [e]

The company shall be entitled to issue to a shareholder a share warrant instead of a registered share in his name. If a share warrant was issued instead of a registered share, the share shall be registered in the register of shareholders regarding bearer shares, and the name of the shareholder shall be deleted from the register of shareholders. [f]

A shareholder lawfully holding a share warrant may return the warrant to the company for its cancellation and its conversion into a registered share in his name; upon cancellation, the name of the shareholder shall be registered in the register of shareholders regarding registered shares, while specifying the number of shares registered in his name. [g]

9. Transfer and delivery of shares 9.

The transfer of shares of the company shall not be registered in the register of shareholders of the company, except upon the occurrence of one of the alternatives in section 299 of the Companies Law, as stated in regulation 36(d) below. [a]

A share transfer deed in the company shall be signed by the transferor and the transferee, and the transferor shall be considered as if he remains the holder of the share as long as the name of the transferee is not registered in the register of shareholders for the transferred share. [b]

The share transfer deed shall be prepared in the following form or in a form as similar to it as possible, or in a form approved by the board of directors: [c]

I __________ from __________ (hereinafter: "**Transferor**") in exchange for the sum of __________ NIS hereby transfer to __________ (hereinafter: "**Transferee**") the __________ shares of __________ NIS par value each, marked with numbers __________ from __________ to __________ and until including, of Big Shopping Centers Ltd, to be in the hands of the

Transferee, his estate, his guardian and his representatives, according to all the conditions under which I held them on the eve of signing this document, and I, the Transferee, hereby agree to receive the aforementioned shares according to the aforementioned conditions.

In witness whereof we have signed

Year ________ Month ________ Day ________

______________________	______________________
Transferor	Transferee
______________________	______________________
Witness to the signature of the transferor	Witness to the signature of the transferee

[d] Together with the transfer deed, any document (including the transferred share certificate) that the board of directors requires in connection with the transfer must be submitted to the company. If the share transfer is approved, all the said documents shall remain in the company's hands.

[e] Any transfer of shares that have not been paid in full shall have no effect unless approved by the board of directors. The board of directors may, at its absolute discretion and without the need for reasoning, refuse the registration of a transfer of shares that are not fully paid.

[f] Every instrument of transfer shall be delivered to the office for registration. Instruments of transfer that are registered shall remain with the Company, but any instruments of transfer which the Board of Directors refused to register for reasons permitted under the Articles of Association or under the law, shall be returned upon request to the person who delivered them, together with the share certificate (if such was delivered).

10. Rights of a Shareholder 10.

In addition to the rights of a shareholder specified in Regulation 5(b) above, every shareholder in the Company is entitled to the following rights:

[a] Every shareholder shall have the right to inspect the following documents of the Company:

[1] Minutes of general meetings;

[2] Register of shareholders and register of material shareholders in the Company;

[3] These Articles of Association with all their amendments, as they shall be made from time to time;

[4] Any document that the Company must submit under the Companies Law and under any law to the Registrar of Companies or the Securities Authority, and which is available for public inspection at the Registrar of Companies or the Securities Authority, as the case may be;

[b] A shareholder is entitled to demand from the Company, while stating the purposes of the demand, to inspect any document in the Company's possession relating to an action or transaction requiring approval of the General Meeting under Section 255 and Sections 268 to 275 of the Companies Law.

[c] The Company shall be entitled to refuse the request of a shareholder if, in the Company's opinion, the request was submitted by a shareholder not in good faith or if the required documents contain a trade secret or patent, or if the disclosure of the documents might otherwise harm the best interests of the Company.

11. The Organs of the Company 11.

[a] The organs of the Company are:

[1] The General Meeting;

[2] The Board of Directors;

[3] The General Manager;

The actions and intentions of an organ are the actions and intentions of the Company.

[b] The organs of the Company shall have powers as follows:

[1] The General Meeting shall have the powers specified in Regulation 12 below.

[2] The Board of Directors shall have the powers specified in Regulation 22 below.

[3] The General Manager shall have the powers specified in Regulation 29 below.

[c] Unless otherwise expressly stated in these Articles of Association, the Board of Directors of the Company shall be entitled to delegate any power of the Company that was not granted by law or by these Articles of Association to another organ of the Company.

[d] The General Meeting is entitled to assume powers granted to the Board of Directors and/or any other organ of the Company in any matter essential for the proper management of the Company and/or for any action required, in the opinion of the General Meeting, for the benefit of the Company and/or any matter whatsoever for a period of time not exceeding one year, and also for any matter as stated in Section 52 of the Companies Law.

[e] The Board of Directors of the Company is entitled to assume powers granted to the General Manager of the Company in any matter essential for the proper management of the Company and/or for any action required, in the opinion of the General Meeting, for the benefit of the Company and/or any matter whatsoever for a period of time not exceeding one year, and also for any matter as stated in Sections 51 and 52 of the Companies Law.

General Meetings

12. The General Meeting and its Powers 12.

[a] Company decisions on the following matters shall be made at the General Meeting:

[1] Changes to the Company's Articles of Association, as stated in Article 4 above;

[2] Exercise of the Board of Directors' powers in the event the Board of Directors is unable to fulfill its role, as stated in Section 52(a) of the Companies Law;

[3] Appointment of the Company's accountant (auditor), termination of his employment and determination of his employment terms, as stated in Article 32 below;

[4] Appointment of external directors in accordance with the provisions of Section 239 of the Companies Law and in accordance with Article 20(i) below;

[5] Approval of actions and transactions requiring General Meeting approval under the provisions of any law;

[6] Increasing and decreasing the registered share capital, as stated in Article 6 above;

[7] A merger as stated in Section 320(a) of the Companies Law;

[b] The provisions of the law regarding the timing of convening General Meetings, the methods of convening them, the matters to be discussed in them, the quorum, the methods of giving notice, the manner of voting, the management of minutes, and so forth, shall apply to General Meetings, Special Meetings, and Class Meetings, except if explicitly stated otherwise in these Articles, and subject to the provisions of any law.

13. Convening an Annual Meeting 13.

[a] A company shall hold an Annual Meeting every year and no later than fifteen months after the last Annual Meeting.

[b] The agenda at the Annual Meeting may include the following topics:

[1] Discussion of the financial statements and the report of the Board of Directors;

[2] Appointment of directors;

[3] Appointment of an accountant (auditor);

[4] A topic determined by the Board of Directors to be included in the agenda of the Annual Meeting;

[5] A topic requested from the Board of Directors by a shareholder, one or more, holding at least one percent of the voting rights in the General Meeting, provided that this topic is suitable to be discussed at a General Meeting;

14. Convening a Special Meeting 14.

[a] The Company's Board of Directors shall convene a Special Meeting at its discretion, and also at the request of any of the following:

[1] Two directors or one-quarter of the serving directors;

[2] A shareholder, one or more, holding at least five percent of the issued capital and one percent of the voting rights in the company, or a shareholder, one or more, holding at least five percent of the voting rights in the company.

[b] The agenda for a Special Meeting shall be determined by the Board of Directors and shall also include topics for which the convening of a Special Meeting was required according to Article 14(a) above, as well as a topic requested by a shareholder as stated in Article 13(b)(5) above.

[c] A Board of Directors required to convene a special meeting, as detailed in Regulation 14(a) above, shall convene it no later than twenty-one days from the date the demand was submitted to it, as detailed in the Regulation below, for a date to be set in the invitation delivered to a shareholder according to Regulation 15 below, provided that the convening date shall not be later than 35 days from the date of publication of the notice.

15. Notices regarding the convening of a general meeting 15.

[a] The Company shall be entitled to determine a record date regarding the rights to receive invitations to general meetings, to participate and vote in them in accordance with the provisions of the Companies Law and the regulations enacted thereunder.

[b] The Company shall deliver notices to the shareholders regarding the convening of an annual or special general meeting, as required and in the manner and at the time permitted by law.

Subject to any provision of law that cannot be stipulated against, the Company will not deliver an additional or special notice regarding the summoning of an annual or special general meeting to the registered shareholders.

[c] To the extent there is no other provision in the law (that cannot be stipulated against), the Company shall be entitled to convene a general meeting with 14 days' prior notice.

16. The discussion in general meetings 16.

[a] The general meeting is entitled to discuss any matter as determined in the law and in these Articles of Association, as well as any matter on its agenda, as will be detailed in the notice of the convening of the general meeting.

[b] The quorum for holding a general meeting is the presence of at least one shareholder holding at least twenty-five percent of the voting rights, within half an hour from the time set for the opening of the meeting.

[c] No discussion shall be opened on any matter in a general meeting unless a quorum is present within half an hour from the time set for the start of the meeting. If a quorum is not present in a general meeting at the end of half an hour from the time set for the start of the meeting, the meeting shall be adjourned for one week, to the same day, at the same time and at the same place, or to another time if specified in the invitation to the meeting or in the notice of the meeting (hereinafter: "Adjourned Meeting").

[d] If the quorum specified in Regulation 16(b) above is not present at the Adjourned Meeting after half an hour from the time set for it, the Adjourned Meeting shall be held with any number of participants.

[e] Notwithstanding the provisions of Regulation 16(d) above, if the general meeting was convened at the demand of shareholders as stated in Regulation 14(a)(2) above, or according to Section 64 of the Law, the Adjourned Meeting shall be held only if at least the number of shareholders required to convene a meeting as stated in Regulation 14(a)(2) above were present.

[f] A general meeting that has a quorum may decide on the adjournment of the meeting, the discussion or the passing of a resolution on a subject detailed in the agenda, to another date and to a place determined; at the Adjourned Meeting, only a subject that was on the agenda at the original meeting and regarding which no resolution was passed shall be discussed.

[g] If a general meeting is adjourned as detailed in Regulation 16(f) above, for a period exceeding twenty-one days, notices for the Adjourned Meeting shall be given in the manner set forth in Regulation 15 above.

[h] If a general meeting is adjourned without changing its agenda, for a period not exceeding 21 days, notices and invitations regarding the new date shall be given, as early as possible, and no later than seventy-two hours prior to the general meeting; such notices and invitations shall be given according to Regulation 15[b] above, subject to the provisions of Section 69(a) of the Companies Law mutatis mutandis.

17. Chairman of a general meeting 17.

[a] The Chairman of the Board of Directors or someone he has appointed in writing permanently or for a specific meeting shall serve as Chairman of the general meeting.

[b] If a Chairman of the Board of Directors has not been appointed or the Chairman of the Board of Directors was not present and did not appoint a Chairman for the meeting, the Chairman of the meeting shall be whoever the meeting elects from among the present members of the Board of Directors and if no director is present - whoever the meeting elects from among the participants.

18. Voting in the general meeting 18.

[A] Subject to and without prejudice to the rights or restrictions existing at any time for any special class of shares forming part of the Company's capital, each member is entitled to one vote for every voting share held by them or for which they are a proxy to vote on behalf of its owner. A shareholder shall be deemed entitled to participate and vote in a general meeting, whether in person, by proxy, via written ballot, or through the electronic voting system, if they have provided the Company with proof of ownership as prescribed in the regulations enacted for this matter, as of the record date as determined in the notice of the meeting's convening, in accordance with the provisions of the Companies Law and the regulations enacted thereunder.

[B] A corporation that is a shareholder in the Company may authorize, by resolution of its directors or another governing body, the power of such person as it finds suitable to be its representative at any general meeting. A person authorized as mentioned above shall be entitled to exercise, on behalf of the corporation they represent, the same voting rights that the corporation itself could have exercised in accordance with the authorization given to them.

[C] If a shareholder is a minor, legally incompetent, bankrupt, or disqualified, or, in the case of a corporation, is in receivership or liquidation, they may vote through their trustees, receiver, natural guardian, or other legal guardian, as the case may be, and the persons last mentioned may vote in person or by proxy.

[D] Where two or more members are joint owners of a share and are present and participate in voting, then in a vote on any question, only the vote of the first of the partners among those present and voting shall be accepted, without regard to the other partners registered for the share. For this purpose, the first of the partners shall be deemed the person whose name is first listed in the register of shareholders among those present and voting.

[E] A shareholder may appoint a proxy to vote in their stead, who does not need to be a shareholder in the Company. The appointment of a representative or proxy to participate and vote in the meeting on behalf of the shareholder shall be in writing, signed by the shareholder or their legal proxy appointed in writing, or, where the appointor is a corporation, the document must bear binding signatures in accordance with the articles of association of that corporation. If the appointor is a corporation, a lawyer's certification shall be attached to the power of attorney stating that the power of attorney was signed in accordance with that corporation's articles of association.

[F] Voting in accordance with the terms of the power of attorney shall be valid even if the appointor had previously died or been declared bankrupt or legally incompetent or revoked the appointment document or transferred the share in respect of which it was given or, being a corporation, a liquidator or receiver was appointed for it, unless written notice of the said change was received at the office at least one day before the meeting, or at the place where the meeting is convened until shortly before the start of the meeting.

[G] A document appointing a proxy and a power of attorney or other certificate (if any) or a copy certified by a notary or lawyer, shall be deposited at the place determined by the board of directors for the deposit of proof of ownership up to 48 hours before the time of the general meeting.

[H] A shareholder holding more than one share shall be entitled to appoint more than one proxy subject to the following provisions:

[1] The appointment document shall specify the type and number of shares for which it is given;

[2] If the total number of shares of any type specified in the appointment documents given by one shareholder exceeds the number of shares of that same type held by them, all appointment documents given by them for the excess shares shall be void, without prejudice to the validity of the vote for the shares held by them;

[3] If a proxy was appointed by a shareholder and the appointment document does not specify the number and type of shares for which it was given, the appointment document shall be deemed as if given for all shares on the day of depositing the appointment document with the Company or on the day of its delivery to the chairman of the meeting, as the case may be. Insofar as the appointment document was given for a number of shares lower than the number of shares held by the shareholder, the shareholder shall be treated as if they abstained from voting for the remaining shares held by them, and the appointment document shall be valid only for the number of shares specified therein.

[I] Every proxy appointment document (whether for a specific meeting or otherwise) shall be in the following format or similar to the extent that circumstances permit:

I ____________________ of ____________________

A shareholder in BIG Shopping Centers Ltd. and entitled to

____________________ votes, hereby appoint

____________________ of ____________________ or in their stead

the ____________________ of ____________________

to vote in my name and stead at the General Meeting

____________________ (Annual/Special/Adjourned - as the case may be) of the Company

which shall be held on ___________________ and at any adjourned meeting thereof. In witness whereof I have hereunto set my hand on ___________________.

[j] Notwithstanding the above, the chairman of the meeting may, at his discretion, accept a voting card and/or a proxy and/or proof of ownership even after the times stated in the provisions of the law and in this Article 18 above, as the case may be, if he finds it appropriate, at his discretion. If the voting card and/or proxy and/or proof of ownership as stated in the provisions of the law and in this Article above, as the case may be, were not received, they shall have no effect at that meeting.

19. Adoption of Decisions at the General Meeting

[a] In every general meeting, a resolution put to a vote shall be decided by a count of votes.

[b] Resolutions at the general meeting, including a resolution regarding a merger (to the extent that the merger requires the approval of the general meeting by law), shall be passed by an ordinary majority.

[c] A declaration by the chairman of the general meeting that a resolution at a general meeting was passed unanimously or by a certain majority or was rejected, shall be prima facie evidence of its contents.

The Board of Directors

20. The Directors and the Method of Their Appointment

[a] The number of directors in the company shall be determined from time to time by the general meeting, provided that the number of board members (including external directors) shall not be less than three and shall not exceed nine. At least two of the directors shall be external directors.

[b] The directors of the company shall be appointed by an ordinary resolution at an annual meeting and they shall serve in their position until the end of the next annual meeting, but as long as others have not been elected in their place, they shall continue to serve unless their office becomes vacant by virtue of any law or by virtue of the Articles.

[c] The company shall appoint as directors only persons qualified to serve as directors according to any law.

[d] Subject to the provisions of any law, a director shall not be disqualified by reason of his office from holding another office or a profit-bearing position in the company or in any other company in which the company is a shareholder or in which it has another interest, or from entering into a contract with the company whether as a seller or as a buyer or otherwise, nor shall any such contract or any contract or agreement entered into by the

company or on its behalf, in which a director has an interest in any way, be invalidated, nor shall a director be liable to account to the company for any profit resulting from such office or profit-bearing position, or resulting from such a contract or agreement, for the sole reason that he holds the office of director or due to the fiduciary relationship created thereby, provided that he complied with the provisions of the law relating to the personal interest of a director.

[e] Repealed.

[f] A director who ceased to serve in his office may be reappointed.

[g] If a director's office becomes vacant for any reason, the serving directors shall be entitled to appoint a director in his place, and such director shall serve until the end of the term in which his predecessor would have served had his office not become vacant. As long as the number of directors does not exceed their maximum number, the directors shall be entitled to appoint additional directors up to the maximum permitted number, and the appointment shall be valid until the next general meeting at which directors are appointed.

[h] The company shall be entitled to approve the appointment of a director in a manner where the date of commencement of his term of office is later than the date of his appointment.

[i] Regarding the appointment of external directors, the provisions of the law shall apply. Without derogating from the above, the company may approve the appointment of an external director for one additional period of three years in accordance with the provisions of the law.

[j] A director shall be entitled to appoint an alternate director, all subject to the provisions of Section 237 of the Law. The provisions of the Law and these Articles that apply to a director of the Company shall apply to an alternate director, and his office shall be vacated upon the occurrence of events prescribed by law or in the Articles due to which the office of the director who appointed him expires.

[k] The office of a board member who is not an external director shall be vacated automatically in any of the cases prescribed in Section 228(a) of the Law, as well as upon the occurrence of any of the events listed below:

[1] Upon his death.

[2] If he becomes legally incompetent.

[3] Without derogating from the above, the General Meeting may, by an ordinary resolution, dismiss a director, even if not appointed by the General Meeting, if the General Meeting has decided that the said director acted against the best interests of the Company or while breaching a fiduciary duty towards the Company, and in such a case, the provisions of Section 230(a) of the Law shall apply regarding an opportunity to be given to the director to present his position before the General Meeting.

21. <u>Directors' Remuneration</u>

[a] Directors shall not receive remuneration from the Company's funds unless the Company so decides. A director is entitled to receive his reasonable expenses for travel and other expenses related to his participation in Board meetings and the performance of his duties as a member of the Board.

[b] A director who has provided the Company with special services or made special efforts for one of the Company's objectives shall be entitled to payment of remuneration from the Company in an amount to be determined by the Company, and this remuneration shall be in addition to the fixed remuneration, if any, or in its place.

[c] External directors are entitled to remuneration and reimbursement of expenses as prescribed by law. Without derogating from the above, the granting of an exemption, an undertaking to indemnify, or insurance according to the provisions of the Law and the provisions of these Articles as stated in Regulation 31 below shall not be considered as remuneration.

22. <u>Powers of the Board of Directors</u>

[a] Without prejudice to the powers of the Board of Directors granted to it under these Articles, the Board of Directors shall outline the Company's policy and supervise the performance of the general manager's duties and actions, including:

[1] Shall determine the Company's action plans, principles for financing, and priorities among them;

[2] Shall examine the Company's financial position and determine the credit framework the Company is entitled to take;

[3] Shall determine the organizational structure and the remuneration policy;

[4] Shall be entitled to decide on the issuance of a series of BONDS;

[5] Shall be responsible for the preparation and approval of the financial statements;

[6] Shall appoint and dismiss the general manager;

[7] Shall decide on actions and transactions requiring its approval according to the provisions of Sections 255 and 268 to 275 of the Companies Law;

[8] May allocate shares and securities convertible into shares up to the limit of the Company's registered capital, as detailed in Regulation 6(g) above;

[9] May decide on a dividend distribution and the purchase of the Company's shares by the Company as stated in Regulation 33 below;

[10] Shall express its opinion on a special tender offer as stated in Section 329 of the Companies Law;

[11] The Board of Directors shall determine the minimum number of directors on the Board of Directors, who must possess accounting and financial expertise, as defined in Section 240 of the Companies Law; the Board of Directors shall determine said minimum number taking into account, among other things, the type of company, its size, the scope of the company's activities and the complexity of its activities, and subject to the number of directors specified in the Articles of Association.

[b] The powers of the Board of Directors according to regulations 22(a)(1) through 22(a)(10) above cannot be delegated to the General Manager except as detailed in Section 288(b)(2) of the Companies Law.

[c] Without derogating from the powers granted to the Board of Directors under any law or under the Articles of Association, the Board of Directors is granted additional powers as follows:

[1] To appoint a person, persons or a corporation, for the purpose of receiving and holding in trust for the company any property belonging to the company or in which the company has an interest, or for any other purpose, and to perform and do all the actions, acts and things required in connection with any such trust, as well as to arrange for the payment of the salary of such trustee or trustees;

[2] To open, manage, defend, settle or abandon any legal proceedings on behalf of the company or against it or against its officers or otherwise concerning its affairs, as well as to compromise and extend the time for repayment or settlement of any debt due or claims or demands by the company or against it;

[3] To submit to arbitration any claim or demand of the company or against it;

[4] To appoint and, at its discretion, remove or suspend a General Manager, as well as to define his powers and duties and determine his salary and employment conditions.

[5] Canceled.

[6] At any time and from time to time, to appoint by power of attorney any person to be the company's representative for those purposes and with those powers, authorities and discretions (which shall not exceed those handed over or usable by the Board of Directors under these Articles of Association) and for such period and subject to such conditions as the Board of Directors may find appropriate from time to time, and any such appointment may be given, if the Board of Directors finds it appropriate, to members of any local board of directors established or to any of them, or to any company or firm, its board of directors, its authorized persons, or the managers of any company or firm or to whoever is determined by any company or firm or otherwise to any group of persons appointed, whether appointed directly or indirectly, by the Board of Directors.

[7] The Board of Directors shall be entitled to appoint on behalf of the company a lawyer or lawyers in Israel or abroad to represent the company before any court, arbitrator, judicial and quasi-judicial bodies, governmental, municipal or other bodies or offices in Israel or abroad, and to grant any lawyer those powers that the Board of Directors deems appropriate, including the power to delegate his powers, in whole or in part, to another or others.

The Board of Directors may delegate this power permanently or on a one-time basis to the General Manager.

[8] The Board of Directors may, at its discretion, at any time, borrow or secure any amount or amounts in such manners, times and conditions as it finds appropriate, including by issuing BONDS or a series of BONDS, whether secured or unsecured, or subject to any mortgage, lien or any other security of the undertaking or property of the company, in whole or in part, whether existing or future, including share capital that has not yet been called for payment and share capital that has been called for payment but not yet paid.

[d] Subject to the provisions of the Companies Law, a transaction of the company with an officer therein or a transaction of the company with another person in which an officer of the company has a personal interest, and which are not extraordinary transactions and which are not within the scope of the terms of office and employment of an officer and/or controlling shareholder, shall be approved in the manner as follows:

[1] Such engagement as stated above shall be approved by the Board of Directors or by the Audit Committee or by another party authorized for this purpose by the Board of Directors, whether by a specific resolution or within the framework of the Board of Directors' procedures, whether by general authorization, whether by authorization for a specific type of transactions or by authorization for a specific transaction.

[2] Approval of transactions as stated above may be done by granting general approval for a specific type of transactions or by approving a specific transaction.

23. Chairman of the Board of Directors

[a] The Company's Board of Directors shall elect one of its members to serve as Chairman of the Board of Directors.

[b] The Chairman of the Board of Directors shall be elected by the members of the Board of Directors at the first Board of Directors meeting after the Annual Meeting, or the Board of Directors meeting that appointed him to serve as a director, and shall serve as Chairman of the Board of Directors, as long as it has not been decided otherwise by the Board of Directors or until the termination of his tenure as a director.

24. Convening of Board of Directors Meetings

[a] The Board of Directors shall convene for meetings according to the Company's needs, and at least once every three months.

[b] The Chairman of the Board of Directors may convene the Board of Directors at any time, and at the request of any of the following:

[1] Two directors;

[2] One director - if the conditions set forth in Section 257 of the Companies Law are met;

[c] Without derogating from the above, the Chairman of the Board of Directors shall convene the Board of Directors if a notice or report of the General Manager pursuant to Section 122(d) of the Companies Law, or a report of the auditor (accountant) of the Company pursuant to Section 169 of the Companies Law, necessitated an action of the Board of Directors.

[d] If a Board of Directors meeting was not convened within 14 days from the date of the request as stated in Regulation 24(b) above, or from the date of the report of the General Manager or the accountant (auditor) according to Regulation 24(c) above, any of those listed in the aforementioned regulations shall be entitled to convene a Board of Directors meeting for the purpose of that matter.

[e] Notice of a Board of Directors meeting shall be delivered to all members of the Board of Directors a reasonable time before the date of the meeting.

[f] The notice shall be delivered in writing or by any other means of communication, and shall specify the time of the meeting and the place where it will convene, as well as a reasonable detail of the topics on the agenda.

[g] Notwithstanding the provisions of Regulation 24(b) above, the Board of Directors may, with the consent of all directors, convene for a meeting without notice.

25. Board of Directors Meetings and their Management

[a] The agenda of the Board of Directors meetings shall be determined by the Chairman of the Board of Directors, and it shall include topics determined by the Chairman, topics determined as stated in Regulations 24(b) and 24(c) above, and any topic that a director or the General Manager requested from the Chairman of the Board of Directors, a reasonable time before convening the Board of Directors meeting, to be included in the agenda.

[b] The Chairman of the Board of Directors shall manage the Board of Directors meetings. If the Chairman of the Board of Directors is absent from a meeting, the Board of Directors shall elect one of its members to manage the meeting and sign the minutes of the discussion.

[c] The Board of Directors may hold meetings through the use of any means of communication, provided that all participating directors can hear each other simultaneously.

[d] The Board of Directors may pass resolutions even without an actual convening, provided that all directors entitled to participate in the discussion and vote on the matter brought for resolution agreed not to convene for a discussion on that matter.

[e] If resolutions were passed as stated in Regulation 25(d) above, minutes of the resolutions shall be prepared, including the resolution not to convene, and shall be signed by the Chairman of the Board of Directors.

[f] The Chairman of the Board of Directors shall be responsible for the implementation of these provisions.

[g] The quorum for opening a Board of Directors meeting shall be a majority of the members of the Board of Directors serving at the time of the meeting and entitled to participate in it, themselves or their alternates, subject to the provisions of the law. The Board of Directors may determine a different quorum for opening a Board of Directors meeting.

[h] At any meeting of the Board of Directors at which a quorum is present, the Board shall have the authority to exercise all the powers, authorities, and discretions vested at that time in the Board of Directors or generally exercised by it.

26. Voting in the Board of Directors

[a] In a vote in the Board of Directors, each director shall have one vote.

[b] Decisions of the Board of Directors shall be passed by an ordinary majority; the Chairman of the Board of Directors shall not have an additional vote.

[c] A director, in his capacity as such, shall not be a party to a voting agreement, and such an agreement shall be considered a breach of the director's fiduciary duty.

[d] Minutes approved and signed by the director who chaired the meeting shall serve as prima facie evidence of their contents.

27. Board Committees

[a] The Company's Board of Directors may establish Board committees. In Board committees to which the Board has delegated its powers, no person who is not a member of the Board of Directors shall serve. In a Board committee whose function is solely to advise the Board or to make recommendations, persons who are not members of the Board of Directors may also serve. (hereinafter: "Board Committee").

[b] A decision made or an action taken in a Board committee pursuant to authority delegated to it from the powers of the Board of Directors shall be deemed a decision made or an action taken by the Board of Directors.

[c] A Board committee shall report regularly to the Board of Directors on its decisions or recommendations.

[d] Regulations 24 to 26 shall apply, mutatis mutandis, also to the convening of committee meetings and the manner of their management.

[e] The Company's Board of Directors shall not be authorized to delegate its powers to a Board committee on the following matters:

[1] Determination of general policy for the company;

[2] Distribution, as defined in Section 1 of the Companies Law, unless it concerns the purchase of the company's shares in accordance with a framework outlined in advance by the Board of Directors;

[3] Determination of the Board's position on a matter requiring approval of the general meeting or providing an opinion under Section 329 of the Law;

[4] Appointment of directors, if the Board is authorized to appoint them;

[5] Issuance or allocation of shares or securities convertible into shares or exercisable into shares or a series of BONDS, except as specified in Section 288(b) of the Companies Law;

[6] Approval of the financial statements;

[7] Approval of transactions and actions requiring Board approval under the provisions of Sections 255 and 268 to 275 of the Law.

The Board of Directors may establish committees on the matters listed above for recommendation purposes only.

[f] The Board of Directors may dissolve a Board committee appointed by it, provided that the dissolution shall not affect the validity of a decision of a Board committee upon which the company acted toward another person who was unaware of its dissolution.

28. **Audit Committee**

[a] The Company's Board of Directors shall appoint an audit committee from among its members, and the provisions of Regulation 27 above shall apply to it, mutatis mutandis.

[b] The number of members of the audit committee shall not be less than three, and its members shall be appointed according to Section 115 of the Law.

[c] The Internal Auditor of the company shall receive notices regarding the holding of Audit Committee meetings and shall be entitled to participate in them. The Internal Auditor shall be entitled to request the Chairman of the Audit Committee to convene the committee for a discussion on a matter specified in his request, and the Chairman of the Audit Committee shall convene it within a reasonable time from the date of the request, if he saw reason to do so.

[d] Notice of the holding of an audit meeting in which a matter concerning the audit of the financial reports arises shall be provided to the company's accountant/accountants, who shall be entitled to participate in it.

[e] The roles of the Audit Committee shall be as set forth in the Companies Law, including any other role assigned to it by the Board of Directors.

29. <u>General Manager</u>

[a] The Board of Directors may from time to time appoint one or more persons, whether he is a director or not, as General Manager or General Managers of the company, whether for a fixed term or without time limit, and it may from time to time, considering the terms of any contract between him or them and the company, release him or them from their position and appoint another or others in his or their place.

[b] The General Manager is responsible for the ongoing management of the company's affairs within the framework of the policy set by the Board of Directors and subject to its instructions, and he shall be subject to the supervision of the Board of Directors. The General Manager shall have all the management and executive powers granted to him by law or in these articles, all the management and executive powers not granted by law or in these articles to another organ of the company, and any power granted to him by the Board of Directors.

[c] The General Manager shall submit to the Board of Directors a report on the current activity of the company at the times and scope determined for this by the Board of Directors.

[d] The salary of a General Manager and his terms of office shall be determined from time to time, considering the terms of any contract between him and the company and subject to the provisions of the law, in the manner set forth in the Companies Law, and may be by way of salary or commission at a rate of the dividend, from the profits or from the company's turnover of funds, or by participation in such profits, or in one or more of these ways. Where the law requires approval of the general meeting regarding a contract with an officer/officers, any such contract shall be subject to such approval.

[e] Subject to the provisions of any law, including Section 92 of the Companies Law, the Board of Directors may from time to time delegate to a General Manager at that time the same powers that it operates under according to these articles, as it sees fit, and may grant powers to be exercised for those purposes and needs and at those times and conditions and restrictions, as it sees fit. It may also delegate these powers either parallel to the powers of the Board of Directors, or instead of all or some of them, and it may from time to time cancel, change, and replace any such power or all of them together.

[f] The General Manager may, with the approval of the Board of Directors, delegate some of his powers to another, who is subordinate to him.

[g] The General Manager shall submit to the Board of Directors a report on the current activity of the company at the times and scope determined for this by the Board of Directors. The Chairman of the Board of Directors may, on his own initiative or according to a resolution of the Board of Directors, demand from the General Manager a report regarding the company's business.

30. <u>Officers in the Company</u>

The General Manager shall be entitled from time to time to appoint and dismiss officers/officers and other employees and to define their powers and duties. Their terms of employment and office shall be determined in the manner set forth in the Companies Law.

31. <u>Liability Insurance, Indemnification, and Exemption</u>

[a] Subject to the provisions of the Companies Law, the company shall be entitled to enter into a contract for the insurance of the liability of an officer/officers therein, for a liability imposed on him due to an action he performed by virtue of being an officer/officers therein, in any of the following:

[1] Breach of duty of care towards the company or towards another person;

[2] Breach of fiduciary duty towards the company, provided that the officer/officers acted in good faith and had a reasonable basis to assume that the action would not harm the company's best interest;

[3] Financial liability imposed on him in favor of another person;

[4] Expenses incurred in connection with an administrative proceeding conducted in his matter, including reasonable litigation expenses, and including attorney's fees;

[5] Payment to a person harmed by a violation in connection with an administrative proceeding as stated in section 52nd(a)(1)(a) of the Securities Law, as amended from time to time ("payment to a person harmed by a violation").

[b] Subject to the provisions of the law, the Company may indemnify an officer thereof for a liability or expense, as specified below, imposed on him or incurred by him, due to an action he performed by virtue of being an officer thereof:

[1] A financial liability imposed on him in favor of another person according to a judgment, including a judgment given in a settlement or an arbitrator's award approved by a court;

[2] Reasonable litigation expenses, including attorney's fees, incurred by an officer due to an investigation or proceeding conducted against him by an authority competent to conduct an investigation or proceeding, and which ended without an indictment being filed against him and without a financial liability being imposed on him as an alternative to a criminal proceeding, or which ended without an indictment being filed against him but with the imposition of a financial liability as an alternative to a criminal proceeding for an offense that does not require proof of criminal intent or in connection with a financial sanction.

[3] Reasonable litigation expenses, including attorney's fees, incurred by an officer or charged to him by a court, in a proceeding filed against him by the Company or on its behalf or by another person, or in a criminal charge from which he was acquitted, or in a criminal charge in which he was convicted of an offense that does not require proof of criminal intent.

[3a] Expenses incurred in connection with an administrative proceeding conducted in his matter, including reasonable litigation expenses, and including attorney's fees.

[3b] Payment to a person harmed by a violation.

[4] Indemnification as stated may be made by way of an undertaking in advance to indemnify, as specified in section [1] above, provided that the undertaking to indemnify shall be limited to events which in the opinion of the Board of Directors are foreseeable in light of the Company's actual activities at the time of giving the undertaking to indemnify, as well as to an amount or criterion that the Board of Directors has determined to be reasonable under the circumstances, and that the undertaking to indemnify shall specify the events which in the opinion of the Board of Directors are foreseeable in light of the Company's actual activities at the time of giving the undertaking, as well as the amount or criterion which the Board of Directors has determined to be reasonable under the circumstances, and also regarding events as specified in sections [2] to [3b] above (inclusive) or by way of retroactive indemnification, all as provided in section 260(b) of the Companies Law and section 56h(b) of the Securities Law, as may be amended from time to time.

[c] The above provisions do not, and shall not, limit the Company in any way regarding entering into an insurance contract and/or regarding indemnification:

[1] In connection with those who are not officers of the Company, including employees, contractors or consultants of the Company who are not officers thereof;

[2] In connection with officers of the Company - to the extent that the insurance and/or indemnification are not explicitly prohibited by any law.

[d] Subject to the provisions of the law, the Company may exempt in advance an officer thereof from his liability, in whole or in part, for damage due to a breach of the duty of care towards it.

[e] Notwithstanding the provisions of section [d] above, a company may not exempt in advance a director from his liability towards it due to a breach of the duty of care in a distribution.

32. Internal Auditor and Auditing accountant

[a] [1] The Company's Board of Directors shall appoint an internal auditor upon the proposal of the audit committee.

[2] The Chairman of the Board of Directors shall be the organizational supervisor of the internal auditor.

[3] The internal auditor will submit his proposal for an annual or periodic work plan for the approval of the audit committee, and the audit committee will approve it with the changes it sees fit.

[4] The internal auditor will submit a report on his findings to the chairman of the board of directors, the general manager, and the chairman of the audit committee; a report according to section 150 of the Companies Law will be submitted by the internal auditor to the person who assigned the audit to him.

[5] The term of office of an internal auditor shall not be terminated, except in accordance with the provisions of section 153 of the Companies Law.

[B] [1] The general meeting will appoint an accountant (auditor) for the company. An accountant (auditor) will serve in his role until the end of the annual meeting at which he was appointed. The general meeting will be entitled in its decision to appoint an accountant (auditor) to determine that the period of his appointment will be longer than one year, all subject to the provisions of section 154(b) of the Companies Law.

[2] A company is entitled to appoint several accountants (auditors) who will jointly perform the audit activity.

[3] The accountant (auditor)'s salary for the audit activity will be determined by the meeting that appointed him or by the board of directors if the general meeting did not determine his salary or if the general meeting authorized the board of directors to determine his salary. The company's board of directors will determine the accountant (auditor)'s salary for additional services to the company, which are not audit activity. The board of directors will report to the annual general meeting on the terms of engagement of the accountant (auditor) for additional services including payments and obligations of the company towards the accountant.

33. **Distribution, Dividend Distribution and Bonus Shares**

[A] Distribution, dividend distribution and allocation of bonus shares will be done subject to the provisions of the law and subject to the provisions of these Regulations as follows:

[1] A decision on distribution, dividend distribution and allocation of bonus shares will be made by the company's board of directors.

[2] Dividend distribution to shareholders in the company will be made to all shareholders in the company proportionally to the par value of each share, unless explicit rules were established in these Regulations, as amended, regarding priority in entitlement to receive dividends for one type of shares or another.

[3] The board of directors is entitled to deduct from any dividend or other rights of enjoyment, those amounts that a shareholder in respect of whom a dividend is paid or other rights of enjoyment are given owes to the company, in respect of that share, whether the time for their payment has arrived or not.

[B] The company is entitled to issue redeemable securities, all subject to the provisions of section 312 of the Law and as will be determined in the terms of issuance of such redeemable securities. If the company issued redeemable securities, it is entitled to attach to them characteristics of shares, including voting rights and the right to participate in profits, and to redeem them according to their terms. The authority to issue redeemable securities is vested in the company's board of directors.

[C] Cancelled.

[D] The board of directors is entitled to determine from time to time the manner of payment of dividends or distribution of bonus shares and any other rights and the arrangements related thereto. Without derogating from the generality of the above, the board of directors is entitled to pay any dividends or funds in respect of shares by sending a check by mail to the address of the shareholder as it is registered in the company's register of shareholders.

34. **Payment Demand**

[A] The board of directors will be able from time to time, at its discretion or subject to the provisions to be determined in the terms of the share allocation, if determined, to submit to the shareholders payment demands on account of the funds which are still outstanding for the shares held by the shareholders as the board of directors sees fit, provided that at least fourteen days' prior notice is given for each payment demand, and every shareholder will be obligated to pay the amount required from him as stated at the times and places to be determined by the board of directors.

[b] Joint holders of a share shall be liable, jointly and severally, to pay the calls and the installments in connection with such calls.

[c] Where a call or an installment due on account of a share is not paid, the holder of the share or the person to whom it was allocated shall be liable to pay linkage differentials and interest on the amount of the call or installment as determined by the Board of Directors from the day designated for payment until the day of payment, however the Board of Directors is entitled to waive the linkage differentials or the interest or part of them.

[d] Any amount which according to the terms of allocation of a share must be paid at the time of allocation or on a fixed day, whether on account of its par value or for a premium, shall be considered in these Articles as a call made lawfully and the day of payment is the day fixed for payment, and in case of non-payment all sections of these Articles dealing with payment of linkage differentials and interest and expenses, forfeiture and the like and all other provisions of the Articles related to the matter shall apply, as if this amount was lawfully called.

[e] The Board of Directors, if it sees fit, may receive from a shareholder who wishes to pay all the funds due on account of his shares, or any part thereof, in addition to the amounts whose payment is actually required, and it may also pay him interest and linkage differentials on the amounts paid in advance or on that part of them exceeding the amount required at the time in question on account of the shares in respect of which the advance payment was made, at a rate agreed upon by the Board of Directors and the shareholder, and this in addition to the dividend payable, if any, on that paid-up portion of the share in respect of which the advance payment was made.

35. Forfeiture of Shares

[a] If a shareholder (hereinafter in this regulation: the "Debtor") has not fulfilled a call in whole or in part, according to the instructions set forth in regulation 34 above, the Board of Directors may, at any time thereafter, forfeit any share in respect of which a notice of call was given to the Debtor.

[b] Subject to the provisions of any law, forfeiture of a share shall entail at the time of forfeiture the cancellation of every right in the Company and every claim or demand against it in respect of the share.

[c] Forfeiture of a share in the Company shall include all dividends of that share which were not paid before the forfeiture, even if they were declared.

[d] The Board of Directors may sell, re-allocate or otherwise transfer any forfeited share in such manner as it decides, with or without any amount paid on the share or considered as paid on it. Shares that have been forfeited and not yet sold shall be dormant shares, as defined in section 308 of the Companies Law.

[e] If the consideration received for the sale of the forfeited shares exceeded the consideration to which the Debtor was committed, the Debtor shall be entitled to the return of the partial consideration he gave for them, if any, provided that the consideration remaining in the Company's hands shall not be less than the full consideration to which the Debtor was committed, plus the expenses accompanying the sale.

[f] The Board of Directors may at any time collect the forfeited funds or any part thereof as it sees fit, but it shall not be under any obligation to do so.

36. Register of Shareholders

[a] The Company shall maintain a register of shareholders which shall include the following details:

[1] The name, identification number and address of each shareholder, all as provided to the Company;

[2] The quantity of shares and class of shares owned by each shareholder, indicating their par value, and if any amount has not yet been paid on account of the consideration set for the share - the amount not yet paid;

[3] The date of allocation of the shares or the dates of their transfer to the shareholder, as the case may be;

[4] If the shares are marked with serial numbers, the Company shall indicate, next to the name of a shareholder, the numbers of the shares registered in his name;

[b] If the Company has dormant shares as stated in section 308 of the Companies Law, the register shall also state their number and the date on which they became dormant, all as known to the Company.

Regarding shares that do not grant voting rights under Section 309(b) or under Section 333(b) of the Companies Law – also their number and the date on which they became shares that do not grant voting rights, all as known to the company.

[C] If the company manages an additional register of shareholders, as stated in Regulation 37 below, it shall specify the number of shares registered in the additional register of shareholders and their numbers, if the shares were marked with serial numbers.

[D] A company shall change the registration of ownership of shares in the register of shareholders, as stated in Regulation 36(a), in each of the cases listed below:

[1] A transfer deed of the share signed by the transferor and the transferee was delivered to the company, and the requirements of the Articles of Association regarding the transfer of shares were met;

[2] A court order for the amendment of the register was delivered to the company;

[3] It was proven to the company that legal conditions for the assignment of the right have been met;

[4] Another condition has been met which, according to the Articles of Association, is sufficient for the registration of a change in the register of shareholders.

[E] The company shall be entitled to close the register of shareholders for a reasonable time to be determined by the Board of Directors, provided that it does not exceed 30 days in any year. The company shall publish notice of the closing of the register of shareholders at least 7 days in advance.

37. <u>Substantial Shareholders Register and Additional Shareholders Register Outside of Israel</u>

[A] In the substantial shareholders register, the reports received by the company under the Securities Law regarding the holdings of substantial shareholders in the company's shares shall be kept.

[B] The company may manage an additional shareholders register outside of Israel, and the provisions of Section 138 of the Companies Law shall apply in this regard.

38. <u>The Seal, the Stamp, and Signature Authority</u>

[A] The company may determine a stamp or rubber stamps for imprinting on documents, and the Board of Directors shall ensure that every such stamp is kept in safe custody;

[B] The Board of Directors may authorize any person to act or sign on behalf of the company, and his action and signature shall bind the company, provided he acted and signed within the scope of his authority;

[C] The Board of Directors is authorized to use and hold a seal for use abroad, and to instruct on the manners of its use.

39. <u>Accounts</u>

The Board of Directors must ensure the maintenance of accounts and the publication of financial statements as set forth in the provisions of Sections 171 to 175 of the Companies Law and the provisions of any other law applicable to the company.

40. **Donations**

The company shall be entitled to donate a reasonable amount for a worthy cause, even if the donation is not within the scope of the company's business considerations. The company's Board of Directors shall be authorized to implement this regulation.

41. **Management of Minutes**

The company shall prepare minutes of the proceedings at meetings of general meetings, class meetings, board meetings, and board committee meetings, and shall keep them at its registered office or at another address in Israel of which the company has notified the Registrar, for a period of 7 years from the date of the meeting.

42. **Notices**

[a] Notices and other documents to be delivered to shareholders or any of them, may be delivered by the Company to any shareholder either personally or by sending by registered mail in a properly stamped letter, addressed according to the registered address of that shareholder in the register of shareholders, or by facsimile or by email or other digital means or by giving notice to shareholders or other rights of any kind by publication on the Company's website, publication of a report in MAGNA or publication in two daily newspapers published in the Hebrew language and of wide circulation, and in the case of such publication, the publication shall replace the delivery of personal or mail notice.

[b] Any notice to be given to shareholders, in relation to joint shares, shall be given to whichever of them whose name is first mentioned in the register of shareholders, and any notice given in this way shall be sufficient notice to the shareholders. Alternatively, notice shall be delivered by publication in two Hebrew daily newspapers appearing in Israel in the Hebrew language and of reasonable circulation.

[c] Any shareholder registered in the register of shareholders according to an address either in Israel or abroad, who shall from time to time provide the Company with an address at which notices may be delivered to him, shall be entitled to have delivered to him at that address any notice he is entitled to receive in accordance with these Articles, however, except as stated above, a shareholder who is not registered in the register of shareholders according to an address, shall not be entitled to receive any notice from the Company.

[d] The Company may give notice to persons who have a right to any share as a result of death or bankruptcy of a member or his incapacity, and in the case of a corporation – to its liquidator or receiver, by sending by mail in a stamped letter addressed to them by their name according to the address (when given) provided for this purpose by those persons or (if such an address has not yet been provided) by delivering the notice in the same manner as it would have been delivered, had the death, bankruptcy, incapacity, liquidation or receivership not occurred.

[e] Any notice or other document delivered or sent by mail, shall be deemed to have been received at the end of two business days after the day of their delivery for mailing at the post office, and when coming to prove the delivery or sending it shall be sufficient if they prove that a letter containing the notice or the document was addressed to the correct address according to the registration in the Company and was delivered to the post office in a stamped letter. The date of any notice or other publication as stated in Regulation 42[a] above, shall be considered as the date on which the notice was received by the shareholders, subject to the provisions of the law.

[f] Subject to the provisions of any law, when it is necessary to give advance notice of a certain number of days or a notice that is valid for any period, the day of delivery is taken into account in the number of days or the period.

[g] The provisions of Regulation 15 of the Articles shall apply to notices regarding the convening of general meetings of the Company.

43. **<u>Liquidation</u>**

If the Company is liquidated, whether voluntarily or otherwise, the surplus assets shall be distributed subject to the provisions of any law regarding liquidation and to special rights attached to the shares, according to the following order of priority and ratio:

[a] Return of share capital: Pari passu in proportion to the paid-up capital, on the par value of the shares.

[b] Remaining surplus assets: Pari passu in proportion to the paid-up capital on the par value of the shares and for this purpose any amount not called on shares shall be considered as paid up, while any amount that was called, was due for payment and was not paid until the date of the commencement of the liquidation, shall not be included in the paid-up capital for the purpose of this distribution.