

NOTARIS KANTOOR SPIER & HAZENBERG

125302.01/ME/LV/JC

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The undersigned,
Eduard Olivier Spier, LL.M., deputy civil-law notary of
Dennis Henricus Wilhelmus Melgers, LL.M., civil law
notary, officiating at Amsterdam,
declares that the below document contains a fair English
translation of the deed of amendment of the articles of
association of the company: **Argo Properties N.V.**
with official seat in Amsterdam, after amendment by
notarial deed, executed on 21 April 2021,
before the undersigned.

In this translation an attempt has been made to be
as literal as possible without jeopardizing the overall
continuity.

Inevitably, differences may occur in translation, and
if so the Dutch text shall be legally binding.

Amsterdam, 21 April, 2021



DEED OF AMENDMENT OF THE ARTICLES OF ASSOCIATION

Argo Properties N.V.

On this day, the twenty-first day of April two thousand twenty one, there appeared before me, Eduard Olivier Spier, LL.M., deputy civil-law notary of Dennis Henricus Wilhelmus Melgers, LL.M., civil-law notary in Amsterdam:

Ms. Lydia Cynthia Helder, born in Paramaribo, Surinam, on the twenty-sixth of March nineteenhundred sixty-five, employed and domicile chosen at the office of me, civil-law notary, 1017 ZP Amsterdam, Westeinde 24.

The appearer declared, in execution of the shareholders' resolution, passed by the shareholders of:

Argo Properties N.V., a public limited company, with corporate seat in Amsterdam and offices at 1105 BM Amsterdam, Pietersbergweg 283 Building "De Poort", registered with the trade register of the Chamber of Commerce with number 70252750, hereinafter to be referred to as: **"the Company"**;

in which resolution the undersigned was granted a power of attorney to execute this deed, to hereby amend the articles of association of the Company, as adopted by virtue of the deed of incorporation of the Company, executed before J.W. van Zaane, LL.M., civil-law notary in Amsterdam, on the twenty-fifth day of January two thousand eighteen, and as lastly amended by virtue of a deed, executed before the undersigned civil-law notary on the first day of May two thousand twenty.

WHEREAS:

The Company intends to issue shares to the public in Israel to be registered and traded on TASE. For so long as the Company's securities are traded on TASE and an applicable exemption under the Israeli Securities Law 1968 does not apply, the provisions of the Israeli Companies Law – 1999 listed in the first section of the Fourth Schedule to the Israeli Securities Law 1968 applicable to issuers incorporated outside Israel shall be applicable to the Company to the fullest extent permitted under applicable law, are duly implemented in the Articles, and the provisions of the Articles, the rights of all shareholders, the terms of all shares, the powers and duties of the directors and executive officers of the Company, the powers and purposes of the Company, and the regulation and management of its affairs shall be interpreted to the maximum extent possible to comply with and give effect to the requirements of the Israeli Securities Law - 1968 and the Israeli Companies Law – 1999 applicable to issuers incorporated outside Israel whose securities are listed on TASE. Any such provision shall cease to apply at such time as the Company's securities are not traded on TASE or an applicable exemption under the Israeli Securities Law applies.

In connection with the above, the articles of association are amended as

follows:

ARTICLES OF ASSOCIATION:

Definitions

Article 1

1.1 In these articles of association the following words shall have the following meanings, unless the contrary is apparent:

- a. an **"Accountant"**:
a chartered accountant (*registeraccountant*) or other accountant as referred to in section 2:393 of the Dutch Civil Code, or an organisation in which such accountants work together;
- b. the **"External Accountant"**:
an External Accountant appointed by the General Meeting to Audit the Company's Financial Statements in accordance to ISL and its regulations;
- c. **"Accounting and Financial Expertise"**:
shall mean in relation to an individual, an individual that by virtue of education, experience and qualifications possesses high proficiency and understanding in business-accounting issues and financial statements, in a manner that allows to thoroughly understand the Company's financial statements and to instigate a discussion in connection with the manner of the presentation of the financial data, to be determined at the discretion of the Board *inter alia* taking into account education, expertise and knowledge in the following issues:
 - (i) accounting issues and accounting control issues characterizing the field in which the Company operates, as well as with companies of the same scale and complexity as the Company;
 - (ii) auditor's functions and duties;
 - (iii) preparation and approval of financial statements under Israeli law and pursuant to the ISL;
- d. an **"Affiliate"**:
means in relation to an Entity, another Entity in which:
 - (i) such Entity holds twenty-five percent (25%) or more of the nominal value of the issued shares capital; or
 - (ii) such Entity holds twenty-five percent (25%) or more of the voting power; or
 - (iii) such Entity is entitled to appoint twenty-five percent (25%) or more of the Directors;
- e. **"Affiliation"**:
the existence of labor relations, business or professional relations generally or Control, as well as acting as an Executive Officer or Director, apart from a tenure of director appointed to act as External Director in accompany which is about to initially offer shares to the public;

- f. **"Annual General Meeting":**
shall have the meaning assigned to that term in Article 17.1;
- g. **"Another Corporate Body":**
a corporate body in which the Company or a Controlling Shareholder therein is a Controlling Shareholder, on the date of appointment or during the two years preceding the date of appointment;
- h. an **"Associate"**:
means in relation to an Entity:
 - (i) an Affiliate; and also
 - (ii) another Entity in which such Entity has invested an amount equal to twenty-five percent (25%) or more of the equity, whether in shares or otherwise, excluding any loans granted in the ordinary course of business;
- i. the **"Audit Committee"**:
shall have the meaning assigned to that term in Article 21.1;
- j. the **"Board of Directors"**:
the board of Directors (*bestuur*) of the Company comprised of both Executive Directors (*uitvoerende bestuurders*) and Non-Executive Directors (*niet-uitvoerende bestuurders*), as described in article 2:129a of the Dutch Civil Code;
- k. a **"Company Body"**:
the Board of Directors or the General Meeting;
- l. **"Control"**:
the ability to direct the activity of an Entity, excluding an ability deriving merely from holding an office of Director or another office in such an Entity, while a Person shall be presumed to control an Entity if he holds fifty percent (50%) or more of the voting rights of such Entity or holds the right to appoint or dismiss more than half of the Directors of such Entity or its chief executive officer ("CEO");
- m. a **"Controlling Shareholder"**:
a Person holding Control over an Entity, provided however that for the purpose of Articles 6.8, 12.10, 20 and 38.1(b)(1), the term "Controlling Shareholder" shall also include a Person who holds twenty-five percent (25%) or more of voting rights at an Entity's general meeting if there is no other Person who holds more than fifty percent (50%) of the voting rights in an Entity and that for purposes of the above, any two or more persons holding voting rights in an Entity each of which has a Personal Interest in the approval of the Transaction being brought for (such Entity's) approval, shall be considered to be one person;
- n. **"Director"**:
a member of the Board of Directors (that is an Executive Director,

- or a Non-Executive Director);
- o. an **"Executive Director"**:
an Executive Director with the title i) Non-Independent Director and ii) Non-External Director;
- p. a **"Non-Executive Director"**:
a Non-Executive Director with the title i) Independent Director, or ii) Non-Independent Director or iii) Non-External Director or iv) External Director;
- q. the **"Distributable Equity"**:
the part of the Company's equity which exceeds the aggregate of the paid in and called up part of the capital and the reserves which must be maintained pursuant to the law;
- r. an **"Entity"**:
a company or other form of entity that qualifies as a legal person (*rechtspersoon*) under its governing law;
- s. an **"Executive Officer"**:
any General Manager, Chief Executive Officer ("**CEO**"), deputy CEO, who has been granted such title, or any other person, not being a member of the Board of Directors, fulfilling such duties with the Company even if he has a different title from those stated above, or any other manager directly subordinated to the General Manager/CEO; Articles 14.1 to 14.9 shall apply, *mutatis mutandis*, in regards to Executive Officers;
- t. an **"External Director"**:
a Non-Executive Director bearing the title External;
- u. an **"Extraordinary Transaction"**:
means in relation to an Entity, a Transaction that:
 - (i) is not in the ordinary course of such Entity's business; or
 - (ii) is not on market terms; or
 - (iii) may have a substantial effect on such Entity's profitability, property or obligations;
- v. the **"Financial Statements"**:
the balance sheet, the income statement with explanatory notes and if the Company prepares consolidated financial statements, the consolidated financial statements, all as referred to in Title 9 of Book 2 of the Dutch Civil Code;
- w. **"General Meeting "**:
means the body of the Company consisting of Shareholders or, where the context so requires, a physical meeting of Shareholders and other persons entitled to attend such meeting;
- x. a **"Group"**:
an economic unit in which Entities and partnerships are united in one organization;
- y. **"Group Companies"**;

- Entities and partnerships which are united in one Group;
- z. **"Holding" and "Purchase":**
includes in relation to securities, voting power and the like;
- whether alone or Together With Others, directly or indirectly, through a trustee, a trust company or a nominee company;
 - or in any other manner, and
 - (i) in case of Holding by an Entity, also by its Subsidiary or by an Associate, and (ii) in case of Holding by an individual, the individual and his Relatives who live with him or whose livelihood depends on each other, are deemed one person;
- aa. **"Holding or Purchase of Securities Together with Others":**
the joint Holding or Purchase of Securities by two or more persons according to an agreement, whether written or verbal; without derogating from the generality of the aforesaid, the following shall *prima facie* be deemed to be Holding or Purchase of Securities Together with Others:
- (i) an Entity that holds or purchases securities together with a party which is an Interested Party in such Entity or with an Associate;
 - (ii) a Person whose business is the Holding or trading of securities on behalf of others, together with his customer or with his Relative who does not live with him, the livelihood of the one not depending on the other, for whom he holds and manages securities under a power of attorney granting him discretion with respect to the use of the voting power;
- bb. an **"Interested Party":**
means in relation to an Entity, a Substantial Shareholder of such Entity or a Person with authority to appoint one or more Directors or the CEO and a person acting as Director or CEO of such Entity;
- cc. **"Internal Auditor":**
shall have the meaning assigned to that term in Article 0;
- dd. **"ISA":**
Israel Securities Authority;
- ee. **"ISL":**
the Israeli Securities Law, 5728 -1968;
- ff. **"Israeli Companies Law" or "ICL":**
the Israeli Companies Law - 5759 - 1999 and the regulations thereunder;
- gg. **"Judgment":** means a judgment of the first instance by a court either in Israel or in the Netherlands;
- hh. **"Listing Rules":**
shall have the meaning assigned to that term in Article 3.2;
- ii. a **"Member of TASE":**
someone who is TASE member in accordance with the TASE by-

- laws within the meaning thereof in section 46 of the ISL;
- jj. a **"Nominee Company"**:
an Entity incorporated under the laws of Israel, whose sole occupation is Holding securities, including units of a closed fund as the term is defined in the Israeli law on joint investment in trust, 1994, for others, as well as any other Entity established by the Minister of Finance in Israel in consultation with the ISA;
- kk. a **"Non-External Director"**:
either a Non-Executive Director or an Executive Director bearing the title Non-External Director;
- ll. **"Offeree(s)"** in a Purchase Offer:
any holder of Shares which Shares are offered to be purchased in a either a Special or Full Purchase Offer, all as meant in article 38;
- mm. a **"Person"**:
an Entity or an individual; unless the contrary is apparent, all references to a Person shall include such Person's successors and assignees;
- nn. a **"Personal Interest"**:
means in relation to an Entity, a Person's personal interest of any Person in an act or Transaction of such Entity, including the personal interest of his Relative and of another Entity in which he or his Relative is an Interested Party, except for a personal interest which derives from the mere fact of holding Shares in such Entity, and including a personal interest of a Person voting in accordance to a proxy given to him by another Person, even though the other Person has no personal interest, and voting by a Person who was given a proxy by another person who has a personal interest, will be considered as voting by the Person who has a personal interest, all whether the discretion in regards to the voting is granted to the Person voting or not;
- oo. a **"Private Placement"**:
means in relation to an Entity, an offer for the issuance of securities of such Entity that is not an offer to the public or an offer by such Entity of its securities repurchased by such Entity which is not an offer to the public; **"Material Private Placement"** – shall have the meaning assigned to that term in Article 36.
- pp. **"Professional Qualifications"**:
shall mean in relation to an individual, an individual satisfying one of the following conditions:
(i) holder of an academic degree in one of the following professions: economics, business management, accounting, law, public administration;
(ii) holder of another academic degree or having completed other

- studies of higher education, all in the Company's principal area of activity or in the field relevant to the position;
- (iii) having experience of at least five (5) years in one of the following, or having cumulative experience of at least five (5) years in two or more of the following:
- (a) a senior position in the business management area of an Entity with a substantial scope of business;
 - (b) in a senior public office or in a senior office in the public service;
 - (c) in a senior office in the Company's principal areas of activity.
- qq. a **"Proxy Card"**:
shall have the meaning assigned to that term in Article 29.3;
- rr. a **"Purchase of Securities"**:
any acquisition of securities, including but not limited to an acquisition of securities by way of allotment when the securities are first issued;
- ss. **"Record Date"**:
shall have the meaning assigned to that term in Article 28.4;
- tt. a **"Relative"**:
spouse, registered partner, sibling, parent, grandparent, offspring, and offspring, sibling or parent of a spouse or registered partner, or spouse or registered partner of any of the above;
- uu. a **"Share"**:
an ordinary share in the capital of the Company;
- vv. a **"Shareholder"**:
means:
- a. a Person (i) for whose benefit a Share is registered with a Member of TASE and such Share forms part of the Shares that are registered in the Company's shareholders' register in the name of the Nominee Company designated for that purpose and (ii) who consequently qualifies, pursuant to and in accordance with Article 4.5, as holder of such Share (*aandeelhouder*); and
 - b. a Person registered in the Company's shareholders' register, provided however that a Nominee Company shall not be considered as a Shareholder (in regards of Shares referred to under a.);
- ww. **"Simple Majority"** - Holders of more than fifty percent (50%) of the voting rights represented and entitled to be voted at such meeting.
- xx. **"Extraordinary Majority"**: In regards to a certain issue - holders of seventy-five percent (75%) or more of the voting rights represented and entitled to vote (in regards to that issue) at

General Meeting;

yy. a **"Subsidiary"**:

means:

- (i) in relation to the Company: a subsidiary of the Company as referred to in section 2:24a of the Dutch Civil Code; and
- (ii) in relation to an Entity: an Entity in which another Entity holds fifty percent (50%) or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint half or more of the Directors or its CEO;

zz. a **"Substantial Shareholder"**:

means in relation to an Entity, a Person holding five percent (5%) or more of such Entity's issued share capital or of such Entity's voting rights;

aaa. **"TASE"**:

the Tel Aviv Stock Exchange Ltd.;

bbb. **"TASE Clearing House By-Laws"**: the By-laws of TASE Clearing House Ltd.

ccc. **"Terms of Office and Employment"**:

the terms of office and employment of either an Executive Officer or a Director, including the granting of an exemption, insurance, undertaking to indemnify or indemnification under an indemnification permit, Termination of employment benefit, and any benefit, other payment or obligation for payment as aforesaid, payable for office or employment as stated;

ddd. **"Transaction"**:

a contract or agreement as well as a unilateral decision on the part of an Entity in respect of the grant of a right or other benefit;

eee. **"in writing"**:

by letter, by telecopier or e-mail or by any other legible and reproducible electronically sent message, provided that the identity of the sender can be sufficiently established.

fff. **"Independent Director"**

a Non-Executive Director with the title External Director or an individual who serves as a Director for whom the following conditions are fulfilled, who has been appointed or classified as such:

- (1) The terms of eligibility for the appointment of an External Director prescribed in Articles 13.3(iii), 13.3 (iv), 13.6 and 13.7 are met, and the Audit Committee confirms it; for this matter - the tenure as a Director of the company prior to the classification as an Independent Director shall not be deemed as an Affiliation to the Company;
- (2) He has not served as a Director of the Company for more than nine consecutive years, and in this regard, a termination of

service that does not exceed two years shall not be deemed as terminating the term of office;

Articles 13.3(iii), 13.10, 13.11, 13.16 and 13.17 shall apply, *mutatis mutandis*, in regards to Non-External Independent Directors.

ggg. **"Control Block"**:

Shares conferring twenty-five percent (25%) or more of the voting rights at a General Meeting.

hhh. **"DCGC"** - The Dutch Corporate Governance Code, December two thousand sixteen;

iii. **"Executive Director"** - a Director who is an executive director (*uitvoerend bestuurder*) as referred to in section 2:129a of the Dutch Civil Code;

jjj. **"Non-Executive Director"** - a Director who is a non-executive director (*niet-uitvoerend bestuurder*) as referred to in section 2:129a of the Dutch Civil Code;

kkk. **"Merger"** - Merger or split (including unification and re-organization) or sale of shares pursuant to which the Shareholders of the Company immediately prior to such transaction would own in aggregate - *after such transaction* - less than fifty percent (50%) of the Company or the voting power of the Company or otherwise, and a compromise and/or arrangement or any other structural change;

lll. **"ESOP"** - Option plan for the Company's employees and officers (who are not Directors).

mmm. **"Remuneration Committee"**: shall have the meaning assigned to that term in Article 26.

nnn. **"Remuneration Policy"**: a policy regarding the Terms of Office and Employment of Directors and Executive Officers of the Company in accordance to the Israeli Companies Law.

ooo. **"Termination of employment benefit"** : a grant, payment, remuneration, compensation or any other benefit provided to either Executive Officers or Directors in connection with the termination of their position at the Company;

ppp. **"An Affiliate or Competing Shareholder"**: shall have the meaning assigned to that term in Article 13.2.

qqq. **"Non-Negligible Transaction"**: Shall have the meaning assigned to that term in Article 21.5;

rrr. **"Financial Statements Committee"**: shall have the meaning assigned to that term in Article 33;

sss. **"Administrative Enforcement Committee"**: means a committee comprised of six (6) members appointed by ISA;

ttt. **"Administrative Enforcement Measures"**: means measures which may be imposed by the Administrative Enforcement

Committee, which include, the following: financial sanctions, payments to the parties injured by the violation, taking measures to correct the violation and to prevent its repetition, prohibition against serving either as an Executive Officer or a Director in certain types of Israeli companies (including, inter alia – those companies securities of which have been offered to the public in Israel and are registered for trade on TASE), revocation or suspension of a license, approval or permit granted by an Israeli public authority;

- uuu. **"Derivative Action"**: an action filed to Israeli court on behalf of the Company by either a shareholder, Director or creditor of the Company against any Director or Executive Officer of the Company in accordance to the Israeli Companies Law;
- vvv. **"Prohibited Distribution"**: a distribution in contradiction to the provisions of Articles 19.8 to 19.15;
- www. **"Treasury Shares"**: means shares of the Company owned by the Company.

- 1.2 References to Articles shall be deemed to refer to articles of these Articles of Association, unless the contrary is apparent.

Name and Seat.

Article 2

2.1 The name of the Company is: **Argo Properties N.V.**

2.2 The official seat of the Company is in Amsterdam, the Netherlands.

Objects.

Article 3

3.1 The objects of the Company are:

- a. to incorporate, to participate in any way whatsoever in, to manage, to supervise businesses and companies;
- b. to finance businesses and companies;
- c. to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
- d. to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- e. to grant guarantees, to bind the Company and to encumber its assets for the benefit of businesses and companies with which it forms a Group and on behalf of third parties;
- f. to acquire, alienate, manage and exploit registered property and items of property in general;
- g. to trade in currencies, securities and items of property in general;
- h. to develop and trade in patents, trade marks, licenses, know-how and other industrial property rights;
- i. to perform any and all activities of an industrial, financial or commercial

nature;

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

3.2 For as long as the Company's securities are held by the public in Israel (either listed on TASE or not):

- a. The Company shall, to the fullest extent permitted by Dutch law, apply and act in accordance with the ISL and – to the extent applicable – the Israeli Companies Law, as well as other regulations and by-laws of the ISA, in each case as applicable to it; and – as long as the Company's securities are both held by the public in Israel and also listed on TASE the Company shall, to the fullest extent permitted by Dutch law, apply and act also in accordance with TASE By-Laws and regulations and the TASE Clearing House By-Laws (the "**Listing Rules**");
- b. the Company shall, to the fullest extent permitted by Dutch law, procure that the role and duties of the Internal Auditor, the Executive Officers and the Directors shall be in compliance with applicable Israeli law;
- c. the Company shall, to the fullest extent permitted by Dutch law, apply and act in accordance with the provisions of Sections 194 through 205A of Israeli Companies Law, the provisions of Sections 258 through 264 of the Israeli Companies Law, Sections 301 through 311 of the Israeli Companies Law, Sections 328 through 340 and Section 342A of the Israeli Companies Law and Section 350 of the Israeli Companies Law, as well as the Israeli Companies Regulations as applicable to it as a matter of Israeli law;
- d. The Company shall maintain an address in Israel (besides the address in the Netherlands), where notices to the Company may be addressed (besides the address in the Netherlands).

Capital. Depositary Receipts. Israeli law.

Article 4

- 4.1. The authorised capital of the Company amounts to three hundred thousand Euros (€ 300,000.00), divided into thirty million (30,000,000) shares with a nominal value of one eurocent (€ 0.01) each.
- 4.2 The Shares shall be registered shares (*aandelen op naam*). The Company may issue share certificates.
- 4.3 Depositary receipts for Shares (*certificaten van aandelen*) cannot be issued with the cooperation of the Company.
- 4.4 To the fullest extent permitted by Dutch law, in accordance with the applicable law on International Private laws as referred to in Title 10 of Book 10 of the Dutch Civil Code (*Boek 10 Internationaal privaatrecht*), for as long as Shares are listed on TASE and with regards to the Shares registered and traded on TASE, the governing law of property (that is ownership, legal title, transfer, etcetera) shall be Israeli law, without

prejudice to Article 6.7 and Article 11.

Register of Shareholders.

Article 5.

- 5.1 The Board of Directors shall keep a register of shareholders (*aandeelhoudersregister*) in which the names and addresses of Persons in whose name Shares are registered are recorded. If and for as long as Shares are listed on TASE all Shares shall be registered in the name of the Nominee Company designated for that purpose (if and to the extent rules that apply pursuant to and in accordance with Article 4.4 so permit or require).
- 5.2 If and to the extent Israeli law so requires, part of such register or a separate register or a copy thereof shall be kept in Israel.
- 5.3 On application by a Shareholder or a pledgee or usufructuary of Shares, the Board of Directors shall furnish an extract from the shareholders' register (*aandeelhoudersregister*), free of charge, insofar as it relates to the applicant's right in respect of a Share.
- 5.4 The shareholders' register (*aandeelhoudersregister*) shall be kept accurate and up to date. All entries and notes in the register shall be signed by one or more individuals authorized to represent the Company, or by the individual designated thereto by the Board of Directors.
- The Board of Directors shall make the shareholders' register (*aandeelhoudersregister*) referred to in Article 5.1 available at the Company's office for inspection by the Shareholders.
- 5.5 If and to the extent rules that apply pursuant to and in accordance with Article 4.4 so permit or require, the Nominee Company designated for that purpose shall be entitled to receive a share certificate from the Company evidencing the number of Shares registered in its name in the register of shareholders.
- 5.6 The share certificate shall be issued under the stamp or the printed name of the Company and shall bear the signature of either the individual or individuals so authorized by the Board of Directors.

Issuance of Shares

Article 6

- 6.1 During a period of five (5) years after the twenty-first day of April two thousand and twenty-one Shares shall be issued pursuant to a resolution of the Board of Directors. This authority of the Board of Directors shall relate to all Shares in the current authorised capital, as amended in that period of five (5) years, which have not been issued yet.
- 6.2 Designation of the Board of Directors as the Company's Body competent to issue Shares may be extended by the articles of association or by a resolution of the General Meeting for a period not exceeding five (5) years in each case. The number of Shares, which

may be issued, shall be determined at the time of this designation. A designation by the articles of association can be revoked by an amendment of the articles of association. A designation by resolution of the General Meeting cannot be revoked unless determined otherwise at the time of designation.

- 6.3 Upon termination of the authority of the Board of Directors, the issuance of Shares shall thenceforth require a resolution of the General Meeting.
- 6.4 Within eight (8) days after each resolution of the General Meeting to issue Shares or to designate the Board of Directors as the competent Company Body to issue Shares, the full wording of the resolution involved shall be deposited at the office of the Dutch trade register.
- 6.5 Within eight (8) days after each issue of Shares, the same shall be notified to the Dutch trade register, stating the number of Shares issued.
- 6.6 The provisions of Articles 6.1 up to and including 6.5 shall apply correspondingly to the granting of rights to subscribe for Shares, but shall not be applicable to the issuance of Shares to persons exercising a previously granted right to subscribe for Shares.
- 6.7 As long as the Shares are listed on the TASE the issuance of a Share shall be effected by means of a written instrument (including a share certificate) in which both (i) the Company and (ii) the Nominee Company are mentioned.
- 6.8 Notwithstanding the aforementioned, it is hereby agreed that a decision to approve issuance and allocation of Company's Shares to a third party following which the said third party becomes a "Controlling Shareholder" of the Company, requires an Extraordinary Majority in the General Meeting of the Company's Shareholders.

Terms of issue. Rights of Pre-emption.

Article 7

- 7.1 The price and other terms of issuance shall be determined at the time of the resolution to issue Shares. The full nominal value of each Share must be paid upon issuance and in the event the Share is acquired for a higher amount, the balance between those amounts shall be booked as share premium (*agio*).
- 7.2 In as far as no other contribution has been agreed upon, payment on a Share shall be made in cash.
- 7.3 Each Shareholder shall have a pre-emptive right on any issuance of Shares pro rata to the aggregate amount of his Shares. For the avoidance of doubt it is clarified that even if a Shareholder doesn't fully exercise his pre-emptive right, the pre-emptive right of the other Shareholders will not be more than pro rata to their aggregate amount of their Shares. He shall, however, have no pre-emptive right on Shares issued for a non-cash contribution. He shall also have no pre-

emptive right on ordinary Shares issued to employees or Executive Officers (who are not Directors) of the Company or a company controlled by the Company in accordance to ESOP.

- 7.4 The pre-emptive right may be restricted or excluded by a resolution of the Board of Directors. The authority vested with the Board of Directors shall terminate at the moment the authority of the Board of Directors to issue Shares terminates. The Articles 7.1 through 7.4 shall apply correspondingly, provided that if less than one half of the Company's issued capital is represented at the General Meeting, a majority of at least two thirds of the votes cast shall be required for a resolution of the General Meeting to limit or exclude such right of pre-emption.

Payment in foreign currency

Article 8

- 8.1 Payment on a Share in a foreign currency is only permitted with the approval of the Company.
- 8.2 In the event of payment in a foreign currency, the payment obligation shall be complied with for the amount against which the paid up amount is freely convertible into euro. The basis of determination shall be the rate of exchange on the day of payment.

Shares in the Company's own capital.

Article 9

- 9.1 The Company may not subscribe for its own Shares.
- 9.2 The acquisition by the Company of not fully paid up Shares in its own capital or depositary receipts therefor shall be void.
- 9.3 The Company may only acquire fully paid up Shares in its own capital other than for no consideration, in the event the shareholders' equity after deducting the acquisition price, is not less than the paid-in and called-up part of the capital increased by the reserves that must be maintained by virtue of the law.

With respect to the provision hereinabove, the amount of the shareholders' equity according to the most recently adopted balance sheet, decreased with the acquisition price of Shares held by the Company in its own capital or depositary receipts therefor, the amount of loans as referred to in Article 9.4, second sentence, and such distributions out of the profits or reserves to others as have become due by the Company and its Subsidiaries after the balance sheet date, shall be decisive.

If more than six (6) months have expired since the end of any financial year without the Financial Statements having been adopted, then acquisition in accordance with this Article 9.3 is not permitted.

Acquisition other than for no consideration is permitted only if the General Meeting has authorised the Board of Directors to that effect. Such authorisation shall be valid for not more than five (5) years. The General Meeting shall determine in the resolution granting such

authorisation how many Shares or depositary receipts therefor may be acquired, in what manner they may be acquired and between which limits the price must be.

- 9.4 With a view to others subscribing for newly issued shares or acquiring Shares or depositary receipts therefor, the Company is not allowed to extend loans, provide security, give a price guarantee, otherwise warrant the performance of or bind itself jointly or severally in addition to or for others. With a view to the aforementioned, the Company may also not grant loans, unless the Board of Directors resolves thereto and the further conditions as laid down in Dutch law have been met. The prohibition as referred to in the previous two sentences also applies to its Subsidiaries, but shall not apply if the Shares or depositary receipts therefor, are taken or acquired by or for employees employed by the Company or a Group Company.
- 9.5 (i) Upon the calculation of the distribution of profits, Shares that the Company holds in its own capital or depositary receipts therefor shall be disregarded.
The foregoing shall correspondingly apply to Shares or depositary receipts therefor held by Subsidiaries.
- (ii) The Company may not cast a vote for Shares it holds in its own capital or depositary receipts therefor or on which it has a right of usufruct or a right of pledge.
The foregoing shall correspondingly apply to Shares or depositary receipts therefor held by Subsidiaries.
- (iii) Upon establishing whether a certain part of the capital is represented or whether a certain part of the capital represents a majority, the capital is decreased by the amount of Shares for which no vote may be cast.
- 9.6 The Company Body authorized to issue new Shares may resolve to alienate Shares, or depositary receipts therefor, the Company holds in its own capital.

Reduction of the issued capital.

Article 10

- 10.1 The General Meeting may resolve to reduce the issued capital by a cancellation (*intrekking*) of Shares or by a reduction (*vermindering*) of the nominal amount of the Shares. The Shares referred to in such resolution must be designated therein and provisions for the implementation of the resolution must be made therein.
- 10.2 A resolution to cancel (*intrekken*) may only relate to Shares held by the Company itself.
- 10.3 Any reduction of the nominal amount of Shares without repayment and without a release of the obligation to pay up, must be made pro rata to all the Shares. Such pro rata requirement may be waived if all Shareholders concerned so agree.

- 10.4 Any partial repayment on Shares is possible only on the implementation of a resolution to reduce the nominal amount of such Shares. Such a repayment or release must be made pro rata to all Shares. The pro rata requirement may be waived if all Shareholders concerned so agree.
- 10.5 For a resolution to reduce the issued capital, a majority of at least two-thirds of the votes cast shall be required.
- 10.6 The notice convening a meeting at which a resolution referred to in this Article 10 will be taken shall state the objects of the reduction of capital and the manner of implementation.
- 10.7 The Persons giving notice of the General Meeting must simultaneously file at the office of the Company a copy of the proposal, containing the proposed amendment verbatim, for the inspection of every Shareholder until the end of the applicable General Meeting.
- 10.8 The Shareholders must be given an opportunity to obtain a copy of the proposal referred to in Article 10.7 from the day of the filing until that of the General Meeting. The copies shall be provided free of charge.
- 10.9 The Company shall file the resolutions referred to in Article 10.1 with the Dutch trade register and shall announce such filing in a Dutch daily newspaper with a national circulation.

Transfer of Shares.

Article 11

Without prejudice to Article 6.7, if and for as long as Shares are listed on TASE, any transfer of Shares shall be effected in accordance with Listing Rules (if and to the extent applicable pursuant to and in accordance with Article 4.4).

Board of Directors. Appointment. Suspension and dismissal. Indemnification. Insurance. Exemption.

Article 12

12.1 The Company is managed by a Board of Directors, comprising both of members having responsibility for the day-to-day management of the Company (Executive Directors) and members not having such day-to-day responsibility (Non-Executive Directors). The Board of Directors as a whole will be responsible for the strategy of the Company. The majority of the members of the Board of Directors shall consist of Non-executive Directors.

The Board of Directors shall, consist of no less than five (5) Directors and no more than nine (9) Directors. The Board of Directors shall consist of (I) one (1) Executive Director; (II) two (2) Non-Executive Directors with the title: External Director – one of which has Accounting and Financial Expertise and the other has either Accounting and Financial Expertise or Professional Qualifications; - and (III) Non-Executive Directors with either the title: Independent Director or Non-Independent Director.

Directors are appointed by the General Meeting, with due

observance of this Article 12.

The classification of a Director as an Executive Director or a Non-Executive Director shall be made by the General Meeting upon their appointment.

The General Meeting shall further appoint the External Directors of the Company.

The External Directors will in no event be classified as Executive Directors.

It will not be possible to change the maximum number of the Directors, as aforementioned, except by way of amending the articles of association of the Company pursuant to a resolution of the General Meeting adopted with an Extraordinary Majority.

The first External Directors be appointed by the General Meeting to be convened no later than three (3) months from the date on which the Company's Shares have been initially registered for trade on TASE.

12.2A Majority of the members of the Board of Directors will not be Israeli residents and a majority of the members of the Board of Directors will be Dutch residents. The Board of Directors in general and each of the members of the Board of Directors individually will comply with the independence requirements specified in the DCGC (being sections 2.1.7 en 2.1.8 together). All Board members must comply with the terms of qualifications set forth in the ICL for serving in office as a director as stipulated in Article 14 below. The Executive Director will be a Dutch resident and not one of the Directors who were appointed in accordance with the provisions of article 12.5(i) or 12.5(iii) below.

12.3 Only natural persons can be appointed as Directors.

12.4 Notwithstanding any other provision of these Articles of Association, Directors may be suspended or dismissed by the General Meeting at any time upon a resolution adopted with two-thirds of the votes cast, provided subject majority at least represents one half of the issued capital. If the required quorum is not present or represented, a new meeting shall be convened where the resolution may be adopted with more than two-thirds of the votes cast, irrespective of the part of the capital represented.

The Board of Directors shall at all times have power to suspend any Executive Director.

12.5 The appointment of Directors will take place out of a binding nomination, consisting of at least one person with respect to each vacant seat.

(i) The binding nomination for the appointment of a Non-Executive Director shall be made by one or more Shareholders (solely or jointly holding at least fifteen percent (15%) of the Company's voting rights) within no more than twenty one (21) days after the Board of Directors has published a notice regarding convocation of

the Annual General Meeting of Shareholders of the Company. This appointment will be in force as of the end of such Annual General Meeting and up until the end of the following Annual General Meeting. In case of resignation of any Non-Executive Director, a shareholder, and to the extent applicable several shareholders which jointly appointed the Non-Executive Director will be entitled to appoint a Non-Executive Director (prior the upcoming Annual General Meeting) instead of the resigning one, in accordance and consistent with the terms stipulated in Article 12.2 above. This appointment will be in force up until the end of the upcoming Annual General Meeting.

- (ii) The binding nomination for the appointment of an Executive Director shall be made by the Board of Directors - by a Simple Majority - within no more than twenty one (21) days after the seat of the Executive Director has become vacant.
- (iii) If the total number of Directors is an even number (more than five (5)), the Board of Directors is entitled to make a binding nomination (and not more than one) for the appointment of an additional Non-Executive Director, who is a Dutch resident, subject to Article 12.2.

If the total number of Directors is less than five (5) Directors, the Board of Directors is entitled to make binding nomination/s for the appointment of additional Non-Executive Directors (so that the total number of Directors after said appointment will consist of five (5)), who are Dutch residents, subject to Article 12.2. If no binding nomination has been made for the appointment of an Executive Director as described in Article 12.5 (ii) within the said period, the General Meeting shall be free to appoint the Executive Director.

- 12.6 Furthermore the General Meeting shall be free to appoint the Directors if the General Meeting resolves, by resolution passed with a majority of at least two-thirds of the votes cast, which two-thirds exceeds fifty per cent of the Company's issued capital, that a specific nomination in accordance to Article 12.5(i), Article 12.5(ii) and/or Article 12.5(iii) will not be binding.
- 12.7 If, in the event of suspension of a Director, after three months no resolution has been passed by the General Meeting to dismiss him, the suspension shall terminate.
- 12.8 A Director shall be given the opportunity to account for his actions in the General Meeting during which his suspension or dismissal is discussed and have an adviser assist him therein.
- 12.9 The General Meeting shall decide on the remuneration and the further terms and conditions of employment for each of the Directors (including the Executive Director).
This remuneration may consist of a fixed sum and/or a variable sum

depending on the profits or any other factors as the General Meeting shall resolve.

- 12.10 In each meeting of the Board of Directors and with respect to any resolution presented to the Board of Directors, each Director will have the right to cast one vote. All resolutions put to any meeting of the Board of Directors may be passed by a simple majority of votes cast in such meeting. If there is a tie, the chairman of the Board of Directors will not have a casting vote.

A Director who has a Personal Interest or a conflict of interest as stipulated in section 2:129 of the Dutch Civil Code in the approval of a resolution, that is brought before the Board of Directors for approval, shall not be entitled to participate in the voting. In the event that the majority of Directors of the Company have a Personal Interest or a conflict of interest as stipulated in section 2:129 of the Dutch Civil Code in the approval of a resolution as aforesaid in this article, the Transaction shall require the approval of the General Meeting only. If there is one or more CEO appointed as such, it is provided that the Board of Directors shall have the authority to decide on all matters referring to the engagement of either of the joint CEOs, and the joint CEOs will not be present at those meetings.

- 12.11. The legal quorum required to convene a meeting of the Company's Board of Directors will be at least the majority of the Directors in office. Any board member may convene a Board of Directors' meeting and add items to the agenda of any board meeting.

In the event that a meeting of the Board of Directors that was convened and a quorum as required according to this section was not present, then the meeting of the Board of Directors will be postponed to another date that shall not be earlier than seventy-two (72) hours from the original date of the meeting (hereinafter: the "**Postponed Meeting**").

In the Postponed Meeting, it will be permitted to adopt resolutions in the absence of the quorum required in this Article, and the resolutions can be adopted irrespective of the quorum present at the Postponed Meeting, provided that the date, time and place of the Postponed Meeting will be delivered in writing to all the members of the Board of Directors. Only resolutions that were on the original Board of Directors' meeting's agenda, will be discussed in the Postponed Meeting.

- 12.12 Each Independent Director can provide a written proxy to another Independent Director to participate on his behalf in the meetings of the Board of Directors and each non-Independent Director (except for the Executive Director) can also provide a written proxy to another non-Independent Director (other than the Executive Director) to participate on his behalf in the meetings of the Board of Directors.

- 12.13 The chairman of the Board of Directors will be elected by the

Company's Board of Directors amongst its members subject to the proposed chairman being compliant with the independence conditions set forth in the DCGC. The Executive Directors may not be appointed as chairman of the Board of Directors. The Chairman of the Board of Directors shall not be a Relative of the CEO. The Chairman of the Board of Directors shall not serve at the same time as an Executive Officer who is subordinate – either directly or indirectly - to the CEO.

Neither the Chairman of the Board of Directors nor his Relative will be granted with the powers of CEO. The Chairman of the Board of Directors will not be granted the powers of an Executive Officer who is subordinate – either directly or indirectly - to the CEO. The Chairman of the Board of Directors will not serve in another position in either the Company or its Subsidiary, yet he is entitled to serve either as chairman of the board of directors or as director in a Subsidiary of the Company.

- 12.14 The Company may, upon prior permission granted by the General Meeting, indemnify an Executive Officer and a Director for liabilities or expenses as specified in the following paragraphs (1), (1a) and (2) imposed upon such Executive Officer or Director due to an act done by virtue of his being an Executive Officer or Director of the Company: (1) A financial liability imposed thereon in favor of another person under a judgment, including a judgment given in a settlement or an arbitration's decision that is certified by a court; (1a) Reasonable litigation expenses, including attorney's fees, incurred by an Executive Officer or Director following an investigation or proceeding conducted against him by an authority competent to manage a proceeding or investigation either in the Netherlands or elsewhere and that was concluded without the submission of an indictment against him and without being charged a financial sanction in lieu of a criminal proceeding, or that was concluded without the submission of an indictment against him but with the imposition of a financial charge in lieu of a criminal proceeding in an offense that does not require proof of mens rea or in connection with a financial sanction; (2) Reasonable litigation expenses, including attorney's fees, incurred by the Executive Officer or the Director or that he is charged by a court in a proceeding filed against him by the Company or in his name or by another person, or in a criminal charge of which he is acquitted or a criminal charge in which he is convicted of an offense that does not require proof of mens rea.
- 12.15 The Company is entitled, upon prior permission granted by the General Meeting, to provide an undertaking in advance to indemnify an Executive Officer or Director thereof, in any of the following (in this Article - an indemnification undertaking) - (a) In the circumstances set forth in Article 12.14(1), provided that the indemnification undertaking

is limited to the events which, in the opinion of the Board of Directors, are anticipated in light of the actions of a company in practice upon the granting of the indemnification undertaking, and to the amount or in the condition that the Board of Directors determine to be reasonable under the circumstances, and the indemnification undertaking will list the events that the Board of Directors feel are foreseeable in light of the actual actions of the Company upon granting the undertaking as well as the amount or conditions that the Board of Directors have determined to be reasonable under the circumstances; (b) in the circumstances set forth in Articles 12.14(1a) or 12.14(2).

- 12.16 The Company is, upon prior permission granted by the General Meeting, permitted to indemnify an Executive Officer or Director thereof retroactively (hereinafter - an indemnification permit).
- 12.17 The Company may, upon prior permission granted by the General Meeting, engage in a contract to insure the liability of an Executive Officer and Director of the Company due to a liability imposed thereon following an action performed by virtue of being an Executive Officer or Director therein, in any of the following: (1) A breach of the duty of care to the Company or to any other person; (2) A breach of a fiduciary duty vis-à-vis the Company, provided that the Executive Officer or Director acted in good faith and had a reasonable basis to believe that the action would not harm the interests of the Company; (3) Financial liability imposed on him in favor of another.
- 12.18 The Company may, upon prior permission granted by the General Meeting, exempt, in advance, an Executive Officer or Director, from his responsibility, either in whole or in part, due to damage deriving from the breach of duty of care owed towards the Company. In spite of the abovementioned, the Company may not exempt, in advance, a Director of his liability towards the Company due to the breach of his duty of care in regards to Distribution.
- 12.19 Neither the provisions of Article 12.17 abovementioned permitting the Company to enter into a contract to insure the liability of an Executive Officer and Director, the provisions of Articles 12.14-12.16 abovementioned, a resolution of the Board of Directors permitting the indemnification of an Executive Officer and Director, or any provision in these Articles of Association exempting a Director or Executive Officer of his responsibility towards the Company, shall be valid, where such insurance, indemnification or exemption relates to one of the following:
- (1) Breach of fiduciary duty, other than as provided in Article 12.17(2);
 - (2) Breach of a duty of care that took place intentionally or recklessly, excluding if performed with negligence alone;
 - (3) An action with the intent to generate unlawful personal profit;
 - (4) Penalty, civil penalty, financial sanction or fine imposed on an

Executive Officer or Director.

- 12.20(a) A provision in these Articles of Association or in a contract or stipulated in any other manner purporting to contract out of the provisions of Articles 12.14-12.20, directly or indirectly, shall be invalid;
- (b) An act to indemnify or to insure the liability of an Executive Officer or Director due to the breach of a fiduciary duty towards the Company shall not be valid, excluding a breach of a fiduciary duty as stated in Article 12.17(2), and an Executive Officer and Director shall not accept, directly or indirectly, such act; accepting such act shall constitute a breach of fiduciary duty.
- 12.21(a) The Company is not entitled to exempt an Executive Officer or Director from his responsibility due to breach of his fiduciary duty towards the Company.
- (b) The Company is entitled to exempt an Executive Officer or Director from his responsibility due to breach of his duty of care towards the Company only in accordance with the provisions of Articles 12.18-12.21.

Board of Directors. External Directors.

Article 13

- 13.1 An External Director shall be appointed for three (3) years, and the General Meeting may, notwithstanding the other provisions of this Article 13, appoint him for two additional terms of three (3) years each.
- 13.2 (A) To the fullest extent permitted by Dutch law, External Directors shall be appointed in a General Meeting in which at least one of the following conditions is met:
 - (i) the majority of votes at the General Meeting includes a majority of all of the votes of those Shareholders excluding a Controlling Shareholder or Shareholders who have Personal Interest in approval of the appointment apart from personal interest which does not derive from that Person's connections with a Controlling Shareholder, who are participating in the vote (in the count of all votes, abstentions shall not be taken into account);
 - (ii) the total number of opposing votes amongst the Shareholders referred to under (i) shall not be greater than two percent (2%) of all voting rights in the Company.
- (B) An External Director may be appointed for an additional three-year-term, if one of the following conditions is met:
 - (i) Either one or more shareholders, holding at least one percent (1%) of all voting rights in the Company, has suggested his candidacy for an additional term, and the appointment is approved in a General Meeting by the majority of votes, and all the following conditions are met: (I) in the count of votes, the votes of a Controlling Shareholder or Shareholders who have Personal

interest in approval of the appointment apart from personal Interest which does not derive from that Person's connections with a Controlling Shareholder and abstentions shall not be taken into account; (II) the total number of votes in favor amongst the shareholders who are not a Controlling Shareholder or Shareholders who have Personal Interest in approval of the appointment apart from Personal Interest which does not derive from that Person's connections with a Controlling Shareholder, is higher than two percent (2%) of all voting rights in the Company; and – (III) an External Director appointed for an additional term under this sub-section shall not be an Affiliate or Competing Shareholder or Relative of such a shareholder on the date of appointment, and shall not have an Affiliation to an Affiliate or Competing Shareholder, on the date of appointment or two (2) years prior to such date; in this regard –

"An Affiliate or Competing Shareholder" – the shareholder who suggested the appointment or a Substantial Shareholder, all provided that on the dated of appointment, it, the controlling shareholder thereof or a company under the control of either of them, has business ties with the Company or in the event that it, the controlling shareholder thereof or a company under the control of either of them are competitors of the Company;

- (ii) The Board of Directors has suggested his candidacy for an additional term, and the appointment is approved in accordance to Article 13.2(A) above;
- (iii) The External Director himself has suggested his candidacy for an additional term, and the appointment is approved in accordance to Article 13.2(A) above;

13.3 Only an individual who:

- (i) is qualified for appointment as a Director under Israeli Companies Law; and
- (ii) has Professional Qualifications or possesses Accounting and Financial Expertise;
- (iii) Who is not a Relative of a Controlling Shareholder, and who himself, or whose Relative, partner, employer, a Person to whom such individual is directly or indirectly subordinated, or an Entity in which he has Control, on the date of appointment or two (2) years prior to such date, has no Affiliation with the Company, with its Controlling Shareholder or with a Relative of a Controlling Shareholder, on the date of appointment nor with Another Corporate Body, and in regards to a company that has no controlling shareholder or holder of a Control Block - also Affiliation with, the Person, who is, on the date of appointment, Chairman of the Board of Directors, Executive Officer with the title

General Manager/CEO, Substantial Shareholder, or Senior Financial officer (except for Affiliation which pursuant to Israeli Companies Law does not disqualify an individual from serving as an External Director). Without derogating from the abovementioned clause (iii), an individual who either him, or his Relative, partner, employer, someone to whom he is either directly or indirectly subordinated to, or an entity controlled by him, have either business or professional relations with whom affiliation is prohibited in accordance to this clause (iii), also if these relations are negligible and including an individual who has received consideration in contradiction to Section 244(b) of the ICL; If either this kind of relations did exist or such consideration has been received during the term in office of the External Director, then it shall be considered, for the sake of Sections 245A, 246 and 247 of the ICL, as a violation of one of the qualifications required for the appointment of the External Director or his directorship as a an External Director; and

(iv) who is not an employee of the ISA nor an employee of any stock exchange in Israel,

may be appointed as External Director, provided that at least one External Director has Accounting and Financial Expertise.

13.4 In accordance with Section 2:132, paragraph 2 of the Dutch Civil Code, the quality requirements for an External Director may be waived by a resolution of the General Meeting adopted by two-thirds of the votes cast, representing more than half of the Company's issued capital.

13.5 In the event in which on the date of appointment of an External Director, all Directors, who are not the Controlling Shareholders or their Relatives, are of one gender, the External Director that will be appointed shall be of the other gender.

13.6 An individual shall not be appointed as an External Director if any other position or business of his might give rise to a conflict of interest with his role as Director, or if these might prejudice his ability to act as a Director.

13.7 A Director shall not be appointed as an external director of another Entity if at such time, a director of such other Entity is acting as an External Director.

13.8 Convocation of a General Meeting at which the appointment of an External Director is on the agenda shall be accompanied by a declaration in writing of the nominee that he meets the conditions required for being appointed as an External Director (the "**Declaration**").

In the Declaration, the nominee will also state his education and expertise, to the extent relevant, for the purpose of assessing whether he satisfies the conditions and tests to be appointed as an External

Director. In addition, the nominee will also attach documents and certificates in support of his Declaration.

13.9 The Declaration shall be kept at the office address of the Company and shall be open for inspection by any person. At least one External Director shall serve on every committee (including – inter alia – the business plan committee) authorized to exercise any of the powers of the Board of Directors.

13.10 In the event the Board of Directors becomes aware that:

- (i) there is a suspicion that an External Director has ceased to fulfil one of the conditions under this Article 13 required for his appointment as an External Director; or
- (ii) that there is a suspicion that the relevant External Director has committed a breach of a fiduciary duty to the Company; or
- (iii) a court is of the opinion that:
 - a. an External Director has ceased to fulfil one of the conditions required under this Article 13 for his appointment as an External Director; or
 - b. he has committed a breach of a fiduciary duty to the Company; or
 - c. he is permanently unable to fulfil his function; or
 - d. during the term of his office he was guilty of offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of inside information,

the Board of Directors shall discuss such matter at the first meeting of the Board of Directors to be convened after becoming so aware. Where the Board of Directors finds that the External Director has ceased to fulfil one of the conditions required under this Article 13 or the ICL for his appointment as an External Director or that he has committed a breach of a fiduciary duty, the Board of Directors shall convene an extraordinary General Meeting on the agenda of which shall be the termination of office of the External Director.

The reasons for the findings of the Board of Directors shall be presented to the General Meeting convened for that purpose and the External Director shall be given a reasonable opportunity to express his position.

To the fullest extent permitted by Dutch law, the resolution of the General Meeting regarding the termination of office of the External Director shall be passed by the same majority as is required for his appointment.

On application by a Director or shareholder with the Israeli Court and if the Israeli Court notes that an External Director no longer fulfills one of the conditions required under ICL for his appointment or that he violated his fiduciary duty to the Company and as a result thereof

the Israeli Court decides that this External Director needs to be dismissed, this External Director automatically retires (*defungeert*), provided that such required conditions were not waived by the General Meeting in accordance with Article 13.4 prior to such notice

13.11 If any of the conditions required under these Articles of Association for the office of an External Director has ceased to be fulfilled, such External Director shall promptly so notify the Company and this External Director will retire (*defungeert*) from his upon such notice, provided that such required conditions were not waived by the General Meeting in accordance with Article 13.4 prior to such notice.

13.12 Where the position of an External Director becomes vacant and there are no two (2) other External Directors in office, the Board of Directors shall convene an extraordinary General Meeting, for the earliest date possible, on the agenda of which shall be the appointment of an External Director, in accordance with the provisions of this Article 13.

13.13 Without prejudice to Article 13.3, an individual who has served as an External Director shall not be appointed as an Executive Officer, unless two (2) years have elapsed from the termination of his office as External Director.

In addition, an individual who has served as an External Director shall not be hired as an employee and the Company shall not receive professional services from such individual for any consideration, whether directly or indirectly, including through a corporate body controlled by such individual, unless two (2) years have elapsed from the termination of his office as External Director.

13.14 To the fullest extent permitted by Dutch law, the Directors' Remuneration Policy shall *inter alia* provide that External Directors shall receive a remuneration that is in compliance with the Israeli Companies' regulations. In addition, such policy shall at least address the subjects described in Sections 2:383c through 2:383e of the Dutch Civil Code, in so far as these regard the Board of Directors.

13.15 The remuneration of the Directors shall be determined by the General Meeting, with due observance of the Directors' Remuneration Policy as adopted by the General Meeting.

13.16 With due observance of Article 13.14 and Article 13.15, an External Director is entitled to remuneration and to refund of expenses as may be prescribed under Israeli legislation applicable to remuneration for external directors in Israeli Entities whose securities are traded on a stock exchange in Israel.

An External Director shall not receive, in addition to the remuneration to which he is entitled and refund of expenses, any other consideration, direct or indirect, for acting as a Director. For

the purposes of this Article 13.16, consideration shall not include the grant of an exemption, an undertaking to indemnify, indemnification or insurance coverage pursuant to the provisions of these Articles of Association.

- 13.17 The Company, Controlling Shareholder therein and a company controlled thereby shall not grant an individual appointed as an External Director of the Company, the person's spouse or child with any benefit, directly or indirectly, and shall not appoint the said person, the spouse of child thereof as an Executive Officer of the Company or a company under the Control of a Holder of Control therein, shall not hire such person as an employee and shall not receive professional services from such person in return for payment, whether directly or indirectly, including by way of a corporate body controlled by such person, unless two years have elapsed from the termination of his tenure as External Director of the Company, and regarding a Relative who is not a spouse or child – one year from the termination of his tenure as External Director.

Board of Directors. Additional terms.

Article 14

- 14.1 No person shall be appointed as a Director of the Company unless the following is disclosed to the General Meeting of the Company in the form of a written declaration (the "**Declaration**");
- 14.1.1 whether the Person has been convicted by a Judgment of an offense stated in Article 14.2(a) where the period has not yet passed in which the person is prevented from being appointed as a director under Article 14.2(a);
- 14.1.2 whether the Person has been convicted by a Judgment of an offense as stated in Article 14.2(b), where the period determined by the court under the same Article 14.2(b) has not yet passed;
- 14.1.3 whether the Administrative Enforcement Committee imposed Enforcement Measures which prohibit the Person from serving as a director of any company which has offered securities to the public in Israel and those are held by the Public in Israel and the period determined by the Administrative Enforcement Committee as stated has not yet passed under Article 14.2(c); and
- 14.1.4 the Declaration shall be kept at the registered office of the Company.
- 14.2 (a) A person convicted by a Judgment of one of the following offenses shall not hold office as a Director in the Company unless five years have passed since the date on which the Judgment by which he was convicted was given: (i) Offenses of: (1) bribery , (2) theft of company property by a manager of the Company, (3) obtaining anything by deceit, (4) forgery, (5) use of a forged document, (6) inducement by deceit, (7) false registration in documents of a company,(8) offenses by managers or employees of a company,

(9) failure to disclose information and misleading publication by an officer of a company, (10) deceit and breach of trust in a company, (11) deceitful concealment (12) blackmail with use of force, (13) blackmail by threats, (14) use of information by an insider, (15) use of inside information the source of which is an insider, (16) offer and sale of securities to the public in Israel not in accordance to a prospectus or a draft prospectus, (17) causing a misleading item to be included in a draft prospectus or in a prospectus, (18) causing a misleading item to be included in information presented at a meeting of the Company's employees, (19) issuing an opinion, report or certification which is subsequently included or referred to in a prospectus, report, notice or purchase offer specification, knowing that the opinion, report or certification contained a misleading item, (20) causing a report, notice, registration document or purchase offer specification, submitted to Israel Securities Authority or TASE to contain a misleading item, (21) including a misleading item in one of its reports, publications or in other information provided by it (22) fraud in connection with securities; or - (ii) Conviction by a court anywhere in the world of the offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of inside information.

- (b) A person convicted by a Judgment which is not listed in Article 14.2(a) above shall not hold office as a Director in the Company, if a court has determined that by virtue of the substance, severity or circumstances, the Person is not permitted to serve as a director of any company which has offered securities to the public in Israel and those are held by the Public in Israel for a period determined by that court which shall not exceed five years from the date on which the Judgment was given.
- (c) Where the Administrative Enforcement Committee has imposed Administrative Enforcement Measures on a Person preventing the said Person from serving as a director of a any company which has offered securities to the public in Israel and those are held by the Public in Israel, the same person shall not be appointed as Director of the Company in which the person is prohibited from serving as a Director based on the same decision.
- (d) A minor, a legally incompetent, or a person who was declared bankrupt shall not be appointed as a Director, as long as he has not been discharged, nor a corporation that resolved on voluntary liquidation or against which a liquidation order was issued.
- (e) If the content of subsection (d) applies to a candidate for the office of a Director, he shall disclose that to the appointer.

14.3 A Director with respect of whom a condition required under these Articles for his office as a Director is no longer complied with or with

respect of whom there is a ground for the termination of his office as a Director shall immediately inform the Company accordingly and his office shall terminate on the notice delivery date.

14.4 Without derogating from the provisions of any Israeli and/or Dutch law, in each of the following cases, a Director's term of office shall be terminated before the end of the period for which he was appointed:

- (1) He resigned or was dismissed as stated in Articles 14.5 and 14.6;
- (2) On the date of rendering a conviction notice, as stated in Article 14.7;
- (3) On the date of rendering a notice of imposing Administrative Enforcement Measures, as stated in Article 14.8;
- (4) He was declared bankrupt, and if he is a corporation – he decided on voluntary liquidation or a liquidation order was issued against him;
- (5) On the date of rendering a notice under Article 14.3 or 13.11;

14.5A Director may resign his office by giving written notice of his resignation either to the Board of Directors, or to the Chairman of the Board of Directors or to the Company and the resignation has effect either from the date the notice has been received or from such later date as may be specified in the notice. The Director shall give the reasons for his resignation. When a notice of a Director's resignation is received, the resignation and the reasons given for it shall be brought before the Board of Directors and recorded in the minutes of the first Board of Directors' meeting convened after the resignation.

14.6 If the Board of Directors becomes aware that a Director was appointed contrary to the provisions of either Article 14.2(a), 14.2(b), 14.2(c) or 14.2(d), or that a Director has breached the provisions of either Article 14.1, 14.2(e), or 14.7 the General Meeting shall terminate the office of such Director in the manner described in Article 14.4, above, if it finds that the said conditions are fulfilled, and such office shall expire on the date of such resolution. Additional requirements for the removal of an External Director are outlined in Article 14.4;

14.7 If after his appointment as a director of the Company, a Director has been convicted of an offense provided in Article 14.2(a)(i) or 14.2(b), the Person shall inform the Company as soon as is reasonably practicable and the Person's office shall be terminated by the General Meeting of the Company in accordance with Article 12.4, and it shall not be possible to reappoint the said person as a Director unless the time period during which the Person is prohibited from serving as a Director, as provided in Article 14.2, has passed;

14.8 If after his appointment as a director of the Company, the Administrative Enforcement Committee has resolved to impose Administrative Enforcement Measures on a Person preventing the Person from being appointed as a director in any company which has

offered securities to the public in Israel and those are held by the Public in Israel or in the company in which the person is serving as such, the said Person shall notify the Board of Directors as soon as is reasonably practicable thereof and the Person's office shall be terminated by the General Meeting of the Company in accordance with Article 12.4, and the Person will not be permitted to be reappointed as a Director in the Company in which the said prohibition applies, unless the prohibition period as stated by the Administrative Enforcement Committee has passed;

- 14.9 If a Director breached his duty of disclosure under Articles 14.1, 14.3, 14.2(d), 14.7, 14.8 or 13.11 he shall be deemed to have breached his fiduciary duty to the Company.

Board of Directors. Duties. Decision making process.

Article 15

- 15.1 Subject to the restrictions imposed by these articles of association, the Board of Directors shall be charged with the management of the Company.
- 15.2 A Director shall *inter alia* act in the best interest of the Company and with the standard of proficiency with which a reasonable Director, in the same position and in the same circumstances, would act; this shall include taking reasonable steps, in view of the circumstances of the case, to obtain information regarding the business profitability of an act submitted for his approval or of an act done by him by virtue of his position, and to obtain all other pertinent information regarding such acts.
- 15.3 Meetings of the Board of Directors may be held by means of an assembly of its members in person in a formal meeting or by conference call, video conference or by any other means of communication, provided that all members of the Board of Directors participating in such meeting are able to communicate with each other simultaneously. Participation in a meeting held in any of the above ways shall constitute presence at such meeting.
- 15.4 Resolutions of the Board of Directors may also be adopted without holding a formal meeting, in writing or otherwise, provided that the proposal concerned is submitted to all Directors then in office and none of them objects to the proposed manner of adopting resolutions. Adoption of resolutions in writing shall be effected by written statement from all Directors then in office (and able to perform their duties).
- 15.5 Appointment of Directors possessing Professional Qualifications or Accounting and Financial Expertise shall not constitute an allocation of tasks and shall therefore as such not affect such Director's liability, or the liability of the other Directors, under applicable law.
- 15.6 The Board of Directors may establish further regulations pertaining *inter alia* to the decision making process by the Board of Directors. The

regulations thus adopted shall not conflict with the provisions of these articles of association.

Board of Directors. Representation.

Article 16

- 16.1 The Company shall be represented by the Board of Directors. The Company may furthermore be represented by i) an Executive Director with the title Non-External Director and with the title Non-Independent Director and a Non-Executive Director with the title Non-External Director acting jointly or ii) by two Non-Executive Directors with the title Non-External Director acting jointly.
- 16.2 Further, the Board of Directors may appoint Executive Officers, with general or limited power to represent the Company and it may revoke or change subject appointment at any time. Each Executive Officer shall be competent to represent the Company, subject to the restrictions imposed on him upon his appointment or thereafter (that is also individually in the case and to the extent provided upon his appointment and/or by the power of attorney granted).
- 16.3 Also a General Manager/CEO may appoint Executive Officers, with general or limited power to represent the Company and may revoke or change subject appointment at any time. The CEO cannot grant more powers to Executive Officers than the ones he has. Each Executive Officer shall be competent to represent the Company, subject to the restrictions imposed on him upon his appointment or thereafter (that is ("i.e.")) also individually in the case and to the extent provided upon his appointment and/or by the power of attorney granted).
- 16.4 The Board of Directors shall grant the title CEO or General Manager to one or more Executive Officers.
- 16.5 The General Manager/CEO(s) shall also have the authority to grant the title chief financial officer (CFO) and chief operating officer (COO) to an Executive Officer appointed by him (on behalf of the Company, however he could never grant more authority to an Executive Officer than he has himself).
- 16.6 If a seat is vacant on the Board of Directors (*ontstentenis*) or a Director is unable to perform his duties (*belet*), the remaining Directors shall be temporarily entrusted with the management of the Company, provided that at least two Non-External Directors are in office and able to perform their duties. If all seats are vacant on the Board of Directors or all Directors are unable to perform their duties, or if less than two (2) Non-External Directors are in office and able to perform their duties, the management of the Company shall be temporarily entrusted to one or more persons designated for that purpose by the General Meeting.

Approval of resolutions of the Board of Directors.

Article 17

- 17.1 Without prejudice to any restrictions of the management authority of

the Board of Directors included in these articles of association or Dutch law, the Board of Directors shall require the prior approval of the General Meeting for resolutions relating to an important change of the identity or the character of the Company or enterprises, at least including:

- (i) the transfer of the enterprise, or the transfer of practically the entire enterprise of the Company to a third party;
- (ii) the entering into or the termination of a lasting co-operation of the Company or a Subsidiary with another Entity or as fully liable partner in a limited partnership (*commanditaire vennootschap*) or general partnership (*vennootschap onder firma*), if such co-operation or termination is of fundamental importance to the Company;
- (iii) acquiring or disposing of a participation in the capital of an Entity by the Company or a Subsidiary of the Company amounting to at least one third of the amount of the assets according to the Company's consolidated balance sheet plus explanatory notes as laid down in the latest adopted Financial Statements of the Company.

17.2 The absence of any resolution or approval by the General Meeting of a resolution as referred to in this Article 17 shall not affect the authority of the Board of Directors or its members to represent the Company.

Financial year. Financial Statements.

Article 18

18.1 The Company's financial year shall be the calendar year.

18.2 Annually, not later than five months after the end of the financial year, unless by reason of special circumstances this period is extended by the General Meeting by not more than five months, the Board of Directors shall prepare annual accounts and deposit the same for inspection by the Shareholders at the Company's office.

18.3 Within the same period, the Board of Directors shall also deposit the annual report for inspection by the Shareholders, unless Section 2:396, paragraph 6, or Section 2:403 of the Dutch Civil Code applies to the Company.

18.4 The annual accounts shall consist of a balance sheet, a profit and loss account and explanatory notes.

18.5 The annual accounts shall be signed by the Directors. If the signature of one or more of them is missing, this shall be stated and reasons for this omission shall be given.

18.6 The Company may, and if the law so requires shall, appoint an Accountant to audit the annual accounts. Such appointment shall be made by the General Meeting.

18.7 The General Meeting shall adopt the annual accounts.

18.8 The General Meeting may grant full or limited discharge to the Directors

for the management pursued.

Profits and Distributions.

Article 19

- 19.1 The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.
- 19.2 Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts.
- 19.3 Without prejudice to Article 19.5, the General Meeting may resolve to make interim distributions on Shares and/or to make distributions on Shares at the expense of the freely distributable reserves of the Company. In addition, the Board of Directors may decide to make interim-distributions on Shares.
- 19.4 Distributions on Shares shall be made payable immediately after the resolution to make the distribution, unless another date of payment has been determined in the resolution.
- 19.5 Distributions may be made only up to an amount which does not exceed the amount of the Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, paragraph 4, of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the office of the Dutch trade register within eight days after the day on which the resolution to distribute is published.
- 19.6 The General Meeting may resolve that a distribution of dividend on Shares shall not be paid in whole or in part in cash but in Shares.
- 19.7 In addition to the above mentioned in Articles 19.1-19.6 in regards to profits and distributions, and subject to the forgoing provisions and for the fullest extent permitted under Dutch law, as long as the Company's securities are held by the public in Israel - any dividend/distribution by the Company will be executed in compliance with the following provisions 19.8 to 19.15 as described below:
- 19.8 Either the Board of Directors or the General Meeting may undertake in a contract with third parties - such as creditors of the Company - that it will not make distributions within additional limitations to the provisions of these sections 19.8 to 19.15. A distribution in contradiction to the provisions of these sections 19.8 to 19.15 is a Prohibited Distribution. Prior to the execution of any distribution, the Board of Directors shall be provided with adequate opportunity to determine that the certain distribution is not a Prohibited Distribution.
- 19.9(a) Either the Board of Directors or the General Meeting may make a

distribution out of its profits, provided that there are profits, by using i) a profit test (hereafter: **"the Profit Test"**), and ii) a solvency test (hereafter: **"the Solvency Test"**) provided that there is no reasonable suspicion that the distribution will prevent the Company from paying its existing and expected liabilities as they fall due, and with due observance with Section 2:105 of the Dutch Civil Code;

- (b) In this section - **"Profits"**, for purposes of the Profit Test – the larger of retained profits or profits accrued in the last two years, all according to the last adjusted audited or reviewed Financial Statements prepared by the Company, subtracting previous distributions if they were not already subtracted from surpluses, provided that the date for which the Financial Statements were prepared is not more than six months earlier than the distribution date; "Adjusted Financial Statements" – Financial Statements adjusted to the index or the Financial Statements that take or will take their place, all in accordance with accepted accounting principles; "Surpluses" – amounts included in the Company's equity, which stem from its net profit as determined according to accepted accounting principles.

19.10(a) The Israeli court may, on application by the Company, approve it to make a distribution that does not comply with the Profit Test, provided that it is satisfied that it meets the Solvency Test.

- (b) The Company shall inform its creditors that it filed an application with the Israeli court as stated in subsection (a).

- (c) A creditor may apply to the Israeli Court and object to the Company's application for permission to make a distribution. (d) After the Israeli Court has given objecting creditors an opportunity to state their arguments, it may approve the Company's application.

19.11 If the Company acquired securities that can be converted into or exercised as shares of the Company, it may cancel them; if the Company did not cancel said securities, the Company may resell them or convert them into or exercise them as shares; shares converted or exercised as aforesaid shall be Treasury Shares as long as they are owned by the Company.

19.12(a) A subsidiary or any other corporation under the Company's control (in this section: **"the Acquiring Corporation"**) may acquire shares of the Company or securities that can be converted into or exercised as shares of the Company to the extent to which the Company is allowed to make a distribution, provided that the subsidiary's Board of Directors or managers of the Acquiring Corporation determined that if the acquisition of the shares or securities that can be converted into or exercised as shares had

been made by the Company, the acquisition would have been a permitted distribution.

- (b) If a Prohibited Distribution was in contradiction of sections 19.8 to 19.15 made, the refund stated in Section 19.15 shall be made to the subsidiary or to the Acquiring Corporation and the provisions of Section 19.15 shall apply, mutatis mutandis, to the directors of the subsidiary and to the managers of the Acquiring Corporation; however, if the Company's Board of Directors determined that the distribution is permitted, the liability shall be with the Company's Directors, as stated in Section 19.15.
- (c) Notwithstanding the provisions of subsection (a), acquisition by a subsidiary or by an Acquiring Corporation that is not wholly owned by the Company constitutes a distribution in an amount equal to the amount of the acquisition, multiplied by the rate of rights in the subsidiary's capital or in the capital of the Acquiring Corporation held by the Company.

19.13 The acquisition of securities that can be converted into shares, at the amount that was presented as a short- or long- term liability in the last Adjusted Financial Statements due to said securities, shall not be deemed a distribution.

19.14 If the Company made a Prohibited Distribution the shareholders shall return to the Company whatever they received, unless they did not know and should not have known that the distribution carried out was prohibited.

19.15 If the Company carried out a Prohibited Distribution, every person who was a Director at the time of the distribution shall be treated like a person who thereby breached his duties to the Company under Articles 20.15 and 20.20, unless he proved one of the following: (i) That he opposed to the Prohibited Distribution and took all the reasonable measures to prevent it; (ii) That he has, in good faith, exercised reasonable reliance on information under which, had it not been misleading, the distribution would have been permitted; (iii) That under the circumstances, he did not know and should not have known of the distribution.

**Explicit resolutions of the Board of Directors and special approvals.
Conflict of Interests.**

Article 20

20.1 A Transaction referred to in Article 20.2 shall only be entered into by the Company if such Transaction does not prejudice the Company's interests, to be determined by the Board of Directors.

20.2 The following Transactions shall require the explicit resolutions and/or approvals as set out in this Article 20 and provided that the Transaction would benefit the Company:

- a. a Transaction by the Company with either an Executive Officer

or a Director, and a Transaction of the Company with another Person in which either an Executive Officer or a Director has a Personal Interest; however an Executive Officer or Director who also serves either as an Executive Officer or as a Director of a Subsidiary wholly owned by the Company shall not be considered as having a Personal Interest in a Transaction between the Company and such Subsidiary solely for the reason of him being an Executive Officer or Director of both companies or for the reason of him being an owner of Shares or securities convertible into Company Shares;

- b. a Transaction by the Company with an Executive Officer in regards to the terms of his Office and Employment;
- c. engagement in a contract by the Company with a Director as to the Terms of his Office and Employment, and the engagement of a contract by the Company with a Director thereof as to the terms of his employment in other positions – if he is so employed;
- d. an Extraordinary Transaction with a Controlling Shareholder, or an Extraordinary Transaction with another Person in which the Controlling Shareholder has a Personal Interest, including a Private Placement regarding which the Controlling Shareholder has a Personal Interest; as well as the engagement by the Company with a Controlling Shareholder or with his Relative, either directly or indirectly, including through an entity controlled by him, in regards to services to be provided by him to the Company and - if such Person is also either an Executive Officer or Director of the Company – as to his Terms of Office and Employment, and if he is an employee of the Company but neither an Executive Officer nor a Director thereof – as to his employment by the Company.

20.3 A Transaction by the Company as described in Article 20.2 sub a. and which is not an Extraordinary Transaction, shall be resolved upon in accordance with article 20.16 and require an explicit resolution of the Board of Directors.

20.4 A Transaction by the Company as described in Article 20.2 sub a. and which is an Extraordinary Transaction, shall be resolved upon in accordance with article 20.16 and require firstly i) an explicit resolution with an affirmative vote of the Audit Committee and secondly ii) an explicit resolution with an affirmative vote of the Board of Directors.

20.5 A Transaction of the Company as described in Article 20.2 sub b and a Transaction by the Company as described in Article 20.2 sub c. shall be approved in accordance to the provisions of Article 35.6-35.13 herewith.

20.6 (A) A Transaction by the Company as described in Article 20.2 sub d. shall require firstly i) an explicit resolution of either the Remuneration Committee (if the transaction is in regards to Terms of Office and Employment) or an explicit resolution with an affirmative vote of the Audit Committee (if the transaction is not in regards to Terms of Office and Employment) and secondly ii) an explicit resolution with an affirmative vote of the Board of Directors and thirdly iii) with the approval of the General Meeting, provided that one of the following conditions are met (the "**Special Majority**"):

- (i) the majority of votes at the General Meeting includes at least a majority of all of the votes of those Shareholders that are neither controlling shareholders in the Company, nor (if the controlling shareholder or his Relative are either Executive Officers or Directors) do they have a Personal Interest in the approval of the Remuneration Policy, nor do they have a Personal Interest in the approval of the Transaction, who are participating in the vote (in the count of all votes, abstentions shall not be taken into account);
- (ii) the total of opposition votes amongst the Shareholders referred to under (i) above shall not be greater than two percent (2%) of all the voting rights in the Company.

(B) A Transaction by the Company as described in Article 20.2 sub d for a period which is longer than three years is subject to the approval procedures as described in Article 20.6 sub A above, every three years.

(C) In spite of what is stated in Article 20.6 Sub B above, a Transaction by the Company as described in the first part only of Article 20.2 sub d, may be approved for a period which is longer than three years, if the Audit Committee has approved that a transaction for that period is reasonable considering the circumstances of the matter.

20.7 Approval of the Remuneration Committee and the Board of Directors in regards to Article 20.6(A), of a Transaction which involves Terms of Office and Employment, shall be in accordance with the Remuneration Policy. However, The Remuneration Committee followed by the Board of Directors may, in unique cases, approve a transaction as stated in the same paragraph which is not in accordance with the Remuneration Policy provided that the provisions of Article 35.8 are fulfilled.

20.8 In the event of a Transaction with a Controlling Shareholder, the Company shall submit an immediate report and, to the extent required by Israeli Companies Law, the Board of Directors shall convene a General Meeting, in the form and manner set out in the

Israeli legislation applicable to Israeli companies, provided that the applicable provisions of Dutch law or the Articles of Association with respect to the convening and holding of a General Meeting are also abided.

To the fullest extent permitted by Dutch law, a Shareholder participating in a vote under this Article 20.8 shall notify the Chairman of the Board of Directors (or in his absence another Director) prior to the vote in the General Meeting, or, if the vote is by way of a Proxy Card, on the Proxy Card, whether or not he has a Personal Interest in the approval of the Transaction; where a Shareholder does not so notify, he shall not vote and his vote shall not be counted.

20.9 Where the conditions prescribed for more than one of the alternatives in Article 20.2 apply in respect of a Transaction, the Transaction shall require explicit resolutions and approvals in accordance with the provisions applying to each and every alternative.

20.10 A Director who has a Personal Interest in the approval of a Transaction, other than a Transaction as referred to in Article 20.3, that is brought before the Board of Directors for an explicit resolution, shall not be present during the deliberations (in the Board of Directors and the Audit Committee, if applicable) and shall not take part in the voting at the Board of Directors and the Audit Committee, if applicable.

20.11 A Director may be present during the deliberations of the Audit Committee and may take part in the voting, if the majority of the members of the Audit Committee has a Personal Interest in the approval of the Transaction.

20.12 When in the Board of Directors the majority of the Directors has a Personal Interest in the approval of a Transaction as aforesaid in Article 20.10, the Transaction shall also require the approval of the General Meeting.

20.13 Any Executive Officer or Director who knows that he has, directly or indirectly, a Personal Interest in an existing or proposed Transaction of the Company and any third party, will inform the Chairman of the Board of Directors (and in his absence any other Director) of its Personal Interest as well as any relevant fact or document, immediately and no later than the time the Board of Directors first reviews the said Transaction.

In the event the Personal Interest of the Executive Officer or Director is formed or becomes known to him after the said date, he shall reveal his Personal Interest immediately and no later than the first meeting of the Board of Directors held after the said Personal Interest was formed or became known to him.

The provisions of this Article 20.13 shall not apply where a Personal Interest derives only from the Personal Interest of a Relative in a Transaction which is not an Extraordinary Transaction.

20.14A Controlling Shareholder who is aware that he has, directly or indirectly, a Personal Interest in an existing or proposed Transaction of the Company will advise the Chairman of the Board of Directors (and in his absence any other Director) of its Personal Interest as well as any relevant fact or document, immediately and no later than the time the Board of Directors first reviews the said Transaction.

20.15As part of the duties of the Board of Directors, each Director shall *inter alia*:

- (i) refrain from any act involving a conflict of interest between the fulfilment of his role in the Company and the fulfilment of any other role or his own personal affairs;
- (ii) refrain from any act involving competition with the business of the Company;
- (iii) refrain from taking advantage of a business opportunity of the Company with the aim of obtaining a benefit for himself or for any other person;
- (iv) disclose to the Company all information and shall provide it with all documents relating to its interest, which reaches his possession by virtue of his position in the Company.

20.16 When according to this Article 20 an explicit resolution of both the Audit Committee and the Board of Directors are required with affirmative votes, both the Audit Committee and the Board of Directors shall each hold a meeting in which the proposal will be discussed. When in accordance with this Article 20 also a resolution of the General Meeting is required, the meeting in which such approval will be discussed, shall be held after adoption of the resolutions of the Board of Directors and the Audit Committee.

20.17 The absence of any explicit resolution or any approval by the General Meeting of a resolution as referred to in this Article 20 shall not affect the authority of the Board of Directors or its members to represent the Company.

20.18 A Director shall not participate in the board meeting and the decision making process if he has a direct or indirect interest (including a Personal Interest) to a resolution which is contrary to the interest of the Company and the enterprise(s) belonging thereto. If as a result of this, a resolution of the Board of Directors cannot be adopted, the Board of Directors shall nevertheless have the power to resolve on the matter.

20.19 The Company may - by Board of Directors - approve any of the

acts listed in Article 20.15, provided that i) all the following conditions apply and ii) there is no conflict of interest as determined by Dutch law:

- (a) The Director or Executive Officer is acting in good faith and neither the act nor the approval of the act prejudices the good of the Company;
- (b) The Director or Executive Officer has disclosed the essence of his Personal Interest in the act, including any substantial fact or document to the all members of the Board of Directors, a reasonable time before the date for discussion of the approval;
- (c) The Company's approval for acts that are not substantial acts shall be given in accordance with the provisions of Article 20 herewith regarding the approval on transactions which are not Extraordinary and the Company's approval for acts that are substantial acts shall be given in accordance with the provisions of Article 20 regarding the approval of Extraordinary Transactions.

20.20(a) A Director and an Executive Officer owe a duty of care towards the Company as provided hereunder - If a Director does some act which in the circumstances a reasonable prudent director would not do, or fails to do some act which in the circumstances such a director would do, or fails to use such skill or to take such care in the exercise of his office as a reasonable prudent director qualified to exercise such office would in the circumstances use or take, then such act or failure constitutes carelessness; and a director's carelessness as aforesaid in relation to the Company to which he owes a duty in the circumstances not to act as he did constitutes negligence. Any director who causes damage to the Company by his negligence commits under Israeli law a civil wrong. For the purpose of this regulation, every Director owes a duty to the Company which, a reasonable Director ought in the circumstances to have contemplated as likely in the usual course of things to be affected by an act, or failure to do an act, envisaged by this regulation.

- (b) The provisions of subsection (a) shall not preclude a duty of care being owed by a Director and an Executive Officer to another person.
- (c) A Director and Executive Officer shall act with the standard of proficiency with which a reasonable Director or Executive Officer, in the same position and in the same circumstances, would act; this shall include taking reasonable steps, in view of the circumstances of the case, to obtain information regarding the business expedience of an act submitted for his

approval or of an act done by him by virtue of his position, and to obtain all other pertinent information regarding such acts.

20.21(a) A violation of a fiduciary duty by a Director or an Executive Officer vis-a-vis the Company will be, inter alia, subject to the Dutch laws applicable to breach of contract, *mutatis mutandis*.

(b) Without derogating from the generality of the provisions of subsection (a), a Director or an Executive Officer in breach of a fiduciary duty towards the Company shall be considered as a person in breach of his contract with the Company.

20.22(a) The provisions of Article 20.15 will apply also in regards to Executive Officers;

(b) The provisions of Article 20.15 shall not preclude a fiduciary duty being owed by a Director and an Executive Officer to another person.

20.23 The Audit Committee will not be entitled to give the required approvals as per this Article 20 unless it complies at that time with the terms of Articles 21.1, 21.2, 21.8 and 21.9 hereunder.

Audit Committee

Article 21

21.1 The Board of Directors will appoint an audit committee from amongst its members, consisting of at least three (3) members (the "**Audit Committee**"), provided however, that all the External Directors shall be *qualitate qua* members of the Audit Committee and the majority of the Audit Committee's members shall be Independent and External Directors. The first Audit Committee will be appointed no later than three (3) months from the date on which the Company's shares have been initially registered for trade on TASE.

21.2 The Chairman of the Board of Directors, a Controlling Shareholder or his Relative, and any Director who: (i) is employed by the Company or employed by either the Controlling Shareholder or an entity controlled by the Controlling Shareholder; (ii) provides on a regular basis services either to the Company, to the Controlling Shareholder or to an entity controlled by the Controlling Shareholder, and (iii) the most of his livelihood is dependant on the Controlling Shareholder - as per a declaration of the nominee -, may not be a member of such Audit Committee.

21.3 The Internal Auditor shall be given notice of Audit Committee meetings, and he shall be entitled to participate in such meetings. The Internal Auditor shall be entitled to request the chairman of the Audit Committee to convene the Audit Committee in order to discuss a matter which he specified in his request, and the chairman of the Audit Committee shall convene a meeting within a reasonable time, if he finds reason to do so.

- 21.4 Notice of Audit Committee meetings, in which a matter related to the audit of the Company's Financial Statements is to be raised, shall be delivered to the Company's External Accountant, who shall be entitled to participate in such meetings.
- 21.5 The Audit Committee's duties will be: **(a)** to investigate and reveal any deficiency in the management and review any defect in the Company's business administration, *inter alia* in consultation with the Company's Internal Auditor or with the Company's External Accountant and to suggest to the Board of Directors means for their removal or correction. If the Audit Committee has found a certain defect or deficiency which is material, it shall hold at least one meeting to discuss the said defect, with the presence of either the Company's Internal Auditor or the Company's External Accountant, accordingly, and without the presence of any of the Company's Executive Officers or Directors who are not Audit Committee members. In spite of the above-mentioned in this clause (a), Either an Executive Officer or a Director may be present in the meeting for the purpose of presenting a position in regards to a certain issue which is under his responsibility. **(b)** To decide, based on reasons to be specified, in regard to actions as stated in Section 255 of the ICL, whether these are material actions or immaterial actions and in regards to Transactions as stated in Sections 270(1) and 270(4) of the ICL whether these are Extraordinary Transactions or ordinary Transactions, for the purpose of approving them pursuant to the Israeli Companies Law, and the Audit Committee may decide as aforesaid in regards to a certain type of actions or Transactions, in accordance to criteria to be determined by the Audit Committee once a year in advance; **(b1)** To determine, regarding Transactions as stated in Sections 270(4) of the ICL, even if they are not Extraordinary Transactions, that a competitive process must be maintained under the supervision of the Audit Committee or entity determined for this purpose and under the criteria to be determined, or it must be determined that other proceedings, as determined by the Audit Committee, will be held prior to the engagement in such Transactions – all pursuant to the Transaction type, and criteria may also be determined, in this regard, once a year, in advance; **(c)** To decide whether to approve actions and Transactions requiring the approval of the Audit Committee pursuant to Sections 255 and 268 to 275 of the ICL; **(c1)** To determine the manner of approval of Non-Negligible Transactions, including to determine types of Transactions as stated which require the approval of the Audit Committee; in this regard, a "Non-Negligible Transaction" - a Transaction as stated in the first part of Section 270(4) or the first part of Section 270(4a) of the ICL, which the Audit Committee has determined, under the provisions of Article 21.5(b1) abovementioned, that it is not an Extraordinary Transaction

and has classified it as a Non-Negligible Transaction, and the Audit Committee may decide regarding classification as stated of a type of transactions based on criteria to be determined once a year, in advance; **(d)** If the work program of the Company's Internal Auditor is approved by the Board of Directors pursuant to Section 149 of the ICL – to examine the work plan prior to submitting it for the approval of the Board of Directors and propose changes thereto; **(e)** To examine the Company's internal audit system and the function of the Internal Auditor as well as whether he is in disposal of the resources and tools required for the purpose of fulfilling his role, paying attention, *inter alia*, to the Company's special needs and size; **(f)** To examine the Company's External Accountant's scope of work and wage and to present its recommendations to the organ determining his wage pursuant to Sections 155 and 165 of the ICL; **(g)** To determine arrangements as to the way of handling complaints of the Company's employees regarding deficiency in the management of its business and as to the protection provided to the employees so complaining;

21.6 The provisions of these Articles of Association regarding (a) the convening of meetings of the Board of Directors, (b) the manner in which meetings of the Board of Directors are conducted (including regarding the manner of participation and adoption of resolutions in writing without convening), (c) quorum at meetings of the Board of Directors and (d) voting rules and procedures at meetings of the Board of Directors, shall all apply, *mutatis mutandis*, to any committee established by the Board of Directors (including, but not limited to, the Audit Committee). Without derogating from the abovementioned, in case of any contradiction whatsoever, the specific procedures detailed in sections 21.8-21.10 hereunder shall prevail.

21.7 The Board of Directors may - in consultation with the Audit Committee - adopt further regulations pertaining *inter alia* to the decision making process and the procedure of the Audit Committee.

21.8 The Chairman of the Audit Committee shall be an External Director.

21.9 Any Individual who is not entitled to be appointed as a member of the Audit Committee shall not be present in the Audit Committee's meetings during the discussion and adoption of resolutions, unless the Chairman of the Audit Committee determined that the Individual is required for presentation of a certain issue. However: (i) A Company employee who is not the Controlling Shareholder or Relative of the Controlling Shareholder, may be present in the Audit Committee's meetings during discussions, provided that adoption of resolutions takes place without his presence; (ii) Without derogating from clause (i) above, the Company's legal advisor and the Company's secretary, who are not the Controlling Shareholder or Relative of the Controlling Shareholder, may be present in the Audit Committee's meetings during

discussions and during adoption of resolutions, if the Audit Committee has requested that.

21.10 The legal quorum for discussion and adoption of resolutions in the Audit Committee is the majority of the Audit Committee's members, provided that the majority of the members present in the meeting are Independent and External Directors, and at least one of them is an External Director.

21.11 The Sections of ICL mentioned in this Article 21 are attached to this deed in Annex 1 hereto.

Internal Auditor

Article 22

22.1 The Board of Directors shall appoint an internal auditor, which shall be appointed in accordance with the proposal of the Audit Committee (the "**Internal Auditor**"). A Person who is an Interested Party, who is either an Executive Officer or a Director or is a Relative of any of these, as well as the External Accountant of the Company or a Subsidiary of the Company, or any Person acting on his behalf, shall not act as Internal Auditor.

22.2 The following provisions shall apply to the Internal Auditor, subject to the other provisions of this Article 22, and *mutatis mutandis* as the case may be:

- (a) No person shall be appointed and no person shall serve as Internal Auditor in the Company, unless all of the following are satisfied: (1) He is an individual; (2) He is an Israeli resident; (3) He has not been convicted of flagrant offense; (4) He holds an academic degree from an institute of higher education in Israel or an institute of higher education outside Israel which an institute of higher education in Israel has recognized to this end, or is an attorney-at-law or a certified public accountant (CPA); (5) He has acquired two years experience in audit work, or has participated in professional training approved by a professional training committee consisting of a representative of the Israeli Institute of Internal Auditors, serving as the Chairman, the Inspector General at the Israeli Ministry of Economics and Planning, and a representative of an institute of higher education in Israel which carries out internal audit studies, prescribed by the Minister in consultation with all Israeli institutes carrying out such studies.
- (b) The Internal Auditor shall perform the audit in accordance with generally accepted professional standards.
- (c) The Internal Auditor shall not fulfill, in the Company at which he serves as auditor, another office apart from the internal audit, other than that of the public complaints commissioner or the Officer in charge of employee complaints, provided that the fulfillment of such other office does not adversely affect the

fulfillment of his principal position.

- (d) The Internal Auditor shall not fulfill, other than in the Company at which he serves as auditor, any function creating or likely to create a conflict of interests with his function as Internal Auditor.
- (e) The Internal Auditor may demand and receive any document and any information in the possession of the Company at which he serves as auditor or which is in the possession of any of its employees, and which, in the opinion of the Internal Auditor, is required for the fulfillment of his function. Any person required to deliver such document or information shall be duty bound to comply with such demand within such period and in such manner as designated in the requisition.
- (f) The Internal Auditor will have access, for the purpose of fulfilling his function, to any ordinary or automated information storage, any database and any work program of automated data processing of the Company.
- (g) The Internal Auditor may enter into and examine any property of the Company.
- (h) With respect to information which is confidential under law, the Internal Auditor and anyone authorized to receive the information, will be subject to limitations by law applicable to persons authorized to receive such information.
- (i) The Internal Auditor must keep confidential any document or information disclosed to him in connection with the fulfillment of his office, other than where disclosure is required for the fulfillment of his function as required under law or where such disclosure constitutes a statutory requirement.
- (j) Any power conferred under this Article on the Internal Auditor and any duty imposed on him, shall also apply to his assistants and any person acting on his behalf.
- (k) Nothing provided in this Article shall derogate from the status, the functions and the powers vested in an Internal Auditor in the Company in accordance with its articles of association or any other duly passed resolution thereof, nor shall same diminish the status, function or power so conferred, and all irrespective of whether or not they are specified in this Article.
- (l) Nothing provided in this Article shall prevent the Company, to add in its articles of association or in any other duly passed resolution thereof, from making additions to the status, functions or powers conferred thereunder on an Internal Auditor, nor to extend any status, function or power so conferred, and all irrespective of whether or not they are specified in this Article.

22.3 The Internal Auditor shall be responsible to the Chairman of the Board of Directors or to the CEO(s), as determined by the Board of Directors.

- 22.4 The Internal Auditor shall submit a proposal for an annual or periodical work program for the approval of the Board of Directors, or for the approval of the Audit Committee, as prescribed by the Board of Directors, and the Board of Directors or the Audit Committee, as the case may be, shall approve it, with such amendments as they see fit.
- 22.5 The Chairman of the Board of Directors or the chairman of the Audit Committee may require the Internal Auditor to perform an internal audit, in addition to the work program, regarding matters requiring urgent examination.
- 22.6 The Internal Auditor shall examine, *inter alia*, the propriety of acts of the Company regarding compliance with the law and proper business administration.
- 22.7 The Internal Auditor shall submit a report of his findings to the Chairman of the Board of Directors, to the General Manager and to the chairman of the Audit Committee; a report relating to matters audited pursuant to Article 0, shall be provided to the Chairman of the Board of Directors or the chairman of the Audit Committee, as the matter may be.
- 22.8 The office of an Internal Auditor shall not be terminated without his consent, nor shall he be suspended from his position, unless the Board of Directors has so resolved after hearing the view of the Audit Committee and after giving the Internal Auditor a reasonable opportunity to present his case to the Board of Directors and to the Audit Committee.
- 22.9 Notwithstanding any provisions to the contrary in these Articles of Association and solely for the purposes of Article 0, the quorum required to open a meeting of the Board of Directors shall be no less than a majority of the Directors.

General Meetings.

Article 23

- 23.1 Annually, within six (6) months after the end of the financial year, an annual general meeting (an "**Annual General Meeting**") shall be held, in which – *inter alia* – the following items shall be brought forward:
- a. the discussion of the annual report;
 - b. the discussion and adoption of the Financial Statements;
 - c. discharge of the Directors for their management;
 - d. reservation and distribution policy (the height and destination of the reservation, the height and form of the dividend), if applicable;
 - e. appropriation of profits;
 - f. any substantial change in the corporate governance structure of the Company;
 - g. the (re-)appointment of the External Accountant and, in as far as applicable, another expert appointed thereto by virtue of the law;
 - h. possible other proposals brought forward by the Board of Directors

with due observance of additional relevant provisions of the law and the articles of association.

- i. if applicable the appointment of Non-External Directors;
- j. if applicable, the appointment of External Directors (whether or not for an additional term of three (3) years).

23.2 The Board of Directors shall give the General Meeting the opportunity to ask questions and ask for information.

All reasonable questions will be answered and all reasonable requests for information will be fulfilled subject to the decision of the chairman of the General Meeting.

23.3 Unless this would be contrary to an overriding interest (*zwaarwichtig belang*) of the Company, the Board of Directors shall provide the General Meeting or an individual Shareholder with all information requested by the General Meeting or an individual Shareholder, including but not limited to (as applicable):

- minutes of General Meetings;
- an extract of the Company's register of shareholders (*aandeelhoudersregister*);
- the Company's articles of association and its Financial Statements, as well as the Company's Financial Statements drawn up in accordance with Israeli law;
- any document which the Company is required to file under any applicable law with the Israeli Companies Registrar and/or the Dutch Companies registrar and/or the ISA, available for public inspection at the Israeli Companies Registrar and/or the Dutch Companies registrar and/or the ISA, as the case may be
- documents the Company has in regards to either an action or transaction as per article 20 above.

Extraordinary General Meetings.

Article 24

24.1 Extraordinary General Meetings shall be called for and held as often as deemed necessary by the Board of Directors and shall be held at the request of Shareholders, representing at least five percent (5%) of the issued share capital of the Company or at the request of two (2) Directors.

24.2 The request referred to in Article 24.1:

- a. must be in writing;
- b. must state any resolution, and the wording of any resolution, proposed to be put on the agenda for, and to be adopted at, the General Meeting;
- c. must be signed either by the Shareholder(s) or by the Directors making the request;
- d. must be given to the Company.

24.3 General Meetings as requested pursuant to Article 24.1 must be called

within twenty-one (21) days after the request is given to the Board of Directors. The meeting is to be held not later than two (2) months after the request is given to the Company, at the cost of the Company, including the reasonable expenses of the Shareholders. The notice convening such General Meeting must be given in accordance with the provisions of these Articles of Association.

24.4 If the Board of Directors does not convene a General Meeting requested in accordance to Article 24, then the Dutch Court may – on application by the Person(s) who made the request – grant authorization to convene a General Meeting, all in accordance with section 2:110 of the Dutch Civil Code.

If the Dutch Court grants authorization as previously mentioned, then the Company shall cover the reasonable expenses incurred in the legal proceeding by the Person(s) who made the request, as determined by the Dutch Court, and the Directors responsible of not convening the General Meeting must repay the costs to the Company.

Place and notice of General Meetings.

Article 25

25.1 General Meetings shall be held at Amsterdam, Haarlemmermeer (Schiphol Airport), Rotterdam, or The Hague, the Netherlands, and at the time and location stated in the notice convening such General Meeting.

25.2 Without prejudice to Article 24.4, any notice convening a General Meeting shall be given by the Board of Directors.

25.3 Any notice of a General Meeting shall exclusively be given:

- a. with due observance of the provisions of Article 26 and Article 39, and shall state the location and time of, and in case the General Meeting may be attended and addressed by way of telephone or video conferencing pursuant to Article 28.3, the details for such conferencing, and agenda (and possible other information) for, the General Meeting;
- b. to every Shareholder and other persons entitled to receive notices of meetings and notifications pursuant to Article 34; and
- c. to the Accountant of the Company.

Written requests as referred to in Article 24.1 and Article 26.3 may be submitted electronically and such written requests shall comply with conditions stipulated by the Board of Directors, which conditions may be posted on the Company's website.

Notice period. Agenda.

Article 26

26.1 The notice convening a General Meeting shall be sent no later than on the thirty fifth (35th) day prior to the meeting, unless an earlier date is required due to the shares of the Company being admitted to trading on a regulated market as referred to in section 1: 1 of the Act on

Financial Supervision (*Wet op het financieel toezicht*). The notice shall always contain or be accompanied by the agenda for the meeting, the place and time of the meeting, the procedure for participation in the general meeting by written proxy and the address of the website of the Company, unless additional items are required to be included in this notice due to the shares of the Company being admitted to trading on a regulated market.

- 26.2 The agenda of the General Meeting shall contain such subjects to be considered at the General Meeting as the person(s) convening the meeting shall decide. No valid resolutions can be adopted at a General Meeting in respect of subjects that are not mentioned on the agenda.
- 26.3 Without prejudice to the provisions of Article 24, holders of Shares who alone, or in the aggregate represent at least one percent (1%) of the issued capital in the Company, or (ii), as long as the Shares of the Company are admitted to official quotation on TASE or another stock exchange as referred to in article 1.1 of the Act on Financial Supervision (*Wet op het financieel toezicht*), that is under the supervision of the government or of an authority or organization recognized by the government, representing a value of at least fifty million euro (EUR 50,000,000) according to the official price list of the stock exchange concerned, can request the Board of Directors to place a matter on the agenda, provided such request is duly motivated and that the Company has received such request at least sixty (60) days prior to the date of the General Meeting concerned and provided that it is not in violation of the principles of reasonableness and fairness (*redelijkheid en billijkheid*).

Chairman of General Meetings. Minutes.

Article 27

- 27.1 General Meetings shall be presided by the chairman of the Board of Directors. In case of absence of the chairman of the Board of Directors, the meeting shall be presided by any other individual nominated by Board of Directors. The chairman of the General Meeting shall appoint the secretary of that meeting.
- 27.2 The secretary of the meeting shall keep the minutes of the business transacted at the General Meeting. Minutes shall be adopted and in evidence of such adoption be signed by the chairman and the secretary of the General Meeting.
- 27.3 A certificate signed by the chairman and the secretary of the meeting confirming that the General Meeting has adopted a particular resolution, shall constitute evidence of such resolution vis-à-vis third parties.
- 27.4 The chairman of the General Meeting may request a civil law notary (*notaris*) to include the minutes of the meeting in a notarial official record (*notarieel proces-verbaal*).

Attendance of General Meetings.

Article 28

28.1 All Shareholders are entitled to attend the General Meetings, to address the General Meeting and to vote, provided that, and if so required as set out in the notice convening the meeting, such Person has notified the Board of Directors in writing of such person's intention to be present at the General Meeting or to be represented not later than the time specified in the notice convening the meeting.

28.2 If so determined by the Board of Directors, General Meetings may also be attended and addressed (but no voting may so be established) by means of telephone or video conference, provided each Person entitled to attend and address the General Meeting pursuant to Article 28.1, can be identified via electronic means communication, can hear and be heard at the same time. The Board of Directors may impose further conditions on the use of electronic means of communication, provided that they are reasonable and necessary for the identification of the shareholder and the reliability and security of communications.

Without regard to any other provision of this Article 28, for as long as the Company's Shares are listed on TASE, any Shareholder shall be entitled, through the presentation of a written "certificate of ownership" that shall be given by a Member of TASE, to participate in the General Meeting and also to vote through the Shares that are held by a Nominee Company and are registered with a Member of TASE.

28.4 The Board of Directors may determine that the persons who are entitled to attend the General Meeting are (i) Shareholders as at a certain date, determined by the Board of Directors (the "**Record Date**") and (ii) who are as such registered in a register (one or more parts thereof) designated thereto by the Board of Directors, regardless whether they are a Shareholder or Person otherwise entitled to attend the General Meeting at the time of the General Meeting.

28.5 The Record Date cannot be earlier than the date permitted by Dutch law and the Listing Rules. The notice (*oproeping*) of the General Meeting shall contain the Record Date, the procedure for registration, and the procedure for registration lodgement of valid proxies.

28.6 To the extent that the Board of Directors makes use of its right as referred to in Article 28.4, the Board of Directors may decide that persons entitled to attend General Meetings and vote thereat may, within a period prior to the General Meeting to be set by the Board of Directors, which period cannot begin prior to the Record Date, cast their votes electronically in a manner to be decided by the Board of Directors. Votes cast in accordance with the previous sentence are equal to votes cast at the meeting.

28.7 The Board of Directors may decide that each Person entitled to attend General Meetings and vote thereat may, either in person or by written

proxy, vote at that meeting by electronic means of communication, provided that such Person can be identified via the electronic means of communication and furthermore provided that such Person can directly take note of the business transacted at the General Meeting concerned. The Board of Directors may attach conditions to the use of the electronic means of communication, which conditions shall be announced at the convocation of the General Meeting and may be posted on the Company's website.

Proxies.

Article 29

- 29.1 Shareholders may be represented by proxies duly authorised in writing and provided notice and proxy appointments are given in the form approved by the Board of Directors with due observance of this Article 29. Such proxies shall be admitted to the General Meeting.
- 29.2 The instrument appointing the proxy given in accordance with Article 29.1, and any power of attorney or other authority (if any) under which the instrument is signed, must be deposited not less than forty-eight (48) hours before the start of the General Meeting or adjourned General Meeting (or such lesser time as set out in the notice convening the General Meeting), at the office address of the Company or at such other place as is specified for that purpose in the notice convening the General Meeting.
- 29.3 The Company shall procure that Shareholders may vote at a General Meeting by means of a proxy card ("**Proxy Card**") in the form and wording as published by the Company prior to the General Meeting, in which a Shareholder indicates its vote with respect to the subject matter on the agenda of the General Meeting.
- 29.4 A template Proxy Card shall be published by the Company through the filing website of the ISA (Magna); a Shareholder may indicate its vote on the Proxy Card and send it to the Company.
A Proxy Card on which a Shareholder has indicated his vote and which has reached the Company no later than on the last day prescribed for such delivery shall be considered as presence at the meeting for the purposes of any quorum requirement (in respect of the Shares for which it is issued).
- 29.5 A duly executed Proxy Card received by the Company as provided in this Article 29 regarding a particular matter in respect of which no vote was held at the General Meeting shall be considered abstained (in respect of the Shares for which it is issued) in the vote at such General Meeting in respect of a resolution to hold an adjourned meeting, and shall be counted at such adjourned meeting.
- 29.6 In addition to the provisions of Article 29.3, any Shareholder is entitled to vote at a General Meeting by means of a voting form to be delivered to the Company in the electronic voting system of ISA.

[Section 87 of the Israeli Companies Law]

29.7 All matters regarding the admittance to the General Meeting, the exercise of voting rights and the outcome of the votes, as well as any other matters regarding the proceedings at the General Meeting shall be decided upon by the chairman of that meeting, with due observance of the provisions of Section 2:13 of the Dutch Civil Code.

Adoption of resolutions. Quorum. Adjournments.

Article 30

30.1 Resolutions in the general meeting shall be adopted by a cast of votes, in a manner that each Share shall confer the right to cast one vote. If there is a tie of votes in a vote, the proposal is thus rejected. Save as provided otherwise by Dutch law or these Articles of Association, resolutions at a General Meeting shall be validly adopted if adopted by more than half of the votes cast. Votes that attach to Shares in respect of which the Shareholder has not taken part in the vote or has abstained or, if applicable, has returned a blank or spoilt ballot paper shall not be counted.

30.2 Any resolution to be considered at a General Meeting shall be decided on in the manner described in the notice of the meeting. If the notice of the meeting does not describe the manner of voting, the manner of voting shall be decided by the chairman of the meeting.

30.3 The chairman shall determine any dispute as to the admission or rejection of a vote and such determination made in good faith shall be final and conclusive, subject to any judicial examination by any competent court. An objection to the qualification of a Person to vote raised before or at the General Meeting shall be decided upon by the chairman of the meeting, whose decision shall be final, subject to any judicial examination by any competent court.

30.4 If the voting concerns the appointment of an individual and more than one individual has been nominated for appointment, then votes shall be taken until one of the nominees has obtained an absolute majority of the votes cast. The further votes may, at the chairman's discretion, be taken at a subsequent General Meeting.

30.5 The following decision of the General Meeting (will be adopted, by either an Extraordinary Majority or any other majority, as specified below:

- (a) amending the Company's articles of association (only with respect to those sections of the articles of association that require an Extraordinary Majority / other majority, including and without derogating from the generality of the foregoing, the necessary majority for changing the maximum number of members of the Board of Directors and for changing the binding nomination process – the requisite majority for amending any such section of the articles of association shall be the same as the necessary

majority in order to adopt a decision under such section of the articles of association;

The following decision of the Board of Directors is subject to prior approval of the General Meeting, whereby the General Meeting shall grant such approval by either an Extraordinary Majority or any other majority, as specified below:

- (b) issuance of new Company Shares to a third party, which results in such third party becoming a Controlling Shareholder (Extraordinary Majority).

Voting right per Share.

Article 31

A Shareholder may vote in a different manner on each Share held by him.

Business Plan Committee

Article 32

32.1 The Company's Board of Directors will appoint amongst its members a business plan committee. The first business plan committee will be appointed no later than three (3) months from the date on which the Company's shares have been initially registered for trade on TASE.

32.2 The number of members comprising the business plan committee shall not exceed three (3) members (including at least one External Director and the Executive Director, who will be the head of the committee, as aforementioned).

32.3 The responsibilities of the business plan committee will be as follows:

- (a) to supervise over the performance and execution of the annual business plan (by Company Management) which was approved by the Company's Board of Directors at the beginning of each calendar year, as updated and/or amended within the framework of the quarterly reviews of this plan by the Board of Directors;
- (b) to the extent that Company Management will require an approval to materially deviate from the business plan that was approved, as aforementioned, and it is not possible to postpone such decision until the next meeting of the Company's Board of Directors without the likelihood of compromising a material business of the Company, then management will turn to the committee to examine the subject matter and determine if management can execute such action/transaction, as they presented it to the committee, or if they should convene a meeting of the Board of Directors to review and approve the such action/transaction. It is clarified that the Board of Directors may from time to time, determine certain standards that will apply

to the scope or type of deviations which the committee may authorize.

Financial Statements Committee

Article 33

The Board of Directors shall by resolution appoint a Financial Statements Committee. The Financial Statements Committee will be appointed no later than three (3) months from the date on which the Company's shares have been initially registered for trade on TASE.

The Financial Statements Committee will discuss in its meetings and finalize a conclusion for the Board of Directors regarding all the following:

- (a) The evaluations and estimates made in connection with the financial statements ;
- (b) The internal controls relating to financial reporting;
- (c) The wholeness and adequacy of disclosure in the financial statements;
- (d) The accounting policy adopted and accounting treatment implemented in the Company's material matters;
- (e) Valuations, including the assumptions and estimates underlying them, on which data in the Financial Statements rely;

The External Accountant will be invited to all the meetings of the Financial Statements Committee and the Internal Auditor will receive notices of the Committee's meetings and may participate thereat;The Financial Statements Committee will have forwarded its recommendations regarding approval of the financial statements to the Board of Directors a reasonable time prior to the meeting of the Board of Directors' and report to it of any defect or problem found during the review;The Board of Directors will discuss the recommendations of the Financial Statements Committee.

The Financial Statements Committee will meet all the following:

- (1) The number of its members will not be less than three and they meet all the conditions prescribed in Article 21.2 above;
- (2) The chairman of the Committee will be an External Director;
- (3) All its members are Directors and the majority are Independent and External Directors;
- (4) All its members have the ability to read and understand financial statements and at least one of the External Directors has Accounting and Financial Expertis;
- (5) The Committee's members gave a Statement prior to their appointment;
- (6) The quorum for discussing and making decisions on the Committee will be the majority of its members provided however that the majority of the present members are Independent and External Directors including at least one External Director.

"Statement" - one of the following:

- (1) The statement of a candidate for membership in the Financial

Statements Committee based on his ability to read and understand financial statements ;

- (2) The statement of a candidate in regards to his Accounting and Financial Expertise;

An Audit Committee which meets the conditions included in Article 21 may also serve as a Financial Statements Committee.

Remuneration Committee

Article 34

34.1 The Board of Directors shall appoint a Remuneration Committee. The first Remuneration Committee will be appointed no later than three (3) months from the date on which the Company's shares have been initially registered for trade on TASE.

34.2 There shall be not less than three (3) Persons on the Remuneration Committee. The members of the Remuneration Committee shall be chosen from Board of Directors and shall at all times comprise of all appointed External Directors. The majority of members of the Remuneration Committee shall be External Directors and the rest of the members shall be Directors whose Terms of office and employment are pursuant to the provisions set forth under Article 13.16 (in regards to External Directors).

34.3 The chairman of the Remuneration Committee shall be an External Director.

34.4 The provisions of Articles 21.2, 21.8 and 21.9 shall apply to the Remuneration Committee, *mutatis mutandis*.

34.5 The duties of the Remuneration Committee are:

- (a) to provide a recommendation to the Board of Directors regarding the Remuneration Policy for Executive Officers and Directors, as defined in Article 35.1, and to provide a recommendation thereto, every three years, regarding the approval of the continued validity of the Remuneration Policy determined for a period exceeding three years, as provided in Article 35.2;
- (b) to provide a recommendation to the Board of Directors regarding the update, from time to time, of the Remuneration Policy and to review the implementation thereof;
- (c) to determine whether to approve Transactions regarding the Terms of office and employment of Executive Officers and/or Directors requiring the approval of the Remuneration Committee under Articles 35.6 and 20.6(A);
- (d) to exempt a Transaction from General meeting approval in accordance to Article 35.11.

34.6 An Audit Committee which meets the conditions included in Articles 34.2 and 34.3 may also serve as a Remuneration Committee.

Remuneration Policy for Executive Officers and Approval of Transactions

Article 35

35.1(A) The Board of Directors shall determine the Remuneration Policy after considering the recommendations of the Remuneration Committee submitted thereto under Article 34.5. The Remuneration Policy must be approved by the General meeting.

(B) the approval of the General Meeting, in accordance to Article 35.1(A) herewith, will include at least one of the following conditions:

(i) the majority of votes at the General Meeting includes at least a majority of all of the votes of those Shareholders that are neither controlling shareholders in the Company or not do they have a Personal Interest in the approval of the Remuneration Policy, who are participating in the vote (in the count of all votes, abstentions shall not be taken into account);

(ii) the total of opposition votes amongst the Shareholders referred to under (i) above shall not be greater than two percent (2%) of all the voting rights in the Company.

(C) in spite of the above-mentioned in Articles 35.1(A) and 35.1(B), the Board of Directors is entitled to determine the Remuneration Policy even though the General Meeting opposed its approval, only if the Remuneration Committee followed by the Board of Directors have decided, based on detailed reasons and after re discussion of the Remuneration Policy, that the approval of the Remuneration Policy, despite the opposition of the General Meeting, is for the benefit of the Company. This Article 35.1(C) will not apply in regards to the Directors' Remuneration Policy.

35.2 A Remuneration Policy for a period exceeding three years requires approval once every three years. Approval pursuant to this Article shall be given in the manner with which the Remuneration Policy was determined either under Articles 35.1(A)-35.1(C) above or (only in regards to Directors' Remuneration Policy just Articles 35.1(A)-35.1(B)).

35.3 The Board of Directors will review, from time to time, the Remuneration Policy as well as the need to adapt it to the provisions of Article 35.4 below, if a material change applies to the circumstances previously existing when it was determined or for other reasons.

35.4 The Remuneration Policy will be determined, inter alia, based on the following considerations:

(i) promoting the purposes of the Company, its work plan and its policies on a long-term basis;

(ii) creating proper incentives for Executive Officers of the Company, considering, inter alia, the risk management policy of the Company;

- (iii) the size of the Company and its manner of operation;
- (iv) regarding the Terms of office and employment which include variable components – the contribution of the Executive Officer in achieving the Company's targets and its profits, all on a long term basis and in accordance with the position of the Executive Officer.

35.5(A) The Remuneration Policy shall include, inter alia, reference to the following matters:

- i. the education, skills, expertise, professional experience and achievements of the Executive Officer;
- ii. the function of the Executive Officer, his scope of responsibility and previous salary agreements signed therewith;
- iii. the relationship between the Terms of office and employment of the Executive Officer to the salary of other Company employees and of employees of contractors employed with the Company, specifically the relationship between the average salary and the median salary of employees as stated and the impact of the gaps between them on the work relationships in the Company;
- iv. if the Terms of office and employment include variable components – the option of reducing the variable components at the discretion of the Board of Directors, and the option of determining a ceiling of the exercise value of the capital variable components which are not paid in cash;
- v. if the Terms of office and employment included Termination of employment benefits – the term of office or employment of the Executive Officer, the terms of his office and employment in this term, the performance of the company in the said term, the contribution of the Executive Officer in achieving the company's targets and for maximizing its profits and the circumstances of termination.

(B) The Remuneration Policy will set forth, inter alia, the following provisions:

- i. Regarding variable components in the Terms of office and employment:
 - a. The components shall be based on performance with a long-term perspective, based on measureable criteria. However, the Company may determine that an insubstantial part of the said components will be granted based on criteria that cannot be measured considering the Executive Officer's contribution to the Company; and
 - b. The relationship between the variable components and the fixed components, and the ceiling for the value of variable components at the time of payment. However, regarding capital variable components which are not paid in cash – a ceiling of their value on the grant date.

- ii. A condition according to which the Executive Officer will return to the Company, under the terms determined in the Remuneration Policy, amounts paid thereto as part of the terms of tenure and employment, if paid thereto on the basis of data which was found to be mistaken and which was restated in the financial statement of the Company.
- iii. The holding period or minimum vesting of the capital variable components in the terms of tenure and employment, with reference to appropriate incentives on a long term basis.
- iv. The limit for Termination of employment benefits.

35.6 The following Transactions of the Company require approval as set out in Articles 35.7-35.13 below and provided that the Transaction would benefit the Company:

- (a) a Transaction of the Company with an Executive Officer regarding the Terms of his office and employment;
- (b) a Transaction of the Company with a Director regarding the Terms of his office and employment, regarding his office as a Director, and regarding his employment in other positions – if so employed.

35.7 A Transaction of the Company as detailed in Article 35.6(a) excluding a Transaction with the CEO of the Company as stated in Article 35.9, requires the approval of the Remuneration Committee and thereafter approval of the Board of Directors.

35.8 Approval of the Remuneration Committee and the Board of Directors in regards to Article 35.7 shall be in accordance with the Remuneration Policy. The Remuneration Committee and thereafter the Board of Directors may, in unique cases, approve a Transaction as stated in the same paragraph which is not in accordance with the Remuneration Policy upon the occurrence of two of the following:

- (a) The Remuneration Committee and thereafter the Board of Directors have approved the Transaction, inter alia, based on the considerations listed in Article 35.4 above, while addressing the matters listed in Article 35.5(A) and provided that the Transaction, inter alia, includes the provisions as stated in Article 35.5(B);
- (b) The General Meeting has approved the Transaction in accordance either to Article 35.1(B)(i) or to Article 35.1(B)(ii).

In spite of the above-mentioned in Article 35.8, the Remuneration Committee followed by the Board of Directors are entitled, in unique cases, to approve such a Transaction, even though the General Meeting opposed its approval, provided that the Remuneration Committee followed by the Board of Directors, decided on this, based on detailed reasons, after re discussion of the Transaction, and after reviewing in this discussion, inter alia, the opposition of the General Meeting.

35.9 A Transaction of the Company, with the CEO of the Company, for which the provisions of Article 35.6(a) above applies, requires the approval

of the following, in the following order:

- (A) The Remuneration Committee;
- (B) The Board of Directors;
- (C) The General Meeting, in accordance to Article 35.1(B)(i) or to Article 35.1(B)(ii). In regards to the approval of the General Meeting, Article 35.8 shall apply.

35.10 Approval of the Remuneration Committee and approval of the Board of Directors as stated in Article 35.9 shall be pursuant to the Remuneration Policy. However, the Remuneration Committee followed by the Board of Directors may, in unique cases, approve the Transaction in a manner different from the said policy, provided that the provisions of Article 35.8 are met. Nothing in this Article derogates what is stated in Article 35.9(C) above.

35.11 Notwithstanding the provisions of Article 35.9(c) above, the Remuneration Committee may exempt from the approval of the General Meeting a Transaction with a nominee for office as CEO of the Company who meets the requirements stated in Article 13.3(iii) above, if the committee has found that, based on detailed reasons, presenting the Transaction to the General Meeting for its approval will jeopardize the Transaction, and provided that the Transaction is in line with the Remuneration Policy.

35.12 Notwithstanding the provisions of Articles 35.7 and 35.9 above, a Transaction of the Company, which complies with the provisions of Article 35.6(a) and is a change of an existing Transaction, shall be subject only to the approval of the Remuneration Committee, if the said committee has confirmed that the change in the terms of employment isn't material in comparison to the existing Transaction.

35.13 (a) A Transaction of the Company, which complies with the provisions of Regulation 35.6(b), requires the approval of the Remuneration Committee, followed by the approval of the Board of Directors and thereafter the approval of the General Meeting;

- (b) Approval of the Remuneration Committee and approval of the Board of Directors as stated in this Article 35.13(a), shall be pursuant to the Directors' Remuneration Policy, however, the Remuneration Committee followed by the Board of Directors may, in unique circumstances, approve the Transaction other than pursuant to the said policy, provided that the provisions of Article 35.8 are fulfilled and the approval of the General Meeting is either in accordance to Article 35.1(B)(i) or Article 35.1(B)(ii).

Material Private Placement

Article 36

36.1 A Private Placement which establishes one of the following:

- (1) An offer awarding twenty percent (20%) or more of the total voting rights in the Company in practice prior to the issue whereby

the consideration, in entirety or in part, is not in cash or securities registered for trade on TASE or which is not on market terms, and whereby as a result of which a Substantial Shareholder's holdings shall increase in the Company's holdings, or as a result of which an Individual shall become a Substantial Shareholder following the issue (in this Article - an Interested Party);

- (2) As a result of which an Individual shall become a Controlling Shareholder in the company;

36.2 In the matter of this paragraph all the Private Placements that shall establish one of the following shall be considered as one Private Placement:

- (1) They were executed during a period of 12 consecutive months for that same offeree or his representative, his family member, to a corporation under his control or the control of his family member, and when the offeree is a corporation - also to the holders of a controlling interest in the offeree, to the family member of a holder of a controlling interest and to a corporation under the control of a holder of a controlling interest or under the control of his family member;
- (2) They were executed during a period of twelve (12) consecutive months and a consideration was determined in them for the same asset and various securities of one company will be considered the same asset;
- (3) They constitute a part of one transaction or they are conditional upon each other;

36.3 In the matter of the market terms pursuant to this paragraph, the offer shall be considered as an offer on market terms if the board of directors has determined, based on detailed grounds, that the offer is on market terms, unless it has been proven otherwise, and in regards to holding of Company securities pursuant to paragraph 36.1 above, securities convertible into shares, that the same individual holds or that shall be issued to him pursuant to the Private Placement, shall be considered to have been converted by him.

36.4 Material Private Placement requires the approval of the Board of Directors followed by the approval of the General Meeting and subsequently the Board of Directors resolves on issuance of Shares pursuant to article 6 of the Articles of Association.

Arrangement

Article 37

As long as the Company's Shares are held by the public in Israel and to the fullest extent permitted by Dutch law, the following will apply:

37.1 Where an Arrangement is proposed and endorsed by the Company, the General Meeting will decide to approve or disapprove such Arrangement with a majority in number representing seventy-five percent (75%) of

the Shares present and voting at the General Meeting.

37.2 The approval of the Arrangement by the General Meeting will only become effective upon the Israeli court approving the Arrangement.

37.3 For the purpose this Article, "**Arrangement**" means any alterations of the terms and conditions applicable to Shares and/or tradable option warrants issued by the Company and registered for trade on TASE, including – inter alia - a reorganization of the share capital, by way of the unification of shares of different classes, or by way of dividing shares into different classes, or in both ways at the same time.

SPECIAL PURCHASE OFFER

Article 38

38.1.(a) No acquisition of Shares is allowed in the capital of the Company as a result of which a Person will become the holder of a Control Block if the Company does not have a holder of a Control Block, and no acquisition of Shares is allowed as a result of which the rate of holdings of such Person will exceed forty five percent (45%) of the voting rights on Shares in the capital of the Company, if there is no other Shareholder holding over forty five percent of the voting rights on the Shares in the capital of the Company, other than by way of purchase offer under the provisions of this Article (hereinafter: "**a Special Purchase Offer**").

(b) The provisions of subsection (a) shall not apply to:

- (1) An acquisition of Shares in a Private Placement, provided that the purchase is approved in a General Meeting as a Private Placement intended to grant the Offeree a Control Block where the Company does not have a holder of a Control Block, or as a Private Placement intended to grant forty five percent (45%) of the voting rights on the Shares in the capital of the Company where the Company does not have a Shareholder holding forty five percent (45%) of the voting rights on the Shares in the capital of the Company;
- (2) An acquisition of Shares from a holder of a Control Block, as a result of which the offeror becomes a Shareholder who holds a Control Block;
- (3) An acquisition of Shares from a Shareholder holding over forty five percent (45%) of the voting rights on the Shares in the capital of the Company, as a result of which the rate of holdings of such Person increases above forty five percent (45%) of the voting rights on the Shares in the capital of the Company.

(c) A Special Purchase Offer will be subject to the provisions of this Article, in addition to the provisions under any law regarding the purchase offers, insofar as they do not conflict with the provisions

under this Article.

- 38.2. If a Special Purchase Offer is proposed, the Board of Directors of the Company will express its opinion to the Offerees regarding the profitability of the Special Purchase Offer or refrain from providing an opinion regarding the profitability of the Special Purchase Offer where it is unable to express an opinion, provided that the reasons for the failure to express an opinion are provided. The Board of Directors will also disclose any Personal Interest of any of the Directors in the Special Purchase Offer or arising therefrom.
- 38.3.(a) Any Director and/or Executive Officer of the Company who, by virtue of their position, perform an action, excluding actions as stated in subsection (b), intended to impede an existing or anticipated Special Purchase Offer or to harm the chances of its acceptance, will be liable vis-à-vis the offeror and the Offerees for their damages following their actions, unless they acted in good faith and had a reasonable basis to assume that the action taken was in the interests of the Company.
- (b) Any Director and/or Executive Officer of the Company may negotiate with the offeror to improve the terms of the Special Purchase Offer, and may negotiate with others for the formation of a competing Special Purchase Offer.
- 38.4.(a) A Special Purchase Offer will be directed to all of the Offerees, and the Offerees may announce their consent to the Special Purchase Offer or their objection thereto.
- (b) No Special Purchase Offer will be accepted by the Offerees without a majority of the votes among the Offerees who announced their position regarding the same.
- (c) The count of the votes of the Offerees will exclude the votes of the Controlling Shareholder of the offeror or those with a Personal Interest in the acceptance of the Special Purchase Offer, as well as a holder of a Control Block in the Company, or a Person on behalf of any of the above or the offeror, including Relatives or corporations under their Control. A Person with a Personal Interest will be subject to the provisions of Article 20.8, *mutatis mutandis*.
- (d) In the event that a Special Purchase Offer is accepted, the Offerees who did not announce their positions regarding the Special Purchase Offer or who objected to it may agree to the offer no later than forty days from the deadline for acceptance of the Special Purchase Offer, or another date determined, and they shall in that case be considered to have agreed to the Special Purchase Offer at the outset.
- 38.5. A Special Purchase Offer will not be accepted unless Shares granting at least five percent (5%) of the voting rights on the Shares in the capital of the Company will be acquired through it.

- 38.6(a) All rights attached to the Shares purchased contrary to the provisions of this Article 38 herein and hereunder will be suspended (*opgeschoort*) in accordance with section 2:87b subsection 1 of the Dutch Civil Code, as long as they are held by the purchaser and the purchaser is obliged to offer the Shares for sale it has acquired contrary to the provisions of this Article 38.
- (b) Without derogating from the provisions of subsection (a), where of a Shareholder's voting rights on the Shares in the capital of the Company increases, otherwise than due to an acquisition of Shares in accordance with the provisions of Article 38.1, to a rate conferring on him a Control Block where there is no holder of a Control Block in the Company, or a rate that exceeds forty five percent (45%) of the voting rights on the Shares in the capital of the Company if there is no other Person holding over forty five percent (45%) of the voting rights on the Shares in the capital of the Company, the voting rights on the Shares in the capital of the Company will be suspended (*opgeschoort*) on the Shares held by such Shareholder that exceed twenty five percent (25%) or forty five percent (45%) , as the case may be, for so long as the Shares are held by such Shareholder.
- (b1) A shareholder will report a situation as described under 38.6(b) to the Company as soon as possible after becoming aware thereof.
- (c) Noncompliance with the provisions of this Article 38 is a violation of a statutory duty of such Shareholder vis-à-vis the other Shareholders of the Company.
- 38.7. In the event of receipt of a Special Purchase Offer, the offeror, any Person controlling the offeror on the offer date, and any corporation under their Control, may not make another purchase offer for the purchase of the Shares for one year from the purchase offer date, and no merger will take place with the Company unless they have undertaken to do so in the Special Purchase Offer.
- 38.8.(a) A Person will not acquire Shares of the Company or voting rights on the Shares in the capital of the Company or a class of shares of the Company not being Shares (for the remaining part of this Article referred to as - "**Class of Shares**"), such that after the acquisition, the Person has holdings exceeding ninety percent (90%) of the Shares of the Company or Class of Shares, other than by way of a purchase offer for all of the Shares or Class of Shares (hereinafter: a "**Full Purchase Offer**"), which is passed in accordance with the provisions of this Article 38.
- (b) During the period that a Person holds Shares in a rate exceeding a rate of ninety percent (90%) of all of the Shares of the Company as stated in subsection (a) or a Class of Shares, such Person is prohibited from purchasing additional Shares or a Class of Shares.

- 38.10.(a) Where a Full Purchase Offer is received by the Offerees, such that the rate of holdings of the Offerees that do not respond to the Full Purchase Offer is less than five percent (5%) of the issued share capital of Shares or the issued capital of the Class of Shares for which the Full Purchase Offer is made, and more than half of the Offerees who do not have a Personal Interest in approving the Full Purchase Offer agree to it, all of the Shares requested by the offeror for purchase will be transferred to his ownership, and the records of ownership of the Shares will be adjusted accordingly. Any Person with a Personal Interest will be subject to the provisions of Article 20.8, *mutatis mutandis*.
- (a1) Notwithstanding the provisions of subsection (a), a Full Purchase Offer is deemed to be accepted if the rate of holdings of the Offerees who do not accept the Full Purchase Offer constitutes less than two percent (2%) of the issued capital of Shares or the issued capital of the Class of Shares for which the Full Purchase Offer was made.
- (b) Where a Full Purchase Offer is not accepted as stated in subsection (a) or (a1), the offeror is prohibited from acquiring Shares from the Offerees who accepted the Full Purchase Offer that will confer on him holdings of more than ninety percent (90%) of all of the Shares in the Company or the entire Class of Shares for which the Full Purchase Offer was made.
- 38.11.(a) The Israeli court may determine, at the request of any Person that is an Offeree in a Full Purchase Offer passed as stated in this Article 38, that the consideration for the Shares was less than the fair value thereof, and that the fair value should be paid, as determined by the Israeli court.
- (b) A request as stated in subsection (a) will be filed no later than six (6) months from the date of receipt of the Full Purchase Offer.
- (c) The offeror may determine under the terms of the Full Purchase Offer that an Offeree who accepts the Full Purchase Offer as stated in this Article 38 will not be entitled to additional consideration or remedy as awarded by the court by proceedings as set forth under this section.
- (d) There will be no validity to the determination of an offeror under subsection (c) if the offeror or Company has not published, before the response date to the offer, the information that is required to be published under any law in connection with the Full Purchase Offer.
- 38.12. Where a Full Purchase Offer is accepted under the provisions of this Article, and the offeror has also offered to purchase all of the securities of the Company, the provisions of this Article 38 shall apply, *mutatis mutandis*, regarding each class of security, to the purchase offer of the

aforesaid securities as well.

Jurisdiction

Article 39

- 39.1 As long as the Company's securities are held by the public in Israel, any and all matters deriving from the implementation of the ICL in accordance to the ISL, to the extent permitted by Dutch law, will be governed by Israeli Law and the exclusive jurisdiction of the courts of Israel, including, inter alia and without derogating from the generality of the abovementioned, the substantial Israeli Law in regards to Derivative Actions and Administrative Enforcement Measures imposed by ISA;
- 39.2 As long as the Company's securities are held by the public in Israel and to the fullest extent permitted by Dutch law, it may enter into agreements, obligations and arrangements with others (including, inter alia, its creditors) governed by Israeli law and in Israeli courts and can submit disputes deriving from these agreements, obligations and settlements (all governed by Israeli law as stated above) to the exclusive jurisdiction of the courts of Israel.

Notices.

Article 40

- 40.1 Notices of meetings and notifications which by Dutch law or pursuant to these Articles of Association must be made to Shareholders shall be made by announcement in a Dutch nationally distributed newspaper.
- 40.2 Notices of meetings and notifications which by Dutch law or pursuant to these Articles of Association must be made to Shareholders and to any other Persons entitled by Dutch law to attend a General Meeting, shall also be given, provided the Shares are listed on TASE, to any other Person to whom the Company is required to give notice under the Listing Rules, with such notices and notifications to be written in the Hebrew language and any other language determined by Listing Rules or the Board of Directors.
- 40.3. Without prejudice to the provisions of Article 40.1, for as long as the Company's Shares are listed on TASE, the notices referred to in Article 26 shall also be given by means of announcement in at least two (2) nationwide daily newspapers in Israel and an immediate report as referred to in the ISL, all in the Hebrew language.
- The obligation to convoke by notice in at least two (2) nationwide daily newspapers in Israel and/or filing an immediate report as referred to in the ISL shall no longer exist, if and to the extent the obligation thereto does no longer exist pursuant to Israeli Companies Law and the ISL (or any law or regulation replacing those).
- 40.4 Unless provided otherwise in these Articles of Association, where a period of notice is required to be given, the day on which the notice is deemed to be served will, but the day of doing the act or other thing

will not be included in the number of days or other period.

40.5 Notifications which by Dutch law or under these Articles of Association, are to be addressed to the General Meeting may take place by including the same in the notice of the General Meeting or in a document which has been made available for inspection at the offices of the Company, provided this is mentioned in the notice of the meeting.

40.6 Notifications of Shareholders and other notifications to be addressed to the Board of Directors shall be sent by letter to the office of the Company or to the addresses of all members of the Board of Directors.

General Meeting. Listing Rules.

Article 41

41.1 For as long as the Company's Shares are listed on TASE, any notice as referred to in Article 40.1 through Article 40.6, will be given with due observance of the Listing Rules and Dutch law.

For as long as the Company's Shares are listed on TASE, to the fullest extent permitted by Dutch law, all Listing Rules shall apply to the convening and holding of a General Meeting. For the avoidance of doubt, this shall also include the rights of any Person for whose benefit a Share is registered with a Member of TASE and consequently qualifies, pursuant to and in accordance with Article 4.4, as holder of such Share.

Amendment of the articles of association and dissolution.

Article 42

42.1 Unless otherwise provided in these Articles of Association, a resolution to amend the Articles of Association or to dissolve the Company may only be adopted in a General Meeting, in which at least half of the issued capital is represented and exclusively at (i) the proposal of the Board of Directors, or (ii) at the proposal of one or more Shareholders representing more than half of the issued capital.

42.2 When a proposal to amend the articles of association is to be made to the General Meeting, such shall be stated in the convocation, whereas at the same time a copy of the proposal stating the proposed amendment verbatim, shall be deposited at the offices of the Company for inspection by each Shareholder until the conclusion of the General Meeting.

42.3 When the required issued capital is not represented at a meeting, a second meeting shall be held within four (4) weeks after the first General Meeting, in which a resolution as referred to in Article 42.1 may be adopted, regardless the capital represented at such meeting, but at a proposal as mentioned in Article 42.1. The convocation for subject General Meeting may first be issued after the date on which the initial General Meeting was held and shall furthermore be made in accordance with Article 40.

42.4 Save as provided otherwise in article 30.5(a) above, amendment of the

articles of association at a General Meeting shall be validly adopted if adopted by more than half of the votes cast in the meeting duly convened.

Liquidation

Article 43

43.1 In the event of the dissolution of the Company by virtue of a resolution of the General Meeting, the Directors shall be charged with the liquidation, unless the General Meeting should charge a special committee with the liquidation.

43.2 In its resolution to dissolve the Company, the General Meeting shall also determine the remuneration of the liquidators.

43.3 The liquidation shall otherwise be subject to the relevant statutory provisions.

Final statements

The appearer finally declares that a copy of said shareholders' resolution is attached to this deed (**Annex**).

End of deed

The appearer is known to me, civil-law notary, and the identity of the appearer has been checked by me, civil law notary, by the for that purpose intended document.

OF WHICH THIS DEED was executed in Amsterdam on the date mentioned in the preamble of this deed. After the text of this deed had been stated and explained in substance to the appearer, he declared to have taken cognisance beforehand of the contents thereof and not to require it to be read out in full.

This deed was subsequently signed by the appearer and me, civil-law notary, after limited reading-out.