

AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
ZONE-IP LTD.

COMPANY NUMBER: 51-329280-5

PRELIMINARY

1. Capitalized terms used in these Articles shall have the meanings ascribed to them in this Article 1, unless the context otherwise requires:

“Annual Meeting” shall mean as set forth in Articles 23 hereof.

“Articles” shall mean these Articles of Association of the Company (as amended from time to time).

“Board” or “directors” shall mean the Company’s board of directors.

“Committee” shall mean as set forth in Article 52 hereof.

“Company” shall mean Zone-IP Ltd.

“Employees’ Share Scheme” shall mean a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of:

- (i) the bona fide employees or directors or consultants or former employees or directors or consultants of the Company, the Company’s affiliates, the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company; or
- (ii) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees.

and “Employee Share Scheme” shall also include any option granted to a third party as the directors may, in their sole discretion and referring to Article 5, resolve to be considered as such a scheme.

“Equity Security” shall mean a Relevant Share (other than a bonus share) or a right to subscribe for, or to convert or exercise securities into, Relevant Shares in the Company.

“External Directors” shall mean directors qualifying as “external directors” in accordance with the Law.

“General Meeting” shall mean as set forth in Articles 24 hereof.

“Law” shall mean the Israeli Companies Law, 5759-1999, as amended from time to time, and any regulations promulgated thereunder, that are in effect from time to time.

“London Stock Exchange” shall mean London Stock Exchange plc or such other principal stock exchange in the United Kingdom for the time being.

“Office” shall mean the registered office of the Company, as it shall be from time to time.

“Office Holder” shall mean every director and every other person included in such definition under the Law, including the executive officers of the Company.

“Ordinance” shall mean the Israeli Companies Ordinance [New Version] 5743-1983, as amended from time to time, and any regulations promulgated thereunder, that are in effect from time to time.

“Relevant Employee Shares” shall mean shares in the Company that would be Relevant Shares but for the fact that they were allotted in pursuance of an Employees’ Share Scheme.

“Relevant Securities” shall mean:

- (i) shares in the Company, other than shares allotted in pursuance of an Employees’ Share Scheme and other than shares which are dormant shares as defined under the Law; and
- (ii) any right to subscribe for, or to convert or exercise any security into, shares in the Company (other than shares allotted or to be allotted pursuant to an Employees’ Share Scheme),

and a reference to the allotment of Relevant Securities includes the grant of such a right but not the allotment of shares pursuant to such a right.

“Relevant Shares” shall mean shares in the Company other than:

- (i) shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution; and
- (ii) shares, which are allotted pursuant of an Employees’ Share Scheme or, in the case of shares, which have not been allotted, are to be allotted in pursuance of such a scheme.,

“Rights Issue” shall mean an offer or issue to or in favour of Shareholders on the Shareholders Register (or in the Company’s transfer agent’s records) on a date fixed by the Board where the Equity Securities respectively attributable to the interests of all those Shareholders are proportionate (as nearly as practicable) to the respective number of Ordinary Shares held by them on that date, but the Board may make such

exclusions or other arrangements as the Board considers expedient in relation to fractional entitlements or legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange.

“Seal” shall mean any of: (1) the rubber stamp of the Company; (2) the Company’s name typed or printed; (3) the facsimile signature of the Company; or (4) the electronic signature of the Company as approved by the Board.

“Shareholder” shall mean any person or entity that is the owner of at least one share, or any fraction thereof, in the Company, in accordance with the Law.

“Shareholders Register” shall mean the Register of Shareholders that is to be kept pursuant to the Law or, if the Company shall keep a branch register or registers, any such branch register, as the case may be.

“Special Meeting” shall mean as set forth in Article 24 hereof.

“United Kingdom” means United Kingdom of Great Britain and Northern Ireland.

“Writing” shall mean handwriting, typewriting, facsimile, print, lithographic printing and any other mode or modes of presenting or reproducing words in visible form.

In these Articles, subject to this Article and unless the context otherwise requires, expressions defined in the Law or the Ordinance (to the extent then in effect) or any modification thereof in force at the date on which these Articles become effective; words importing the singular shall include the plural and vice versa; words importing the masculine gender shall include the feminine; and words importing persons shall include companies, partnerships, associations and all other legal entities. The titles of the Articles or of a chapter containing a number of Articles are not part of the Articles.

PUBLIC COMPANY, LIMITED LIABILITY AND COMPANY OBJECTIVES

2. The Company is a public company as such term is defined in the Law. The liability of the Company’s Shareholders is limited and, accordingly, each Shareholder’s responsibility for the Company’s obligations shall be limited to the payment of the nominal value of the shares held by such Shareholder, subject to the provisions of these Articles and the Law.
3. The Company’s objectives are to carry on any business and perform any act, which is not prohibited by law. The Company may also make contributions of reasonable sums to worthy purposes even if such contributions are not made on the basis of business considerations. The Board may determine the amount of any such contributions, the purpose or category of purposes for which the contribution is to be made and the identity of the recipient of any such contribution.

SHARE CAPITAL

4. Authorised Share Capital

The authorised share capital of the Company shall consist of NIS 700,000 consisting of 70,000,000 Ordinary Shares, each having a nominal value of NIS 0.01 (the “Ordinary Shares”). The powers, preferences, rights, restrictions and other matters relating to the Ordinary Shares are as set forth in these Articles. Warrants, options and other securities convertible or exercisable into Ordinary Shares shall not be considered as shares for purposes of these Articles.

5. Allotment of Shares

Authority to Allot Shares

- 5.1. Subject to the Law, these Articles (including, but not limited to, Articles 5.2, 5.3 and 5.4 below) and the terms of any resolution creating new shares, (a) the authorized and unissued shares from time to time shall be under the control of the Board which may allot the same on such terms and conditions, to such persons (subject to the directors being authorized to do so in respect of the allotment of Relevant Securities in accordance with Article 5.2), against cash or for such other consideration which is not cash, with such restrictions and conditions, in excess of their nominal value, at their nominal value or (subject to the provisions of the Law) at a discount to their nominal value, and at such times as the Board shall deem appropriate; and (b) the Board shall have the power to cause the Company to grant to any person the option to acquire from the Company any authorized and unissued shares, including the right to subscribe for, or to convert or exercise any security into, authorized and unissued shares (subject to the directors being authorized to do so in respect of the allotment of options in accordance with Article 5.2), in each case on such terms as the Board shall deem appropriate.
- 5.2. Subject to the pre-emption rights contained in Article 5.3 below, the Company may at any time pass a resolution of its Shareholders, referring to this Article 5.2, authorising the directors to exercise all of the powers of the Company to allot Relevant Securities and the directors shall, upon the passing of such a resolution, be generally and unconditionally authorised to allot Relevant Securities, provided that:
- 5.2.1. the nominal amount of such securities (where such securities are shares) or the nominal amount of the shares in respect of which such securities confer the right to subscribe for, or convert or exercise into (where such securities are not shares) shall not exceed, in aggregate, the sum specified in such resolution; and
- 5.2.2. any such authority shall (unless otherwise specified in such resolution or subsequently varied or abrogated by a resolution passed by the Shareholders) expire on the date specified in the resolution, such date being no more than five years after the date on which the authorizing resolution was passed, save that the Company shall be entitled before such expiry to make an offer or

agreement which would or might require Relevant Securities to be allotted within 6 months after such expiry and the directors shall be entitled to allot Relevant Securities in pursuance of any such offer or agreement as if such authority had not expired.

Rights of Pre Emption

5.3. Unless authority to do so has been given by the Shareholders pursuant to Article 5.4, the Company shall not allot Equity Securities to any person for cash unless it shall first have made an offer to each holder of Relevant Shares and Relevant Employee Shares to allot to such holder on the same or more favourable terms a proportion of those offered shares which is as nearly as practical equal to the proportion in nominal value of shares held by such holder on the record date for any such allotment of the aggregate of all such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in their exclusive discretion to deal with fractional entitlements and legal or practical problems under the laws of, or the requirements of, any regulatory authority or stock exchange in, any jurisdiction. In the case of any such problems that are thought by the directors to arise out of the laws of the United Kingdom (or any part thereof) or out of the requirements of the Israeli Securities Authority or the London Stock Exchange or any regulatory authority in the United Kingdom, the Board shall obtain, and in good faith consider, the advice of appropriately qualified legal or financial advisers in the State of Israel or the United Kingdom, as the case may be.

5.4. The Company may at any time resolve by a resolution of Shareholders, referring to this Article 5.4, that the directors be empowered to allot Equity Securities for cash and, upon such resolution being passed, the directors shall (subject to their being authorised to allot Relevant Securities in accordance with Article 5.2) be empowered to allot Equity Securities for cash as if the right of pre emption contained in Article 5.3 did not apply to such allotment, provided that such power shall be limited:

5.4.1. to the allotment (other than in connection with a Rights Issue) of Equity Securities having, in the case of Relevant Shares, a nominal amount or, in the case of other Equity Securities, giving the right to subscribe for or convert into Relevant Shares having a nominal amount not exceeding in aggregate the nominal amount specified in such resolution; or

5.4.2. to the allotment of Equity Securities in connection with a Rights Issue,

and such power shall (unless otherwise specified in such resolution or subsequently varied or abrogated by a resolution passed by the Shareholders) expire on the date (if any) specified in such resolution, save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require Equity Securities to be allotted within 6 months after such expiry and the directors shall be entitled to allot Equity Securities in

pursuance of such offer or agreement as if such authority had not expired.

6. Special Rights; Variation of Class Rights

- 6.1. Subject to the Law and these Articles, and without prejudice to any special rights previously conferred upon the holders of any existing shares or class of shares, the Company may, from time to time, create shares with such preferential, deferred, qualified or other special rights, privileges, restrictions or conditions, whether in regard to dividends, voting, return of capital or otherwise, as may be stipulated in the Shareholders resolution authorising such new shares.
- 6.2. If at any time the share capital of the Company is divided into different classes of shares, the right attached to any class (unless otherwise provided by the terms of issue of the shares of that class or by these Articles) may be varied only upon the consent of a separate meeting of the holders of the shares of that class. It is hereby clarified that, notwithstanding anything to the contrary contained herein, the Employee Relevant Shares are not a separate class and shall be part of the class of Ordinary Share for all intents and purposes. The provisions of these Articles relating to meetings of Shareholders shall *mutatis mutandis* apply to every such separate class meeting.
- 6.3. Unless otherwise provided by these Articles, the increase in an authorised class of shares, the issuance of additional shares thereof out of the authorised and unissued share capital, shall not be deemed, for the purposes of Article 6 to vary, modify or abrogate the rights attached to previously issued shares of such class or of any other class of shares.

7. Consolidation and Subdivision; Fractional Shares

With regard to its capital, the Company may:

- 7.1. from time to time, by resolution of its Shareholders, but subject to these Articles and the Law:
 - 7.1.1. consolidate and divide all or any of its issued or unissued share capital into shares bearing a per share nominal value which is larger than the per share nominal value of its existing shares;
 - 7.1.2. cancel any shares which at the date of the adoption of such resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
 - 7.1.3. subdivide its shares (issued or outstanding) or any of them into shares of a smaller per share nominal value than is fixed by these Articles. The resolution pursuant to which any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of such shares may, as compared with the others, have special rights or be subject to any

such restrictions as the Company has power to attach to unissued or new shares;

- 7.1.4. reduce its share capital in any manner, including with and subject to any incidental authorities and/or consents required by law.
- 7.2. upon any consolidation or subdivision of shares which may result in fractional shares, the Board may settle any difficulty which may arise with regard thereto as it deems fit, including, without limitation, by:
 - 7.2.1. allotting, in contemplation of, or subsequent to, such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional shareholdings;
 - 7.2.2. subject to the Law, making such arrangements for the sale or transfer of the fractional shares to such other Shareholders of the Company at such times and at such price as the Board thinks fit so as to preclude or remove most expeditiously any fractional shareholdings and cause the transferees of such fractional shares to pay the full fair market value thereof to the transferors, and the Board is hereby authorised to act as agent for the transferors and transferees with the power of substitution and off-setting for purposes of implementing the provisions of this sub-Article 7.2.2;
 - 7.2.3. to the extent as may be permitted under the Law, redeeming or purchasing such fractional shares sufficient to preclude and remove such fractional shareholding; and
 - 7.2.4. determining, as to the holders of shares so consolidated, which issued shares shall be consolidated into each share of a larger nominal value.

8. Increase of Share Capital

- 8.1. The Company may, from time to time, by a resolution of the Shareholders, whether or not all of the shares then authorised have been issued, and whether or not all the shares then in issue have been called up for payment, increase its share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amount and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide.
- 8.2. Except to the extent otherwise provided in such resolution, such new shares shall be subject to all the provisions applicable to the shares of the original share capital of the Company.

9. Redeemable Shares

The Company shall have the power to issue redeemable shares and redeem the same all in accordance with, and subject to, the provisions of the Law.

SHARES

10. Issuance of Share Certificates; Replacement of Lost Certificates

- 10.1. Share certificates shall be issued, upon the written request of a Shareholder, under the Seal and shall bear the signature of a director and/or any person or persons so authorised by the Board.
- 10.2. Each Shareholder shall be entitled to one or more numbered certificate(s) for all the shares of any class registered in his name, each of which shall state the number of shares represented by the certificate, their serial numbers and may also specify the amount paid on account of their nominal value.
- 10.3. A share certificate registered in the Shareholders Register in the names of two or more persons shall be delivered to the person first-named in the Shareholders Register in respect of such co-ownership and the Company shall not be obligated to issue more than one certificate to all the joint holders.
- 10.4. A share certificate which has been defaced, lost or destroyed may be replaced and the Company shall issue a new certificate to replace such defaced, lost or destroyed certificate upon payment of such fee and upon the furnishing of such evidence of ownership and such indemnity as the Board, in its discretion, deems fit.

11. Registered Holder

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

12. Payment in Instalments

If pursuant to the terms of allotment or issue of any share all or any portion of the price thereof shall be payable in instalments, every such instalment shall be paid to the Company on the due date thereof by the then registered holder(s) of the share or the person(s) then entitled thereto.

13. Calls on Shares

- 13.1. The Board may, from time to time, as it in its discretion deems fit, make calls for payment upon Shareholders in respect of any sum which has not been paid up in respect of shares held by such Shareholders and which is not, pursuant to the terms of allotment or issue of such shares or otherwise, payable at a fixed time, and each Shareholder shall pay the amount of every call so made upon him (and of each instalment thereof if the same is payable in instalments) to the person(s) and at the time(s) and place(s) designated by the Board. Unless otherwise stipulated in the resolution of the Board (and in

the notice referred to below), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all the shares in respect of which such call was made.

- 13.2. Notice of any call for payment by a Shareholder shall be given in writing to such Shareholder not less than fourteen (14) days prior to the time of payment fixed in such notice and shall specify the time and place of payment and the person to whom such payment is to be made. Prior to the time for any such payment fixed in a notice of a call given to a Shareholder, the Board may in its absolute discretion, by notice in writing to such Shareholder, revoke such call in whole or in part, extend the time fixed for payment thereof or designate a different place of payment or person to whom payment is to be made. In the event of a call payable in instalments, only one (1) notice thereof need be given.
- 13.3. If pursuant to the terms of allotment or issue of a share or otherwise an amount is made payable at a fixed time (whether on account of such share or by way of premium), such amount shall be payable at such time as if it were payable by virtue of a call made by the Board and for which notice was given in accordance with this Article 13 and the provisions of these Articles with regard to calls (and the non-payment thereof) shall be applicable to such amount (and the non-payment thereof).
- 13.4. Joint holders of a share shall be jointly and severally liable to pay all calls for payment in respect of such share and all interest payable thereon.
- 13.5. Any amount called for payment which is not paid when due shall bear interest from the date fixed for payment until actual payment thereof at such rate and payable at such time(s) as the Board may prescribe.
- 13.6. Upon the allotment of shares, the Board may provide for differences among the allottees of such shares as to the amounts and times for payment of calls for payment in respect of such shares.

14. Prepayment

With the approval of the Board, any Shareholder may pay to the Company any amount not yet payable in respect of his shares and the Board may approve the payment by the Company of interest on any such amount until the same would be payable if it had not been paid in advance at such rate and time(s) as may be approved by the Board. The Board may at any time cause the Company to repay all or any part of the money so advanced without premium or penalty. Nothing in this Article 14 shall derogate from the right of the Board to make any call for payment before or after receipt by the Company of any such advance.

15. Forfeiture and Surrender

- 15.1. If any Shareholder fails to pay an amount payable by virtue of a call, or interest thereon as provided for in accordance herewith, on or before the day fixed for payment of the same, the Board may, at any time after the day fixed for such payment, so long as such amount (or any portion thereof) or interest

thereon (or any portion thereof) remains unpaid, forfeit all or any of the shares in respect of which such payment was called for. All expenses incurred by the Company in attempting to collect any such amount or interest thereon, including, without limitation, attorneys' fees and costs of legal proceedings, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

- 15.2. Upon the adoption of a resolution as to the forfeiture of a Shareholder's share, the Board shall cause notice thereof to be given to such Shareholder, which notice shall state the place that payment is to be made and that, in the event of the failure to pay the entire amount so payable by a date specified in the notice (which date shall be not less than seven (7) days after the date such notice is given and which may be extended by the Board), such shares shall be *ipso facto* forfeited, provided however that, prior to such date, the Board may nullify such resolution of forfeiture, but no such nullification shall prevent the Board from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.
- 15.3. Without derogating from Articles 15.1 and 15.2 hereof, whenever shares are forfeited as herein provided, any and all dividends declared in respect of such shares and not actually paid shall be deemed to have been forfeited at the same time as the forfeiture of such shares.
- 15.4. The Company, by resolution of the Board, may accept the voluntary surrender of any share. A surrendered share shall be treated as if it had been forfeited.
- 15.5. Any share forfeited or surrendered as provided herein shall become dormant shares (as defined in the Law), and may be sold, re-allotted or otherwise disposed of as the Board deems fit.
- 15.6. Any Shareholder whose shares have been forfeited or surrendered shall cease to be a Shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment at the rate prescribed in Article 13.5 above and the Board, in its discretion, may, but shall not be obligated to, enforce the payment of such monies or any part thereof. In the event of such forfeiture or surrender, the Company, by resolution of the Board, may accelerate the date(s) of payment of any or all amounts then owing to the Company by the Shareholder in question (but not yet due) in respect of all shares owned by such Shareholder solely or jointly with another.
- 15.7. The Board may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall prevent the Board from re-exercising its powers of forfeiture pursuant to this Article 15.

- 15.8. A declaration in writing by a director or secretary of the Company that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated therein against all persons claiming to be entitled to the share.
- 15.9. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

16. Lien

- 16.1. Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each Shareholder (without regard to any equitable or other claim or interest in such shares on the part of any other person) and upon the proceeds of the sale thereof for his debts or other liabilities to the Company arising from any amount payable by such Shareholder in respect of any unpaid or partly paid share, whether or not such debt or other liability has matured. Such lien shall extend to all dividends from time to time declared or paid in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.
- 16.2. The Board may cause the Company to sell a share subject to such a lien when the debt or other liability giving rise to such lien has matured in such manner as the Board deems fit, but no such sale shall be made unless such debt or other liability has not been satisfied within seven (7) days after written notice of the intention to sell shall have been served on such Shareholder, his executors or administrators.
- 16.3. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts or other liabilities of such Shareholder in respect of such share (whether or not the same have matured) and the remainder (if any) shall be paid to the Shareholder, his executors, administrators or assigns.

17. Sale After Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of a share after forfeiture or surrender or for enforcing a lien, the Board may appoint any person to execute an instrument of transfer of the share so sold and cause the purchaser's name to be entered in the Shareholders Register in respect of such share. The purchaser shall be registered as the Shareholder and shall not be obligated to supervise the application of the proceeds of such sale and, after his name has been entered in the Shareholders Register in respect of such share, the validity of the sale shall not be affected by any defect or illegality in the sale proceedings. The sole remedy of any person aggrieved by any such sale shall be in damages only and against the Company exclusively.

18. Purchase of the Company's Shares

The Company may, subject to and in accordance with the provisions of the Law, purchase or undertake to purchase, provide finance and or assistance or undertake to provide finance and/or assistance directly or indirectly with respect to the purchase of its shares or securities which may be converted into shares of the Company or which confer rights upon the holders thereof to purchase shares of the Company.

19. Depository Interests

The directors are authorised to make such arrangements as they may think fit in order to enable shares in the Company to be represented by and exchanged for depository interests which are eligible to be held and transferred in uncertificated form in a computer-based system whether located in Israel or in any other country. Any such arrangements shall be notified to Shareholders in such manner as the directors may decide.

TRANSFER OF SHARES

20. Registration of Transfer

- 20.1. No transfer of shares shall be registered unless a proper written instrument of transfer (in any customary form or any other form satisfactory to the Board) has been submitted to the Company (or its transfer agent), together with the share certificate(s) or such other evidence of title as the Board may reasonably require.
- 20.2. The Board may refuse to register any transfer of a share not fully paid up, or any transfer of a share on which the Company has a lien, provided, that the refusal is not such as to prevent dealings in the shares from taking place on an open and proper basis. The Board may also refuse to register a transfer of any share (whether fully paid or not) to an entity, which is not a legal or natural person; or if it is to be held jointly by more than four persons.
- 20.3. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee.
- 20.4. The transferor of a share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Shareholders Register in respect of the share.
- 20.5. No fee shall be charged by the Company for registration of a transfer or other document relating to or affecting the title to any share or for making any entry in the Shareholders Register.
- 20.6. If the Board refuses to register a transfer of a share, it shall within fourteen (14) days after the date on which the transfer was lodged, send to the transferee notice of the refusal.

- 20.7. The Board may, in its discretion, to the extent it deems necessary and subject to any restrictions in the Law or the rules of any stock exchange upon which the Ordinary Shares are listed, close the Shareholders Register for registrations of transfers of shares during any year for a period to be determined by the Board, provided, however, that such period shall not exceed two months per year, and no registrations in the Shareholders Register of transfers of shares shall be made by the Company during any such period during which the Shareholders Register is so closed.

TRANSMISSION OF SHARES

21. Descendant's Shares

- 21.1. In case of a share registered in the name of two or more holders, the Company may recognise the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 21.2 have been effectively invoked.
- 21.2. Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession or an inheritance order (or such other evidence as the Board may reasonably deem sufficient), shall be registered as a Shareholder in respect of such share or may, subject to the provisions as to transfer herein contained, transfer such share. However, nothing herein shall release the estate of a deceased holder (whether sole or joint holder) of a share from any obligation to the Company with respect to any share held by the deceased.

22. Receivers and Liquidators

- 22.1. The Company may recognise any receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder and a trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganisation of, or similar proceeding with respect to a Shareholder or its properties, as being entitled to the shares registered in the name of such Shareholder.
- 22.2. Any such receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder and any such trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganisation of, or similar proceedings with respect to a Shareholder or its properties, upon producing such evidence as the Board may deem sufficient as to his authority to act in such capacity or under this Article, shall (with the consent of the Board (which the Board may grant or refuse in its absolute discretion)) be registered as a Shareholder in respect of such shares or may, subject to the provisions as to transfer herein contained, transfer such shares.

GENERAL MEETINGS

23. Annual Meetings

An annual meeting of the Shareholders shall be held at least once in every year at such time, being not more than fifteen (15) months after the last preceding annual meeting, and at such place as may be prescribed by the Board, provided that, for so long as any shares of the Company are listed on a stock exchange or an investment exchange in the United Kingdom and are not listed on any stock exchange or investment exchange outside the United Kingdom, any such meeting shall be held within the United Kingdom (but, for the avoidance of doubt, this shall not prevent, for the purposes of Article 27.4, a satellite meeting place or places being anywhere outside the United Kingdom provided that the principal meeting place is within the United Kingdom). Each such annual meeting of the Shareholders shall be called an “Annual Meeting” as defined in the Law.

24. Special Meetings

All Shareholders’ meetings other than Annual Meetings shall be called “Special Meetings” as defined in the Law (and collectively with the Annual Meetings, the “General Meetings”). The Board may, whenever it thinks fit, convene a Special Meeting, at such time and place as may be determined by the Board, and shall be obligated to do so upon a request in writing in accordance with the Law, provided however, that for so long as any shares of the Company are listed on a stock exchange or an investment exchange in the United Kingdom and are not listed on any stock exchange or investment exchange outside the United Kingdom, any such meeting shall be held within the United Kingdom (but, for the avoidance of doubt, this shall not prevent, for the purposes of Article 27.4, a satellite meeting place or places being anywhere outside the United Kingdom provided that so long as the principal meeting place is within the United Kingdom).

25. Powers of the General Meeting

Subject to the provisions of the Articles and the Law, the functions of the General Meeting shall include the following:

- 25.1. to elect and replace the members of the Board, including External Directors;
- 25.2. to appoint and replace the Company’s auditor;
- 25.3. to approve acts and transactions that require approval by a General Meeting under the Law;
- 25.4. to increase and reduce the authorised share capital, in accordance with the Law;
- 25.5. to approve any amendment to these Articles;
- 25.6. to approve a resolution to consummate a Merger (as defined in the Law);
- 25.7. to deliberate on the financial statements of the Company; and

25.8. to consider such other matters as the Board may include in the agenda for the meeting.

26. Notice of General Meetings; Omission to Give Notice

26.1. Subject to these Articles, applicable law and regulations (including the applicable laws and regulations of any stock market on which the Company's shares are listed) prior notice of at least 35 days of any General Meeting, specifying the place, date and hour of the meeting, shall be given, as hereinafter provided, to the Shareholders entitled to participate in such meeting pursuant to these Articles and the Law.

26.2. Non-receipt of any such notice shall not invalidate any resolution passed or the proceedings held at that meeting, provided that such notice shall have been sent to the registered address of such Shareholder as it appears on the Company's Shareholders Register.

26.3. With the consent of all the Shareholders entitled to receive notice thereof, a meeting may be convened upon shorter notice or without any notice and in such manner, generally, as shall be approved by such Shareholders.

27. Manner of Meeting

27.1. The Board may, both prior to and during any General Meeting or class meeting, make any arrangements and/or impose any restrictions which it considers appropriate to ensure the security and/or the orderly conduct of any such General Meeting or class meeting, including, without limitation, arranging for any person attending any such General Meeting or class meeting to be searched for items of personal property, which may be taken into any such General Meeting or class meeting and for the restriction thereof and for any person (whether or not a shareholder of the Company) who refuses to comply with any such arrangements or restrictions to be refused entry to or excluded from any such General Meeting or class meeting.

27.2. The chairman of the meeting shall take such action, as he thinks fit, to promote the orderly conduct of the business of the General Meeting or class meeting as laid down in the notice of the General Meeting or class meeting, including, without limitation, but only if such action is necessary to maintain the orderly conduct of the meeting and only after due warning shall be given, asking any person or persons (whether or not a Shareholder or Shareholders of the Company) to leave the General Meeting or class meeting and, if necessary, having such person or persons excluded from the General Meeting or class meeting (provided that if any Shareholder is so removed from a meeting, such Shareholder shall have the right to vote his or her shares by proxy). The decision of the chairman of the meeting on matters relating to the orderly conduct of a General Meeting or class meeting and on any other matters of procedure or arising incidentally from the business of the General Meeting or class meeting shall be final as shall be his determination, acting in good faith, as to whether any matter is of such nature. Nothing in this Article 27.2 shall limit any other power vested in the chairman of the meeting.

27.3. The Board may make such arrangements, as it shall in its absolute discretion consider to be appropriate, for any of the following purposes:

27.3.1. to regulate the level of attendance at any place specified for the holding of a General Meeting or class meeting or any adjournment thereof; or

27.3.2. to ensure the safety of people attending at any such place; or

27.3.3. to facilitate attendance at such General Meeting or class meeting or adjournment;

and may from time to time vary any such arrangements or make new arrangements in their place. Such arrangements may include, without limitation, the issue of tickets or the use of random means of selection, or otherwise as the Board shall consider to be appropriate.

27.4. The Board may, in its sole discretion, resolve to enable persons entitled to attend a General Meeting or class meeting to do so by simultaneous attendance and participation at the principal meeting place and a satellite meeting place or places anywhere in the world, and the Shareholders present in person, by proxy or by written ballot at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the General Meeting or class meeting in question. Such meeting shall be duly constituted and its proceedings valid, provided that the chairman of the General Meeting or class meeting is satisfied that adequate facilities are available throughout the General Meeting or class meeting to ensure that Shareholders attending at all the meeting places are able to:

27.4.1. participate in the business for which the meeting has been convened;

27.4.2. hear all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and

27.4.3. be heard by all other persons so present in the same way.

Such arrangements for simultaneous attendance and participation may include arrangements for regulating the level of attendance in the manner aforesaid at the other place or any of such other places.

28. Record Date for Notices of General Meetings

28.1. Notwithstanding any other contrary provision of these Articles and subject to the Law and applicable law, the Board may fix a date as permitted by the Law prior to the date of any General Meeting of the Shareholders, as the date on which Shareholders entitled to notice of and to vote at such meeting shall be determined, and all persons who were holders of record of voting shares on such date, and no others, shall be entitled to notice of and to vote at such

meeting. A determination of Shareholders of record entitled to notice of and to vote at any meeting shall apply to any adjournment of such meeting, provided, however, that the Board may fix a new record date for the adjourned meeting.

29. Proposals by Shareholders to the Agenda of the General Meeting

29.1. Any Shareholder or Shareholders of the Company, holding at least such percent of the voting rights in the issued share capital of the Company as set forth in Articles 29.2.3.2, requesting, pursuant to the Law, that the Board include a subject in the agenda of a General Meeting and/or class meeting to be held in the future must:

29.1.1. submit such request in writing;

29.1.2. include all information relevant to the subject matter and the reason that such subject is proposed to be brought before the General Meeting and/or class meeting;

29.1.3. have such request signed by the Shareholder or Shareholders making such request;

29.1.4. have such request be in relation to a subject matter which is appropriate for consideration by the Company in a General Meeting or class meeting; and

29.1.5. comply with the requirements as to form and content set out in Article 29.2.

29.2. Subject to the Law and to Article 29.3, the Board shall include in the agenda of a General Meeting and/or class meeting a subject contained in a request made pursuant to Article 29.1 only if such request has been delivered to the secretary of the Company:

29.2.1. in the case of a resolution to be considered and, if thought fit, passed at the Annual Meeting of the Company, not less than ninety (90) days and not more than one hundred and twenty (120) days prior to (but excluding) the date of the first anniversary of the immediately preceding annual general meeting;

29.2.2. in the case of a resolution to be considered and, if thought fit, passed at a Special Meeting or class meeting of the Company, not less than ninety (90) days and not more than one hundred and twenty (120) days prior to (but excluding) the date of such meeting provided that, where such meeting has been convened on less than ninety (90) days' prior notice, such notice must be received by the secretary of the Company not later than 5.00 p.m. Israel time, on the fifth day following (but excluding) the day on which notice of such meeting was given.

29.2.3. Each such request shall also set forth:

- 29.2.3.1. the name and address of the Shareholder(s) making the request;
 - 29.2.3.2. a representation that the Shareholder(s) is a/are holder(s) of record of shares of the Company entitled to vote at such meeting representing at least one percent (1%) of the voting rights in the Company's issued share capital or such higher percentage as may be required by the Law and intend(s) to appear in person or by proxy at the meeting;
 - 29.2.3.3. a description of all and any arrangements and/or understandings between the Shareholder(s) and any other person(s) (naming such person(s)) in connection with the subject which is requested to be included in the agenda; and
 - 29.2.3.4. a declaration signed by the Shareholder(s) that all the information that is required under the Law and any other applicable law to be provided to the Company in connection with such subject, if any, has been provided.
- 29.2.4. In addition, if such subject includes a nomination to the Board in accordance with the Articles, the request shall also set forth the consent of each nominee to serve as a director of the Company if so elected and a declaration signed by each nominee declaring that there is no limitation under the Law as to the appointment of such a nominee and any other declaration required by the Law. Furthermore, the Board may, in its discretion to the extent it deems necessary, request that the Shareholder(s) making the request provide additional information necessary so as to include a subject in the agenda of a General Meeting as the Board may reasonably require (including but not limited to biographical information about a nominee to the Board).
- 29.3. If the chairman of the Board shall determine, acting in good faith, that any of the provisions of Article 29.2 29.3 has not been properly satisfied with respect to a request purportedly given pursuant to Articles 29.1 and/or 29.2, he shall be entitled (on behalf of the Company) to refuse to allow any resolution contained in such request to be considered at a General Meeting and/or class meeting of the Company (as the case may be).

PROCEEDINGS AT GENERAL MEETINGS

30. Quorum

- 30.1. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes (but subject to the provisions of Article 30.2 below) the quorum shall be two or more

Shareholders present in person or by proxy (or deemed by the Law to be present at such meeting) holding, in the aggregate, at least 25% of the voting rights in the issued share capital of the Company.

- 30.2. If within half an hour from the time appointed for the meeting such a quorum is not present, the meeting, if convened upon the request of the Shareholder(s) pursuant to Sections 63 or 64 of the Law, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same place and time, or to such day and at such time and place as the chairman of the Board may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business, which might lawfully have been transacted at the meeting as originally called. If a quorum as referred to in Article 30.1 is not present at the adjourned meeting within half an hour from the time appointed for the meeting, the quorum shall be reduced to one or more Shareholders present in person or by proxy (or deemed by the Law to be present at such meeting).

31. Chairman

The chairman, if any, of the Board shall preside as chairman at every General Meeting of the Company. If there is no such chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for holding the meeting, or is unwilling to act as chairman, then another director designated by the Board shall preside as chairman at such General Meeting; and if no such designation was made by the Board, any director attending such General Meeting shall preside as chairman; and if no director attends such General Meeting, then the Shareholders present shall choose one of the Shareholders present to be chairman. The chairman of any General Meeting shall not, by virtue of such office, be entitled to vote at any General Meeting, nor shall the chairman of a meeting have a second or casting vote (without derogation, however from the rights of such chairman to vote as a Shareholder or proxy of a Shareholder if, in fact, he is also a Shareholder or a duly appointed proxy).

32. Adoption of Resolutions at General Meetings

- 32.1. Resolutions of the Shareholders with respect to all matters shall be deemed adopted if approved by the holders of a simple majority of the voting power of the Company represented at the meeting in person or by proxy and voting thereon, other than as specified in the Articles or otherwise required by the Law.
- 32.2. Every question submitted to a General Meeting shall be decided by a show of hands but, if a written ballot is demanded by any Shareholder present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the voting on a proposed resolution or immediately after the declaration by the chairman of the meeting of the results of the vote by a show of hands. If a vote by written ballot is taken after such declaration, the results of the vote by a show of hands shall be of no effect and the proposed resolution shall be decided by

such written ballot. The demand for a written ballot may be withdrawn at any time before the same is conducted, in which event another Shareholder may then demand such written ballot. The demand for a written ballot shall not prevent the continuance of the meeting for the transaction of business other than the question on which the written ballot has been demanded.

32.3. A declaration by the chairman of the meeting that a resolution has been adopted unanimously or by a particular majority or lost and an entry to that effect in the minute book of the Company shall be prima facie evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

33. Power to Adjourn.

33.1. The chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy in such meeting, adjourn the meeting, a discussion to be held or the vote on any resolution to be adopted on a matter set forth in the agenda, from time to time and from place to place, but no business shall be transacted at any such adjourned meeting except business which was on the agenda of the meeting as originally called and which was not voted on.

33.2. In the event of an adjournment pursuant to Article 33.1, notice thereof shall be given in the manner required under Law.

VOTES OF SHAREHOLDERS

34. Voting Power

Subject to the provisions of Article 35 and subject to any provision in the Articles conferring special rights as to voting, or restricting the right to vote, every Shareholder, whether present in person or by proxy, shall have one vote for each share held by him of record, on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means.

35. Voting Rights

35.1. In the case of joint holders, the vote of the senior holder to tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For the purpose of this Article, seniority shall be determined by the order in which the names appear in the Shareholders Register (or in the Company's transfer agent's records). The appointment of a proxy to vote on behalf of a jointly held share shall be executed by the senior holder.

35.2. No Shareholder shall be entitled to vote at any General Meeting or class meeting (or be counted as a part of the quorum thereat) unless all calls and other sums then payable by him in respect of his shares in the Company have been paid.

- 35.3. Any Shareholder entitled to vote may vote either personally or by proxy (who need not be a Shareholder of the Company) or, if the Shareholder is a company or other corporate body, by a representative authorised pursuant to Article 35.4.
- 35.4. A company or other corporate body that is a Shareholder of the Company may, by resolution of its directors or any other managing body thereof, authorise any person to be or to appoint its representative at any General Meeting or class meeting of the Company. Any person so authorised shall be entitled to exercise on behalf of such Shareholder all the power, which the latter could have exercised if it were an individual Shareholder. Upon the request of the chairman of the meeting, written evidence of such authorisation (in a form reasonably acceptable to the chairman) shall be delivered to him.

PROXIES

36. Instrument of Appointment

- 36.1. The instrument appointing a proxy shall be in writing in such form as may be approved by the Board from time to time in compliance with applicable law. The matters that may be voted on by proxy shall include all matters permitted to be voted on by proxy under the Law and any other matter designated by the Board as permitted to be voted on by proxy.
- 36.2. The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at such place or one of such places as may be specified for that purpose in or by way of a note to or in any document accompanying the notice convening the General Meeting (or, if no place is so specified, at the registered office of the Company) or by any other means (including electronic form) specified for that purpose in such document) not less than 72 hours before the time fixed for the meeting at which the person named in the instrument proposes to vote.
- 36.3. The Board may cause the Company to send, by post or otherwise, instruments of proxy to Shareholders for use at any General Meeting or class meeting.

37. Effect of Death of Appointer or Revocation of Appointment

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the death of the appointing Shareholder (or of his attorney-in-fact, if any, who signed such instrument) or the revocation of the appointment or the transfer of the share in respect of which the vote is cast provided that no written notification of such death, revocation or transfer shall have been received by the Company or by the chairman of the meeting before such vote is cast.

38. Multiple Proxies

A Shareholder is entitled to vote by a separate proxy with respect to each share held

by him provided that each proxy shall have a separate letter of appointment containing the serial number of the share(s) with respect to which the proxy is entitled to vote. Where valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the instrument which is delivered last (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share. However, if the Board or some other person as may be authorised by the Board for such purpose is unable to determine which was the last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the meeting, in which event such instrument of proxy shall be automatically revoked.

BOARD OF DIRECTORS

39. Number of Directors

The Board shall be composed of such number as determined by a Shareholders' resolution, but shall not be less than three (3) directors and not more than eleven (11) directors.

40. Appointment of Directors at a General Meeting

40.1. Subject to the provisions of Articles 39 and 40.2, and the limitations set forth in the Law, the Company may, by a resolution at a General Meeting, appoint any person who is willing to act to be a director, either to fill a vacancy or as a director (other than those directors who are External Directors).

40.2. The appointment of External Directors shall be made in accordance with the relevant provisions of the Law.

41. Re-election of Directors at a General Meeting

41.1. At each Annual Meeting, each of the directors (other than those directors who are External Directors) shall retire from office. The names of all such directors shall be stated in the notice of the Annual Meeting or in any document accompanying the notice. Each such retiring director shall (subject to the provisions of Article 47) be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with these Articles) shall retain office until the close of the meeting at which he retires, or (if earlier) when a resolution is passed at that meeting at which he retires either not to fill the vacancy or to appoint another person in his place, or the resolution to re-appoint him is put to the meeting and lost.

41.2. The term of appointment of each External Director shall be determined in accordance with the relevant provisions of the Law.

42. Nominations to the Board

42.1. Nominations for the election of directors may be made by the Board or a

Committee or, subject to the Law and to the provisions of Article 29, by any Shareholder.

42.2. Notwithstanding the provisions of Article 42.1, no person shall be nominated or appointed to the office of a director if such person is disqualified, under the Law, from being appointed as a director.

42.3. A director's term (including that of an External Director) shall begin either on the date of his appointment to the Board or at such later date designated in the resolution appointing such director.

43. Casual Appointments of Directors

Subject to the provisions of Article 41, the Board may at any time appoint any other person as a director to fill a vacancy left by an existing director, provided that the total number of directors shall not at any time exceed the maximum number of directors set out in Article 39. Any director so appointed shall hold office until the next Annual General Meeting.

44. Alternate Directors.

44.1. Subject to Article 44.2, a director may, by written notice to the Company given in the manner set forth below, (i) appoint any individual who is qualified to serve as a director as an alternate for himself (in these Articles referred to as "Alternate Director") and (ii) remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever.

44.2. *Limitations on appointment of Alternate Directors.* In accordance with the limitations prescribed by Law but subject to Article 44.3:

44.2.1. A director may not appoint as his Alternate Director an individual who is a member of the Board or who already serves as an Alternate Director for another director. One person may not act as Alternate Director for several directors.

44.2.2. A director may be appointed as an Alternate Director to a member of a Committee, provided that the candidate to be appointed as an Alternate Director does not already serve at such Committee, and provided further, that if such candidate is to serve as an Alternate Director for an External Director, then such candidate should be an External Director with either accounting and financial qualification or professional qualification, as the director for whom he shall be substituting.

44.2.3. An External Director may not appoint an Alternate Director for himself, other than in accordance with Article 44.2.2.

44.3. In the event that the provisions of the Law relating to Alternate Directors (including, without limitation, any limitations on the appointment of individuals as Alternate Directors, or the directors that are permitted to

appoint Alternate Directors) shall be subsequently amended, such amended provisions shall be automatically incorporated herein by way of reference and shall be deemed to amend the provisions of this Article 43.

- 44.4. The appointment of an Alternate Director shall be subject to the consent of the Board.
- 44.5. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board, or otherwise restricts its scope, the appointment shall be for all purposes, and for a period of time concurrent with the term of the appointing Director.
- 44.6. Any notice to the Company pursuant to Article 44.1 shall be given in person to, or by sending the same by mail to the attention of the chief executive officer of the Company at the principal office of the Company or to such other person or place as the Board shall have determined for such purpose, and shall become effective on the date fixed therein, or upon the receipt thereof by the Company (at the place as aforesaid), whichever is later, subject to the consent of the Board, in which case the notice will be effective as of the date of such consent.
- 44.7. An Alternate Director shall have all the rights and obligations of the director who appointed him, provided however, that (i) he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides), (ii) an Alternate Director shall have no standing at any meeting of the Board or any committee thereof while the director who appointed him is present, and (iii) the Alternate Director is not entitled to remuneration.
- 44.8. An Alternate Director shall be responsible for his or her own acts and defaults as provided in the Law and any other applicable law.
- 44.9. The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 47 or in this Article 49, and such office shall ipso facto be vacated if the director who appointed such Alternate Director ceased to be a director.

45. Qualification of Directors

No person shall be disqualified from serving as a director by reason of not holding shares in the Company.

46. Continuing Directors in the Event of Vacancies

In the event of one or more vacancies in the Board, the other directors in office may continue to act in every matter provided that, if the number of directors is less than the minimum number set out in Article 39, they may only act either in an emergency and/or to call a General Meeting of the Company for the purpose of electing directors

to fill any or all vacancies so that at least the minimum number of directors set out in Article 39 are in office as a result of such meeting.

47. Vacation of Office; Removal of Directors

- 47.1. The office of a director, other than External Directors, shall be vacated automatically:
- 47.1.1. upon his death;
 - 47.1.2. if he is found to be legally incompetent;
 - 47.1.3. if he becomes bankrupt;
 - 47.1.4. if he is prevented by the Law or other applicable law from serving as a director of the Company, or if his directorship expires pursuant to the Law or other applicable law, including without limitation, in accordance with Section 228 of the Law;
 - 47.1.5. if the Board terminates his office according to Section 231 of the Law;
 - 47.1.6. if a court order is given in accordance with Section 233 of the Law;
 - 47.1.7. if he is removed from office by a resolution of the General Meeting of the Company approved by Shareholders;
 - 47.1.8. if he resigns from office in accordance with Article 47.3;
 - 47.1.9. if his period of office has terminated in accordance with the provisions of these Articles.
- 47.2. The office of an External Director shall be vacated only in accordance with the provisions for the vacation of office and the removal of External Directors according to the Law.
- 47.3. The office of a director shall be vacated by his written resignation delivered to the chairman of the Board or to the Company. Such resignation shall become effective on either (i) the date set out in such written resignation as the effective date of resignation, or (ii) the date of delivery of such written resignation to the Company (whichever is the later).

48. Remuneration of Directors

- 48.1. Subject to the provisions of the Law and a director may be paid remuneration by the Company for his services as director, to the extent such remuneration shall have been approved as required by the Law. Any such fee shall be distinct from any other remuneration or amounts payable to a director under any other provision of these Articles.
- 48.2. Subject to such approvals as required by the Law, the Board may grant special remuneration to any director who serves on any Committee, or who

otherwise performs any special or extra services to or at the request of the Company.

48.3. Subject to such approvals as required by the Law, the directors may be paid all reasonable travel, hotel and incidental expenses properly incurred in the performance of their duties as directors, including expenses incurred in attending Board meetings, Committee meetings, General Meetings and/or separate meetings of the holders of any class of shares or debentures of the Company.

49. Conflict of Interests; Approval of Related Party Transactions

49.1. Subject to the provisions of the Law and these Articles, the Company may enter into any contract or otherwise transact any business with:

49.1.1. any director in which contract or business such director has a personal interest, directly or indirectly; or

49.1.2. any third party in which contract or business a director has a personal interest, directly or indirectly.

49.2. Except to the extent permitted under the Law, a director or other Office Holder shall neither participate in deliberations concerning or vote upon a resolution approving a transaction with the Company in which he has a personal interest.

POWERS AND DUTIES OF DIRECTORS

50. Powers of Board of Directors

50.1. *General*

In addition to all powers and authorities of the Board as specified in the Law, the determination of the Company's policies, the appointment, removal and supervision of the chief executive officer of the Company and the appointment of the Company's executive officers and other key employees (who will be nominated by the chief executive officer) and determination of such persons' remuneration terms (which terms will be proposed by the chief executive officer) shall be vested in the Board. In addition, the Board may exercise all such powers and do all such acts and things as the Company is authorised to exercise and do, and is not hereby or by law required to be exercised or done by the Company in a General Meeting or by the chief executive officer under his express or residual authority. The authority conferred on the Board by this Article shall be subject to the provisions of the Law, these Articles and any regulation or resolution consistent with these Articles adopted from time to time by the Company in a General Meeting, provided, however, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board which would have been valid if such regulation or resolution had not been adopted.

50.2. *Borrowing Power*

- 50.2.1. The Board may, subject to Article 50.2.2 below, exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 50.2.2. The Board shall restrict the borrowing of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) with a view to securing (as regards such subsidiaries as far as by such exercise the Board can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and/or any of its subsidiaries (exclusive of money borrowed (i) by the Company from and for the time being owing to any such subsidiary, and (ii) by any such subsidiary from and for the time being owing to the Company or another such subsidiary) shall not at any time exceed an amount equal to 3 times the share capital and consolidated reserves (as defined in Article 50.2.3), except with the prior sanction of a resolution passed at a General Meeting of the Shareholders.
- 50.2.3. For the purposes of this Article 50.2 “share capital and consolidated reserves” means, at any time, the amount standing to the credit of the share capital account of the Company plus the aggregate amount standing to the credit of the consolidated capital and revenue reserves (including any share premium account or capital redemption reserve fund) and the consolidated profit and loss account of the Company and its subsidiaries, all as shown in the latest audited consolidated accounts of the Company, but:
- 50.2.3.1. adjusted as may be necessary and appropriate to take account of any increase in or reduction of such share capital or reserves since the date to which the consolidated balance sheet incorporated in such accounts shall have been made up and any distributions (other than to the Company or any of its subsidiaries) out of profits earned down to the date of such balance sheet and not provided for in such balance sheet; and
- 50.2.3.2. excluding any sums set aside for taxation and any amounts attributable to shares in the Company’s subsidiaries, which are not held by the Company or any of its subsidiaries.

The certified opinion of the auditors of the Company as to the amount of the share capital and consolidated reserves or the amount of borrowings or to the effect that the limit imposed by

Article 50.2.2 has not been exceeded or breached at a particular time shall be conclusive and binding on all concerned.

50.2.4. No person dealing with the Company or any of its subsidiaries shall, by reason of this Article 50.2, be concerned to see or inquire whether the limit imposed by Article 50.2.2 has been or will be observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual, unless the lender or the recipient of the security had, at the time when the debt was incurred or the security was given, express notice that the limit had been or would as a result be exceeded.

50.2.5. A borrowing or security resulting in a breach of the limit in Article 50.2.2 shall not be void; nor shall it be voidable at the instance of the Company or any other subsidiary thereof.

50.3. *Reserves*

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

51. Exercise of Powers of Directors; Voting

51.1. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions vested in or exercisable by the Board.

51.2. Except as otherwise specifically set forth in these Articles or as required by the Law, a resolution proposed at any meeting of the Board shall be deemed adopted if approved by a majority of the directors present when such resolution is put to a vote and voting thereon. The office of chairman of the Board of Director shall not, by itself, entitle the holder thereof to a second or a casting vote.

51.3. The Board may adopt resolutions, without convening a meeting of the Board, provided that all directors then in office and lawfully entitled to participate in the discussion on the proposed matter and to vote thereon (as conclusively determined by the chairman of the Board) have given their written consent not to convene a meeting on such matters. Minutes of such resolutions, including the resolution not to convene a meeting, shall be signed by the chairman of the Board.

52. Delegation of Powers

52.1. *Committees*

- 52.1.1. The Board may, subject to the provisions of the Law and any other applicable law, delegate any or all of its powers to committees (a "Committee") and it may from time to time revoke such delegation, revoke, cancel or alter any resolution of such Committee, or alter the composition of any such Committee.
- 52.1.2. Any Committee so formed (in these Articles referred to as) shall, in the exercise of the powers so delegated, conform to any regulations imposed upon it by the Board.
- 52.1.3. The meetings and proceedings of any such Committee shall be governed, with the relevant changes, by the provisions herein contained for regulating the meetings of the Board so far as not superseded by any regulations adopted by the Board.
- 52.1.4. Unless otherwise expressly provided by the Board in delegating powers to a Committee, such Committee shall not be empowered to further delegate such powers.

52.2. *Secretary and other officers*

The Board of Directors may, subject to the provisions of the Law and any other applicable law, from time to time appoint a secretary to the Company, as well as officers, as the Board of Directors may think fit, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Law and any other applicable law, determine the powers and duties, as well as the remuneration, of all such persons as it thinks fit.

52.3. *Attorneys*

The Board may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it thinks fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

PROCEEDINGS OF DIRECTORS

53. Meetings of the Board

- 53.1. The Board may meet and adjourn its meetings at such places, either within or outside the State of Israel, and otherwise regulate such meetings and proceedings as the directors think fit, provided that meetings shall be

convened at least once every three (3) months.

- 53.2. Subject to all of the other provisions of these Articles concerning meetings of the Board, the Board may meet by telephone conference call or other communication equipment so long as each participating director can hear, and be heard by, each other participating director . The directors participating in this manner shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 53.3. Board meetings may be convened at any time by the chairman of the Board. The chairman of the Board shall convene a Board meeting upon the written request of any director as soon as practicable after receiving such request and shall otherwise convene a Board meeting as provided by the Law.

54. Notice

- 54.1. Notice of a Board meeting shall contain the information required by the Law and shall be delivered to the directors not less than five (5) days before such meeting, unless such notice is waived by all of the directors.
- 54.2. Notice of a meeting of the Board shall be given in writing and may be sent by hand, post, facsimile or electronic mail to a director at the address, facsimile number or electronic mail address given by such director to the Company for such purpose. Any such notice shall be deemed duly received, if sent by post, three (3) days (seven (7) days if sent internationally) following the day when any such notice was duly posted and if delivered by hand or transmitted by facsimile transmission or electronic mail, such notice shall be deemed duly received by the director on the date of delivery or, as the case may be, transmission of the same.
- 54.3. Notwithstanding anything contained to the contrary in these Articles, failure to deliver notice to a director of any such meeting in the manner required hereby may be waived (in advance or retroactively) by such director and a meeting shall be deemed to have been duly convened notwithstanding such defective notice if such failure or defect is waived (in advance or retroactively) by all directors entitled to participate at such meeting and to whom notice was not duly given. The presence of a director at any such meeting shall be deemed due receipt of a prior notice or a waiver of any such notice requirement by such director.

55. Quorum

- 55.1. Until otherwise unanimously decided by the Board, a quorum at a meeting of the Board shall be constituted by the presence in person or by telephone or other communication equipment of not less than a majority of the directors then in office and who are lawfully entitled to participate and vote at the meeting (provided that, if at any time there is only one director in office, the quorum shall be one director for any meeting convened solely for the purpose of Article 46); provided that at least one independent director (as defined in the UK Combined Code on Corporate Governance) is present at such meeting. If within a half hour (or within such longer time as the chairman of

the meeting may decide) from the time appointed for the holding of the Board meeting a quorum is not present, the Board meeting shall stand adjourned to the same day in the next week at the same time and place.

55.2. If at any adjourned Board meeting a quorum is not present within half an hour (or within such longer time as the chairman of the meeting may decide) from the time appointed for holding the meeting, the Board meeting shall be adjourned in accordance with the provisions of Article 55.1. No business shall be transacted at a meeting of the Board unless the requisite quorum is present.

56. Chairman

The Board may from time to time elect by resolution or otherwise appoint a director to be chairman or deputy chairman and determine the period for which any such person is to hold such office. The chairman or, in his absence, the deputy chairman shall preside at meetings of the Board but, if no such chairman or deputy chairman shall be elected or appointed or if at any meeting the chairman or deputy chairman shall not be present within fifteen (15) minutes after the time appointed for holding such meeting or if the chairman or deputy chairman is unwilling or unable to chair such meeting, the directors present shall choose one of their number to be the chairman of such meeting. The chairman shall not have a second or casting vote at any Board meeting. The chief executive officer of the Company may not serve as the chairman of the Board, other than pursuant to the Law.

57. Validity of Acts

Subject to the provisions of the Law, all *bona fide* actions of any meeting of the Board or of a Committee or of any person acting as a director or a member of such Committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or such committee or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified.

CHIEF EXECUTIVE OFFICER

58. Subject to the Articles and the Law, the Board may from time to time appoint a chief executive officer of the Company. Subject to the Law, the powers, authorities and responsibilities of any such chief executive officer shall be those that the Board may, at its discretion, lawfully confer on the same. The Board may, from time to time, as the Board may deem fit, modify or revoke such title(s), duties and authorities. Subject to the Articles and the Law, any such appointment(s) and any such powers, authorities and responsibilities may be either for a fixed term or without any limitation of time, and may be made upon such conditions and subject to such limitations and restrictions as the Board may, from time to time, determine and the Board may from time to time (subject to the provisions of any applicable law or the rules of any stock exchange upon which securities of the Company are listed and of any contract between any such person(s) and the Company) determine the salary of any such person(s) and remove or dismiss any such person(s) from his employment as chief executive officer (but such

person shall continue to serve as a director of the Company unless such office is vacated in accordance with Article 47) and appoint another or others in his or their place.

59. The management and the operation of the Company's affairs and business in accordance with the policies determined by the Board shall be vested in the chief executive officer, in addition to all powers and authorities of the chief executive officer as specified in the Law. Without derogating from the above, all powers of management and executive authority, which are not vested by the Law or by the Articles in another organ of the Company shall be vested in the chief executive officer.

MINUTES

60. The Company shall cause minutes to be recorded of all General Meetings of the Company and also of all appointments of directors and Office Holders and of the proceedings of all meetings of the Board and any Committees thereof. Such minutes shall set forth the names of persons present and all business transacted at such meetings. Any such minutes of any meeting, if purporting to be signed by the chairman of such meeting or (in the case of a Board meeting) the director managing the meeting, shall be prima facie evidence of the facts therein stated. Minutes of a meeting shall be kept at the Office, or such other address as the Company has notified the Registrar of Companies of, for the period and in the manner prescribed by the Law.

DIVIDENDS AND RESERVES

61. Declaration of Dividends

Subject to the provisions of the Law, the Board may from time to time declare such dividends as may appear to the Board to be justified by the profits of the Company and cause the Company to pay such dividends. The Board shall have the full authority to determine the time for payment of such dividends, and the record date for determining the Shareholders entitled thereto, provided such date is not prior to the date of the resolution to distribute the dividend and no Shareholder who shall be registered in the Shareholders Register with respect to any shares after the record date so determined shall be entitled to share in any such dividend with respect to such shares.

62. Amount Payable by Way of Dividends

Subject to any special or restricted rights conferred upon the holders of shares as to dividends, any dividend paid by the Company shall be allocated among the Shareholders entitled thereto in proportion to the sums paid up or credited as paid up on account of the nominal value of their respective holdings of the shares in respect of which such dividend is being paid without taking into account the premium paid up for the shares. The amount paid up on account of a share which has not yet been called for payment or fallen due for payment and upon which the Company pays interest to the Shareholder shall not be deemed, for the purposes of this Article, to be a sum paid

on account of the share.

63. Interest

No dividend shall bear interest as against the Company.

64. Payment in Kind

64.1. A dividend may be paid, wholly or partly, by the distribution of specific assets and, in particular, by distribution of paid-up shares, debentures or debenture stock of any other company or in any one or more such ways.

64.2. The Board may resolve that:

64.2.1. any monies, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or to the credit of any reserve fund for the redemption of capital or to the credit of a reserve fund for the revaluation of real estate or other assets of the Company or any other reserve fund or investment funds or assets in the hands of the Company and available for dividends or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed among such of the Shareholders as would be entitled to receive the same if distributed by the way of dividend and in the same proportion on the basis that they become entitled thereto as capital;

64.2.2. all or any part of such capitalised fund be applied on behalf of such Shareholders in paying up in full, either at nominal or at such premiums as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards the payment, in full or in part, of the uncalled liability on any issued shares or debentures or debenture stock;

64.2.3. such distribution or payment shall be accepted by such Shareholders in full satisfaction of their share and interest in the said capitalised sum.

65. Implementation of Powers under Article 64

For the purpose of giving full effect to any resolution under Article 64 and without derogating from the provisions of Article 7.2, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and, in particular, may issue certificates for fractional amounts of shares or other securities and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any Shareholder upon the footing of the value so fixed or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties and may vest any such cash, shares, debentures, debenture stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where

required, a proper contract shall be filed in accordance with Section 291 of the Law and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund.

66. Dividends on Unpaid Shares

66.1. Without derogating from Article 62, the Board may give an instruction which shall prevent the distribution of a dividend to the holders of shares, the full amount payable in respect of which has not been paid up.

66.2. The Board may deduct from any dividend payable to any Shareholder all sums of money (if any) presently payable by such Shareholder to the Company on account of calls or otherwise in relation to the shares of the Company.

67. Retention of Dividends

67.1. The Board may retain any dividend or other monies payable or property distributable in respect of a share on which the Company has a lien and may apply the same in or toward satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

67.2. The Board may retain any dividend or other monies payable or property distributable in respect of a share in respect of which any person is under Article 20 entitled to become a Shareholder or which any person is under such Article entitled to transfer until such person shall become a Shareholder in respect of such share or shall transfer the same.

68. Unclaimed Dividends

All unclaimed dividends or other money payable in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The payment by the Board of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of two (2) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company provided, however, that the Board may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

69. Payment

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

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

70. Receipt from a Joint Holder

If two or more persons are registered as joint holders of any share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise any one of them may give an effective receipt for any dividend or other monies payable or property distributable in respect of such share.

ACCOUNTS AND AUDIT

71. Fiscal Year

The Company's fiscal year shall commence on January 1st and shall end on the following December 31st.

72. Books of Account

The Board shall cause accurate books of account to be kept in accordance with the provisions of the Law and of any other applicable law. Such books of account shall be kept at the Office or at such other place or places as the Board may think fit and they shall always be open to inspection by any director. No Shareholder, not being a director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorised by the Board.

73. Audit

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

74. Auditors

The appointment, authorities, rights and duties of the auditor(s) of the Company shall be regulated by applicable law provided that, in exercising its authority to fix the remuneration of the auditor(s), the Shareholders in a General Meeting may act (and, in the absence of any action in connection therewith, shall be deemed to have so acted) to authorise the Board and/or a Committee to fix such remuneration subject to such criteria or standards, if any, as may be provided in such resolution and, if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with the volume and nature of the services rendered by such auditor(s).

BRANCH REGISTERS

75. Branch Registers

Subject to and in accordance with the provisions of the Law and to all orders and regulations issued thereunder, the Company may cause a branch register or registers of Shareholders to be kept at any place outside of Israel as the Board may think fit and, subject to all applicable requirements of law, the Board may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such branch register or registers.

RIGHTS OF SIGNATURES

76. Rights of Signature

The Board shall be entitled to authorise any person or persons (who need not be directors) to act and sign on behalf of the Company and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority.

NOTICES

77. Notices

77.1. Except as provided otherwise in these Articles, any written notice or other document may be served by the Company upon any Shareholder either personally or by sending it by prepaid mail (airmail if sent internationally) addressed to such Shareholder at his address as described in the Shareholders Register or such other address as he may have designated in writing for the receipt of notices and other documents. Any written notice or other document may be served by any Shareholder upon the Company by tendering the same in person to the secretary or the chief executive officer of the Company at the principal office of the Company or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its Office. Any such notice or other document shall be deemed to have been served forty-eight (48) hours after it has been posted (seven (7) days if sent internationally) or when actually received by the addressee if sooner than forty-eight hours or seven days, as the case may be, after it has been posted, or when actually tendered in person, to such Shareholder (or to the secretary or the chief executive officer). Notice sent by telegram, telex, facsimile or electronic mail shall be deemed to have been served when actually received by the addressee. It shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some other respect, to comply with the provisions of this Article 77.1.

77.2. All notices to be given to the Shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Shareholders Register or in the records of the Company's transfer agent and any notice so given shall be sufficient notice to the holders of such share.

- 77.3. Any Shareholder whose address is not described in the Shareholders Register, and who shall not have designated in writing an address for the receipt of notices shall not be entitled to receive any notice from the Company.
- 77.4. Notwithstanding anything to the contrary contained in these Articles and subject to the provisions of the Law, any notice to a Shareholder may be served as a general notice to all Shareholders in accordance with applicable rules and regulations of any stock exchange upon which the Company's shares are listed.
- 77.5. Subject to applicable law, any Shareholder, director or any other person entitled to receive notice in accordance with these Articles or law may waive notice, in advance or retroactively, in a particular case or type of cases or generally and, if so, notice will be deemed as having been duly served and all proceedings or actions for which the notice was required will be deemed valid.
- 77.6. The accidental omission to give notice of a meeting to any Shareholder or the non-receipt of notice by any Shareholder entitled to receive notice shall not invalidate the proceedings at any meeting or any resolution(s) adopted by such meeting, provided that such notice shall have been sent to the registered address of such shareholder as it appears on the Company's Shareholders Register.

INSURANCE AND INDEMNITY OF OFFICE HOLDERS

Subject to the provisions of the Companies Law with regard to such matters and to the maximum extent permitted under the Companies Law:

78. INSURANCE

The Company may enter into a contract for the insurance of the liability, in whole or in part, of any of its Office Holders with respect to an obligation imposed on such Office Holder due to an act performed by the Office Holder in the Office Holder's capacity as an Office Holder of the Company arising from any of the following:

- (i) a breach of duty of care to the Company or to any other person;
- (ii) a breach of the duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that the act that resulted in such breach would not harm the interests of the Company; and
- (iii) a financial liability imposed on such Office Holder in favor of any other person.

79. INDEMNITY

(a) Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may resolve retroactively to

indemnify an Office Holder of the Company with respect to the following liabilities and expenses, provided that such liabilities or expenses were incurred by such Office Holder in such Office Holder's capacity as an Office Holder of the Company:

- (i) a financial liability imposed on an Office Holder in favor of another person by any judgment, including a judgment given as a result of a settlement or an arbitrator's award which has been confirmed by a court in respect of an act performed by the Office Holder.
- (ii) reasonable litigation expenses, including attorneys' fees, expended by the Office Holder as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment (as defined in the Companies Law) was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability as a substitute for the criminal proceeding (as defined in the Companies Law) was imposed upon him or her as a result of such investigation or proceeding or if such financial liability was imposed, it was imposed with respect to an offence that does not require proof of criminal intent.
- (iii) reasonable litigation costs, including attorney's fees, expended by an Office Holder or which were imposed on an Office Holder by a court in proceedings filed against the Office Holder by the Company or in its name or by any other person or in a criminal charge in respect of which the Office Holder was acquitted or in a criminal charge in respect of which the Office Holder was convicted for an offence which did not require proof of criminal intent.

(b) Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may undertake in advance to indemnify an Office Holder of the Company with respect to those liabilities and expenses described in the following Articles:

- (i) Sub-Article 79(a)(ii) and 79(a)(iii); and
- (ii) Sub-Article 79(a)(i), provided that the undertaking to indemnify:
 - (1) is limited to such events which the Directors shall deem to be likely to occur in light of the operations of the Company at the time that the undertaking to indemnify is made and for such amounts or criteria which the Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances; and
 - (2) the undertaking to provide such indemnification shall set forth such events which the Directors shall deem to be likely to occur in light of the operations of the Company at the time that the undertaking to indemnify is made, and the amounts and/or criteria which the Directors may, at the time of the giving of such undertaking to indemnify, deem to be reasonable under the circumstances.

80. EXEMPTION

Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may release, in advance, any Office Holder from any liability for damages arising out of a breach of a duty of care towards the Company, other than breach of such duty of care towards the Company in a distribution (as such term is defined in the Companies Law).

81.

(a) Any amendment to the Companies Law adversely affecting the right of any Office Holder to be insured or indemnified pursuant to Articles 78 and 79 shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment.

(b) The provisions of Articles 78-80 are not intended, and shall not be interpreted so as to restrict the Company, in any manner, in respect of the procurement of insurance and/or in respect of indemnification and/or exculpation, in favor of any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder; and/or any Office Holder to the extent that such insurance and/or indemnification is not specifically prohibited under law, provided that the procurement of any such insurance or the provision of any such indemnification shall be approved by the Board of Directors. Any modification of Articles 78-80 shall be prospective in effect and shall not affect the Company's obligation or ability to indemnify an Office Holder for any act or omission occurring prior to such modification.

WINDING UP

82. A resolution to wind up the Company shall be adopted as required by Law.

83. If the Company is wound up, then (subject to applicable law and to the rights of any holders of shares with special rights upon a winding up):

83.1. The assets of the Company available for distribution among the Shareholders shall first be distributed as follows: to those Shareholders entitled to it, an amount equal to the paid-up share capital attributable to their respective holdings of shares in respect of which such distribution is being made, provided that if the assets available for distribution are insufficient to make such a distribution in full, the assets shall be distributed in proportion to the paid-up capital attributable to their respective holdings of such shares. The paid-up capital attributable to any share issued at a premium or at a lawful discount shall be the nominal value of the share provided that, if an amount less than the full subscription price has been paid to the Company, the paid-up capital attributable to that share shall be such proportion of the nominal value as the amount paid to the Company bears to the subscription price.

83.2. The assets (if any) remaining after the distribution pursuant to Article 83.1

above shall (subject to applicable law and to the rights of any holders of shares with any special rights) be distributed to the Shareholders entitled to them in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made, whether or not the subscription price (or any portion of it) has been paid.

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