

TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT, 2004

MEMORANDUM OF ASSOCIATION OF

Somoto Limited

A COMPANY LIMITED BY SHARES

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:

"Act" means the BVI Business Companies Act, 2004 (No. 16 of 2004) and includes the regulations made under the Act;

"Articles" means the attached Articles of Association of the Company;

"Cause" means (A) the willful and continuous failure of a director to substantially perform such director's duties to the Company, provided that no act, or failure to act, on the part of a director shall be deemed "willful" unless committed by the officer in bad faith and without reasonable belief that such action or omission was in the best interest of the Company or its subsidiaries; (B) the willful engaging by a director in gross misconduct materially and demonstrably injurious to the Company, provided that no act, or failure to act, on the part of a director shall be deemed "willful" unless committed by the officer in bad faith and without reasonable belief that such action or omission was in the best interest of the Company or its subsidiaries; (C) conviction for, or guilty plea to, a felony or a crime involving moral turpitude; or (D) abuse of illegal drugs or other controlled substances or habitual intoxication.

"Chairman of the Board" has the meaning specified in Regulation 12;

"Control" means the ability to direct the activity of a corporation, excluding an ability deriving merely from holding an office of director or another office in the corporation, and a person shall be presumed to control a corporation if he holds half or more of a certain type of Means of Control of the corporation;

"Controlling Shareholder" means a person holding the Control over a corporation;

"Distribution" in relation to a distribution by the Company to a Shareholder means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder, or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by a Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

"Eligible Person" means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

"Executive" means any Officer, Director, President, Vice-President, General Manager, Chief Executive Officer, Manager, Deputy General Manager or any other person fulfilling such duties even if he has a different title from those stated above and any other manager directly subordinated to the President.

"Extraordinary Transaction" means a Transaction that is not in the ordinary course of a corporation's business, a Transaction not on market terms, or a Transaction that may have a substantial effect on the Company's profitability, property or obligations;

"Interested Party" means a Substantial Shareholder, a person with authority to appoint one or more Directors or the President, and a person acting as Director or President of a corporation;

"Means of Control" means each of the following:

- (a) The right to vote in meeting of the shareholders of a company or a corresponding body of another corporation.
- (b) The right to appoint directors of a corporation or its President;

"Memorandum" means this Memorandum of Association of the Company;

"President" means any person managing the day to day affairs of the Company, regardless of his title (Chief Executive Officer, General Manager or otherwise);

"Registrar" means the Registrar of Corporate Affairs appointed under section 229 of the Act; **"Relative"** means spouse, sibling, parent, grandparent, offspring or an offspring of a spouse, or spouse of any of the above;

"Resolution of Directors" means, subject to the provisions of the Memorandum and Articles, either:

- (a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (b) a resolution consented to in writing by all directors or by all members of a committee of directors of the Company, as the case may be;

"Resolution of Shareholders" means, subject to the provisions of the Memorandum and Articles, a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in excess of 50% of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted;

"Seal" means any seal which has been duly adopted as the common seal of the Company;

"Securities" means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire shares or debt obligations;

"Share" means a share issued or to be issued by the Company;

"Shareholder" means an Eligible Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;

"Substantial Shareholder" means a person holding five percent (5%) or more of a corporation's issued share capital or of its voting rights;

"Transaction" means a contract or agreement as well as a unilateral decision on the part of a corporation in respect of the grant of a right or other benefit;

"Treasury Share" means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

"written" or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and **"in writing"** shall be construed accordingly.

1.2 In the Memorandum and the Articles, unless the context otherwise requires a reference to:

- (a) a **"Regulation"** is a reference to a regulation of the Articles;
- (b) a **"Clause"** is a reference to a clause of the Memorandum;
- (c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;
- (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended or, in the case of the Act any re-enactment thereof;
- (e) the Israeli Companies Law is a reference to the Israeli Companies Law, 5759-1999 ("the Israeli Companies Law") and any regulations promulgated thereunder as amended and supplemented from time to time;
- (f) the singular includes the plural and vice versa; and
- (g) the masculine includes the feminine and vice versa.

1.3 Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and the Articles unless otherwise defined herein.

1.4 Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and the Articles.

2 NAME

The name of the Company is Somoto Limited.

3 STATUS

The Company is a company limited by shares.

4 REGISTERED OFFICE AND REGISTERED AGENT

4.1 The first registered office of the Company is at 90 Main Street, P.O. Box 3099, Road Town, Tortola, British Virgin Islands.

4.2 The first registered agent of the Company is Shirley Trust Company Limited, 90 Main Street, P.O. Box 3099, Road Town, Tortola, British Virgin Islands.

- 4.3 The Company may by Resolution of Shareholders or by Resolution of Directors change the location of its registered office or change its registered agent.
- 4.4 Any change of registered office or registered agent will take effect on the registration by the Registrar of a notice of the change filed by the existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.
- 4.5 The address of the Company for purposes of service of process will be the address of the Company's headquarters in Israel, at PO Box 58096, Tel Aviv, 61580, and/or the address of the first registered agent.

5 CAPACITY AND POWERS

- 5.1 Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:
 - (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (b) for the purposes of paragraph (a), full rights, powers and privileges.

- 5.2 For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

6 NUMBER AND CLASSES OF SHARES

- 6.1 The Company is authorized to issue a maximum of 100,000,000 with no par value Shares of a single class.
- 6.2 The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares.
- 6.3 Shares may be issued in one or more series of Shares as the directors may by Resolution of Directors determine from time to time.

7 RIGHTS OF SHARES

- 7.1 Each Share in the Company confers upon the Shareholder:
 - (a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;
 - (b) the right to an equal share in any dividend paid by the Company; and
 - (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.
- 7.2 The Company may by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares in the Company subject to Regulation 3 of the Articles.

8 VARIATION OF RIGHTS

If at any time the Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50% of the issued shares in that class.

9 RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

The rights conferred upon the holders of the Shares of any class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10 REGISTERED SHARES

10.1 The Company shall issue registered shares only.

10.2 The Company is not authorized to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

11 TRANSFER OF SHARES

11.1 The Company shall, on receipt of an instrument of transfer complying with the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

11.2 The directors may not resolve to refuse or delay the transfer of a Share unless (a) the Shareholder has failed to pay an amount due in respect of the Share, (b) the transfer does not comply with transfer restrictions printed on or attached to a certificate representing Shares or (c) the transfer would not comply with applicable laws.

12 AMENDMENT OF THE MEMORANDUM AND THE ARTICLES

12.1 Subject to the Act, the Company may amend the Memorandum or the Articles by a Resolution of the majority voting powers of the Company's Shareholders.

12.2 Any amendment of the Memorandum or the Articles will take effect on the registration by the Registrar of a notice of amendment, or restated Memorandum and Articles, filed by the registered agent.

Signed for TMF (B.V.I.) Ltd. of TMF Place, P.O. Box 964, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands on the XX day of XXXX, 2011:

Incorporator

Graham Cook
Authorised Signatory
TMF (B.V.I.) Ltd.

TERRITORY OF THE BRITISH VIRGIN ISLANDS THE
BVI BUSINESS COMPANIES ACT, 2004 ("**The Act**")

ARTICLES OF ASSOCIATION

OF

SOMOTO LTD.

A COMPANY LIMITED BY SHARES

PREAMBLE

For so long as the Company is subject to the terms of Section 39A of the Israeli Securities Law, 5728-1968, as amended from time to time, and to the extent permitted by applicable law, the Company and its Shareholders will be subject to such terms of the Israeli Companies Law 5759-1999 (the "Israeli Companies Law"), as prescribed by the Israeli Securities Law and the Israeli Securities Authority and to the extent permitted by applicable law, the applicable terms of the Israeli Companies Law shall supersede the terms of these Articles and as promptly as practicable after the discovery of such discrepancy, contradiction or inconsistency, the Directors and/or Shareholders shall amend the Memorandum and/or Articles of Association, as the case may be, so as to eliminate such discrepancy, contradiction or inconsistency to the fullest extent as permitted by the applicable law.

1. REGISTERED SHARES

- 1.1 Every Shareholder is entitled to a certificate signed by a director or officer of the Company, or any other person authorized by Resolution of Directors, or under the Seal specifying the number of Shares held by him and the signature of the director, officer or authorized person and the Seal may be facsimiles.
- 1.2 If several Eligible Persons are registered as joint holders of any Shares, any one of such Eligible Persons may give an effectual receipt for any Distribution.

2. SHARES

- 2.1 Shares and other Securities may be issued at such times, to such Eligible Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.
- 2.2 Section 46 of the Act (*Pre-emptive rights*) does not apply to the Company.
- 2.3 A Share may be issued for consideration in any form, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services.

- 2.4 No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:
- (a) the amount to be credited for the issue of the Shares;
 - (b) the determination of the directors of the reasonable present cash value of the non-money consideration for the issue; and
 - (c) that, in the opinion of the directors, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.
- 2.5 The Company shall keep a register (the "**register of members**") containing:
- (a) the names and addresses of the Eligible Persons who hold Shares;
 - (b) the number of each class and series of Shares held by each Shareholder;
 - (c) the date on which the name of each Shareholder was entered in the register of members; and
 - (d) the date on which any Eligible Person ceased to be a Shareholder.
- 2.6 The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 2.7 A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

3. REDEMPTION OF SHARES AND TREASURY SHARES

- 3.1 The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.
- 3.2 The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorizing the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 3.3 Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 3.4 All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

3.5 Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.

3.6 Where Shares are held by another body corporate of which the Company holds, directly or indirectly, shares having more than 50 per cent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

4. MORTGAGES AND CHARGES OF SHARES

4.1 Shareholders may mortgage or charge their Shares.

4.2 There shall be entered in the register of members at the written request of the Shareholder:

- (a) a statement that the Shares held by him are mortgaged or charged;
- (b) the name of the mortgagee or chargee; and
- (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.

4.3 Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:

- (a) with the written consent of the named mortgagee or chargee or anyone authorized to act on his behalf; or
- (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

4.4 Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

- (a) no transfer of any Share the subject of those particulars shall be effected;
- (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
- (c) no replacement certificate shall be issued in respect of such Shares,

without the written consent of the named mortgagee or chargee.

5. FORFEITURE

5.1 Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note, other written obligation to contribute money or property or a contract for future services are deemed to be not fully paid.

5.2 A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

5.3 The written notice of call referred to in Sub-Regulation 5.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which

the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

5.4 Where a written notice of call has been issued pursuant to Sub-Regulation 5.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

5.5 The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 5.4 and that Shareholder shall be discharged from any further obligation to the Company.

6. TRANSFER OF SHARES

6.1 Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.

6.2 The transfer of a Share is effective when the name of the transferee is entered on the register of members.

6.3 If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:

- (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
- (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.

6.4 Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

7. MEETINGS AND CONSENTS OF SHAREHOLDERS

7.1 So long as the Shares are traded in the Tel Aviv Stock Exchange (TASE), any meeting of Shareholders may be held in Israel, as determined by the directors convening the meeting.

7.2 An annual meeting of Shareholders (the "**Annual Meeting**") shall be held once in every calendar year at such time (within a period of not more than fifteen (15) months after the last preceding Annual Meeting) and at such place as may be determined by the directors. The Annual Meeting shall:

- (a) Discuss the audited financial statements of the Company for the last fiscal year;
- (b) Appoint auditors and establish their remuneration, or empower the directors to establish their remuneration;
- (c) Appoint the directors and establish their remuneration;

(d) Discuss any other business to be transacted at a meeting of Shareholders according to the Memorandum and Articles or by operation of any applicable law.

7.3 In addition to the Annual Meeting:

- (a) Two directors or a quarter of the directors of the Company may convene meetings of the Shareholders at such times and in such manner and places as such directors consider necessary or desirable; and
- (b) Upon the written request of one or more Shareholders entitled to exercise at least 5 per cent of the issued and outstanding shares, and at least one per cent of the voting rights in respect of the matter for which the meeting is requested, or upon the request of one or more Shareholders entitled to exercise at least 5 per cent of the voting rights in respect of the matter for which the meeting is requested, the directors shall convene a meeting of Shareholders.

7.4 Written notice of any General Meeting of Shareholders shall be given not less than 21 days, or, in the event a Proxy Card is required, not less than 35 days, prior to the meeting of Shareholders to:

- (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting; and
- (b) the directors.

7.5 The directors or the director convening a meeting of Shareholders, as the case may be, shall fix a record date for determining those Shareholders that are entitled to vote at such meeting, in accordance with the Israeli Companies Law.

7.6 The inadvertent failure to give notice of a meeting to a Shareholder or director, or the fact that a Shareholder or a director has not received notice, does not invalidate the meeting.

7.7 A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

7.8 The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

7.9 The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

[COMPANY NAME]

I/We being a Shareholder of the above Company HEREBY APPOINT
..... of or failing him
of to be my/our proxy to vote for me/us at the meeting
of Shareholders to be held on the day of, 20..... and at
any
adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this day of, 20.....

Shareholder

7.10 The following applies where Shares are jointly owned:

- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
- (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
- (c) if two or more of the joint owners are present in person or by proxy they must vote as one.

7.11 A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.

7.12 In addition to the aforesaid, Shareholders may vote at a meeting of Shareholders by means of a proxy card, in which a Shareholder indicates its vote with respect to the subject matter on the agenda of the meeting of Shareholders (the "**Proxy Card**") in the form and wording as published by the Company prior to the meeting of Shareholders, provided that such matter is one of the following:

- (a) appointment and removal of directors;
- (b) approval of acts or transactions requiring the approval of the meeting of Shareholders pursuant to the provisions of Regulation 13A;
- (c) approval of a merger;
- (d) any other matter requiring a Proxy Card pursuant to the Memorandum and Articles of Association or matter that is prescribed by Sections 87 - 89 of the Israeli Companies Law and the regulations promulgated thereunder;

A Proxy Card shall be published by the Company through the filing website of the Israeli Securities Authority (Magna); a Shareholder may indicate its vote on the Proxy Card and send it to the Company. A Proxy Card on which a Shareholder has indicated his vote and which has reached the Company no later than on the last day prescribed for such delivery shall be considered as presence at the meeting for the purposes of quorum requirement as provided in these Articles.

In the event a Proxy Card is required, the manner of voting at the relevant meeting shall comply with Sections 87 - 89 of the Israeli Companies Law and the regulations promulgated thereunder.

7.13 A Proxy Card received by the Company as provided hereinabove regarding a particular matter in respect of which no voting was held at the meeting of Shareholders shall be considered abstained in the vote at such meeting of Shareholders in respect of a resolution to hold an adjourned meeting, and shall be counted at such adjourned meeting.

7.14 A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy two or more Shareholders holding Shares conferring in the aggregate at least 25 per cent of the votes of the Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting.

7.15 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting Shareholders constituting a quorum are not present within half an hour from the time appointed for the meeting in person or by proxy, the adjourned meeting will be held with any number of Shareholders participating, in person or by proxy.

- 7.16 At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.
- 7.17 The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 7.18 Any proposed resolution put to vote at a meeting of Shareholders shall be decided by a poll. A declaration by the chairman that a proposed resolution has been adopted or rejected, shall constitute conclusive evidence of the adoption or rejection, respectively, of same resolution, and no further proof verifying the contents of such declaration or the number or proportion of the votes recorded in favor of or against such resolution shall be required.
- 7.19 Subject to the specific provisions contained in this Regulation for the appointment of representatives of Eligible Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Eligible Person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.
- 7.20 Any Eligible Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorize such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorized shall be entitled to exercise the same rights on behalf of the Eligible Person which he represents as that Eligible Person could exercise if it were an individual.
- 7.21 The chairman of any meeting at which a vote is cast by proxy or on behalf of any Eligible Person other than an individual may call for a materially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Eligible Person shall be disregarded.
- 7.22 Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.

7A. SHAREHOLDERS' RIGHT TO INFORMATION

- 7A.1 Shareholders shall have the right to inspect the following documents of the Company:
- (a) Minutes of meetings of Shareholders;
 - (b) The register of members Sub-Regulation 2.5 and the register of Substantial Shareholders;
 - (c) Any document held by the company regarding an act or transaction requiring the approval of the Shareholders meeting under the provisions of Regulation 13A. A Shareholder wishing to review such document shall approach the Company indicating the purpose for which he requires the review of the documents and the Company may refuse the request of a Shareholder if in its opinion the request was not made in good faith or the documents requested contain a commercial secret or a patent, or disclosure of the documents could prejudice the interest of the Company in some other way;
 - (d) The Company's Articles and financial statements;

- (e) Any document which the Company is required to file under any applicable law with the Israeli Companies Registrar or the Israeli Securities Authority, available for public inspection at the Companies Registrar or the Israeli Securities Authority, as the case may be.

8. DIRECTORS

- 8.1 The first directors of the Company shall be appointed by the first registered agent within 6 months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders.
- 8.2 No person shall be appointed as a director, or nominated as a reserve director, of the Company unless he has consented in writing to be a director or to be nominated as a reserve director.
- 8.3 The minimum number of directors shall be three (after the appointment of External Directors the minimum number shall be four) and the maximum number shall be nine (including External Directors).
- 8.4 The directors, other than the External Directors, shall be elected annually at the Annual Meeting and shall remain in office until the next Annual Meeting at which time they shall retire, unless their office is vacated previously as stipulated in these Articles.
- 8.5 If no directors are elected at the Annual Meeting, all the retiring directors shall remain in office pending their replacement by a meeting of Shareholders of the Company.
- 8.6 A director, other than an External Director, may be removed from office during his or her elected term with or without Cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director by the affirmative vote of a majority of at least 50% of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted.
- 8.7 A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.
- 8.8 Upon the vacation of the office of a director, the remaining directors may continue to discharge their functions until the number of remaining directors decreases below the minimum established in these Articles. In the latter case the remaining directors may only act to convene a meeting of Shareholders. .
- 8.9 A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 8.10 The directors, by unanimous approval, may at any time appoint any person to serve as director as replacement for a vacated office or in order to increase the number of directors, subject to the condition that the number of directors shall not exceed the maximum established in these Articles. Any so appointed director shall remain in office until the next Annual Meeting, at which he may be reelected.
- 8.11 The Company shall keep a register of directors containing:
 - (a) the names and addresses of the persons who are directors of the Company or who have been nominated as reserve directors of the Company;
 - (b) the date on which each person whose name is entered in the register was appointed as a director, or nominated as a reserve director, of the Company;
 - (c) the date on which each person named as a director ceased to be a director of the Company;
 - (d) the date on which the nomination of any person nominated as a reserve director ceased to have effect; and

(e) such other information as may be prescribed by the Act.

- 8.12 The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 8.13 A director is not required to hold a Share as a qualification to office.
- 8.14 Except with regard to a director whose tenure of office expires upon the convening of a meeting of Shareholders or a person recommended by the directors to serve as director, no motions for appointment of a candidate as a director shall be made unless a notice in writing signed by a Shareholder (other than the candidate himself) who is entitled to participate in and vote at the meeting, stating the intent of the said Shareholder to propose a candidate for election to the office of director, together with a document in writing by the candidate expressing his consent to be so elected, shall have been received at the office of the Company within a period of not less than forty-eight (48) hours and not more than forty-two (42) days before the appointed date of the meeting of Shareholders.

8A. EXTERNAL DIRECTORS

- 8A.1 The Company shall nominate at least 2 external directors in accordance with the provisions of this Regulation (the "**External Directors**").
- 8A.2 The External Directors shall be appointed by the meeting of Shareholders, provided that one of the following conditions are met: (A) the majority of votes at the meeting of Shareholders includes at least half (1/2) of all of the votes of those Shareholders, excluding Controlling Shareholders, who are participating in the vote (abstentions shall not be taken into account); (B) the total of opposition votes amongst the Shareholders referred to in sub-regulation (A) above shall not be greater than two percent (2%) of all the voting rights in the Company.
- 8A.3 In the event in which on the date of appointment of an External Director, all members of the Board of Directors of the Company are of one gender, the External Director appointed shall be of the other gender.
- 8A.4 Only an individual who is a resident of the State of Israel and who is qualified for appointment as a director under the Israeli Companies Law may be appointed as an External Director. In the event the Company's shares will be registered for trading in a stock market outside of the State of Israel or will be offered to a public outside of the State of Israel, the External Directors may be persons who are not residents of the State of Israel.
- 8A.5 An External Director shall have Professional Qualifications or Accounting and Financial Expertise (as such terms are defined under the Israeli Companies Law), provided that at least one of the External Directors shall have Accounting and Financial Expertise pursuant to the provisions of the Israeli Companies Law.
- 8A.6 An individual may not be appointed as an External Director where the individual himself, or whose Relative, partner, employer, person who he is directly or indirectly subject to or a corporation in which he has Control, has a Connection with the Company or with a Controlling shareholder of the Company or a Relative thereof on the date of appointment or during the two years prior thereto, or to another body corporate, and for a corporation which does not have a Controlling Shareholder or a person holding 25 per cent of the voting rights of the Company - any Connection to a Person who is, on the date of appointment, the chairman of the Board of Directors of the Company, the general manager, the CEO, a Substantial Shareholder or the most senior financial Officer.

for purposes of this Sub-Regulation:

"Affiliation"- the existence of labor relations, business or professional relations generally or Control, as well as acting as an Executive, other than a director that will be appointed as an External Director in the Company in connection with the initial offering of its shares to the public in the State of Israel;

"Another Corporate Body" - a corporate body in which the Controlling Shareholder is, on the date of appointment or during the two years preceding the date of appointment, the Company or a Controlling Shareholder therein.

- 8A.7 An individual shall not be appointed as an External Director if any other position or business of his might give rise to a conflict of interest with his role as director, or if these might prejudice his ability to act as a director.
- 8A.8 A director of the Company shall not be appointed as an External Director of another company if at such time, a director of the such other company is acting as an External Director of the Company.
- 8A.9 An individual shall not be appointed as an External Director if he is an employee of the Israeli Securities Authority or if he is an employee of a stock exchange in Israel.
- 8A.10 A meeting of Shareholders at which the appointment of an External Director is on the agenda may only be convened if the nominee has declared, in writing, that he fulfills the conditions required for being appointed as an External Director (the **"Declaration"**). The Declaration shall be kept at the registered office of the Company and shall be open for inspection by any person. Other than with respect to the Audit Committee, at least one External Director shall serve on every committee authorized to exercise any of the powers of the Board of Directors.
- 8A.11 An External Director is entitled to remuneration and to refund of expenses as may be prescribed under Israeli Companies Law with respect to remuneration for External Directors in Israeli companies whose securities are traded on a stock exchange in Israel. An External Director shall not receive, in addition to the remuneration to which he is entitled and to refund of expenses, any other consideration, direct or indirect, for acting as a director of the Company; for the purposes of this Sub-Regulation, consideration shall not include the grant of an exemption, an undertaking to indemnify, indemnification or insurance coverage pursuant to the provisions of Regulation 14.
- 8A.12 The term of office of an External Director shall be three years, and the Company may, notwithstanding the provisions of Sub-Regulations 8A.4-8A.9, appoint him for two additional terms of three years each.
- 8A.13 An External Director shall be not be discharged and his office shall not be terminated other than in accordance with the following:
- (a) A court of competent jurisdiction may, on the application of a director or a Shareholder, order the termination of the office of an External Director if such court is of the opinion that he has ceased to fulfill one of the conditions required under this Regulation for his appointment as an External Director or that he has committed a breach of a fiduciary duty to the Company.
 - (b) A court of competent jurisdiction may, on the application of the Company, a director, a Shareholder, or a creditor order the termination of the office of an External Director if it finds that one of the following occurs:
 - (i) Such External Director is permanently unable to fulfill his function;
 - (ii) During the term of his office such External Director was found guilty in a court outside Israel of offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of inside information;
- "A court outside Israel" -The Virgin Islands Supreme Court.
- (c) Where the Board of Directors becomes aware that there is a suspicion that an External Director has ceased to fulfill one of the conditions required for his appointment as an External Director, or that there is a suspicion that the director has committed a breach of a fiduciary duty to the Company, the Board of Directors shall discuss such matter at the first meeting to be convened after becoming so aware. Where the Board of Directors finds that the External Director has ceased to fulfill one of the conditions required for his appointment or that he has committed a breach of his fiduciary duty, the Board of Directors shall convene a

special meeting of Shareholders on the agenda of which shall be the termination of office of the External Director.

The reasons for the finding of the Board of Directors shall be presented to the special meeting of Shareholders and the External Director shall be given a reasonable opportunity to express his position; the resolution of the special meeting of Shareholders regarding the termination of office of the External Director shall be passed by the same majority as is required for his appointment.

- 8A.14 If any of the conditions required under these Articles for the office of an External Director has ceased to be fulfilled, such External Director shall promptly so notify the Company and his office shall be terminated upon such notice.
- 8A.15 Where the position of an External Director becomes vacant and there are no two other External Directors in office, the Board of Directors shall convene a special meeting of Shareholders, for the earliest date possible, on the agenda of which shall be the appointment of an External Director.
- 8A.16 The Company shall not appoint a person who has served as an External Director of the Company as an Executive of the Company, shall not hire such a person as an employee and shall not receive professional services from such person for any consideration, whether directly or indirectly, including through a corporate body controlled by such person, unless two years have elapsed from the termination of his office as External Director of the Company.
- 8A.17 The first two External Directors of the Company shall be appointed at a meeting of Shareholders, which shall be convened no later than three (3) months after the date in which the Company becomes a public company. From the date the Company's shares are no longer traded in a stock market in the State of Israel, the provisions of this Regulation 8A shall no longer be applicable to the Company. In the event the Board of Directors does not resolve to extend the term of any incumbent External Directors, their service will be terminated within three (3) months after the date the Company's shares cease to be traded in a stock market in the State of Israel.
- 8A.18 Without derogating from the provisions of Regulations 8A.6-8A.9 above, an individual shall not be appointed as an External Director where the individual himself, or whose Relative, partner, employer, person who he is directly or indirectly subject to or a corporation in which he has Control, has business or professional relationship to a Person which is prohibited from having a connection thereto under the provisions of Regulations 8A.6-8A.9 above, even if such relationships are not general with the exception of negligible Connections, and an individual who has received consideration in violation with the provisions of Regulation 8A.11 above. Where the said relationship exists or where consideration, as stated, was received during the tenure of the External Director, the foregoing shall be considered, for the purpose of Regulations 8A.13 (a), 8A.13 (b), 8A.13(c), 8A.14 above to be a breach of one of the conditions required for the appointment or tenure as an External Director.

9. POWERS OF DIRECTORS

- 9.1 Subject to Regulation 13A, the business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.
- 9.2 Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.

- 9.3 If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 9.4 Any director which is a body corporate may appoint any individual as its duly authorized representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 9.5 The continuing directors may act notwithstanding any vacancy in their body.
- 9.6 The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 9.7 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.

10. PROCEEDINGS OF DIRECTORS

- 10.1 Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.
- 10.2 The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.
- 10.3 A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.
- 10.4 A director shall be given not less than 3 days' notice of meetings of directors, but a meeting of directors held without 3 days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.
- 10.5 A director may by a written instrument appoint an alternate who need not be a director and the alternate shall be entitled to attend meetings in the absence of the director who appointed him and to vote in place of the director until the appointment lapses or is terminated.
- 10.6 A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only 2 directors in which case the quorum is 2.
- 10.7 At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.
- 10.8 An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing by all directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

11. COMMITTEES

- 11.1 The directors may, by Resolution of Directors, designate one or more committees, each consisting of at least one External Director, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 11.2 The directors have no power to delegate to a committee of directors any of the following powers:
- (a) to designate committees of directors;
 - (b) to delegate powers to a committee of directors;
 - (c) to appoint or remove an agent;
 - (d) to approve a plan of merger, consolidation or arrangement;
 - (e) to make a declaration of solvency or to approve a liquidation plan; or
 - (f) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 11.3 Sub-Regulation 11.2(a) and (b) do not prevent a committee of directors, where authorized by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 11.4 The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.
- 11.5 Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

11A. AUDIT COMMITTEE

- 11A.1 The Board of Directors of the Company will appoint an Audit committee (hereinafter: the "Audit Committee") from amongst its members consisting of at least three (3) members. All the External Directors shall be members of the Audit Committee, The majority of Audit Committee members shall be either External Directors or Non-External Independent Directors.
- 11A.2 The following shall not be members of the Audit Committee: The Chairman of the Board, any director that is employed by the Company or employed by a Holder of Control thereof or by a corporation under the Control of such a Holder of Control, a director providing services on a permanent basis to the Company, a holder of control thereof or to a corporation under the control of the said Holder of Control and a Director whose main income relies on a Holder of Control or Relative of such Person.
- 11A.3 The Internal Auditor, as such term is defined in Regulation 19.A.1 shall be given notice of Audit Committee meetings, and shall be entitled to participate in such meetings. The Company's Internal Auditor shall be entitled to request the Chairman of the Audit Committee to convene the committee in order to discuss a matter which he specified in his request, and the Chairman of the Audit Committee shall convene a meeting within a reasonable time, if he finds reason to do so.
- 11A.4 Notice of Audit Committee meetings, in which a matter related to the audit of the Company's financial statements is to be raised, shall be delivered to the Company's auditors, who shall be entitled to participate in such meetings.
- 11A.5 A resolution in writing signed by all the members of the Audit Committee (or anyone duly appointed in their place) shall be deemed to have been adopted by the affirmative vote of all such members at a Audit Committee Meeting duly convened and held.
- 11A.6 The Audit Committee's duties will be as follows:

- (a) To investigate and reveal any deficiency in the management and review any defect in the Company's business administration, *inter alia* in consultation with the Company's Internal Auditor or with the Company's auditors, and to suggest to the Board of Directors means for their correction.
- (b) To determine, based on detailed reasons, regarding actions as stated in Section 255 to the Israeli Companies Law, whether they are material or immaterial actions and regarding Transactions as stated in Section 270(1), 270(4) and 270(4a) to the Companies Law if they are Extraordinary Transactions or not, for the purpose of their approval subject to the Israeli Companies Law, and the Audit Committee may decide as stated regarding a type of action or Transaction, based on a standard determined annually in advance;
- (c) To decide whether to approve actions and Transactions requiring the approval of the Audit Committee under Sections 255 and 268 to the Israeli Companies Law.
- (d) To review the work plan of the internal auditor prior to its submission for approval of the Board of Directors according to section 149 to the Companies Law and to propose changes thereto.
- (e) To review the internal audit system in the Company and the role of the Internal Auditor and whether the resources and tools necessary to fulfill its functions are available to the Internal Auditor, considering, *inter alia*, the special requirements and size of the Company.
- (f) To review the work scope of the External Auditor and the salary thereof, and to provide its recommendations to those who determine its salary; following the appointment of a Financial Reports Review Committee pursuant to Section 171(f) to the Companies Law, the Company may determine that the review of the financial reports shall be conducted by such Committee.
- (g) To determine the manners with which complaints of Company employees are handled in connections with faults in managing its business and regarding the defense to be given to employees who have complained as stated.

11B. REMUNERATION COMMITTEE

- 11B.1 The Board of Directors shall by Resolution of Directors appoint a Remuneration Committee.
- 11B.2 There shall be not less than three (3) Persons on the Remuneration Committee. The members of the Remuneration Committee shall be chosen from Board of Directors and shall at all times comprise of all appointed External Directors. The majority of members of the Remuneration Committee shall be External Directors and the rest of the members shall be Directors whose terms of tenure and employment are pursuant to the provisions set forth under Regulation 13A.4(c).

11C. FINANCIAL REPORTS COMMITTEE

- 11C.1 The Board of Directors shall appoint a Financial Report Committee pursuant to its own discretion.
- 11C.2 The Board of Directors of the Company will appoint a Financial Report Review Committee from amongst its members consisting of at least three (3) members. The majority of the Committee members shall be either External Directors or Non-External Independent Directors.
- 11C.3 All members of the Committee shall be capable of reading and understanding Financial Reports and at least one member of the External Directors or Non-External Independent Directors shall have financial and accounting expertise.

12. OFFICERS AND AGENTS

- 12.1 The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a President and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 12.2 The meeting of Shareholders of the Company may resolve that, for periods each of which is no longer than a three-year term commencing upon the adoption of such resolution, the Chairman of the Board of Directors may fulfill the role of President or may exercise the powers of the President, or may authorize the CEO or an affiliate of the CEO to fulfill the role of the Chairman of the Board of Directors or exercise the powers of the Chairman of the Board, provided that one of the following conditions are met: (A) the majority of votes at the relevant meeting of Shareholders includes at least two thirds (2/3) of all of the votes of those Shareholders excluding Controlling Shareholders or anyone on their behalf, who are participating in the vote (in the count of all votes, abstentions shall not be taken into account); (B) the total of opposition votes amongst the Shareholders referred to in (A) above shall not be greater than two percent (2%) of all the voting rights in the Company. The Chairman of the Board may not fulfill the role of President or exercise the powers of President other than in accordance with this Regulation.
- 12.3 The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the President to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the President but otherwise to perform such duties as may be delegated to them by the President, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.
- 12.4 The emoluments of all officers shall be fixed by Resolution of Directors.
- 12.5 The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 12.6 The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.
- 12.7 An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the following:
- (a) to change the registered office or agent;
 - (b) to designate committees of directors;
 - (c) to delegate powers to a committee of directors;
 - (d) to appoint or remove an agent;
 - (e) to approve a plan of merger, consolidation or arrangement;
 - (f) to make a declaration of solvency or to approve a liquidation plan;

- (g) to make a determination that the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due; or
- (h) to authorize the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

12.8 The Resolution of Directors appointing an agent may authorize the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

12.9 The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

12A. EXECUTIVES' DUTIES

12A.1 Duty of Care: In addition to the requirements of the Act, an Executive owes a duty of care to the Company as provided in sections 35 and 36 of the Israeli Tort Ordinance [New Version] without precluding a duty of care being owed by an Executive to other persons. An Executive shall act with the standard of proficiency with which a reasonable Executive, in the same position and in the same circumstances, would act; this shall include taking reasonable steps, in view of the circumstances, to obtain information regarding the business desirability of a resolution submitted for his approval or of an act done by him by virtue of his position, and to obtain all other pertinent information regarding such acts.

12A.2 The appointment of External Directors possessing Professional Qualifications or Accounting and Financial Expertise (as such terms are defined under the Israeli Companies Law), shall not affect such director's liability, or the liability of the other directors, under any applicable law.

12A.3 Fiduciary Duty: In addition to the requirements of the Act, an Executive of the Company owes a fiduciary duty to the Company and will act for its benefit and with good faith, and inter alia, shall:

- (a) Refrain from any act involving a conflict of interest between the fulfillment of his role in the Company and the fulfillment of any other role or his own personal affairs;
- (b) Refrain from any act involving competition with the business of the Company;
- (c) Refrain from taking advantage of a business opportunity of the Company with the aim of obtaining a benefit for himself or for any other person;
- (d) Disclose to the Company all information and shall provide it with all documents relating to its interests, which becomes known to him or reaches his possession by virtue of his position in the Company.

Nothing in the foregoing shall derogate from the fiduciary duty owed by any Executive of the Company toward any other person.

12A.4 The Company may approve any action of an Executive of the Company stated in Sub-Regulation 12A.3 above: (A) in case of material acts - according to the procedures set forth in these Articles with respect to Extraordinary Transactions, or (B) otherwise - according to the procedures set forth in these Articles with respect to Transactions which are not Extraordinary Transactions; all provided the following conditions are fulfilled:

- (a) The Executive has acted in good faith and the action or its approval do no prejudice the interests of the Company.
- (b) The Executive revealed to the Company, a reasonable time prior to the discussion concerning the said approval, his personal interest in the action, including any material document or fact.

12A.5 Remedies for Breach of Fiduciary Duty:

- (a) The rules applying to breach of contract under Israeli law shall apply, mutatis mutandis, to the breach of the fiduciary duty of an Executive.
- (b) Without derogating from the generality of the provisions of subsection (a), an Executive in breach of a fiduciary duty towards the Company shall be considered as a person in breach of his contract with the Company.
- (c) The Company may cancel an act done by an Executive on behalf of the Company towards another person or may claim from such person the compensation owed to the Company from the Executive, even without cancelling the act, if such person knew of the breach of the Executive's fiduciary duty, and knew or ought to have known of the lack of approval of the act.
- (d) It shall be presumed that a person ought not to have known of the lack of the approval as required under Sub-Regulation 12A.4 hereunder, if such person received confirmation from the Board of Directors that all consents required for the act have been obtained.

13. CONFLICT OF INTERESTS

- 13.1 A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.
- 13.2 For the purposes of Sub-Regulation 13.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.
- 13.3 Subject to any conflicting provisions of these Articles and applicable Israeli Companies Law, a director of the Company who is interested in a transaction entered into or to be entered into by the Company may:
 - (a) vote on a matter relating to the transaction;
 - (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
 - (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

13A. DISCLOSURE OF PERSONAL INTEREST AND TRANSACTIONS REQUIRING SPECIAL APPROVALS

- 13A.1 The provisions of this Regulation 13A shall apply to the Company and its shareholders for so long as the Company's shares are listed for trading in a stock exchange in the State of Israel.
- 13A.2 The following terms, used in this Regulation, shall have the meaning set forth in this Sub-Regulation:

"Controlling Shareholder", for purposes of this Regulation shall also include a person who holds 25% or more of voting rights at a corporation's meeting of Shareholders if there is no other person who holds more than 50% of the voting rights in a corporation; and for purposes of holding, two or more persons holding voting rights in a corporation each of which has a Personal Interest in the approval of the Transaction being brought for the a corporation's approval, shall be considered to be joint holders;

"Holding" in relation to securities, voting power and the like, means whether alone or with others, directly or indirectly, through a trustee, a trust company or a registration company or in any other manner; in case of holding by a company - also by its Subsidiary or by an Associate; and in case of holding by an individual - the individual and his Relatives who live with him or whose livelihood depends on each other, are deemed one person;

"Holding of Securities Together with Others" means the holding of securities in cooperation between two or more persons according to an agreement, whether written or verbal; without derogating from the generality of the aforesaid, the following shall prima facie be deemed to be holding securities jointly:

- (a) A corporation that holds or purchases securities together with a party which is an Interested Party in such corporation or with an Associate;
- (b) A person whose business is the holding or trading of securities on behalf of others, together with his customer or with his Relative who does not live with him, the livelihood of the one not depending on the other, for whom he holds and manages securities under a power of attorney granting him discretion with respect to the use of the voting power;

"Personal Interest" means a person's personal interest in an act or a Transaction of a corporation, including the personal interest of his Relative and of another corporation in which he or his Relative is an Interested Party, except for a personal interest which derives from the mere fact of Holding shares in the such corporation, and including personal interest of a Person voting in accordance to a proxy given to him by another Person, even though the other Person has no personal interest and voting by a Person who ws given a proxy by another person who has a personal interest, will be considered as voting by the Person who has a personal interest, all whether the discretion in regards to the voting is granted to the Person voting or not;

"Private Placement" means an offer for the issuance of securities of a corporation that is not an offer to the public or an offer by such corporation of its securities repurchased by the corporation which is not an offer to the public.

"Subsidiary" means a corporation in which another corporation holds fifty percent or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint half or more of the directors or its general manager;

- 13A.3 Any Executive or a Controlling Shareholder of the Company who knows that he has, directly or indirectly, a Personal Interest in an existing or proposed Transaction of the Company and any third party, will advise the Company of its Personal Interest as well as any relevant fact or document, immediately and no later than the time the Board of Directors first reviews the said Transaction. In the event the Personal Interest of the Executive is formed or becomes known to him after the said date, he shall reveal his Personal Interest immediately and no later than the first meeting of the Board of Directors held after the said Personal Interest was formed or became known to him. The foregoing shall not apply where a Personal Interest derives only from the Personal Interest of a Relative in a Transaction which is not an Extraordinary Transaction.
- 13A.4 The following Transactions of the Company require approvals as set out in this Regulation, provided that the Transaction does not prejudice the Company's interests:

- (a) A Transaction of the Company with an Executive, and a Transaction of the Company with another person in which an Executive has a Personal Interest; however an Executive who also serves as an Executive of a subsidiary wholly owned by the Company shall not be considered as having a Personal Interest in a Transaction between the Company and such subsidiary solely for the reason of him being an Executive of both companies or for the reason of him being an owner of Company's shares or securities convertible into Company's shares.
 - (b) A Transaction of the Company with an Executive who is not a Director in the Company regarding the conditions of his employment and appointment.
 - (c) A Transaction of the Company with a Director regarding the conditions of his employment and appointment.
 - (d) An Extraordinary Transaction with a Controlling Shareholder, or an Extraordinary Transaction with another person in which the Controlling Shareholder has a Personal Interest, including a Private Placement regarding which the Controlling Shareholder has a Personal Interest; as well as the engagement by the Company with a Controlling Shareholder or with his Relative, directly or indirectly, and including through a company he Controls, regarding providing service by the company and if such person is also an Executive of the Company - as to his Terms of Office and Employment, and if he is an employee of the Company but not an Executive thereof - as to his employment by the Company.
 - (e) A Private Placement which will result in Controlling the Company or in a shareholder will hold 20 per cent or more of the Company's voting rights.
- 13A.5 A Transaction by the Company as set forth in Sub-Regulation 13A.4(a) above, and which is not an Extraordinary Transaction, shall require the approval of the Board of Directors.
- 13A.6 A Transaction by the Company as set forth in Sub-Regulation 13A.4(a) above, and which is an Extraordinary Transaction shall require the approval of the Audit Committee followed by the approval of the Board of Directors. A Transaction of the Company as set forth in Sub-Regulation 13A.4(b) above, shall require the approval of the Remuneration Committee followed by the approval of the Board of Directors.
- 13A.7 A Transaction by the Company as set forth in Sub-Regulation 13A.4(b) above, shall require the approval of the Remuneration Committee, followed by the approval of the Board of Directors. A Transaction by the Company as set forth in Sub-regulation 13A.4(c) above, or a Transaction by the Company as set forth in Sub-regulation 13A.4(b) above, if such Transaction involves an executive who is also the CEO, shall require the approval of the Remuneration Committee followed by the approval of the Board of Directors and followed by the approval of the Shareholders at a Shareholders meeting.
- 13A.8 A Transaction by the Company as set forth in Sub-Regulation 13A.4(d) above, shall require approvals as set out in this Sub-Regulation (in the order in which they are set out):
- (a) The Audit Committee (and if the Transaction involves the conditions of employment and appointment - The Remuneration Committee);
 - (b) The Board of Directors;
 - (c) The Shareholders, at a Shareholders meeting, provided that one of the following conditions are met: (A) the majority of votes at the Shareholders meeting includes at least half (1/2) of all of the votes of those

Shareholders that do not have a Personal Interest in the approval of the Transaction, who are participating in the vote (abstentions shall not be taken into account); (B) the total of opposition votes amongst the Shareholders referred to in sub-paragraph (A) above shall not be greater than two percent (2%) of all the voting rights in the Company.

A Shareholder participating in a vote under this Sub-Regulation shall notify the Company prior to the vote in the meeting, or, if the vote is by way of a Proxy Card, on the Proxy Card, whether or not he has a Personal Interest in the approval of the Transaction; where a Shareholder does not so notify, he shall not vote and his vote shall not be counted.

A Transaction by the Company as set forth in Sub-Regulation 13A. 4(e) will require the approval of the Board of Directors and followed by the approval of the Shareholders at a Shareholders meeting.13A.9 In the event a Transaction meets the conditions set forth in more than one of the alternatives set forth in Sub-Regulation 13A.4 above, the Transaction shall require approvals pursuant to the provisions applicable to each one of the alternatives.

- 13A.10 (a) A Director who has a Personal Interest in the approval of a Transaction, other than a Transaction as referred to in Sub-Regulation 13A.5, that is brought before the Audit Committee or the Board of Directors for approval, shall not be present during the deliberations and shall not take part in the voting at the Audit Committee or at the Board of Directors.
- (b) Notwithstanding the provisions of sub-regulation (a), a Director may be present during the deliberations of the Audit Committee and may take part in the voting, if the majority of the members of the Audit Committee have a Personal Interest in the approval of the Transaction; likewise, a Director may be present during the deliberations of the Board of Directors and may take part in the voting, if the majority of the Directors of the Company have a Personal Interest in the approval of the Transaction.
- (c) Where the majority of the Directors on the Board of Directors of the Company have a Personal Interest in the approval of a Transaction as aforesaid in sub-regulation (a), the Transaction shall also require the approval of the Shareholders.

13A.11 The Audit Committee and the Remuneration Committee of the Company shall not be permitted to grant an approval required under this Regulation, unless at the time of the grant of the approval two External Directors are members of the Audit Committee or the Remuneration Committee, and at least one was present at the deliberations in which the Audit Committee or the Remuneration Committee resolved to grant the approval.

13A.12 An Extraordinary Transaction with the Company's Controlling Shareholder or a Transaction of the Company with an Executive shall not be valid in respect of the Company or the Executive or the Controlling Shareholder if the Transaction is not approved in accordance with the provisions of this Regulation or if a substantial defect has occurred in the approval process, or if the Transaction was effected in a way that deviated substantially from the terms of the approval. Such Transaction shall likewise not be valid in respect of any other person if such person knew of the Personal Interest of the Executive or Controlling Shareholder in the approval of the Transaction, and knew or ought to have known of the lack of approval of such Transaction as required under this Regulation.

The Company may cancel a Transaction with another person requiring such approval as provided in this Article, other than a Transaction as provided in Sub-Regulation 13A.5 hereinabove, and it may claim compensation from such person for damage caused to it even without cancelling the Transaction, if such person knew of the Personal Interest of an Executive or Controlling Shareholder, as the matter may be, in the approval of the Transaction, and knew or ought to have known of the lack of approval of the Transaction as required in this Regulation.

It shall be presumed that a person ought not to have known of the lack of approval of a Transaction as required under this Regulation where such person has received the confirmation of the Board of Directors that all approvals required for the Transaction have been obtained.

- 13A.13 The Company will be subject to the provisions of the Israeli Securities Regulations (Transaction between a Company and a Controlling Shareholder thereof), 5761-2001.

14. INDEMNIFICATION

- 14.1 Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:
- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or
 - (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.
- 14.2 The indemnity in Sub-Regulation 14.1 only applies if the person acted honestly and in good faith with a view to what that person believed were the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.
- 14.4 The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.
- 14.5 The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 14.6 Expenses, including legal fees, incurred by a director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1.
- 14.7 Expenses, including legal fees, incurred by a former director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former director to repay the amount if it shall ultimately be determined that the former director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1 and upon such terms and conditions, if any, as the Company deems appropriate.
- 14.8 The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, Resolution of Shareholders, resolution of disinterested directors or otherwise, both as acting in the person's official capacity and as to acting in another capacity while serving as a director of the Company.
- 14.9 If a person referred to in Sub-Regulation 14.1 has been successful in defense of any proceedings referred to in Sub-Regulation 14.1, the person is entitled to be indemnified against all expenses, including legal fees, and against

all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

- 14.10 The Company shall purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

15. RECORDS

- 15.1 The Company shall keep the following documents at the office of its registered agent:
- (a) the Memorandum and the Articles;
 - (b) the register of members, or a copy of the register of members;
 - (c) the register of directors, or a copy of the register of directors; and
 - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 15.2 Until the directors determine otherwise by Resolution of Directors the Company shall keep the original register of members and original register of directors at the office of its registered agent.
- 15.3 If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:
- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
 - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.
- 15.4 The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:
- (a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;
 - (b) minutes of meetings and Resolutions of Directors and committees of directors; and
 - (c) an impression of the Seal.
- 15.5 Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.

- 15.6 The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

16. REGISTER OF CHARGES

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;
- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge;
and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

17. SEAL

The Company shall have a Seal. The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorized from time to time by Resolution of Directors. Such authorization may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorized person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

18. DISTRIBUTIONS BY WAY OF DIVIDEND

- 18.1 The directors of the Company may, by Resolution of Directors, authorize a Distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 18.2 Dividends may be paid in money, shares, or other property.
- 18.3 Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 20.1 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.
- 18.4 No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.

19. ACCOUNTS AND AUDIT

- 19.1 The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 19.2 The Company shall prepare such periodical financial statements in the format required by applicable Israeli securities laws.
- 19.3 The periodic financial statements of the Company will be audited or reviewed by auditors as required by applicable Israeli securities laws.
- 19.4 The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Shareholders.
- 19.5 The auditors shall not be, directly or indirectly, dependent on the Company.
- 19.6 The remuneration of the auditors of the Company may be fixed by a Resolution of the Shareholders or, if authorized by a Resolution of the Shareholders, by Resolution of Directors.
- 19.7 The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:
 - (a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and

(b) all the information and explanations required by the auditors have been obtained.

- 19.8 The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 19.9 Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.
- 19.10 The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

19A. INTERNAL AUDITOR

- 19A.1 The Board of Directors shall appoint an internal auditor, which shall be appointed in accordance with the proposal of the Audit Committee (hereinafter: the "Internal Auditor"); A person who is an Interested Party, who is an Executive or is a Relative of any of these, as well as the accountant auditor or any person acting on his behalf, shall not act as Internal Auditor of the Company.
- 19A.2. The Internal Auditor shall be responsible to the President or to the Chairman of the Board of Directors, as determined by the Board of Directors.
- 19A.3. The provisions of sections 3(a), 4(b), 8 to 10 and 14(b) and (c) of the Internal Audit Law, 5752-1992 shall apply to the Internal Auditor, subject to the provisions of this Regulation, mutatis mutandis.
- 19A.4 The Internal Auditor shall submit a proposal for an annual or periodical work program for the approval of the Board of Directors, or for the approval of the Audit Committee, as prescribed by the Board of Directors, and the Board of Directors or the Audit Committee, as the case may be, shall approve it, with such amendments as they see fit.
- 19A.5 The Chairman of the Board of Directors or the Chairman of the Audit Committee may require the Internal Auditor to perform an internal audit, in addition to the work program, regarding matters requiring urgent examination.
- 19A.6 The Internal Auditor shall examine, inter alia, the appropriateness of acts of the Company regarding compliance with the law and proper business administration.
- 19A.7 The Internal Auditor shall submit a report of his findings to the Chairman of the Board of Directors, to the President and to the Chairman of the Audit Committee; a report relating to matters audited pursuant to Sub-Regulation 19A.5 hereinabove, shall be provided to the person who required the internal audit.
- 19A.8 The office of an Internal Auditor shall not be terminated without his consent, nor shall he be suspended from his position, unless the Board of Directors has so resolved after hearing the opinion of the Audit Committee, and after giving the Internal Auditor a reasonable opportunity to present his case to the Board of Directors and to the Audit Committee.
- 19A.9 Notwithstanding any provisions to the contrary in these Articles, and solely for the purposes of Sub-Regulation 19A.8 hereinabove, the quorum required to open a meeting of the Board of Directors shall be no less than a majority of the members of the Board of Directors.

19B. DERIVATIVE ACTIONS AND CLASS ACTIONS

To the fullest extent permitted by the Act and applicable laws, the provisions of Sections 194 through 218 of the Israeli Companies Law shall apply to the Company.

19C. TENDER OFFER

Where permitted according to the Act and pursuant to all applicable law, the provisions of Sections 328 through 340 and Section 342A of the Israeli Companies Law, as well as the Israeli Securities Regulation (Tender Offer), 2000 shall apply to the Company.

20. NOTICES

- 20.1 Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 20.2 Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 20.3 Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

21. VOLUNTARY LIQUIDATION

The Company may by Resolution of Shareholders appoint a voluntary liquidator.

22. CONTINUATION

The Company may by Resolution of Shareholders or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

23. VOLUNTARY WINDING UP AND DISSOLUTION

So long as the Company's Shares are traded in TASE Section 350 to the Israeli Companies Law and Section 380 to the Israeli Companies Order shall apply.