

**BY-LAW NO. 1 (AMENDED 2017)
OF SKYLINE INVESTMENTS INC.**

**ARTICLE 1
INTERPRETATION**

Definitions

1.1 In the by-laws, except as the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act*, R.S.O. 1990, Chapter B.16 or any statute substituted therefor, as amended, and the regulations made under it;
- (b) “**Administrative Enforcement Committee**” means the committee appointed by the Israeli Minister of Justice according to the Securities Law;
- (c) “**appoint**” includes “elect” and vice versa;
- (d) “**Articles**” means the articles of incorporation of the Corporation;
- (e) “**Board**” means the board of directors of the Corporation;
- (f) “**By-Laws**” means this by-law and all other by-laws of the Corporation;
- (g) “**Chapter 5**” means chapter 5 to the part VI of the Companies Law: “Transactions with Interested Parties”.
- (h) “**Civil Wrongs Ordinance**” means the Israeli Civil Wrongs Ordinance [New Version] 5728-1968;
- (i) “**Companies Law**” means the *Israeli Companies Law, 5759-1999*, as constituted on the date hereof;
- (j) “**Companies Registry**” means a registry kept by the Registrar of Companies according to the Companies Law and as prescribed by the Minister of Justice;
- (k) “**Conclusive Judgment**” means a conclusive judgment in the first instance (before appeal);
- (l) “**Controlling Shareholder**” has the meaning provided in section 268 to the Companies Law;
- (m) “**Corporation**” means Skyline Investments Inc., including its successors;
- (n) “**document**” includes contracts, electronic documents, instruments in writing, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities, all paper writings, all cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange;
- (o) “**Extraordinary Transaction**” means a transaction not in a company’s ordinary course of business, a transaction that is not undertaken under regular market conditions or a transaction that is likely to materially influence the profitability of a company, its property or liabilities;
- (p) “**instrument of transfer**” means:
 - (i) such form of transfer as may appear on the back of the share certificate evidencing the share proposed to be transferred; or
 - (ii) such form of separate transfer document as is in general use or adopted or permitted by the board;
- (q) “**Minister**” means the Israeli Minister of Justice;
- (r) “**Office Holder**” means a director, general manager, chief business manager, deputy general manager, vice-general manager, any person filling any of these positions in a company even if he holds a different title, and any other manager directly subordinate to the general manager;

- (s) **“Public Company”** means, according to the Companies Law, a company, the shares of which are listed for trading on a stock exchange or were offered to the public by prospectus (as such term is defined in the Securities Law), or were offered to the public abroad under a public offering document required under the statute abroad, and which are held by the public;
- (t) **“recorded address”** means:
 - (i) in the case of a shareholder, the shareholder’s address as recorded in the securities register;
 - (ii) in the case of joint shareholders, the address appearing in the securities register in respect of their joint holding, or the first address so appearing if there is more than one; and
 - (iii) in the case of a director, officer, or auditor, the address of the director, officer or auditor recorded in the records of the Corporation.
- (u) **“Securities Authority”** means the Israeli Securities Authority established under the Securities Act;
- (v) **“Securities Act”** means the *Israeli Securities Law, 5728-1968*;
- (w) **“Substantial Act”** means an act that is liable to have a material effect on the Corporation’s profitability, property or obligations.

Interpretation

- 1.2 In the interpretation of the By-laws;
 - (a) a word importing singular number includes the plural and vice versa;
 - (b) a word importing gender includes the masculine, feminine and neuter;
 - (c) a word importing a person includes an individual, a body corporate, a partnership, a trust, an estate and an unincorporated organization; and
 - (d) a word or expression defined in the Act for the purposes of the entire Act has the meaning so defined.

Headings

- 1.3 The division of the By-laws into parts and the headings of parts and sections will be considered as for convenience of reference only and will not affect the construction or interpretation of the By-laws.

Amendments to Companies Law Regulations

- 1.4 Provided that such provisions do not conflict with the Act or Canadian law, the Corporation shall comply with all matter prescribed by the Minister in accordance with section 89 of the Companies Law.

Paramountcy

- 1.5 The rights, obligations and other provisions of the Companies Law, the Securities Act, and any other provisions of the law of the State of Israel incorporated into the By-Laws are in addition to, and not in derogation, of the rights, obligations and other provisions of the Act and Canadian securities laws. In the event of a conflict between the By-Laws (including the provisions of the Companies Law, the Securities Act and any other provisions of the law of the State of Israel incorporated into the By-Laws) and the provisions of the Act or Canadian securities laws, as applicable, the provisions of the Act or Canadian securities law, as applicable, shall be paramount. The foregoing shall be without limitation to any other provisions of the By-Laws that qualify the application of the provisions of the Companies Law, the Securities Act and any other provisions of the law of the State of Israel.

ARTICLE 2
BUSINESS OF THE CORPORATION

Corporate Seal

2.1 The Board may adopt a corporate seal for the Corporation and adopt a new corporate seal in replacement of a corporate seal previously adopted.

Reproduction of Seal

2.2 Any two persons each of whom is a chairman, the chief executive officer, the president, a vice president, the secretary or the treasurer may authorize a person engaged by the Corporation to engrave, lithograph or print a document (including a negotiable instrument) on which a reproduction of the signature of a director or officer of the Corporation is, in accordance with the By-laws, printed or otherwise mechanically reproduced, to cause the Corporation's seal to be affixed to the document by the use of an unmounted die reproducing the Corporation's seal.

Affixation of Seal

2.3 The corporate seal of the Corporation will not be affixed to a document except by or in the presence of:

- (a) a person authorized to do so by the By-laws or the Board; or
- (b) the secretary or an assistant secretary for the purpose of certifying a copy of, or extract from, the Articles or By-laws of the Corporation, minutes of a meeting or resolution of the shareholders or the Board or a committee of the Board, or a document executed or issued by the Corporation.

Execution of Documents

2.4 A document requiring execution by the Corporation may be signed on behalf of the Corporation by a person authorized by the Board, which authorization may be either generally or for a specific document. In the absence of an express designation as to the persons authorized to sign a document, any one of the directors or officers of the Corporation may sign a document on behalf of the Corporation.

Reproduced Signatures

2.5 A document on which the signature of an officer or director of the Corporation that is, by authority of the Board, printed or otherwise mechanically reproduced will be as valid as if the signature had been placed manually by such person and will be so valid notwithstanding that, at the time of the issue or delivery of the document, the person is deceased, has ceased to hold the office giving rise to such person's authority or is otherwise unable to personally sign the document.

Fiscal Period

2.6 The fiscal period end of the Corporation will be as the Board determines.

Voting Rights in Other Bodies Corporate

2.7 To enable the Corporation to exercise voting rights attaching to securities held by the Corporation, any two persons each of whom is a chairman, the chief executive officer, the president, a vice president, the secretary or the treasurer may execute and deliver proxies and arrange for the issuance of voting certificates or other evidences of such rights in favor of the person determined by the officers executing such proxies unless otherwise determined by the Board.

ARTICLE 3 **BORROWING AND SECURITY**

Borrowing Power

3.1 Without limiting the powers of the Corporation as set forth in the Act, the Board may cause the Corporation to:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of a person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Delegation of Borrowing Authority

3.2 Subject to the Act, the Board may delegate to a director, a committee of directors or an officer any or all of the powers conferred on the Board by section 3.1 to such extent and in such manner as it determines.

ARTICLE 4 **QUALIFICATIONS OF DIRECTORS AND OFFICERS**

Qualifications of Directors and Officers

4.1 Deleted.

4.2 At any time when the Corporation is an “offering corporation” within the meaning of the Act, the Board shall consist of no fewer than 3 directors, of which at least one-third shall not be officers or employees of the Corporation or any of its affiliates.

4.3 In addition to any qualifications to act as a director or officer required by the Act, each Office Holder of the Corporation shall disclose to the Corporation, its directors and its shareholders prior to their appointment or election as an Office Holder:

- (a) whether he has been convicted by a Conclusive Judgment of an offense referred to in section 4.4 below and whether the period during which he is forbidden from serving as Office Holder has not yet elapsed from the date of the judgment by which he was convicted;
- (b) whether he was convicted by a Conclusive Judgment of an offense referred to in section 226(a)(1) of the Companies Law and whether the period set by the court under that subsection has not yet elapsed; and
- (c) whether the Administrative Enforcement Committee imposed on him means of enforcement that prohibits him from serving as an Office Holder of any Public Company or of any private company that issued bonds and whether the period set by the Administrative Enforcement Committee in the aforesaid decision has not yet elapsed.

Restriction on appointment due to conviction

4.4 A person convicted by a Conclusive Judgment of one of the following offenses shall not hold office as an Office Holder of the Corporation when a Public Company or a private company that issued bonds, unless five years have passed since the date on which the judgment by which he was convicted was given:

- (a) the offenses listed in section 226(a)(1) of the Companies Law;
- (b) conviction by a court outside Israel of the offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of insider information;
- (c) a person convicted by a Conclusive Judgment (as defined in section 225(b) of the Companies Law), of an offense not enumerated in this section shall not be appointed as an Office Holder of a Public

Company or of a private company that issued bonds, if the court determined that because of nature, severity or circumstances he is not fit to serve as an Office Holder of a Public Company or of a private company that issued bonds during a period set by the court, which shall not exceed five years, beginning with the day of the Conclusive Judgment.

- 4.5 If determined by a court in the State of Israel, at the date of the conviction or thereafter, on the application of a person interested in being appointed as an Office Holder, that despite his conviction of offenses as laid down in subsections 4.3(a) and 4.3(b) above, and taking into account, inter alia, the circumstances in which the offense took place, such person is not precluded from holding office as an Office Holder of the Corporation, the Corporation may appoint such person as an Office Holder of the Corporation.
- 4.6 The offenses listed in subsections 4.3(a) and 4.3(b) above may be supplemented by the Corporation if prescribed by the Minister under the Companies Law.
- 4.7 If a court or appeal court in both cases in the State of Israel orders a stay of implementation of appointment as a director, restrictions, or of the lapse of service until a date that it shall set, on conditions that it deems appropriate, the Corporation will observe such order.

Restriction on appointment due to decisions of the Administrative Enforcement Committee

- 4.8 If the Administrative Enforcement Committee imposed on a person means of enforcement (as defined in section 225(b) to the Companies Law) that prohibit his serving as an Office Holder of a Public Company or of a private company that issued bonds, that person shall not be appointed as an Office Holder of the Corporation.

Obligation to cease holding office

- 4.9 If the Corporation becomes aware that an Office Holder was appointed contrary to the provisions of section 226, 226A or 227(a) of the Companies Law, or that a director committed a breach of the provisions of section 225, 227(b) or 232 of the Companies Law, the Board shall resolve, at its first meeting convened after becoming so aware, to take such action as is permitted by the Act and Canadian securities laws to terminate the office of such an Office Holder, if it finds that the said conditions are fulfilled, and such office shall expire on the date of such resolution.

Termination of term of service in consequence of offense

- 4.10 If an Office Holder was convicted by a Conclusive Judgment of an offense, as referred to in section 226(a)(1) or 226(a1) of the Companies Law, then he or she shall so inform the Corporation and he or she shall resign and he or she cannot be reappointed to serve as an Office Holder unless the period in which he or she is prohibited from serving as an Office Holder has elapsed as provided in section 4.4 herein.

Lapse of service in consequence of an Administrative Enforcement Committee decision

- 4.11 If the Administrative Enforcement Committee decided to impose on a person means of enforcement (as defined in section 225(b) of the Companies Law) that prohibit him or her from serving as an Office Holder in any Public Company, in a private company that issued bonds or in the Corporation, it shall so inform the Corporation and he or she shall resign, and the Corporation shall not reappoint him or her as director, except when the period of the said prohibition has passed.

Fiduciary Duty

- 4.12 An Office Holder who commits a breach of the duty of disclosure provided in sections 225, 232, 232A or 245A of the Companies Law shall for the purposes of the Companies Law be considered as having committed a breach of his fiduciary duty to the Corporation.

ARTICLE 5 DIRECTORS

Calling of Meetings

5.1 A chairman or the CEO may, and the secretary on the request of a director will, convene a meeting of the Board.

Notice of Meeting

5.2 Notice of the time and place of a meeting of the Board must be given to each director not less than fortyeight (48) hours before the time when the meeting is to be held, but:

- (a) the notice need not specify what matters are to be dealt with at the meeting other than as required by the Act,
- (b) no notice will be necessary if all the directors are present or those who are absent have signified consent to the holding of the meeting, and
- (c) the period for notice of a meeting that begins within forty-eight (48) hours after the appointment or election of a director may be abridged for each such director to a period commencing at the time of such director's appointment or election.

Place of Meetings

5.3 Meetings of the Board may be held at any place within or outside Ontario. In any financial year of the Corporation, a majority of the meetings of the Board need not be held within Canada.

Quorum

5.4 The Board may fix the quorum required for the transaction of business at any meeting of the Board, provided that in no case shall a quorum be less than two-fifths of the number of directors and, if not so fixed, the quorum will be a majority of the directors at the time of the meeting.

External Directors

5.5 Subject to the Act:

- (a) sections 239-249A (excluding section 245(b)) of the Companies Law shall apply to the Corporation, other than references to a 3 year term which term shall only be equal to 1 year;
- (b) subject to section 5.5(a), the Board and management of the Corporation shall nominate at least two (2) directors (each, an "**External Director**") to be elected by the shareholders of the Corporation. In addition to the requirements and qualifications set forth in the Act, each External Director shall also comply with the requirements and qualifications of "External Directors" as described in sections 239-249A of the Companies Law and shall in addition to compliance with the Act and Canadian securities law, be elected in the manner described in sections 239 of the Companies Law;
- (c) an External Director shall not be entitled to any compensation or other payment from the Corporation, except as permitted by the Companies Law and other applicable law. For the purposes of this subsection, the grant of an exemption, an undertaking to indemnify, indemnification or insurance shall not constitute compensation or other payment; and
- (d) for a period of two (2) years following the termination of the service of a person as an External Director of the Corporation, the Corporation shall not directly or indirectly enter into any employment, consulting or other arrangements for fees with such person, and such person may not serve as a director or officer of the Corporation; the aforesaid restrictions shall apply on the relatives of such person for a period of one (1) year following the termination of his or her service.

Chairperson of Meeting

5.6 The chairperson of a meeting of the Board will be the first of a Chairman, the president (if a director) and a director who is present and willing to act as the chairperson, but if no such director so willing is present within

15 minutes after the time appointed for holding the meeting the directors present will choose one of their number to be the chairperson.

Chair

5.7 The CEO or his relative shall not serve as a chairman or co-chairman of the Board, except under the provisions of section 121(c) of the Companies Law. A person directly or indirectly subject to the CEO shall not serve as chairman or co-chairman of the Board. This provision will not apply three months from the date on which the Corporation becomes a Public Company.

- (a) A chairman of the board of directors of a Public Company or his relative shall not be granted the powers of the CEO, except under the provisions of section 121(c) of the Companies Law. A chairman of the Board shall not be granted the powers of the person directly or indirectly subject to the CEO.
- (b) A chairman of the Board shall not serve in any other position in that Corporation or in a company controlled by the Corporation, but he may serve as a chairman of the Board or as a director in a company controlled by the corporation.

5.8 Notwithstanding section 5.7, the shareholders of the Corporation may resolve at a meeting of shareholders, upon fulfilment of one of the following conditions:

- (a) the majority of the voting shareholders, including a positive vote of at least two thirds of the shareholders who are not holders of control in the Corporation and have no personal interest in the approval of the decision, which number of shareholders shall not take abstentions into account, or
- (b) the total number of opposing votes from among the shareholders does not exceed 2% of the total of voting rights in the Corporation,

that a chairman of the Board, co-chairman of the Board or his relative may be authorized - for periods, each of which shall not be longer than three years after the date on which the decision was adopted - to hold the position of chief executive officer or to exercise his powers, and also to authorize the chief executive officer to fill the position of a chairman of the Board or to exercise his or her powers.

5.9 The Board may appoint two people to the position of chairman of the Board, such persons to serve as cochairs at the pleasure of the Board and if two such persons are appointed, the rights, powers, duties and references in these By-laws to chairman will apply equally to the co-chairman.

Voting

5.10 A question arising at a meeting of the Board will be decided by a majority of the votes cast and in the case of an equality of votes the chairperson may not exercise a second or casting vote.

Remuneration and Expenses

5.11 A director will be paid such remuneration for their services to the Corporation as the Board determines and will be reimbursed by the Corporation for travelling and other expenses properly incurred in attending a meeting of the Board, a committee of the Board or a meeting of shareholders.

Additional Remuneration

5.12 Subject to section 6.3 below, remuneration payable to a director who is also an officer or employee of the Corporation, or who serves the Corporation in a professional capacity, will be in addition to the director's salary as an officer or employee or professional fees.

ARTICLE 6 COMMITTEES

Transaction of Business

6.1 Except as otherwise determined by the Board, proceedings of a committee of the Board will be governed as follows:

- (a) the powers of the committee may be exercised by a meeting at which a quorum of the committee is

present;

- (b) a majority of the members of the committee will constitute a quorum;
- (c) meetings of the committee may be held at any place within or outside of Ontario;
- (d) a question arising at a meeting will be determined by a majority of the votes cast and in the case of an equality of votes the chairperson of the meeting will not exercise a second or casting vote;
- (e) the committee may determine when it will hold and adjourn meetings and may elect its chairman, make rules for the conduct of its business and appoint such assistants as it deems necessary;
- (f) the committee will keep regular minutes of its transactions and report its transactions to the Board as required by the Board; and
- (g) a waiver of notice of a meeting of a committee may be given in any manner and will be deemed to be given by a director with respect to all business transacted after the director first attends the meeting.

Audit Committee

6.2 The Board shall appoint an audit committee (the “**Audit Committee**”), with the authority and consisting of such number of directors with the qualifications as described in sections 114-117 of the Companies Law (Audit Committee) and the Act, and the Audit Committee shall have the duties and shall act in the manner described in sections 114-117 of the Companies Law, provided that the Audit Committee may not exercise those powers that, under the Act, a committee of directors has no authority to exercise.

Remuneration Committee

6.3 The Board shall appoint an remuneration committee (the “**Remuneration Committee**”), with the authority and consisting of such number of directors with the qualifications as described in sections 118a and 118b of the Companies Law (Remuneration Committee), and the Remuneration Committee shall have the duties and shall act in the manner described in the Companies Law, provided that the Remuneration Committee may not exercise those powers that, under the Act, a committee of directors has no authority to exercise.

Internal Auditor

6.4 The Corporation shall have an internal auditor and the provisions of sections 146-153 of the Companies Law (Internal Auditor) shall apply to the Corporation.

ARTICLE 7 **PROTECTION OF DIRECTORS AND OTHERS**

Contracts with the Corporation

7.1 Subject to the Act:

- (a) no director is, by being a director, or by reason of holding any other office or place of profit under the Corporation or under a person in which the Corporation is a shareholder or is otherwise Interested, disqualified from entering into a contract, transaction or arrangement with the Corporation either as vendor, purchaser or otherwise, or from being concerned or interested in any manner in a contract, transaction or arrangement made or proposed to be entered into with the Corporation;
- (b) no such contract, transaction or arrangement is thereby void or liable to be avoided;
- (c) no director is liable to account to the Corporation for profit arising from such office or place of profit or realized by such contract, transaction or arrangement;
- (d) no director is obligated to make a declaration or disclosure of interest or refrain from voting; and
- (e) no contract or transaction is invalid or voidable, and no director is accountable to the Corporation or a shareholder in respect of a contract or transaction, by reason that the director did not disclose any

interest.

Limitation of Liability

7.2 Except as otherwise provided in the Act, no director or officer will be liable for:

- (a) the acts, receipts, neglects or defaults of any other person, or for joining in a receipt or act for conformity;
- (b) a loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to property acquired by, for, or on behalf of the Corporation;
- (c) the insufficiency or deficiency of a security in which monies of the Corporation are invested or in the security or collateral for a loan of monies of the Corporation;
- (d) a loss or damage arising from the bankruptcy, insolvency or wrongful act of a person with whom money, security or other property of the Corporation is lodged or deposited; or
- (e) any other loss, damage, or misfortune that arises out of the execution of the duties of a director or in relation thereto.

Nothing in the By-laws, however, shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach of the Act.

Amplification of Rights

7.3 The provisions of the By-laws are in amplification of and in addition to, and not by way of limitation of or in substitution for, such rights, immunities and protections as are conferred on a director or officer by law or otherwise.

Indemnity

7.4 To the fullest extent permitted by the Act and applicable law, the Corporation will indemnify:

- (a) any director or officer of the Corporation;
- (b) any former director or officer of the Corporation; and
- (c) any individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity,

against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity. The Corporation is authorized to execute agreements in favour of any of the foregoing persons evidencing the terms of the indemnity. Nothing in the By-laws limits the right of any person entitled to claim indemnity apart from the provisions of the By-laws. For greater clarity, the Corporation shall indemnify any expenses incurred in connection with a proceeding conducted in a matter under the Anti-Trust Law, 5748-1988 and/or in connection therewith, including reasonable litigation expenses, inclusive of attorney fees, as well as by way of advance indemnification. In any event, the total amount of indemnity to any one indemnified party shall be the greater of (i) USD 35 million per event and per period or (ii) 25% of the Corporation's outstanding equity at the relevant time. The maximum indemnification amount or any part thereof will be paid to the officeholders according to the date on which the liability for which such indemnity is requested, was created according to the recent published financial statements prior to the actual date of indemnification.

Insurance

7.5 The Corporation may purchase and maintain insurance for the benefit of any person referred to in section

7.4 herein against such liabilities and in such amounts as the directors may determine and as are permitted by the Act.

ARTICLE 8 REMUNERATION POLICY FOR OFFICERS

8.1 The Board shall establish a remuneration policy which shall be approved by the Meeting of the Shareholders in accordance to section 267a of the Companies Law. The said remuneration policy shall consider, among others, the considerations specified in section 267b of the Companies Law.

ARTICLE 9 INTERESTED TRANSACTIONS

Interested Transactions

9.1 The Corporation shall not enter into any transaction described in section 270(4) of the Companies Law (an “**Interested Transaction**”) unless:

- (a) such transaction was approved in the manner described in sections 275-279 of the Companies Law; or
- (b) such transaction was approved according to exemptions, as such exemptions may be in the Israeli Law, and as such exemptions will be applicable.

9.2

- (a) An Interested Transaction, (other than an Interested Transaction approved as detailed in subsection 9.1(b) above), with an Office Holder or transaction as said in section 270(4) to the Companies Law with a holder of control thereof shall be of no effect for, and shall not be binding upon the Corporation or the Office Holder or holder of control if the Interested Transaction was not approved in accordance with the provisions of sections 275-279 of the Companies Law (Transactions with Interested Parties) or if a substantial defect has occurred in the approval process or if the Interested Transaction was effected in a way that deviated substantially from the terms of the approval.
- (b) An Interested transaction shall likewise not be valid in respect of any other person if such person knew of the personal interest of the Office Holder or of the holder of control in the approval of the transaction, and knew or ought to have known of the lack of approval of such transaction as required under sections 275-279 of the Companies Law.
- (c) The Corporation may revoke a transaction with another person requiring approval as provided in section 270(4) of the Companies Law, and it may claim compensation from such person for damage caused to it even without revoking the transaction, if such person knew of the personal interest of an Office Holder of the company in the approval of the transaction or of the personal interest of the holder of control of the Corporation in the approval of the transaction, and knew or ought to have known of the lack of approval of the transaction as required by sections 275-279 of the Companies Law.
- (d) It shall be presumed that a person ought not to have known of the lack of approval of a transaction as required under sections 275-279 of the Companies Law where such person has received the confirmation of the Board to the fact that all of the approvals required for the transaction have been obtained.

Transactions between the Corporation and its Controlling Shareholder

9.3 The Israeli Securities Regulations (Transactions between a company and a Controlling Shareholder therein) 5761-2001, shall apply to the Corporation.

ARTICLE 10 DUTY OF CARE

Duty of Care

In addition to any other obligations under the Act:

- 10.1 An Office Holder owes a duty of care to the Corporation as provided in sections 35 and 36 of the Civil Wrongs Ordinance.
- 10.2 The provisions of subsection 10.1 shall not preclude a duty of care being owed by an Office Holder to another

person.

Precautions and Standard of Proficiency

10.3 In addition to any other obligations under the Act, an officer shall act with the standard of proficiency with which a reasonable officer, in the same position and in the same circumstances, would act; this shall include taking reasonable steps, in view of the circumstances of the case, to obtain information regarding the business expediency of an act submitted for his approval or of an act done by him by virtue of his position, and to obtain all other pertinent information regarding such acts.

Obligation of Caution for Directors with Expertise or Qualifications

10.4 Subject to Act and Canadian law, the appointment of a director with accounting or financial expertise or with professional qualifications under section 219(d) or 240(a1) of the Companies Law does not change his responsibility and that of the other directors of the Corporation, which may be imposed on them under any other statute.

Fiduciary Duty

10.5 An officer shall owe a fiduciary duty to the Corporation, shall act in good faith and for the benefit of the Corporation, including the following:

- (a) He or she shall refrain from any act involving a conflict of interest between the fulfillment of his or her role in the Corporation and the fulfillment of any other role or his or her own personal affairs;
- (b) He or she shall refrain from any act involving competition with the business of the Corporation;
- (c) He or she shall refrain from taking advantage of a business opportunity of the Corporation with the aim of obtaining a benefit for himself or herself or for any other person; and
- (d) He or she shall disclose all information to the Corporation and shall provide it with all documents relating to its interest that reach him or her by virtue of his or her position with the Corporation.

10.6 The provisions of section 10.5 shall not preclude a fiduciary duty being owed by an officer to any other person.

Approval of Acts

10.7 Subject to the Act, the Corporation may approve any of the acts enumerated in section 10.5 provided that all the following conditions apply:

- (a) the officer acted in good faith and neither the act nor the approval of the act prejudices the good of the Corporation; and
- (b) the officer disclosed the essence of his or her personal interest in the act, including any substantial fact or document, a reasonable time before the date for discussion of the approval.

10.8 The Corporation's approval for acts that are not Substantial Acts shall be given in accordance with the provisions of Chapter 5 regarding the approval of transactions, and the Corporation's approval for Substantial Acts shall be given in accordance with the provisions of Chapter 5 regarding the approval of Extraordinary Transactions; the provisions of Chapter 5 regarding the validity of transactions shall apply, mutatis mutandis, to the validity of acts.

Remedies

10.9 The rules applying to breach of contracts shall apply, mutatis mutandis, to the breach of the fiduciary duty of an officer.

10.10 Without derogating from the generality of the provisions of subsection 10.9, an officer in breach of a fiduciary duty towards the Corporation shall be considered as a person in breach of his or her contract with the Corporation.

10.11 The Corporation may revoke an act done by an officer on behalf of the Corporation towards another person or may claim from such person the compensation owed to it from the officer, even without cancelling the act, if such person knew of the breach of the officer's fiduciary duty, and knew or ought to have known of the lack of approval of the act.

10.12 There is a presumption that a person was not required to have known about the lack of approval of an act as if such person received confirmation from the Board that all consents required for the act were received.

ARTICLE 11 SHARES

Registration of Transfers

11.1 Subject to provisions of the Act, in order to effect a transfer of a share,

- (a) an instrument of transfer must be executed by the registered holder of the share or the holder's attorney;
- (b) the execution of the instrument of transfer must be attested and validated as reasonably required by the Board; and
- (c) there must be delivered to the Corporation's transfer agent for shares of that class or series or, if there is no such transfer agent, to the registered office of the Corporation:
 - (i) the certificate evidencing the share to be transferred, if one was issued by the Corporation;
 - (ii) the instrument of transfer; and
 - (iii) if the instrument of transfer was executed by the holder's attorney, evidence of the attorney's authority satisfactory to the transfer agent or the Board.

Separate Instruments of Transfer

11.2 There must be a separate instrument of transfer for each class or series of share proposed to be transferred.

Transfer Fee

11.3 In respect of the registration of a transfer or transmission there must be paid to the Corporation or its transfer agent for such share such fee as the Board determines.

Replacement of Certificates

11.4 If a share certificate of the Corporation is worn out, defaced, lost or destroyed, it may be replaced on payment of such charge and on provision of such evidence and indemnity as the Board determines.

Acquisition of Shares of the Corporation

11.5 Provided that such provisions do not conflict with the Act or Canadian law, sections 328-340 (excluding paragraphs 333(a), 333(b), 333(c), 338, 339 and 340 of the Companies Law (Special Tender Offer and Purchase of Shares of the Minority by Holder of Control) and the securities regulations (purchase offer) 5760-2000 shall apply to the Corporation.

ARTICLE 12 DIVIDENDS AND RIGHTS

Declaration

12.1 The Board may, as permitted by the applicable law, declare dividends payable to the shareholders according to their respective rights and interests in the Corporation.

Interest

12.2 No dividend will bear interest.

Valuation of Non-Cash Dividends

12.3 The Board will determine the value of a dividend not paid in money.

Dividend Cheques

12.4 A dividend payable in money may be paid by cheque of the Corporation or its paying agent to the order of the registered holder of the share on which it is being paid and mailed by prepaid ordinary mail to the holder at the holder's recorded address or payable to such person and mailed to such address as the holder directs, and the mailing of such a cheque in that manner will, unless it is not paid on presentation, satisfy and discharge the Corporation from the liability for the dividend to the extent of the sum represented by the cheque plus the amount of any tax that the Corporation is required to and does withhold.

Cheques to Joint Holders

12.5 In the case of joint holders, a cheque in payment of a dividend will, unless they otherwise jointly direct, be made payable to the order of all of them and mailed to them at their recorded address.

Non-Receipt of Cheques

12.6 If a dividend cheque is not received by the person to whom it is so sent or is lost, mutilated or destroyed, the Corporation will issue a replacement cheque for a like amount on provision of such evidence of nonreceipt, loss, mutilation or destruction and of title, and such indemnity and reimbursement of expense as the Board prescribes, whether generally or in a particular case.

Unclaimed Dividends

12.7 A dividend unclaimed for six years after the date of record for its payment will be forfeited and revert to the Corporation.

ARTICLE 13 **MEETINGS OF SHAREHOLDERS**

Calling Annual and Special Meetings

13.1 The Board may convene a meeting of shareholders, and shall convene a meeting of shareholders at the demand of any of the following:

- (a) two directors;
- (b) one-quarter of the directors then in office;
- (c) one or more shareholders beneficially owning at least five percent of the issued and outstanding share capital of the Corporation and at least one percent of the voting rights of the Corporation; or
- (d) one or more shareholders beneficially owning at least five percent of the voting rights of the Corporation.

13.2 Subject to compliance with the Act and Canadian securities laws, where the Board is requested to convene a shareholders' meeting demanded under section 63 of the Companies Law, the Corporation shall provide notice of the meeting and the record date within twenty-one days of the date on which the request was made, on the date designated in an invitation pursuant to section 67 of the Companies Law or by a notice pursuant to section 69 of the Companies Law, the date of convening the meeting shall be no later than thirty-five days after the date of the notice of the meeting, unless otherwise provided in respect of a meeting to which sections 87 and 89 of the Companies Law applies.

13.3 The agenda at a shareholders meeting ("Agenda") shall be fixed by the Board and may also

include matters in respect of which the convening of a shareholders meeting is required as well as any matter requested by a shareholder as provided in section 13.4.

13.4 Subject to compliance with the Act and Canadian securities laws, one or more shareholders with at least one percent of the voting rights at the shareholders meeting may request that the Board include a matter in the Agenda of a shareholders meeting to be convened in the future, provided that it is appropriate to discuss such a matter at a shareholders meeting and, provided that such provisions do not conflict with the Act or Canadian law, the Minister may prescribe provisions for the purpose of sections 13.1 - 13.4, including regarding the time of the submission of the request.

13.5 Only resolutions regarding matters set out in the Agenda may be passed by the shareholders meeting.

Place of Meetings

13.6 Meetings of shareholders may be held at any place within or outside Ontario as the directors determine.

Form of Proxy

13.7 Each notice of any meeting of shareholders shall be accompanied by a form of proxy setting forth the resolutions for a vote at such meeting and in addition shall be subject to the provisions of section 87 (Voting at General Meetings in writing) of the Companies Laws and the Act.

Chairperson of Meeting

13.8 The chairperson of a meeting of shareholders will be the first of a chairman, the president, the lead director (if appointed) and the vice-presidents in order of seniority, who is present at the meeting and is willing to act.

Choosing the Chairperson

13.9 If no such individual listed in section 13.8 willing to act is present within 15 minutes after the time fixed for holding the meeting, the persons present and entitled to vote may choose one of their number to be chairperson.

Secretary of Meeting

13.10 If the secretary of the Corporation is absent or unable to act, the chairperson will appoint some person, who need not be a shareholder, to act as secretary of the meeting.

Scrutineers

13.11 One or more scrutineers, who need not be shareholders, may be appointed by resolution or by the chairperson with the consent of the meeting.

Meeting By Electronic Means

13.12 The Board may determine that a meeting of shareholders called by the Board will be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. Any person entitled to attend a meeting of shareholders may participate in the meeting, to the extent and in the manner permitted by law, by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

Persons Entitled to be Present

13.13 The only persons entitled to be present at a meeting of shareholders will be those entitled to vote at the meeting, the directors, the auditor of the Corporation and any other person who, although not entitled to vote, is entitled or required to be present under a provision of the Act or the Articles or By-laws, and any other person may be admitted only on the invitation of the chairperson of the meeting.

Quorum

13.14 A quorum for the transaction of business at a meeting of shareholders is at least two individuals present at the commencement of the meeting holding, or representing by proxy the holder or holders of, shares carrying in the aggregate not less than twenty-five percent of the votes eligible to be cast at the meeting.

Joint Shareholders

13.15 Subject to the Act, if two or more of the joint holders of a share are present in person or represented by proxy and vote, the vote of that one of them, or of the proxy holder for that one of them, whose name appears first on the securities register of the Corporation in respect of the share will be accepted to the exclusion of the vote of another, or of the proxy holder for another, of them.

Votes to Govern

13.16 At a meeting of shareholders every question will, except as otherwise required by the Articles or by applicable laws be determined by a majority of the votes cast on it, and in the case of an equality of votes the chairperson of the meeting will not be entitled to a second or casting vote.

Show of Hands

13.17 Voting at a meeting of shareholders shall be by show of hands, except where a discreet ballot is demanded by a shareholder or proxy holder entitled to vote at the meeting. On a show of hands every person who is present and entitled to vote will have one vote per share entitled to vote at the meeting.

Result of Vote on Show of Hands

13.18 Whenever a vote by show of hands is taken on a question then, unless a ballot is required or demanded, a declaration by the chairperson of the meeting that the vote has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, will be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the question, and the result of the vote so declared will be the decision of the shareholders on the question.

Demand for Ballot

13.19 A demand for a ballot may be withdrawn at any time before the ballot is taken.

Vote by Ballot

13.20 If a ballot is taken each person present will be entitled to one vote, or such other number of votes as the Articles provide, in respect of each share that such person is entitled to vote on the question at the meeting, and the result of the ballot so taken will be the decision of the shareholders upon the question.

Poll

13.21 A poll demanded on the election of a chairperson or on a question of adjournment will be taken

forthwith, and a poll demanded on any other question will be taken at such time as the chairperson of the meeting directs.

Adjournment

13.22 The chairperson of a meeting of shareholders may, with the consent of the meeting, adjourn the meeting.

Rulings by the Chairperson

13.23 Subject to the provisions of the Act, and

- (a) the chairperson will have absolute authority over preliminary matters of procedure, as described above, and there will be no appeal from the ruling of the chairperson, but if the chairperson, in the chairperson's absolute discretion, deems it advisable to dispense with the rules of parliamentary procedure at a meeting of shareholders or part of such meeting, the chairperson will so state and will clearly state the rules under which the meeting or the appropriate part of such meeting will be conducted;
- (b) a dispute as to the admission or rejection of a vote will be determined by the chairperson and the chairperson's determination will be final and conclusive;
- (c) if disorder arises that prevents continuation of the business of a meeting, the chairperson may quit the chair and declare the meeting to be adjourned, and upon the chairperson's so doing, the meeting is, immediately adjourned to a time and place announced by the chairperson at the time of adjournment or such other time and place described in a notice given not less than seven days before the reconvened meeting to all persons who received notice of the original meeting; and
- (d) the chairperson may ask or require anyone who is not a registered shareholder entitled to vote at the meeting or corporate representative or proxyholder representing such a shareholder to leave the meeting.

ARTICLE 14 SHAREHOLDER INSPECTION RIGHTS

Shareholder Inspection Rights

- 14.1 Any shareholder of the Corporation shall have the right, to inspect minutes of meetings of the shareholders, the Corporation's share ledger available to the Corporation, the Articles or By-laws of the Corporation, its financial statements, a list of its registered shareholders available to the Corporation and, provided that providing such documents to the shareholder do not conflict or breach the Act or Canadian law,. In addition, each shareholder of the Corporation shall have the right, upon written request setting forth the purpose thereof, to inspect copies of any document relating to any act or transaction described in sections 255 (Approval of Acts) and 268 through 275 (Transactions with Interested Parties and Holders of Control) of the Companies Law.
- 14.2 The Corporation may refuse the request of the shareholder to inspect documents if in the Corporation's 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 good of the Corporation in some other way.

ARTICLE 15 **NOTICES**

Notice to Joint Shareholders

15.1 If two or more persons are registered as joint holders of a share, a notice must be directed to all of them but need be delivered or addressed only to their recorded address to be sufficient notice to all.

Signature to Notice

15.2 The signature to a notice to be given by the Corporation may be written, stamped, typewritten or printed.

Effective Date of Notice

15.3 Subject to the Act, a notice sent by any means of electronic transmission or any other form of recorded communication will be deemed to have been given on the day when it is transmitted by the Corporation or, if transmitted by another, on the day when it is dispatched or delivered to the appropriate communication company or agency or its representative for dispatch, and a certificate or declaration in respect of any thereof in writing signed by an officer or by an employee of a transfer agent or registrar of the Corporation will be conclusive evidence of the matters therein certified or declared.

Omissions and Errors

15.4 The accidental omission to give a notice to a shareholder, director, officer, or auditor or the non-receipt of a notice by any such person or any error in a notice not affecting its substance will not invalidate an action taken at a meeting held pursuant to such notice or otherwise founded on it.

Persons Entitled by Death or Operation of Law

15.5 A person who, by operation of law, transfer, death of a shareholder or any other means, becomes entitled to a share will be bound by every notice in respect of the share that is duly given to the shareholder from whom the person derives title to the share before the person's name and address is entered on the securities register (whether the notice is given before or after the happening of the event upon which the person becomes so entitled) and before the person furnishes to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

Waiver of Notice

15.6 Subject to the Act, a shareholder (or the duly appointed proxyholder of a shareholder), director, officer, auditor or member of a committee of the Board may at any time waive, or consent to the abridgement of the time for, a notice required to be given to that person under a provision of the Act, the regulations thereunder, the Articles, the By-laws or otherwise, and such a waiver or consent, if given before the meeting or other event of which notice is required to be given, will cure a default in the giving or in the time of the notice, as the case may be, to that person.

ARTICLE 16

DERIVATIVE AND CLASS ACTIONS

16.1 Sections 194-218 of the Companies Law shall apply to the Corporation provided they do not conflict with the provisions of the Act or Canadian law.