

**THE ISRAELI COMPANIES LAW, 5759-1999**

A COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

**SISRAM MEDICAL LTD.**

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(As amended and restated on 30 August 2017 and effective on the date on which the Shares are listed on The Stock Exchange of Hong Kong Limited)

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## GENERAL PROVISIONS

### 1. Interpretation and General

- (a) In these Articles of Association, in addition to the terms defined elsewhere herein, unless the context requires otherwise, the following terms shall have the respective meanings ascribed to them below:
- (1) “**Articles**” means these Articles of Association of the Company, as amended from time to time.
  - (2) “**Board of Directors**” means the board of directors of the Company as constituted from time to time, in accordance with these Articles and the Israeli Companies Law.
  - (3) “**CCASS**” means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
  - (4) “**clearing house**” means a recognised clearing house within the meaning of Schedule 1 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong or a clearing house recognised by the laws of the jurisdiction in which the Shares are listed or quoted on a stock exchange in such jurisdiction.
  - (5) “**close associate**”, in relation to any Director, shall have the same meaning as defined in the Listing Rules, except that for purposes of **Article 46(b)** where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “**associate**” in the Listing Rules.

- (6) “**Company**” means Sisram Medical Ltd.
- (7) “**Director(s)**” means a member or members of the Board of Directors holding office as director(s) of the Company at any given time.
- (8) “**Exchange**” means The Stock Exchange of Hong Kong Limited and, where applicable, its successors in title.
- (9) “**External Director**” means a director if he or she would be an external director under the Israeli Companies Law.
- (10) “**General Meeting**” means the Annual General Meeting (as defined in **Article 25** below) of the Shareholders or any Extraordinary General Meeting (as defined in **Article 26** below) of the Shareholders, as applicable.
- (11) “**HKSCCN**” means HKSCC Nominees Limited.
- (12) “**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong.
- (13) “**Israeli Companies Law**” means the Israeli Companies Law, 5759-1999, as amended from time to time, including any regulations, orders and rules promulgated thereunder. The Israeli Companies Law shall include reference to the Israeli Companies Ordinance [New Version], 5743-1983 of the State of Israel (the “**Israeli Companies Ordinance**”), to the extent in effect according to the provisions thereof.
- (14) “**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time.
- (15) “**NIS**” means New Israeli Shekels.
- (16) “**Office Holder**” means a Director and any other person defined as an office holder (“*Nosei Misra*”) in the Israeli Companies Law.
- (17) “**Ordinary Resolution**” means a resolution passed by a Simple Majority in a General Meeting (or class meeting, if applicable).
- (18) “**Public Investor**” has the meaning ascribed to it in **Article 12(c)** below.
- (19) “**Registered Office**” means the registered office of the Company at any given time.
- (20) “**Shareholder(s)**” means the shareholder(s) of the Company, at any given time, as recorded in the Shareholders Register, subject to the provisions **Article 12** below.

- (21) **“Shareholders Register”** means the register of Shareholders maintained pursuant to the Israeli Companies Law and including an “Additional Shareholders Register”, if the Company elects to have an Additional Shareholders Register.
- (22) **“Simple Majority”** means a majority of more than 50% of all the actual votes cast in favour by the Shareholders present (in person or by proxy), and voting on the relevant proposal or resolution in a General Meeting (or class meeting, if applicable) (i.e., more than 50% of the voting power represented at the meeting and voting in favour of the resolution or proposal), without taking into account abstentions.
- (23) **“Special Resolution”** means a resolution passed by a majority of not less than three-fourths (75%) of all the actual votes cast in favour by the holders of the shares of such class present, in person or by proxy, and voting, on the relevant proposal or resolution in a General Meeting, without taking into account abstentions. A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provisions of these Articles or applicable law or regulations.
- (b) Unless the subject or the context otherwise requires or dictates: (i) words and expressions defined in the Israeli Companies Law as may be in force from time to time shall have the same meanings herein; (ii) words and expressions importing the singular shall include the plural and vice versa; (iii) any pronoun shall include the corresponding masculine, feminine and neuter forms; (iv) words and expressions importing persons shall include an individual, corporation, company, partnership, cooperative society, trust of any kind or any other body of persons, whether incorporated or otherwise; (v) the word “including” means including without limiting the generality of any description preceding such terms and shall be deemed to be followed by the phrase **“without limitation”**; (vi) the terms **“these Articles”**, **“hereof”**, **“hereunder”**, **“herein”** and similar expressions refer to these Articles as a whole, and not to any particular Article, subsection or other portion hereof; (vii) references to a law or to a specific section thereof shall be construed as a reference to such law or section, as the same may have been, or may from time to time be, amended, succeeded or re-enacted; (viii) any reference to **“law”** shall include any supranational, national, federal, state, local, or foreign statute or law and all rules and regulations promulgated thereunder (including, any rules, regulations or forms prescribed by any governmental authority or securities exchange commission or authority, if and to the extent applicable); (ix) the term **“writing”** or any term of like import includes words typewritten, printed, painted, engraved, lithographed, photographed, scanned or represented or reproduced by any mode of reproducing words in a visible form,

including facsimile, computer file, electronic mail or other form of writing produced by electronic communication; and (x) any reference to a “**day**” or a number of “**days**” (without any explicit reference otherwise, such as to business days) shall be interpreted as a reference to a calendar day or number of calendar days; reference to month or year means according to the Gregorian calendar.

- (c) The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof. The specific provisions of these Articles shall supersede the provisions of the Israeli Companies Law and the Israeli Companies Ordinance, as applicable, to the extent permitted under the Israeli Companies Law and the Israeli Companies Ordinance, as applicable. Wherever these Articles state that the provisions hereof shall apply subject to the provisions of the Israeli Companies Law and/or subject to the provisions of the Israeli Companies Ordinance and/or subject to the provisions of applicable law, the intention is to the mandatory provisions of the Israeli Companies Law and/or the provisions of the Israeli Companies Ordinance and/or the provisions of applicable law, which cannot be derogated from, unless the context requires otherwise. With respect to any matter that is not specifically addressed in these Articles, the provisions of the Israeli Companies Law and the Israeli Companies Ordinance, as applicable, shall govern.

## **2. Name of the Company; Registered Office**

- (a) The name of the Company is:

in English – Sisram Medical Ltd

in Hebrew – **סיסרם מדיקאל בע"מ**

- (b) The registered office of the Company shall be at such place as determined from time to time by the Board of Directors.

### **3. Public Company**

- (a) The Company is a public company (as such term is defined in the Israeli Companies Law).
- (b) The Company shall not obtain a listing of its shares (whether on a primary or secondary basis) on the Tel Aviv Stock Exchange or any other exchanges in Israel, and the Company shall not conduct any “Public Offer” (as defined in the Israeli Securities Law – 1968) which would affect the Company’s ability to comply with the Listing Rules or the General Rules of CCASS.

### **4. Object and Purpose of the Company**

- (a) The purpose of the Company is to engage, directly or indirectly, in any lawful activity or business whatsoever.
- (b) The Company may contribute a reasonable amount to a worthy cause. The Board of Directors may from time to time determine the policy and amounts within which such contributions may be made by the Company, and the person or persons authorised to approve any such specific contribution.

### **5. Limitation of Liability**

- (a) The Company is a limited liability company and therefore each Shareholder’s liability for the Company’s obligations shall be limited to the full payment of the nominal value of the shares held by such Shareholder.
- (b) There shall be no alteration in these Articles to increase an existing Shareholder’s liability to the Company, unless the Shareholder provides a written consent to such alteration.

### **6. Amendment of Articles**

Subject to applicable law, any amendment of these Articles shall require a Special Resolution to be adopted by a General Meeting. Subject to applicable law, and unless provided otherwise herein, a resolution passed at a General Meeting by a Special Resolution which purports to amend any of the provisions set forth herein, shall be deemed a resolution to amend these Articles even if not expressly stated as such in the resolution or at the General Meeting.

## SHARE CAPITAL

### 7. Share Capital of the Company and Rights Attached to Shares

- (a) The authorised share capital of the Company is NIS 10,000,000 divided into 1,000,000,000 Ordinary Shares with a nominal (par) value of NIS 0.01 per share (sometimes referred to herein as, the “**Ordinary Shares**” or the “**Shares**”). The Ordinary Shares shall be *pari passu* in all respects.
- (b) The Ordinary Shares shall confer upon the holders thereof:
  - (i) an equal right to participate in and vote at the General Meetings of the Company; each of the Shares shall entitle its holder present at the meeting and participating in the vote (whether in person or by proxy) to one vote for each Share held, provided that all calls due to the Company in respect of any Share or Shares have been paid;
  - (ii) an equal right to participate in the distribution of dividends, whether in cash or in bonus shares, in the distribution of assets, or in any other distribution, *pro rata* to the nominal value of the Shares; and
  - (iii) an equal right to participate in the distribution of the surplus assets of the Company in the event of its winding-up *pro rata* to the nominal value of the Shares.

### 8. Increase of Share Capital

- (a) The Company may, from time to time, by a resolution of Shareholders, whether or not all the shares then authorised have been issued, increase its authorised share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts (or no nominal amounts if the Company so decides), and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide. No shares shall be issued to bearer.
- (b) Except to the extent otherwise provided in such resolution, any new shares included in the authorised share capital increased as aforesaid shall be subject to all the provisions of these Articles which are applicable to shares included in the existing share capital (and, if such new shares are of the same class as a class of shares included in the existing share capital, to all of the provisions which are applicable to shares of such class included in the existing share capital).

## **9. Special Rights; Modifications of Rights**

- (a) Without prejudice to any special rights previously conferred upon the holders of existing shares in the Company, the Company may, from time to time, by a resolution of Shareholders and subject to applicable law and regulations and the Listing Rules, provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether with regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.
- (b) Preference shares may be issued subject to such limitations thereof as may be prescribed by the Listing Rules and the rights attaching to shares other than Ordinary Shares shall be expressed in these Articles. The total number of issued preference shares shall not exceed the total number of issued Ordinary Shares at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.
- (c) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.
- (d) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights may only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a Special Resolution carried at the general meeting.

- (e) If at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles, may be modified or abrogated by the Company, by an Special Resolution of Shareholders, subject to the sanction of an Ordinary Resolution passed by holders of such class present and voting at a separate General Meeting of the holders of the shares of such class. Where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.
- (f) The provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class (other than the ordinary shares), provided that the quorum for such General Meeting (other than adjourned meeting) shall be the holders of at least one-third of the issued shares of that class.
- (g) Unless otherwise provided by these Articles, the Listing Rules or the Israeli Companies Law, an increase in the authorised share capital, the creation of a new class of shares, an increase in the authorised share capital of a class of shares, or the issuance of additional shares thereof out of the authorised and unissued share capital, shall not be deemed, for purposes of this **Article 9**, to modify or derogate or cancel the rights attached to previously issued shares of such class or of any other class.

#### **10. Consolidation, Subdivision, Cancellation and Reduction of Share Capital**

- (a) The Company may, from time to time, by a resolution of Shareholders (subject, however, to the provisions of **Article 9(e)**, if applicable, and to applicable law):
  - (i) consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;
  - (ii) subdivide its shares (issued or unissued) or any of them, into shares of smaller nominal value than is fixed by these Articles (subject, however, to the provisions of the Israeli Companies Law), and the shareholders resolution pursuant to which any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights with regard to dividends, participation in assets upon winding-up, voting and so forth, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

- (iii) cancel any shares which, at the date of the adoption of such resolution, have not been taken or agreed to be taken by any person, and reduce the amount of its share capital by the amount of the shares so cancelled; or
  - (iv) reduce its share capital in any manner, and with and subject to any incident authorised, and consent required, by law.
- (b) With respect to any consolidation of issued shares and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, *inter alia*, resort to one or more of the following actions:
- (i) determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;
  - (ii) allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional shareholdings;
  - (iii) to the extent as may be permitted under the Israeli Companies Law and the Listing Rules, redeem or purchase such shares or fractional shares sufficient to preclude or remove fractional shareholdings;
  - (iv) round up, round down or round to the nearest whole number, any fractional shares resulting from the consolidation or from any other action which may result in fractional shares; or
  - (v) to the extent as may be permitted under the Israeli Companies Law, cause the transfer of fractional shares by certain Shareholders of the Company to other Shareholders or third parties so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred (after deduction of the expenses of such transfer), and the Board of Directors is hereby authorised to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this **Article 10(b)(v)**. Such transferees shall not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to such transfer.

## SHARES

### 11. Issuance of Share Certificates; Replacement of Lost Certificates

- (a) Share certificates shall be issued under the imprinted securities seal or stamp of the Company or the Company printed name and shall bear the signatures of any one Director or the Company's chief executive officer(s) or of any other person or persons authorised thereto by the Board of Directors. The Board of Directors shall be entitled to decide that signatures be effected in any mechanical or electronic form.
- (b) Each Shareholder shall be entitled to receive from the Company, at such Shareholder's request, one numbered certificate for all the shares of any class registered in his name, and if reasonably requested by such Shareholder, to receive several certificates, each for one or more of such shares. No certificate shall be issued representing shares of more than one class. Where a fee is charged for certificates, such fee shall not exceed the maximum amount permitted by applicable law or the Exchange. Where a Shareholder has sold or transferred some of his shares, he shall be entitled to receive a certificate in respect of his remaining shares subject to payment of a fee referred to above and provided that the previous certificate is delivered to the Company before the issuance of a new certificate.
- (c) A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Shareholders Register in respect of such co-ownership and the Company shall not be obligated to issue more than one certificate. Delivery of the share certificate or any notices to one joint holder shall be deemed delivery to all of them.
- (d) The Company shall not be bound to register more than four (4) persons as the joint holders of any share except in the case of executors, trustees or administrators of the estate of a deceased Shareholder.
- (e) If any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Board of Directors shall require, and in case of defacement or wearing out, on delivery up of the old certificate and in any case, on payment of such sum as the Board of Directors may determine (having regard to any limitation thereof as may be prescribed by applicable law or the Exchange) from time to time require.

- (f) In the case of destruction, loss or theft, a Shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

## **12. Registered Holders of Shares**

- (a) Except as otherwise provided in these Articles, the Company shall be entitled to treat any Shareholder as the holder of legal title to any shares registered in such Shareholder's name (including a nominee company such as HKSCCN), and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person.
- (b) The Board of Directors may elect to maintain one or more registers of Shareholders outside of Israel in addition to its principal Shareholders Register, and each such register shall be deemed a Shareholders Register for purposes of these Articles. The share registrar maintaining such an additional Shareholders Register on behalf of the Company shall not be deemed a Shareholder of the Company solely by virtue thereof, but the individuals or entities appearing as Shareholders therein, including without limitation, depository agents, shall be deemed Shareholders of the Company for all intents and purposes.
- (c) Notwithstanding the foregoing, any person for whose benefit a Share is registered with a CCASS participant (or who is himself a CCASS investor participant) and whose underlying shares are included in the Shareholder Register in the name of HKSCCN (in these Articles herein, a "**Public Investor**") shall have standing to bring a class action and a derivative lawsuit concerning the Company as if such person were a Shareholder as defined herein. In addition, such Public Investors (as identified by the aforementioned definition) shall have the right to receive information and documents according to Section 184 of the Israeli Companies Law and the provisions of the second chapter of the fifth part of the Israeli Companies law shall apply to such Public Investors, *mutatis mutandis*.

### **13. Issuance and Allotment of Shares; Repurchase of Shares**

- (a) Subject to applicable law, these Articles, any direction that may be given by the Company in General Meeting and, where applicable, the Listing Rules, the authorised but unissued shares of the Company from time to time shall be under the control of the Board of Directors, who shall have the power to issue and allot shares, offer, grant options or otherwise dispose of shares or other securities of the Company convertible, exchangeable or exercisable into shares, or other securities of the Company, to such persons, on such terms and conditions, in such manner and at such times, as the Board of Directors may think fit, and the power to give to any person the option or other right to acquire from the Company any shares, either at par or at a premium, or, subject to the provisions of the Israeli Companies Law and the Listing Rules, at a discount, during such time and for such consideration (cash, kind or otherwise) as the Board of Directors may think fit. Neither the Company nor the Board of Directors shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Shareholders or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board of Directors, be unlawful or impracticable. Shareholders affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of shareholders for any purpose whatsoever.
- (b) The authorisation of a new series of shares or class of shares, or the issuance of such shares, shall not be deemed, for any purpose hereunder, to modify or abrogate the rights attached to an existing class of shares if the rights attached to the new class of shares apply in the same manner vis-a-vis all other existing series or classes of shares.
- (c) The Company may at any time and from time to time, subject to the Israeli Companies Law, applicable law or regulation and the Listing Rules, repurchase or finance the purchase of any shares or other securities issued by the Company, in such manner and under such terms as the Board of Directors shall determine, whether from any one or more Shareholders. Such purchase shall not be deemed as payment of dividends to the relevant Shareholder and no Shareholder will have the right to require the Company to purchase his shares or offer to purchase shares from any other Shareholders.

#### **14. Payment in Instalments; Calls on Shares**

- (a) If pursuant to the terms of issuance of any share, all or any portion of the price thereof shall be payable in instalments, every such instalment shall be paid to the Company on the due date thereof by the then registered holder(s) of the share or the person(s) then entitled thereto.
- (b) The Board of Directors may, from time to time, make such calls as it may think fit upon Shareholders in respect of any sum unpaid in respect of shares held by such Shareholders which is not, by the terms of allotment thereof or otherwise, payable at a fixed time, and each Shareholder shall pay the amount of every call so made upon him (and of each instalment thereof if the same is payable in instalments), to the person(s) and at the time(s) and place(s) designated by the Board of Directors, as any such time(s) may be thereafter extended and/or such person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a *pro rata* payment on account of all shares in respect of which such call was made.
- (c) Notice of any call shall be given in writing to the Shareholder(s) in question not less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the person to whom such payment shall be made, provided, however, that before the time for any such payment, the Board of Directors may, by notice in writing to such Shareholder(s), revoke such call in whole or in part, extend such time, or alter such person and/or place. In the event of a call payable in instalments, only one notice thereof need be given.
- (d) If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Board of Directors and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.
- (e) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.
- (f) Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate and at such time(s) as the Board of Directors may prescribe.

- (g) Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.
- (h) A Shareholder shall not be entitled (i) to receive a dividend and (ii) to exercise any right as a Shareholder, including but not limited to, the right to attend and vote at a General Meeting of any type and to transfer the shares to another, unless he has paid all the calls payable from time to time and which apply to any of his shares, whether he holds same alone or jointly with another.

#### **15. Prepayment**

With the approval of the Board of Directors, any Shareholder may pay to the Company any amount not yet payable in respect of his shares, and the Board of Directors may approve the payment of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this **Article 15** shall derogate from the right of the Board of Directors to make any call before or after receipt by the Company of any such advance.

#### **16. Forfeiture and Surrender**

- (a) If any Shareholder fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest, including, *inter alia*, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.
- (b) Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such Shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Board of Directors), such shares shall be *ipso facto* forfeited, provided, however, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall estop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

- (c) Without derogating from the provisions of **Articles 55** and **60**, whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.
- (d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.
- (e) Any share forfeited or surrendered as provided herein shall become the property of the Company as a dormant (treasury) share, and the same, subject to the provisions of these Articles, may be sold, re-allotted or otherwise disposed of in accordance with Listing Rules and all applicable laws.
- (f) Any Shareholder whose shares have been forfeited or surrendered shall cease to be a Shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in **Article 14(f)** above, and the Board of Directors, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the Shareholder in question (but not yet due) in respect of all shares owned by such Shareholder, solely or jointly with another.
- (g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it thinks fit, but no such nullification shall estop the Board of Directors from re-exercising its powers of forfeiture pursuant to this **Article 16**.

## 17. Lien

- (a) Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon shares (not being fully paid shares) and dividends from time to time declared in respect of such shares which lien shall be restricted to unpaid calls and instalments or any other amount of debt, liability or engagement which is due upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Shareholder or deceased Shareholder. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.
- (b) The Board of Directors may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board of Directors may think fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such Shareholder, his executors or administrators.
- (c) The net proceeds of any such sale, after payment of the costs and expenses thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such Shareholder (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the Shareholder, his executors, administrators, assignees or as he directs.
- (d) An affidavit signed by the Chairman of the Board of Directors that a particular share of the Company was forfeited, waived or sold by the Company by virtue of a lien, shall serve as conclusive evidence of the facts contained therein as against any person claiming a right in the share. The purchaser of a share who relies on such affidavit shall not be obligated to investigate whether the sale, re-allotment or transfer, or the amount of consideration and the manner of application of the proceeds of the sale, were lawfully effected, and after his name has been registered in the Register he shall have a full right of title to the share and such right shall not be adversely affected by a defect or invalidity which occurred in the forfeiture, waiver, sale, re-allotment or transfer of the share.

## **18. Sale after Forfeiture or Surrender or in Enforcement of Lien**

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint some person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the proceeds of such sale, and after his name has been entered in the Register of Shareholders in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

## **19. Authority to pay Underwriters' Fees and Commissions**

Subject to the provisions of the Israeli Companies Law and the Listing Rules, the Company is entitled to pay commissions or fees (including underwriting fees) to any person, in consideration for underwriting services, or the marketing or distribution of securities of the Company, whether reserved or unreserved, as determined by the Board of Directors. Payments, as stated in this **Article 19**, may be paid in cash, Shares or in other securities of the Company, or any combination thereof.

## **20. Redeemable Shares**

- (a) The Company may, subject to applicable law and the Listing Rules, issue redeemable shares and redeem the same, upon terms and conditions to be set forth in a written agreement between the Company and the holder of such shares or in their terms of issuance.
- (b) Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in General Meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all holders alike.

## **21. Issuance of Bonds**

The Board of Directors may decide on the issuance of a series of bonds or debentures or other debt securities within the framework of its authority to take a loan on behalf of the Company and within the limits of the same authority.

## **TRANSFER OF SHARES IN THE SHAREHOLDERS REGISTER**

### **22. Effectiveness and Registration**

- (a) No transfer of Shares shall be registered in the Shareholders Register unless a proper instrument of transfer signed by the transferor and transferee (in the usual or common form or in a form prescribed by the Exchange or in any other form approved by the Board of Directors) has been submitted to the Company or its agent, together with any share certificate(s) and such other evidence of title as the Board of Directors may reasonably require; provided however, that the Board of Directors may approve other methods of recognising the transfer of Shares, taking into account the manner of trading of the Shares. Until the time the transferee has been registered in the Shareholders Register in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof. The Board of Directors, may, from time to time, prescribe a fee for the registration of a transfer which shall not exceed the maximum amount permitted by applicable law or the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers, an instrument of transfer in the form approved by the Exchange signed by Transferee and Transferor. Furthermore, the transfer of Shares by a Shareholder shall also be recorded if: (i) a court order for the amendment of the Shareholders Register shall be delivered to the Company; or (ii) it shall be proved to the Company that lawful conditions apply with respect to the transfer of a right in the Shares registered in the Shareholders Register. The instrument of transfer of any Shares shall be signed by or on behalf of both the transferor and the transferee, provided always that an instrument of transfer in respect of which the transferor or the transferee is clearing house or its nominee may be signed by hand or by machine imprinted signature or by such other manner of execution as the Board of Directors may approve from time to time.

- (b) The effectiveness of a transfer of fully paid up Shares shall not require the prior approval of the Board of Directors. The transfer of a fraction of a Share shall lack validity.
- (c) Subject to these Articles, there shall be no restriction on the transfer of fully paid up Shares except where required by law (including, for the avoidance of doubt, Section 369 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or by the Listing Rules but the Board of Directors may in its discretion and without giving any reason therefor decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom the Board of Directors does not approve and may refuse to register any transfer of Shares from the transferor to the transferee which transfer is in violation of these Articles. The Board of Directors may also, without prejudice to the generality of the foregoing, refuse to register a transfer of any share to more than four (4) joint holders. If the Board of Directors shall decline to register any such transfer of shares, it shall give to both the transferor and the transferee written notice of its refusal to register as required by the Listing Rules. Instruments or deeds of transfer shall remain with the Company, but any transfer instrument or deed which the Board of Directors refused to register shall be returned to the transferor upon demand.
- (d) The Board of Directors may, in its discretion to the extent it deems necessary, close the Shareholders Register for registration of transfers of shares for a period determined by the Board of Directors, and no registrations of transfers of shares shall be made by the Company during any such period during which the Shareholders Register is so closed.

## **TRANSMISSION OF SHARES**

### **23. Descendants' Shares**

- (a) In case of a Share registered in the names of two or more holders, the Company may recognise the survivor(s) as the sole owner(s) thereof unless and until the provisions of **Article 23(b)** have been effectively invoked.

- (b) Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession, or such other evidence as the Board of Directors may reasonably deem sufficient (or to an officer of the Company to be designated by the Chief Executive Officer) that he sustains the character in respect of which he proposes to act under this **Article 23** or of his title, shall be registered as a Shareholder in respect of such share, or may, subject to the provisions as to transfer herein contained, transfer such share.

#### **24. Receivers and Liquidators**

- (a) The Company may recognise any receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder, and a trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganisation of, or similar proceeding with respect to a Shareholder or its properties, as being entitled to the shares registered in the name of such Shareholder.
- (b) Such receiver, liquidator or similar official appointed to wind-up, dissolve or otherwise liquidate a corporate Shareholder and such trustee, manager, receiver, liquidator or similar official appointed in bankruptcy or in connection with the reorganisation of, or similar proceedings with respect to a Shareholder or its properties, upon producing such evidence as the Board of Directors (or an officer of the Company to be designated by the Chief Executive Officer) may deem sufficient as to his authority to act in such capacity or under this **Article 24**, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a shareholder in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

### **GENERAL MEETINGS**

#### **25. Annual General Meeting**

- (a) An Annual General 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 General Meeting) provided that the interval between the close of a financial year of the Company and the Company's Annual General Meeting shall not exceed six (6) months (or such shorter period as may be prescribed by the Listing Rules).

- (b) An Annual General Meeting shall be held in Hong Kong for as long as the Shares are listed on the Exchange, unless otherwise permitted by applicable law and the Listing Rules. The Annual General Meeting shall deliberate over the matters required by the Israeli Companies Law or other applicable law or the Listing Rules to be deliberated upon at an annual general meeting or such other matters as shall be determined by the Board of Directors. These General Meetings shall be referred to as “**Annual General Meetings**”.

## **26. Extraordinary General Meetings**

- (a) All General Meetings other than Annual General Meetings shall be called “**Extraordinary General Meetings**”.
- (b) The Board of Directors may, whenever it thinks fit, convene an Extraordinary General Meeting in Hong Kong or elsewhere, if permitted under applicable law or the Listing Rules, and at such time as may be determined by the Board of Directors, and shall be obligated to do so upon a requisition in writing in accordance with Sections 63(b) (1) or (2) and 63(c) of the Israeli Companies Law.
- (c) For the avoidance of doubt, where the Israeli Companies Law refers to the right of a Shareholder to convene an Extraordinary General Meeting, such provisions will apply to any Public Investor, as if such person were a Shareholder as defined herein, mutatis mutandis.

## **27. Shareholder Proposal Request**

- (a) A Shareholder (including two or more Shareholders that are acting in concert) holding one percent (1%) or more of the outstanding voting rights in the Company (a “**Proposing Shareholder**”) may request, subject to Section 66(b) of the Israeli Companies Law and the regulations promulgated thereunder, that the Board of Directors include a proposal on the agenda of a General Meeting to be held in the future, provided that the Proposing Shareholder gives timely notice of such request in writing (a “**Proposal Request**”) to the Company and the Proposal Request complies with all the requirements of these Articles and applicable law and the Listing Rules. To be considered timely, a Proposal Request must be delivered, either in person or by certified mail, postage prepaid, and received at the principal executive office of the Company, by the applicable deadline under the Israeli Companies Law as amended from time to time, being as at the date on which these Articles entered into force: no later than seven (7) days from the notice of a General Meeting whose agenda includes items that require a 35 day prior notice, and no later than three (3) days from the notice of any other General Meeting.

- (b) In addition to any information required to be included in accordance with applicable law and the Listing Rules, the Proposal Request must include the following:
- (i) the name, address, telephone number, fax number and email address of the Proposing Shareholder (or each member of the group constituting the Proposing Shareholder, as the case may be) and, if an entity, the name(s) of the person(s) that controls or manages such entity;
  - (ii) the number of Shares held by the Proposing Shareholder, directly or indirectly (and, if any of such Shares are held indirectly, an explanation of how they are held and by whom), which shall be in such number no less than as is required to qualify as a Proposing Shareholder, accompanied by evidence satisfactory to the Company of the record holding of such Shares by the Proposing Shareholder as of the date of the Proposal Request, and a representation that the Proposing Shareholder intends to appear in person or by proxy at the meeting;
  - (iii) the matter requested to be included on the agenda of a General Meeting, all information related to such matter, the reason that such matter is proposed to be brought before the General Meeting, the complete text of the resolution that the Proposing Shareholder proposes to be voted upon at the General Meeting and, if the Proposing Shareholder wishes to have a position statement in support of the Proposal Request, a copy of such position statement that complies with the requirement of any applicable law (if any);
  - (iv) a description of all arrangements or understandings between the Proposing Shareholder and any other persons (naming such person) in connection with the matter that is requested to be included on the agenda and a declaration signed by the Proposing Shareholder of whether the Proposing Shareholder has a personal interest in the matter and, if so, a description in reasonable detail of such personal interest; and
  - (v) a declaration that all of the information that is required under the Israeli Companies Law and any other applicable law and the Listing Rules to be provided to the Company in connection with such matter, if any, has been provided to the Company.

The Board of Directors, may, in its discretion, to the extent it deems necessary, request that the Proposing Shareholder provide additional information necessary so as to include a matter on the agenda of a General Meeting, as the Board of Directors may reasonably require.

- (c) The Company shall be entitled to publish information provided by a Proposing Shareholder pursuant to this **Article 27**, and the Proposing Shareholder shall be responsible for the accuracy and completeness thereof.
- (d) The information required pursuant to this Article shall be updated as of (i) the record date of the General Meeting, (ii) five business days before the General Meeting, and (iii) as of the General Meeting, and any adjournment or postponement thereof.
- (e) The provisions of this **Article 27** will apply to any Public Investor as if such person were a Shareholder as defined herein, mutatis mutandis.

## **28. Notice of General Meetings**

- (a) Subject to the provisions of the Israeli Companies Law and the Listing Rules, the Company shall publish notice of a General Meeting at least twenty one (21) days prior to a General Meeting, and if the agenda of the meeting includes the following matters:
  - (i) appointment and dismissal of directors;
  - (ii) approval of extraordinary transactions for which the Company requires approval of the General Meeting (such as acts of company officers which raise concerns of concerns of fiduciary duty;
  - (iii) approval of a merger;
  - (iv) authorising the chairman of the board or his/her relative to act as CEO or to exercise the powers of the CEO, and authorising the CEO or his/her relative to act as chairman of the board or to exercise the chairman's powers;
  - (v) any other matter for which these Articles determine the Shareholders may vote by voting deed;
  - (vi) approval of the Company's executive remuneration policy;
  - (vii) any settlement or other arrangement between the Company and its shareholders or creditors;

- (viii) approval of terms of engagement with a public company officer (other than a director) which are not in accordance with the remuneration policy, and approval of CEO remuneration (even in accordance with the remuneration policy);
- (ix) any transaction outside the ordinary course of business, with a controlling shareholder or any entity related thereto, or the renewal or such transaction after three (3) years;
- (x) terms of engagement with a director, whether in his/her capacity as director or in another capacity, in accordance with the remuneration policy; and
- (xi) any other matter as required by applicable law,

then notice must be provided at least thirty five (35) days prior to the meeting. The notice of a General Meeting shall set forth the place where the meeting will take place, day and hour of the meeting, the agenda of the meeting and shall contain such other information as required by the Israeli Companies Law, any other applicable law and the Listing Rules. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses.

- (b) The Company shall not be required to deliver personal notices of a General Meeting or of any adjournment thereof to any Shareholder, unless otherwise required under applicable law or the Listing Rules. In addition, for as long as the Shares are listed on the Exchange, at least twenty-one (21) days' notice of any Annual General Meeting and at least fourteen (14) days' notice of any Extraordinary General Meeting shall be given in accordance with the requirements of the Listing Rules.
- (c) Subject to the provisions of applicable law, the accidental omission to give notice of a meeting to any Shareholder or the non-receipt of notice by one of the Shareholders shall not invalidate the proceedings at any meeting or any resolutions adopted by such meeting. No Shareholder present, in person or by proxy, at any time during a General Meeting shall be entitled to seek the cancellation or invalidation of any proceedings or resolutions adopted at such General Meeting on account of any defect in the notice of such meeting relating to the time or the place thereof, or any item acted upon at such meeting.

## **29. Record Date for General Meetings**

The Shareholders entitled to receive notice of, to participate in and to vote at a General Meeting, or to express consent to or dissent from any corporate action in writing, shall be the Shareholders on the date set in the resolution of the Board of Directors to convene the General Meeting, provided that, such date shall not be earlier than forty (40) days prior to the date of the General Meeting and not later than four (4) days prior to the date of such General Meeting, or different periods as shall be permitted by applicable law and the Listing Rules. A determination of Shareholders of record with respect to a General Meeting shall apply to any adjournment of such meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **30. Quorum**

- (a) No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business. Two or more Shareholders, present in person or by proxy and holding in the aggregate 25 percent (25%) or more of the Company's issued and paid-up share capital (i.e., representing 25% or more of the voting rights in the Company) shall constitute a quorum at General Meetings. A proxy may be deemed to be two (2) or more Shareholders pursuant to the number of Shareholders represented by the proxy holder.
- (b) If within an hour from the time appointed for the meeting a quorum is not present, the meeting, shall stand adjourned to the same day in the next week, at the same time and place, or to such later date and at such time and place as the Board of Directors may determine. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. Should no legal quorum be present at such reconvened meeting within a half hour following the time set for such meeting, the meeting will take place with one or more Shareholders present in person or by proxy, unless the meeting was called pursuant to a requisition by Shareholders in accordance with the Israeli Companies Law, in which case the quorum required is the number of Shareholders (present in person or by proxy) holding the number of shares required for making such requisition to call the meeting.

### **31. Chair(s) at General Meeting**

The chair(s) of the Board of Directors, if any, or any other Director or Office Holder of the Company, who may be designated for this purpose by the Board of Directors, shall preside as chair at every General Meeting of the Company. If there is no such chair, or if at any meeting such chair is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unwilling to act as chair of the meeting, the Shareholders present shall choose someone of their number to chair such meeting. The chair of the General Meeting (by virtue of such office) shall not be entitled to vote at any General Meeting nor shall he be entitled to a second or casting vote by virtue of being chair of the General Meeting, without derogating, however, from the rights of such chair(s) to vote as a Shareholder or proxy of a Shareholder if, in fact, he is also a Shareholder or such proxy.

### **32. Adoption of Resolutions at General Meetings; Voting Power**

- (a) All resolutions submitted to the Shareholders shall be deemed adopted if approved by a Simple Majority unless required otherwise by these Articles (including in particular **Articles 32(h)** and **32(i)**) or any applicable law or the Listing Rules. In the event of a tie vote, the proposed resolution shall be rejected.
- (b) Subject to the provisions of applicable law, if the approval of the General Meeting to a “merger” (as defined in the Israeli Companies Law) is required by law, the “merger” shall be subject to an approval by a Simple Majority at a General Meeting or at a class meeting, if any, as the case may be (other than as required by Section 320(c) of the Israeli Companies Law).
- (c) Every resolution submitted to a General Meeting shall be decided by a poll (i.e., count of votes). On a poll, votes may be given either personally or by proxy.
- (d) Subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every Shareholder shall have one (1) vote for each share held by such Shareholder, on every resolution.

- (e) A declaration by the chair of the General Meeting that a resolution has been carried unanimously, or carried by a particular majority, or has been rejected, and an entry to that effect in the minute book of the Company, shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The result of the poll shall be deemed to be the resolution of the General Meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Israeli Companies Law or the Listing Rules.
- (f) On matters for which the Israeli Companies Law requires that all votes must be cast in conjunction with a declaration of the presence or absence of personal interest and prescribes a particular threshold other than a Simple Majority, the resolution shall be passed if approved in accordance with the requirements of Israeli Companies Law. The need to disclose the presence or absence of personal interest shall be required for resolutions in the shareholders meeting on the following matters:
  - (i) appointment and dismissal of external directors;
  - (ii) approval of the executive remuneration policy;
  - (iii) approval for the CEO to act as chairman of the board of directors, or vice versa;
  - (iv) approval of terms of engagement with a public company officer other than a director which are not in accordance with the remuneration policy;
  - (v) approval of terms of engagement with a director, whether in his/her capacity as director or in another capacity;
  - (vi) approval of terms of engagement with the CEO unless the remuneration committee waives the shareholders' approval in accordance with the Israeli Companies Law;
  - (vii) any transaction: (a) outside the ordinary course of business, (b) not on market conditions, or (c) that may have a substantial effect on the company's profitability, property or obligations ("**Extraordinary Transaction**"), with a controlling shareholder or any entity related thereto or any Extraordinary Transaction with other person in which the controlling shareholder has personal interest in, or the renewal of such transaction after 3 years;

- (viii) approval of terms of engagement of the controlling shareholder, or the renewal of such transaction after 3 years;
  - (ix) approval of substantive private placement (as defined in the Israel Companies Law), if applicable to the Company;
  - (x) amendment to the Articles of a public company, in which the controlling shareholders is also an officer, to include provisions for indemnification exemption or insurance for company officers; and
  - (xi) such other matter as may be required under Israeli Law (including any amendment to the above mentioned matters).
- (g) The Company shall state clearly in the relevant announcement, notice of meeting and proxy form if shareholders have to declare to the Company whether they have a personal interest on the matter and votes which are not accompanied by the personal interest declaration will be ignored and will not be counted. For shares held in CCASS, it is the Public Investor, not HKSCCN and CCASS participants (who are not CCASS investor participant), to make personal interest declaration.
- (h) The approval of a Special Resolution shall be required for resolutions on the following matters (including any amendment to the below mentioned matters):
- (i) any amendments to these Articles;
  - (ii) any variation to the rights attached to any class of shares;
  - (iii) winding up of the Company; and
  - (iv) any other matter which will be required in the future under Israeli Law.
- (i) Without derogating from **Article 32(f)**, in respect of any resolution approving a transaction for which the Listing Rules requires a Shareholder with a material interest in that transaction to abstain from voting, such resolution shall be approved subject to the following conditions:
- (i) the Company shall appoint its compliance adviser or another independent financial or legal adviser to review the votes counted by the share registrar and they confirm that the resolution would have been successfully passed if the votes cast had excluded the votes of Shareholders that would be required to abstain from voting under the Listing Rules;

(ii) the transaction agreement will contain a condition precedent that the Company obtains the confirmation described in paragraph (i) above; and

(iii) the Company will conduct the transaction only if the condition precedent is satisfied.

### **33. Power to Adjourn**

(a) A General Meeting, the consideration of any matter on its agenda or the resolution on any matter on its agenda, may be postponed or adjourned, from time to time and from place to place: (i) by the chair of a General Meeting at which a quorum is present (and he shall if so directed by the meeting, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment), but no business shall be transacted at any such adjourned meeting except business which might lawfully have been transacted at the meeting as originally called, or a matter on its agenda with respect to which no resolution was adopted at the meeting originally called; or (ii) by the Board of Directors (whether prior to or at the General Meeting).

(b) It shall not be necessary to give any notice of an adjournment, whether pursuant to **Article 30(b)** or **Article 33(a)**, unless the meeting is adjourned for thirty (30) days or more, in which event notice thereof shall be given in the manner required for the meeting as originally called.

### **34. Voting Rights**

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

(b) Subject to the terms of applicable law and the Listing Rules, the right of a Shareholder to vote at any General Meeting (or be counted as a part of the quorum thereat), shall be subject to regulations and procedures with regard to proof of title to the shares prescribed by the Board of Directors and applicable law.

- (c) A company or other corporate body being a Shareholder may, by resolution of its directors or any other managing body thereof, authorise any person to be its representative at any meeting of the Company. Any person so authorised shall be entitled to exercise on behalf of such Shareholder all the power which the latter could have exercised if it were an individual Shareholder. Upon the request of the chair of the meeting, written evidence of such authorisation (in form acceptable to the chair of the meeting) shall be delivered to him.
- (d) Any Shareholder entitled to vote may vote either personally or by proxy (who need not be a Shareholder), or, if the Shareholder is a company or other corporate body, by a representative authorised pursuant to **Article 34(c)**. A proxy can be appointed by more than one Shareholder, and he can vote in different ways on behalf of each principal.
- (e) In the case of joint holders of any shares, any one of such persons may vote, but if more than one of such persons is present at a meeting, the person whose name stands first on the Shareholders Register shall alone be entitled to vote.
- (f) Legally incompetent persons shall only be allowed to vote through their legal guardian, and any such guardian may vote as a proxy or in such manner as the court directs.
- (g) Notwithstanding the above, any Shareholder who is a Shareholder due to its capacity as a CCASS participant or as HKSCCN acting for the benefit of one or more Public Investors, must: (1) grant the Public Investors holding shares through them, a power of attorney/proxy letter, appoint them as corporate representative, or otherwise enable them to participate and vote directly in any General Meeting or (2) (a) vote in any General Meeting in accordance with the instructions provided to it by the Public Investors and (b) include the presence or absence of personal interest of the Public Investors when obligated to declare a presence or absence of their own personal interest in voting. In such case, the Public Investors' instructions shall be provided in writing (in physical or electronic format); cannot be changed; will be clear and non-ambiguous which leaves no discretion to the CCASS participant and/or HKSCCN; and will refer to the resolutions included in the notice of the General Meeting.

**PROXIES**

**35. Instrument of Appointment**

(a) The instrument appointing a proxy shall be in writing and shall be substantially in the following form:

I \_\_\_\_\_ of \_\_\_\_\_  
(Name of Proxy) (Address of Proxy)

Being a shareholder of Sisram Medical Ltd hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
(Name of Proxy) (Address of Proxy)

as my proxy to vote for me in my name and on my behalf in respect of \_\_\_\_\_  
(number of shares) Ordinary Shares which are held by me, at the General Meeting of the  
Company to be held on \_\_\_\_\_ day of \_\_\_\_\_,  
20 \_\_\_\_\_ and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
(Signature of Appointer)

or in any usual or common form or in such other form as may be approved by the Board of Directors (provided that this shall not preclude the use of a two-way form) or required by applicable law or the Listing Rules, including an instrument effected through the Internet or any other electronic medium. It shall be duly signed by the appointer or his duly authorised attorney under hand or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorised signatory(ies), agent(s) or attorney(s). The Board of Directors may require that the Company be provided with written confirmation, to its satisfaction, that the signatory(ies), agent(s) or attorney(s) have the authority to bind the corporate body of the appointing Shareholder. A document appointing a proxy shall be valid for every adjourned meeting of the meeting to which the instrument relates.

- (b) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at its Registered Office, or at its principal place of business or at the offices of its registrar and/or transfer agent or by e-mail to the address of the Company, by e-mail to the address of its registrar and/or transfer agent, or at such place and by such means of communication as the Board of Directors may specify) not less than forty eight (48) hours before the time fixed for the meeting at which the person named in the instrument proposes to vote, unless otherwise specified by the Board of Directors or the chair of the General Meeting or required by applicable law or the Listing Rules. Notwithstanding the above, the chair of the meeting shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of a General Meeting. In the event of electronic voting if such is permitted by the Board of Directors, the Board of Directors shall determine the time-frame for such voting, subject to applicable law and the Listing Rules. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the General Meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (c) Any Shareholder who holds more than one share shall be entitled to appoint a proxy with respect to all or some of its shares or appoint more than one proxy, provided that the instrument appointing a proxy shall include the number and class of shares with respect to which it was issued and only one proxy shall be appointed with respect to any one share.
- (d) Without derogating from **Article 34(g) (1)**, where the shareholder and/or warrant holder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meeting or any meeting of any class of shareholders and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if it were an individual shareholder and/or warrant holder of the Company.

### **36. Effect of Death of Appointor or Revocation of Appointment**

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death, bankruptcy, liquidation or winding-up of the appointing Shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast, provided no written intimation of such death, bankruptcy, liquidation, winding-up, revocation or transfer shall have been received by the Company or by the chair of the meeting before such vote is cast and provided, further, that the appointing Shareholder, if present in person at said meeting, may revoke the appointment by means of a writing, oral notification to the chair of the meeting, or otherwise; all of the above, unless otherwise specified by the Board of Directors or required by applicable law.

## **BOARD OF DIRECTORS**

### **37. Powers of Board of Directors**

#### **(a) In General**

The Board of Directors is responsible for the stewardship of the Company. The Board of Directors may exercise all powers and may take all actions that are not specifically granted by law or by these Articles to another organ of the Company. Without derogating from the generality of the foregoing, the Board of Directors shall determine the Company's policies, supervise the activities of the chief executive officer(s) of the Company, and take such other actions as are described in these Articles, Section 92 of the Israeli Companies Law or any other applicable law. The authorities conferred on the Board of Directors by this Article 37 shall be subject to the provisions of the Israeli Companies Law, these Articles and any regulation or resolution consistent with the Israeli Companies Law and these Articles adopted from time to time by a General Meeting, provided, however, that no such resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such regulation or resolution had not been adopted.

**(b) Borrowing Power**

The Board of Directors may from time to time, in its discretion, cause the Company to borrow or secure the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, liens or other security interests of any kind on the undertaking or the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital for the time being. The Company may, from time to time, by resolution of the Board of Directors, borrow funds or guarantee and/or provide securities for the payment of any sum by the Company or any third party.

**(c) Reserves**

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

**38. Exercise of Powers of Directors**

- (a) A meeting of the Board of Directors at which a quorum is present (in person, by means of a conference call or any other device or means of communication allowing each Director participating in such meeting to hear all the other Directors participating in such meeting) shall be competent to exercise all the authorities, powers and discretions vested in or exercisable by the Board of Directors. In the case of a resolution passed by way of a telephone call, video conference or any such other means of communication, a copy of the text of the resolution shall be sent, as soon as possible thereafter, to the Directors.

- (b) A resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a simple majority of the Directors present when such resolution is put to a vote and voting thereon (excluding abstentions). All Directors shall have the same voting rights whereby each Director shall have one (1) vote. The chair(s) of the Board of Directors will have an additional or casting vote, in the case of a tie.
- (c) A resolution in writing, without convening an actual meeting of the Board of Directors, signed by all Directors then in office (in one or more counterparts) (including, the chair(s) of the Board of Directors) and lawfully entitled to vote thereon (as conclusively determined by the chair of the Audit Committee “*Va’adat Bikoret*”, and in the absence of such determination – by the chair of the Board of Directors) or to which all such Directors have given their consent (by letter, telegram, telex, facsimile, e-mail or otherwise), or their oral consent by telephone (provided that a written summary thereof has been approved and signed by the chair of the Board of Directors), shall be deemed to have been unanimously adopted by a meeting of the Board of Directors duly convened and held. The Board of Directors may adopt resolutions, without convening a meeting of the Board of Directors, in any other manner permitted by the Israeli Companies Law.

### **39. Delegation of Powers**

- (a) The Board of Directors may, subject to the provisions and limitations of the Israeli Companies Law, delegate any or all of its powers to committees, each consisting of one or more persons (all of whose members must be Directors), and it may from time to time revoke such delegation or alter the composition of any such committee. Any committee so formed (in these Articles referred to as a “**Committee of the Board of Directors**”), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, mutatis mutandis, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors or by provisions of the Israeli Companies Law. The chair of a Committee of the Board of Directors shall not have an additional or casting vote. Unless otherwise expressly provided by the Board of Directors, in delegating powers to a Committee of the Board of Directors, such Committee shall not be empowered to further delegate such powers. A person who is not a Director shall not serve on a Committee of the Board of Directors to which the Board of Directors has delegated authorities. Persons who are not members of the Board of Directors may serve on a Committee of the Board of Directors whose function is merely to advise or submit recommendations to the Board of Directors.

- (b) Subject to the Israeli Companies Law, the Board of Directors shall determine, in the conditions of empowerment of a committee, whether specific authorities of the Board of Directors shall be delegated to the Committee of the Board of Directors, in such manner that the decision of the Committee of the Board of Directors shall be considered tantamount to a decision of the Board of Directors, or whether the decision of the Committee of the Board of Directors shall merely constitute a recommendation, subject to the authorisation of the Board of Directors.
- (c) Subject to the provisions of the Israeli Companies Law and except as otherwise prescribed by the Board of Directors, any resolution by a Committee of the Board of Directors within its authority shall be binding as if it were adopted by the Board of Directors.
- (d) Without derogating from the provisions of **Article 52**, the Board of Directors may, subject to the provisions of the Israeli Companies Law, from time to time appoint a Secretary to the Company, as well as officers, agents, employees and independent contractors, as the Board of Directors may think fit, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Israeli Companies Law, determine the powers and duties, as well as the salaries and emoluments, of all such persons, and may require security in such cases and in such amounts as it deems fit.
- (e) Without derogating from the provisions of **Article 52**, the Board of Directors shall be entitled to exercise the powers granted to the Chief Executive Officer pursuant to **Article 52(d)** below.
- (f) The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it thinks fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

#### **40. Number of Directors**

Unless otherwise determined by the Shareholders in General meeting, the Board of Directors shall consist of no less than five (5) directors, including at least two (2) External Directors, at least one External Director shall be a Director with accounting or financial expertise and the others with professional qualifications. Furthermore, there shall be Directors with accounting and financial expertise, in a number (including the External Director(s) with accounting financial expertise) which the Board shall determine from time to time, required to be appointed under the Israeli Companies Law, and such number may be fixed from time to time by the Board of Directors. The requirements of the Israeli Companies Law applicable to an External Director shall apply and shall supersede the provisions of these Articles to the extent that these Articles are inconsistent with the Israeli Companies Law.

#### **41. Election and Removal of Directors; Vacancies on the Board of Directors**

- (a) External Directors will be appointed and removed pursuant to and their service as External Directors shall be governed by, the relevant provisions of the Israeli Companies Law which apply to External Directors.
- (b) The members of the Board of Directors shall be called Directors, and other than External Directors (who will be elected and appointed, and whose term will expire, in accordance with applicable law), they shall be appointed in accordance with the provisions of this **Article 41**.
- (c) The Directors of the Company (other than any External Directors elected pursuant to the Israeli Companies Law) shall be divided by the Board of Directors into three (3) groups, designated as group I, group II and group III. Each group of Directors shall consist, as nearly as possible as determined by the Board of Directors, of one-third of the total number of directors constituting the entire Board of Directors (excluding the external directors). The first term of office of the group I Directors shall expire at the annual General Meeting occurring in 2018; the first term of office of the group II Directors shall expire at the annual General Meeting in 2019; and the first term of office of the group III Directors shall expire at the annual General Meeting in 2020. Any Director whose term has expired (upon the expiring of the term of such director's group) may be reelected to the Board of Directors.

- (d) At each annual General Meeting, election or re-election of Directors following the expiration of the term of office of the Directors of a certain group, will be for a term of office that expires on the third Annual General Meeting next succeeding such election or reelection, such that from 2018 and forward, each year the term of office of only one group of Directors will expire (i.e., the term of office of Group I will initially expire at the Annual Meeting held in 2018 and thereafter at 2021, 2024 etc.). Election of directors shall be conducted by a separate vote on each candidate. A Director shall hold office until his or her successors are elected or he or she are re-elected and qualified or until such earlier time as such Director's office is vacated.
- (e) Upon a change in the number of Directors (other than as a result of a vacancy), in accordance with the provisions hereof, any increase or decrease shall be apportioned by the Board of Directors at their discretion among the groups so as to maintain the number of Directors in each group as nearly equal as possible provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent Director.
- (f) Any Director shall assume his office as Director on the date of election to the Board of Directors, unless a later date has been designated in the resolution appointing such Director.
- (g) The Board of Directors shall have the sole and exclusive power, at any time and from time to time, to fill a vacancy however created. In addition, the Board of Directors shall have the power, at any time and from time to time, to appoint any person to be a Director in addition to the existing members of the Board of Directors. Any such Director appointed by the Board of Directors shall be placed in a group of Directors so that all groups are as nearly equal as possible. A director so appointed to either fill a casual vacancy or as an addition to the Board of Directors will hold office until the next Annual General Meeting, whereat, such Director shall be eligible for re-election for a term of office equal to, in the case of vacancy – the remaining period of the term of office of the director whose office has been vacated (i.e., until the next Annual General Meeting of the Shareholders for the group in respect of which the vacancy was created), or in the case of an additional director – subject to approval of the General Meeting, the term of office as designated by the Board of Directors in respect of the group in which such Director shall be placed.

- (h) No person other than a Director retiring at the General Meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any General Meeting unless a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the General Meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Registered Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the General Meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the General Meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.
- (i) Any Proposing Shareholder requesting to include on the agenda of a General Meeting a nomination of a person to be proposed to the Shareholders for election as Director (such person, a “**Proposed Nominee**”), may so request provided that it complies with **Article 41(h)**, this **Article 41(i)**, **Article 27** and applicable law and the Listing Rules. In addition to any information required to be included in accordance with applicable law or the Listing Rules, such a Proposal Request shall include information required pursuant to **Article 27**, and shall also set forth:
- (i) the name, address, telephone number, fax number and email address of the Proposed Nominee and all citizenships and residencies of the Proposed Nominee;
  - (ii) a description of all arrangements, relations or understandings between the Proposing Shareholder(s) or any of its affiliates and each Proposed Nominee;
  - (iii) a declaration signed by the Proposed Nominee that he consents to be named in the Company’s notices and proxy materials relating to the General Meeting, if provided or published, and, if elected, to serve on the Board of Directors and to be named in the Company’s disclosures and filings;
  - (iv) a declaration signed by a Proposed Nominee as required under the Israeli Companies Law and any other applicable law and the Listing Rules for the appointment of such a Proposed Nominee and an undertaking that all of the information that is required under law and stock exchange rules and regulations to be provided to the Company in connection with such an appointment has been provided;

- (v) a declaration made by the Proposed Nominee of whether he or she meets the criteria for an independent director and/or External Director of the Company under the Israeli Companies Law and/or under any applicable law, regulation or stock exchange rules, and if not, then an explanation of why not; and
- (vi) any other information required at the time of submission of the Proposal Request by applicable law, regulations or the Listing Rules.

In addition, the Proposing Shareholder shall promptly provide any other information reasonably requested by the Company. The Board of Directors may refuse to acknowledge the nomination of any person not made in compliance with the foregoing. The Company shall be entitled to publish any information provided by a Proposing Shareholder pursuant to the above, and the Proposing Shareholder shall be responsible for the accuracy and completeness thereof.

- (j) Directors (other than External Directors) shall be elected at the General Meeting by a Simple Majority, and each Director shall serve, subject to **Article 44**, and according to the provisions of this **Article 41**. The Shareholders shall be entitled to remove any Director(s) (other than External Directors) from office at a General Meeting prior to the expiry of his full term in office, all subject to applicable law, the Listing Rules and these Articles and without prejudice to any claim for damages under any contract. The Board of Directors shall be entitled to remove from office any Director(s) appointed by the Board of Directors (as set forth below).
- (k) An elected External Director shall commence his term from the date of or stated in, and shall serve for the period stated in, the resolution of the General Meeting at which he was elected, unless his office becomes vacant earlier in accordance with the provisions of the Israeli Companies Law.

#### **42. Qualification of Directors**

No person shall be disqualified to serve as a Director by reason of his not holding shares in the Company or by reason of his having served as a Director in the past (subject to the provisions of the Israeli Companies Law with regard to external or independent directors).

#### **43. Continuing Directors in the event of Vacancies**

In the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, provided, however, that if their number is less than the minimum number provided for pursuant to Article 40, they may only act in an emergency or to fill the office of a Director which has become vacant up to a number equal to the minimum number provided for pursuant to Article 40, or in order to convene a General Meeting of the Company for the purpose of electing Directors to fill any or all vacancies. A Director so appointed to fill a casual vacancy of Directors will hold office until the next Annual General Meeting, whereat, such Director shall be eligible for re-election for a term of office equal to the remaining period of the term of office of the director whose office has been vacated (i.e., until the next Annual General Meeting of the Shareholders for the group in respect of which the vacancy was created).

#### **44. Vacation of Office**

- (a) The office of a Director shall be vacated, ipso facto, upon the occurrence of any of the following events: (i) such Director's death, or if he be found lunatic or become of unsound mind or otherwise legally incompetent, or (ii) if such Director becomes bankrupt, or (iii) if such Director is no longer fit to serve as a director in accordance with the Israeli Companies Law, or (iv) if such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, or (v) if his period of office has terminated in accordance with the provisions of these Articles.
- (b) The office of a Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.
- (c) A General Meeting shall be entitled, by an Ordinary Resolution, to remove any Director (other than an External Director) from office prior to the expiry of his term in office, provided that the removed Director shall be given a reasonable opportunity to state his case before the General Meeting. Such removal shall become effective on the date fixed in such resolution. External Directors may be removed from office only in accordance with the provisions of the Israeli Companies Law.

#### **45. Remuneration of Directors**

- (a) Payment of remuneration to a Director by the Company for his services as Director shall be subject to the approvals required pursuant to the provisions of the Israeli Companies Law. The Company shall compensate its External Directors pursuant to the provisions of the Israeli Companies Law.
- (b) The Company may reimburse Directors for their reasonable expenses for travelling, board and lodging and other expenses connected with their participation at meetings of the Board of Directors and the performance of their duties as Directors, according to the Company's policy from time to time and subject to the Israeli Companies Law.
- (c) Any Director who holds any executive office or who otherwise performs services which in the opinion of the Board of Directors are outside the scope of ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Company's applicable organs may determine, subject to the Company's compensation policy and/or the provisions of the Israeli Companies Law.
- (d) The fees payable to non-executive Directors shall be by a fixed sum and shall not at any time be by commission on or a percentage of the profits or turnover. Salaries payable to executive Directors may not include a commission on or a percentage of turnover.
- (e) Executive Directors and non-executive directors may receive options, warrants or other securities convertible or exercisable into shares of the Company, as may be determined from time to time by the Company's applicable organs and subject to the provisions of the Israeli Companies Law and the Listing Rules.

#### 46. Conflict of Interests

- (a) Subject to any provisions of applicable law and the Listing Rules, a Director shall not be disqualified by virtue of his office from holding another office in the Company or in any other company in which the Company is a shareholder or in which it has any other form of interest, or of entering into a contract with the Company, either as seller or buyer or otherwise. Likewise, subject to the Israeli Companies Law, no contract made by the Company or on its behalf in which a Director has any form of interest may be nullified and a Director shall not be obligated to account to the Company for any profit deriving from such office, or resulting from such contract, merely by virtue of the fact that he serves as a Director, but such Director shall be obligated to disclose to the Board of Directors the nature of any such interest as well as any material fact or document at the meeting of the Board of Directors at which the contract or arrangement is first considered.
- (b) A Director shall not vote on any resolution of the Board of Directors approving any contract or arrangement or a unilateral decision on the part of the company in respect of the grant of a right or other benefit or any other proposal in which he or any of his close associates has a personal interest (hereinafter in Article 46(b): a “**Transaction**”), but this prohibition shall not apply to cases in which both of the following criteria “A” and “B” apply:
  - (A) either (x) it is a Transaction in the ordinary course of business of the Company, which is on market terms, and which may not materially affect the profitability of the Company, its assets or obligations, but excluding Transactions with any Director relating to the terms of his/her employment and service in the office of director or in any other capacity, or (y) it is a Transaction in which the majority of the Directors has a personal interest; and
  - (B) the proposal is made on any of the following matters:
    - (i) the giving of any security or indemnity either (1) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the issuer or any of its subsidiaries or (2) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including (1) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (2) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company,

or such other matters which may be permitted by the Listing Rules and the Israeli Companies Law – and all the above without derogating from the additional corporate approvals when required under the Israeli Companies Law.

- (c) Subject to the provisions of the Israeli Companies Law with respect to all of the following, the Company may enter into any contract or otherwise transact any business with any Office Holder in which contract or business such Office Holder has a personal interest, directly or indirectly; and may enter into any contract or otherwise transact any business with any third party in which contract or business an Office Holder has a personal interest, directly or indirectly, provided always that on any matter which **Article 46(b) (A)** prohibits a Director from voting, such Director also shall not be present in the discussion with regard to said matter, unless the chair of the Board of Directors has determined that such Director presence in the discussion (but not voting) is required for the presentation of the relevant contract or proposed contract or arrangement).

#### **47. Alternate Directors**

- (a) A Director may, by written notice to the Company, appoint a natural person who is not a Director, approved by a majority of his co-Directors, to act as an alternate for himself (in these Articles referred to as an “**Alternate Director**”), provided that any fee paid by the Company to the Alternate Director shall be deducted from that appointing Director’s remuneration for the same period in which the Alternate Director served in office. A Director may remove such Alternate Director and appoint another Alternate Director approved by a majority of his co-directors in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes. An individual who qualifies to be a member of the Board of Directors, may act as an Alternate Director. A person may not act as an Alternate Director for more than one Director of the Company at the same time.
- (b) Any notice given to the Company pursuant to **Article 47(a)** shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.
- (c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided, however, that he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides and subject to applicable law), and provided further that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present.
- (d) An Alternate Director shall alone be responsible for his own acts and defaults, and he shall not be deemed the agent of the Director(s) who appointed him.
- (e) The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in **Article 44**, and such office shall *ipso facto* be vacated if the Director who appointed such Alternate Director ceases to be a Director.

## PROCEEDINGS OF THE BOARD OF DIRECTORS

### 48. Meetings

- (a) The Board of Directors may meet and adjourn its meetings according to the Company's needs and otherwise regulate such meetings and proceedings as the Board of Directors deems fit, provided however, that the Board of Directors shall convene at least once every three (3) calendar months. Notice of the meetings of the Board of Directors shall be given to each Director at the last address that the Director provided to the Company, or via telephone, facsimile or e-mail message; provided, however, that the Board of Directors may convene without giving such prior notice to all or any of the Directors, if all the Directors entitled to participate in such meeting waived such prior notice in writing or in circumstances permitted under the Israeli Companies Law.
- (b) The chair(s) of the Board of Directors may, at any time, convene a meeting of the Board of Directors. Any Director, who is not the chair(s) of the Board of Directors, may at any time, and the secretary of the Company or the chair(s) of the Board of Directors, upon the request of such Director, shall, convene a meeting of the Board of Directors. Prior notice shall be given to all Directors a reasonable time in advance, but not less than forty-eight (48) hours, prior to the time set for such meeting, unless the urgency of the matter(s) to be discussed at the meeting reasonably require(s) a shorter notice period, in which case the chair(s) of the Board of Directors may convene a meeting upon such shorter notice or subject to applicable law, or unless such notice as to a particular meeting is waived in writing by all of the Directors.
- (c) Notwithstanding anything to the contrary herein, failure to deliver notice to a Director of any such meeting in the manner required hereby may be waived by such Director at or prior to the meeting, and a meeting shall be deemed to have been duly convened notwithstanding such defective notice if such failure or defect is waived prior to action being taken at such meeting, by all Directors entitled to participate at such meeting to whom notice was not duly given as aforesaid. Without derogating from the foregoing, no Director present at any time during a meeting of the Board of Directors shall be entitled to seek the cancellation or invalidation of any proceedings or resolutions adopted at such meeting on account of any defect in the notice of such meeting relating to the date, time or the place thereof or the convening of the meeting.

#### **49. Quorum**

No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present when the meeting proceeds to business. Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence, in person or by any other means of communication by which the Directors may hear each other simultaneously, of a majority of the Directors then in office who are lawfully entitled to participate and vote in the meeting (as conclusively determined by the chair of the Audit Committee and in the absence of such determination – by the chair(s) of the Board of Directors), but shall not be less than two. For the avoidance of doubt, should a Director or Directors be barred from being present and voting at a meeting of the Board of Directors by virtue of the Israeli Companies Law, the quorum shall be a majority of the directors entitled to be present and to vote at the meeting of the Board of Directors.

#### **50. Chair(s) of the Board of Directors**

- (a) The Board of Directors may from time to time elect one or more of its members to act as Chair(s) (or Co-Chairs) of the Board of Directors (the “**Chair(s)**”), remove such Chair(s) from office and appoint another in his place or their place. The Chair(s) shall serve as the chair(s) of the Board of Directors throughout his (or their) term, unless resolved otherwise by the Board of Directors. The Chair(s) shall preside at every meeting of the Board of Directors, but if there is no such Chair(s), or if at any meeting he is not or they are not present within fifteen (15) minutes of the time fixed for the meeting, or if he is or they are unwilling to take the chair, the Directors present shall choose one of their number to be the chair of such meeting.
- (b) The General Manager(s) (chief executive officer(s)) under the Israeli Companies Law or his or their relative(s) may not serve as the Chair(s), and the Chair(s) or a relative of the Chair(s) may not be vested with authorities of the General Manager(s) (chief executive officer(s)) without obtaining certain approval of the General Meeting pursuant to the Israeli Companies Law.

## **51. Validity of Acts Despite Defects**

- (a) Subject to the provisions of the Israeli Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.
- (b) The General Meeting shall be entitled to ratify any act taken by the Board of Directors and/or any Committee of the Board of Directors without authority or which was tainted by some other defect. From the time of the ratification, every act ratified shall be treated as though lawfully performed from the outset.

## **GENERAL MANAGER (CHIEF EXECUTIVE OFFICER)**

### **52. General Manager**

- (a) Subject to the provisions of the Israeli Companies Law, the Board of Directors may from time to time appoint one or more persons, whether or not Directors, as chief executive officer(s) or general manager(s) of the Company (the “**Chief Executive Officer(s)**”) and may confer upon such person(s), and from time to time modify or revoke, such title(s) (including managing director, director general or any similar or dissimilar title) and such duties and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors may from time to time (subject to the provisions of the Israeli Companies Law and of any contract between any such person and the Company) fix his or their salaries and remunerations, remove or dismiss him or them from office and appoint another or others in his or their place or places.
- (b) Subject to the Israeli Companies Law and the terms set forth in these Articles, the Chief Executive Officer(s) shall manage the business, affairs and operations of the Company, pursuant to the policies determined by the Board of Directors from time to time. The Chief Executive Officer(s) or managing director or a person holding an equivalent position shall be subject to the control of the Board of Directors.

- (c) Subject to the Israeli Companies Law, the Board of Directors may from time to time determine the Chief Executive Officer's(s') remuneration and other terms and conditions of the Chief Executive Officer's(s') employment or service, subject to the terms of his or their employment or service agreement(s) and the provisions of any applicable law. Subject to the provisions of the Israeli Companies Law, all Company employees shall be subordinate, directly or indirectly, to the Chief Executive Officer(s) of the Company. The Chief Executive Officer(s) of the Company shall have the right to remove any Company employee from his position and/or terminate the employment of any such employee with the Company and, subject to the provisions of the Israeli Companies Law, may delegate such powers to other employees of the Company.
- (d) Subject to the authority of the Board of Directors pursuant to **Article 39(e)** above, the Chief Executive Officer shall be authorized to appoint Office Holders (other than Directors), a Secretary for the Company, employees and agents to such permanent, temporary or special positions, and to specify and change their titles, authorities and duties, and may set, or delegate to the Chief Executive Officer(s), either alone or together with other persons designated by the Board of Directors, the ability to set salaries, bonuses and other compensation of any employee or agent who is not an Office Holder. Salaries, bonuses and compensation of Office Holders who are not Directors shall be determined and approved in such other manner as may be required from time to time under the Israeli Companies Law. The Board of Directors, or the Chief Executive Officer(s), either alone or together with other persons designated by the Board of Directors (in the case of any Office Holder, employee or agent appointed thereby), shall be entitled at any time, in its, his or their (as applicable) sole and absolute discretion, to terminate the services of one of more of the foregoing persons.

## MINUTES

### 53. Minutes

- (a) Minutes of each General Meeting and of each meeting of the Board of Directors (or any Committee of the Board of Directors) shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.
- (b) Any minutes as aforesaid, if purporting to be signed by the chair of the meeting or by the chair of the next succeeding meeting (or by all shareholders or directors, as applicable), shall constitute prima facie evidence of the matters recorded therein.

## DIVIDENDS

### 54. Declaration and Payment of Dividends

Subject to the provisions of the Israeli Companies Law, the Board of Directors may from time to time declare, and cause the Company to pay, such dividend as may appear to the Board of Directors to be justified. The Board of Directors shall determine, and may authorise, subject to applicable law, any of its Directors and/or Office Holders to determine, the time for payment of such dividends and the record date for determining the Shareholders entitled thereto.

### 55. Amount Payable by Way of Dividends

- (a) Subject to the provisions of these Articles, the Israeli Companies Law, and subject to the rights or conditions attached at that time to any share in the capital of the Company granting preferential, special or deferred rights or not granting any rights with respect to dividends, any dividend paid by the Company shall be allocated among the Shareholders (not in default in payment of any sum referred to in **Article 14** hereof) entitled thereto in proportion to their respective holdings of the shares in respect of which such dividends are being paid.
- (b) Whenever the rights attached to any shares or the terms of issue of the shares do not provide otherwise, shares which are fully paid up or which are credited as fully or partly paid within any period which in respect thereof dividends are paid shall entitle the holders thereof to a dividend in proportion to the amount paid up or credited as paid up in respect of the nominal value of such shares and to the date of payment thereof (*pro rata temporis*).

- (c) The Company may distribute dividends whether in cash or in bonus shares, in the distribution of assets, or in any other distribution, *pro rata* to the nominal value of the Shares.

#### **56. Interest**

No dividend or other benefit in respect of shares shall carry interest as against the Company.

#### **57. Payment in Specie**

Upon the declaration of the Board of Directors, a dividend may be paid, wholly or partly, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or debenture stock or other securities of the Company or of any other companies, or in any one or more of such ways or any other ways, at its discretion.

#### **58. Capitalisation of Profits, Reserves, etc.**

Without derogating from the provisions of **Article 37(c)** upon the resolution of the Board of Directors, the Company (a) may cause any monies, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, or to the credit of a reserve fund for the redemption of capital, or in the hands of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalised and distributed among such of the Shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the footing that they become entitled thereto as capital, or may cause any part of such capitalised fund to be applied on behalf of such Shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly, in payment, in full or in part, of the uncalled liability on any issued shares (if any) or debentures or debenture stock; and (b) may cause such distribution or payment to be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum.

## **59. Implementation of Powers**

For the purpose of giving full effect to any resolution under **Article 57** or **58**, and without derogating from the provisions of **Article 10(b)**, and subject to applicable law and the Listing Rules, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and, in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debenture stock or specific assets with trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board of Directors.

## **60. Deductions from Dividends**

The Board of Directors may deduct from any dividend or other monies payable to any Shareholder in respect of a share, any and all sums of money then payable by such Shareholder to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any matter or transaction whatsoever or as required to be paid by applicable law.

## **61. Retention of Dividends**

- (a) The Board of Directors may retain any dividend or other monies payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.
- (b) The Board of Directors may retain any dividend or other monies payable or property distributable in respect of a share in respect of which any person is, under **Article 23** or **24**, entitled to become a Shareholder, or which any person is, under these Articles, entitled to transfer, until such person shall become a Shareholder in respect of such share or shall transfer the same.

## **62. Unclaimed Dividends**

All unclaimed dividends or other monies payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or such other monies into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend, and any such other monies unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, provided, however, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other monies, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

## **63. Mechanics of Payment**

Any dividend or other monies payable in cash in respect of a share may be paid by check or warrant sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one of such persons or to his bank account), or to such person and at such address as the person entitled thereto may by writing direct, or in any other manner the Board of Directors deems appropriate. Every such check or warrant shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check or warrant shall be sent at the risk of the person entitled to the money represented thereby.

## **64. Receipt from a Joint Holder**

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

## ACCOUNTS

### 65. Accounts

- (a) The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of the Israeli Companies Law and of any other applicable law. Such books of account shall be kept at the Registered Office of the Company, or at such other place or places as the Board of Directors may think fit, and they shall always be open to inspection by all Directors. No Shareholder, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by applicable law or authorised by the Board of Directors or by a Shareholders resolution adopted at a General Meeting. At least once each year the accounts of the Company and the correctness of the statement of income and the balance sheet shall be audited and confirmed by an independent auditor or auditors.
- (b) A printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the Annual General Meeting and at the same time as the notice of Annual General Meeting and laid before the Company at the Annual General Meeting, provided that this **Article 65(b)** shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares.

### 66. Internal Auditor

The internal auditor of the Company shall be appointed in accordance with the rules and regulations of the Israeli Companies Law, and the internal auditor's organizational superior shall be the Chair of the Board of Directors of the Chief Executive Officer, as determined by the Board of Directors. to the Chair(s). Notwithstanding the forgoing, the internal auditor shall present his/her reports to the Chair of the Board of Directors, to the Chief Executive Officer and to the chair of the Company's Audit Committee. The

internal auditor shall file with the Audit Committee (unless decided otherwise by the Board of Directors) a proposal for an annual or other periodic work plan, which shall be approved by the Audit Committee (unless decided otherwise by the Board of Directors). Additionally, the Chair of the Board of Directors and/or the chair of the Audit Committee may assign additional internal audit tasks to the internal auditor if urgently necessary.

#### **67. Independent Auditor**

The independent auditors of the Company shall be appointed by resolution of the Shareholders at the Annual General Meeting and shall serve until its/their re-election, removal or replacement by subsequent resolution and in any case for the duration of no more than the next Annual General Meeting. The appointment, rights and duties of such independent auditors shall be subject to the Israeli Companies Law, provided, however, that the Board may make a recommendation to the Shareholders regarding the remuneration for the audit services but such remuneration shall be subject to approval by the Shareholders in a General Meeting. The Board of Directors shall have the power and authority to fix the remuneration of the independent auditors for other services other than the audit services. By an act appointing such auditors, the Company may appoint the independent auditors to serve for a period of one year up to the end of the next Annual General Meeting in which such independent auditors were appointed.

### **BOOKS OF THE COMPANY; BRANCH REGISTERS; LIST OF SHAREHOLDERS**

#### **68. Books of the Company**

The Board of Directors shall comply with all the provisions of the Israeli Companies Law in regard to the keeping and maintaining of a register of Directors, Shareholders Register and register of charges. Any book, register and record that the Company is obligated to keep in accordance with the Israeli Companies Law or pursuant to these Articles shall be recorded in a regular book, or by technical, mechanical or other means, as the Board of Directors shall deem appropriate.

## **69. Branch Registers**

Subject to and in accordance with the provisions of the Israeli Companies Law, the Company may cause branch or additional registers to be kept in any place outside Israel as the Board of Directors may think fit, and, subject to all applicable requirements of law, the Board of Directors may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such branch or additional registers.

## **RIGHTS OF SIGNATURE, STAMP AND SEAL**

### **70. Rights of Signature, Stamp and Seal**

- (a) The Board of Directors shall be entitled to authorise any person or persons (who need not be Office Holders) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority; and the Board of Directors may authorise the Chief Executive Officer(s) to further grant signature rights to any other Office Holder of the Company.
- (b) The Company shall have at least one official stamp.
- (c) The Board of Directors may provide for a seal. If the Board of Directors so provides, it shall also provide for the safe custody thereof. Such seal shall not be used except by the authority of the Board of Directors and by the person(s) authorised to sign on behalf of the Company, who shall sign every instrument to which such seal is affixed.

## **UNTRACEABLE SHAREHOLDERS**

### **71. Untraceable Shareholders**

The Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been returned undelivered on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

## NOTICES

### 72. Notices

(a) All notices and other documents (including “corporate communications” (as defined in the Listing Rules)) made pursuant to these Articles or otherwise shall be in writing. Any written notice or other document may be served by the Company upon any Shareholder either personally, or by facsimile transmission, or by e-mail or by sending it by prepaid mail (or airmail if sent to an address on a different continent from the place of mailing) addressed to such Shareholder at his address (post address, facsimile number or e-mail address) as described in the Shareholders Register or such other address as he may have designated in writing for the receipt of notices and other documents (and such designation may include a broker or other nominee holding shares at the instruction of the Shareholder) or by advertisement in appropriate newspapers in accordance with the Listing Rules or, to the extent permitted by applicable law, by placing it on the Company’s website or the website of the Stock Exchange, and giving to the Shareholder a notice stating that the notice or other document is available there (a “**notice of availability**”). The notice of availability may be given to the Shareholder by any of the means set out above, other than by posting it on a website. Proof that an envelope containing a notice was properly addressed, stamped and mailed shall be conclusive evidence that notice was given. A declaration of an authorised person on behalf of the branch registrar of the Company or other distribution agent stating that a notice was mailed to a Shareholder will suffice as proof of notice for purposes of this **Article 72**. Any written notice or other document may be served by any Shareholder upon the Company by tendering the same in person to the Secretary of the Company or the General Manager of the Company at the principal office of the Company, or by facsimile transmission, or by sending it by prepaid registered mail (airmail or overnight air courier if posted outside Israel) to the Company at its Registered Office. Any notice or other document shall be deemed to have been served:

- (i) in the case of mailing, two (2) business days following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed and put into the post and a certificate in writing signed by the Secretary of the Company or the General Manager of the Company or other person appointed by the Board of Directors that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

- (ii) in the case of overnight air courier, two (2) business day following the day sent, with receipt confirmed by the courier, or when actually received by the addressee if sooner than two business days after it has been sent;
- (iii) in the case of personal delivery, on the date such notice was actually tendered in person to such Shareholder (or to the Secretary or the General Manager) (as the case may be);
- (iv) in the case of facsimile transmission, on the date on which the sender receives automatic electronic confirmation by the recipient's facsimile machine that such notice was received by the addressee if on a business day, and otherwise on the first business day thereafter;
- (v) if published by way of a newspaper advertisement, on the date on which it is advertised in one English language newspaper and one Chinese language newspaper in Hong Kong; or
- (vi) in the case of electronic communication (other than by making it available on a website), on the day on which it is transmitted from the server of the Company or its agent. A notice or other document made available on the Company's website or the website of the Stock Exchange is deemed served by the Company to a Shareholder on the later of (1) the time when it is first made available on the website and (2) the time when the Shareholder is deemed to have received a notice of availability.

If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some respect, to comply with the provisions of this **Article 72(a)**. A Shareholder may change or supplement the address for service of any notice pursuant to these Articles, or designate additional addresses, facsimile numbers and email addresses for the purposes of this **Article 72** by giving the Company a written notice of the new contact details in the manner set forth above.

- (b) All notices to be given to the Shareholders shall, with respect to any share to which persons are jointly entitled, be given to whomever of such persons is named first in the Shareholders Register, and any notice so given shall be sufficient notice to the holders of such share.

- (c) Any Shareholder whose address is not set forth in the Shareholders Register, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company. If notice is given in more than one of the manners specified above, it shall be deemed to have been received on the earliest date on which it is deemed to have been delivered, as provided above.
- (d) The mailing date, actual transmission or delivery date or publication date or notice date and the date of the General Meeting shall not be counted as part of the days comprising any notice period.
- (e) Notwithstanding anything to the contrary contained herein and subject to the provisions of the Israeli Companies Law and the Listing Rules, notice to a Shareholder shall be deemed to have been duly delivered if notice is provided in any manner prescribed by applicable law.
- (f) Any Shareholder, Director or any other person entitled to receive notice in accordance with these Articles or under applicable law, may waive notice, in advance or retroactively, in a particular case or type of cases or generally, and if so, notice will be deemed as having been duly delivered, and all proceedings or actions for which the notice was required will be deemed valid.
- (g) Any notice or other document may be given to a Shareholder either in the English language or the Chinese language, subject to compliance with applicable law and the Listing Rules.
- (h) For purposes of this **Article 72**, “**business day**” means a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong but excluding any day which is a public holiday in Israel. For the avoidance of doubt, where the Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of this **Article 72** be counted as a business day.

## **EXEMPTION, INSURANCE AND INDEMNITY**

### **73. Exemption, Indemnity and Insurance**

- (a) Subject to the provisions of the Israeli Companies Law, the Company may, to the fullest extent permitted by applicable law and the Listing Rules, exempt in advance an Office Holder from all or some of the Office Holder's responsibility for damage resulting from the Office Holder's breach of the Office Holder's duty of care to the Company, other than with respect to a liability arising out of the breach of duty of care in respect of any Distribution (as such term is defined in the Israeli Companies Law) by the Company.
- (b) Subject to the provisions of the Israeli Companies Law, the Company may, to the fullest extent permitted by applicable law and the Listing Rules, indemnify an Office Holder in respect of an obligation or expense specified below imposed on or incurred by the Office Holder in respect of an act or omission performed in his capacity as an Office Holder, with respect to the following:
  - (i) a financial liability imposed on such Office Holder in favour of another person by a court judgement, including a settlement or an arbitrator's award approved by court;
  - (ii) reasonable litigation expenses, including attorneys' fees, incurred by the Office Holder (1) as a result of an investigation or proceeding instituted against him by a competent authority which concluded without the filing of an indictment against him as a result of such investigation or proceeding and (2) without the imposition of any financial liability in lieu of criminal proceedings, or which concluded without the filing of an indictment against him but with the imposition of a financial liability in lieu of criminal proceedings concerning a criminal offense that does not require proof of criminal intent or in connection with a financial sanction (the phrases "proceeding concluded without the filing of an indictment" and "financial liability in lieu of criminal proceeding" shall have the meaning ascribed to such phrases in section 260(a) (1a) of the Israeli Companies Law); and
  - (iii) reasonable litigation expenses, including attorneys' fees, expended by an Office Holder or charged to the Office Holder by a court, in a proceeding instituted against the Office Holder by the Company or on its behalf or by another person, or in a criminal charge from which the Office Holder was acquitted, or in a criminal charge in which the Office Holder was convicted of an offense that does not require proof of criminal intent.

The Company may undertake to indemnify an Office Holder as aforesaid, (x) in advance, provided that, in respect of **Article 73(b)(i)**, the indemnity undertaking is limited to events which in the opinion of the Board of Directors are foreseeable in light of the Company's actual operations when the undertaking to indemnify is granted, and to an amount or criteria determined by the Board of Directors as reasonable under the circumstances, and further provided that such events and amount or criteria are set forth in the undertaking to indemnify, and (y) retroactively. Subject to the provisions of the Israeli Companies Law and the Listing Rules, if so requested by an Office Holder, and subject to the Company's right of reimbursement, the Company may advance amounts to cover such Office Holder's expenses with respect to any acts or omissions for which such Office Holder is entitled to indemnity under this **Article 73(b)**. The indemnity amount payable hereunder shall be in addition to any amount paid (if paid) under insurance.

- (c) Subject to the provisions of the Israeli Companies Law, the Company may enter into a contract for the insurance of all or part of the liability of any Office Holder imposed on the Office Holder in respect of an act or omission performed in his capacity as an Office Holder, in respect of each of the following:
  - (i) a breach of his duty of care to the Company or to another person;
  - (ii) a breach of his duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that such act or omission would not prejudice the interests of the Company; or
  - (iii) a financial obligation imposed on him in favour of another person; or
  - (iv) any other action against which the Company is permitted by law to insure an Office Holder.

- (d) The provisions of **Articles 73(a), 73(b) and 73(c)** above are not intended, and shall not be interpreted, to restrict the Company in any manner in respect of the procurement of insurance and/or in respect of indemnification (i) in connection with any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder, and/or (ii) in connection with any Office Holder to the extent that such insurance and/or indemnification is not specifically prohibited under law; provided that the procurement of any such insurance and/or the provision of any such indemnification shall be approved by the Audit Committee of the Company.
- (e) Any amendment to the Israeli Companies Law or any other applicable law, statute or rule adversely affecting the right of any Office Holder to be indemnified or insured pursuant to this **Article 73** above shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by the Israeli Companies Law or such other applicable law.
- (f) Notwithstanding the above, the Company may neither exempt from liability, nor indemnify an Office Holder or enter into an insurance contract against any of the following: (i) a breach of an Office Holder's duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the Company to the extent that the Office Holder acted in good faith and had reasonable grounds to assume that such act or omission would not prejudice the interests of the Company; (ii) a reckless or intentional violation of an Office Holder's duty of care, excluding a breach arising out of the mere negligent conduct of the Office Holder; (iii) an intentional action or omission by an Office Holder in which such Office Holder intended to have an illegal personal benefit; and (iv) a fine, civil fine, administrative fine or ransom or levied against the Office Holder.

## **WINDING UP**

### **74. Winding Up**

- (a) A voluntary winding up (liquidation) of the Company shall require the approval by Special Resolution and any other approval as may be required by any applicable law.
- (b) If the Company enters into winding up (liquidation), then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, the assets of the Company available for distribution among the Shareholders shall be distributed to them in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made.
- (c) Subject to the provisions of the Israeli Companies Law, the Israeli Companies Ordinance and the rights attached to the various classes of shares existing in the Company, as applicable, the liquidator may, by a Shareholders' resolution adopted at a General Meeting, distribute in specie among the Shareholders all or part of the surplus property, and the liquidator may further, by such resolution, deposit any part of the surplus property with trustees who shall hold same in trust in favour of the Shareholders, as the liquidator shall deem appropriate. In order to distribute the surplus property in specie, the liquidator may determine the value of the distributable assets and decide how such distribution shall be implemented among the Shareholders, taking into account the rights attached to Shares held by each of the Shareholders of the Company.