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PLAZA CENTERS N.V.

(the “Company”)

Registration Document

Registration for trade in the Tel Aviv Stock Exchange Ltd. (the “**Stock Exchange**” or the “**Tel Aviv Stock Exchange**”) of up to 297,186,137¹ ordinary shares par value EUR 0.01 each listed by name and up to 34,750,475² ordinary shares par value EUR 0.01 each, which are generating from the exercise of non-tradable options granted to employees and service providers of the Company, the board of directors of the Company, subsidiaries and companies under the direct or indirect control of the Company and/or companies that the Company is directly or indirectly controlled by and/or companies controlled by the companies controlling the Company, directly or indirectly (in any form of incorporation, including companies and partnerships).

The ordinary shares of the Company are listed for trade on the premium list (“premium listing” on the main market of UKLA) on London Stock Exchange Plc. (the “**London Stock Exchange**”) and the Warsaw Stock Exchange (the “**Warsaw Stock Exchange**”).

The symbol for the Company’s securities on the London Stock Exchange is PLAZ and on the Warsaw Stock Exchange is PLZ.

The symbol for the securities on the Tel Aviv Stock Exchange is: “פליז”

The Company’s shares will be listed for trade pursuant to the provisions of Chapter E3 of the Securities Law, 5728-1968, and therefore the reports of the Company will be in the English language and the content thereof will be in accordance with its reporting form abroad.

The shares of the Company may be traded on the Tel Aviv Stock Exchange only as of November 27, 2014.

Date: November 20, 2014

1 It should be noted that all of the Company’s share capital is listed for trade, while one share is registered in the shareholders registrar of the Company in the name of Elbit Ultrasound (Luxembourg) B.V./ S.a.r.l, with respect to which no DI can be issued (see footnote 7 below).

2 The number includes: (a) 20,813,111 shares that may be allocated as a result of the exercise of 24,592,804 options actually granted by the date of this document. The number of shares is calculated as the maximal number of shares of the Company that may be allocated as a result of the exercise of the options (subject to adjustments), considering the fact that the exercise of the options is in accordance with the mechanism of the benefit value and the fact that the two option plans of the Company have set a ceiling for the value of the benefit of each offerree. (b) 13,937,364 shares that may be allocated as a result of the exercise of 14,821,184 options included in the framework of the options that may be allocated and that have not yet been allocated as of the date of this document (subject to adjustments). This number of shares is theoretical, since the exercise mechanism is in accordance with the value of the benefit and the ceiling determined for the value of the benefit, and the exercise price that has not yet been determined as of the date of this document. It should be noted that the quantities of the securities above do not include all of the securities that will be issued in the framework of the performance of the Company’s debt arrangement.

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Second Part – Appendices in Original Language [English]

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First Part

1. The Corporation

- 1.1. Name of the corporation: Plaza Centers N.V.
- 1.2. Place of incorporation: the Company was incorporated under the laws of the Netherlands, is subject to Dutch law, including the Dutch civil code and the Dutch securities law. The Company is not subject to the corporate laws of Israel and does not adopt provisions under the Companies Law, 5759-1999.
- 1.3. Date of incorporation: May 17, 1993.
- 1.4. Type of securities issued by the corporation: (a) ordinary shares par value EUR 0.01 each, traded in the London Stock Exchange and Warsaw Stock Exchange; (b) Debentures (Series A) and Debentures (Series B) listed for trade on the Tel Aviv Stock Exchange; (c) Debentures (not listed for trade) issued in a private placement to institutional investors in Poland and (d) Non-tradable options that may be exercised into shares of the Company, issued in a private placement, from time to time, to employees and service providers of the Company, the board of directors of the Company, subsidiaries and companies under the control of the Company, directly or indirectly and/or companies that control the Company, directly or indirectly and/or companies controlled by the companies that control the Company, directly or indirectly (in all forms of incorporation, including companies and partnerships).
- 1.5. The exchange in which the Company's shares are listed for trade: London Stock Exchange and Warsaw Stock Exchange.
- 1.6. Shares of the Company were first listed for trade on the London Stock Exchange on November 1, 2006, and on the Warsaw Stock Exchange on October 19, 2007.
- 1.7. The shares of the Company can only be traded on the Tel Aviv Stock Exchange as of November 27, 2014.

2. Information about the Corporation

2.1. Details of the Company's address

In the Netherlands:

Registered address: Prins Hendrikkade 48-s, 1012AC Amsterdam, The Netherlands

Tel: +3120-3449560, +3120-3449562

Fax: 3120-3449561+

In Poland:

Registered address: Marynaska Business Park Ul. Tasmowa 7, Warsaw 02-677, Poland

Tel: + 48 22 231 9900

Fax: + 48 22 231 9901

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In England:

Jordans Trust Company Limited
21 St Thomas Street,
Bristol
BS1 6JS

In Israel:

5 Kineret Street, Beser 3 Towers,
Bnei Brak, Israel.
Tel: 03-6086000
C/o Elbit Imaging Ltd.
POB 2425
Bnei Brak, 5112301, Israel

2.2. Symbol of the Company's shares

In the London Stock Exchange: PLAZ.

In the Warsaw Stock Exchange: PLZ

In the Tel Aviv Stock Exchange: פלז

2.3. Contact persons

Contact person with supervisory and enforcement bodies of the foreign law:

Name: Avi Hacmov
Address: 1062 Budapest, Andrassy ut. 59. Hungary
Tel: + 36 1 462 7120
Tel 2: +972 - 3 – 6086065
Fax: +36 1 462 72 01

Contact person of the Company with the Securities Authority:

Name: Avi Hacmov
Address: 1062 Budapest, Andrassy ut. 59. Hungary
Tel: + 36 1 462 7120
Tel 2: +972 - 3 – 6086065
Fax: +36 1 462 72 01

3. Detail of the Shares

- 3.1. The registered capital of the Company is comprised of 1,000,000,000 ordinary shares par value EUR 0.01 each. The issued and paid up share capital of the Company, as of

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November 20, 2014, is comprised of 297,186,138 ordinary shares listed by name par value EUR 0.01 each³.

The Company undertakes that as long as its shares are listed for trade in a stock exchange, it will act pursuant to the provisions of Section 46b(a)(1) of the Securities Law, 5728-1968.

3.2. **The number of ordinary shares that will be listed for trade in the Stock Exchange:**

297,186,138⁴ ordinary shares par value EUR 0.01 each listed by name, and up to 34,750,475⁵ ordinary shares par value EUR 0.01 each, that will arise from the exercise of non-tradable shares that are granted to employees and service providers of the Company, the board of directors of the Company, subsidiaries and companies under the control of the Company directly or indirectly and/or companies that control the Company directly or indirectly and/or companies controlled by the companies under the control of the Company, directly or indirectly (in any form of incorporation including companies and partnerships).

3.3. **The rights attached to shares**

3.3.1. The Company's share capital is comprised of one class of shares: ordinary shares par value EUR 0.01 each listed by name.

3.3.2. The Company's board of directors will manage a register of shareholders^{7,6} that will be updated on an ongoing basis. The Company will not issue share certificates to its shareholders registered in the register of shareholders.

3 In accordance with the Dutch law, the ratio between the issued capital and the registered capital will not exceed a ratio of 1:5. Any increase or reduction on the registered capital requires a change to the Company's articles of association.

4 It should be noted that all of the Company's share capital is listed for trade, while one share is registered in the shareholders register of the Company under the name Elbit Ultrasound (Luxembourg) B.V. / S.a.r.l, with respect to which no DI can be issued (see footnote 7 below).

5 See footnote 1 above.

6 In this document, the term "shareholders" also relates to holders of beneficiary rights in shares (usufructuaries) that have a right to yields from shares and holders of pledge rights in shares that have voting rights and rights to receive shares. In accordance with the articles of association of the Company, the holders of beneficiary rights in shares (usufructuaries) and holders of pledge rights in shares, there are no voting rights, unless the voting rights were transferred to them (generally or on a condition) as part of the contractual arrangement for the creation of beneficiary rights in shares or the pledge right in shares. As of the date of this registration document, the Company does not hold beneficiary rights in share (usufructuaries) that have rights to yields in shares and/or holding pledge rights in shares that have voting rights and rights to receive shares.

7 In practice, trade of the Company's shares in the London Stock Exchange is performed through electronic certificates representing a right to shares in the Company (depository interests) ("DIs") with the ratio of one electronic certificate for each ordinary share par value EUR 0.01 par value each. All of the shares of the Company are listed in the shareholder register of the Company in the name of Capita IRG Trustees (Nominees) Ltd. which is a trustee for the shares of the Company ("Capita") and are held thereby. Capita issues for shares of the Company held thereby DI's in the amount equal to the shares in the issued capital of the Company and are used for the purpose of trade in the London Stock Exchange, excluding one share registered in the shareholders register of the Company under the name Elbit Ultrasound (Luxembourg) B.V. / S.a.r.l, with respect to which no DIs can be issued. For additional details, see Section 4 below.

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- 3.3.3. The board of directors of the Company manages a register of shareholders that is updated on an ongoing basis. The Company will not issue share certificates to its shareholders. At the request of shareholders, the shareholders will be provided, without charge, a written declaration regarding the registration in the register with respect to the shares registered in his name that will be signed on behalf of the Company by a special representative appointed for this purpose by the board of directors.
- 3.3.4. Each share confers the right to one vote (1) in a vote of the general meeting, excluding shares held by the Company or a subsidiary of the Company, which do not confer voting rights⁸.
- 3.3.5. All of the shareholders will be permitted to participate in the general meeting, to express their opinion and vote therein.
- 3.3.6. Shareholders may exercise their voting rights in a general meeting only with regard to the shares registered in their name on the date on which the meeting is held, unless the board of directors schedules a different date (the “**Registration Date**”), and they are registered in one or more of the registers set forth for this purpose by the board of directors. The Registration Date will not be scheduled for a date earlier than that permitted in the Dutch Civil Code. If the board of directors schedules a Registration Date, the invitation notice for the meeting of the general meeting will state this date in a notice regarding convening the general meeting, and will state the manner with which the shareholders can register and the manner with which they can exercise their voting rights.

3.4. Electronic certificates representing rights for shares of the Company (depository interests)

- 3.4.1. The Company’s board of directors is authorized to determine various arrangements in order to enable the shares of the Company to be represented and replaced in consideration for DIs, held and transferred in a manner that is not accompanied by a physical certificate but rather on a computerized system, whether located in the Netherlands or another country. Notice regarding arrangements such as these will be provided to the shareholders of the Company in the manner determined by the Company’s board of directors⁹.

⁸ As of the date of this registration document, there are no shares in the Company’s capital held by the Company or by its subsidiary.

⁹ As set forth in footnote 7 above, in practice, trade of the Company’s shares in the London Stock Exchange is performed through DIs with a ratio of one electronic certificate for each regular share par value EUR 0.01 each, and in the Warsaw Stock Exchange electronically on the basis of the same DIs held in trust by Euroclear Nominee for the KDPW (which is a central infrastructure institution responsible for the management and supervision of the deposit of securities and the clearing system, enabling clearing of financial instruments in Poland) with a ratio of one electronic certificate to each DI. All of the Company’s shares are listed in the shareholders register in the name of Capita, which is a trustee for shares of the Company and is held thereby (excluding one share held by Elbit Ultrasound (Luxembourg) B.V./S.a.r.l, which is not listed for trade). For additional details, see footnote 7 above.

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- 3.4.2. The Company's board of directors is authorized to receive from the trustee holding all of the Company's shares¹⁰ (capita) a list of names of holders in DIs and the DIs number held thereby.

3.5. Profits and the distribution of profits

3.5.1. Distribution of dividends

- 3.5.1.1. The Company's decision regarding a distribution of divided, bonus shares or any other distribution will be made by the Company's general meeting.
- 3.5.1.2. The Company may perform a distribution of dividends to its shareholders only if the value of its net assets exceeds the part of the capital paid and required for payment in addition to the reserves that the Company must keep by law. The general meeting may resolve to distribute dividends from the reserves that are not subject to the reserve holding requirements of Dutch law or the Company's articles of association, as stated above.
- 3.5.1.3. The Company's board of directors may resolve regarding payment of interim dividends in accordance with the Company's interim statements.
- 3.5.1.4. Any distribution of dividends will occur after approval of the annual financial statements and after it is determined that the distribution is permitted. The aforesaid will not apply and the Company will not be permitted to distribute dividends in the case in which the Company has significant losses after the balance sheet date known to the board of directors and its shareholders.
- 3.5.1.5. In the case in which a distribution is performed of the distribution of bonus shares, the bonus shares will be added to the register of the Company's shareholders.
- 3.5.1.6. The general meeting of the Company's shareholders may, in accordance with the recommendation of the Company's board of directors, resolve that the payment of the dividends to its shareholders will be entirely or partially through the distribution of shares or other securities of the Company or through the distribution of shares of another company.
- 3.5.1.7. The general meeting of the Company's shareholders may, in accordance with the recommendation of the Company's board of directors, resolve that the distribution to the shareholders will take place from one or more of the Company's reserves that are not subject to the requirement of holdings in reserves under Dutch law or the Company's articles of association.

¹⁰ Excluding, as stated, one share held by Elbit Ultrasound (Luxembourg) B.V./S.a.r.l, which is not listed for trade.

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3.5.1.8. Dividends distributed contrary to the provisions of the law will be returned to the Company from its shareholders or by any other person entitled to receive the dividends who knows or should have known that the distribution as stated was prohibited.

3.5.2. Eligibility to dividends

3.5.2.1. Each shareholder is entitled to receive dividends in a manner relative to the number of shares held thereby¹¹. In calculating the distribution of dividends, shares held by the Company will be included as well¹².

3.5.2.2. A claim of a shareholder regarding his entitlement to dividends will expire within five (5) years.

3.5.3. Manner of payment of the dividends

3.5.3.1. Dividends will be distributed to the shareholders of the date determined by the Company's board of directors and will apply within six (6) weeks from its determination to the addresses provided to the Company by the shareholders.

3.5.3.2. The board of directors may determine the manner of payment of the dividends in cash to the shareholders. If the dividends are to be paid to a shareholder outside of the Netherlands, the dividend will be paid in the currency of the country of the shareholder. Conversion of the currency as stated will take place in accordance with the exchange rate of the Amsterdam stock exchange (Euronext) at the end of the day, on the day prior to the date on which the decision was made regarding payment of the dividends. In the case in which the Company is unable to pay the dividend in cash outside of the borders of the Netherlands on the date determined with respect thereto as a result of government actions or other irregular circumstances that are not under the Company's control, the board of directors of the Company is authorized to determine on or more places in the Netherlands, instead of the address of the shareholder provided to the Company. In such a case as stated, conversion of the dividend payment currency to the currency of the shareholder's state will not occur.

3.5.4. Unclaimed dividends

3.5.4.1. Dividends that are not claimed within five (5) years and two days from the date determined for payment will be transferred to the Company.

3.5.4.2. In the case of dividends by shares, shares that are not requested by shareholders may be sold within a period of time determined by the Company's board of directors, on account of the eligible shareholders

¹¹ For additional details regarding the manner of transfer of the dividends, if transferred to the shareholders in Israel, see footnote 17 below.

¹² See footnote 8 above.

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that did not demand the dividends in shares. The net receipts from the sale as stated will continue to be available for the eligible shareholders, relative to their right to receive dividends by shares.

- 3.5.4.3. Notice regarding a distribution of dividends and bonus shares and the dates and place which are determined for the above purpose will be published in at least one national daily newspaper in the Netherlands, and one national daily newspaper in any jurisdiction of the traded shares, and in any other manner that the board of directors sees fit.

3.6. Buyback of the Company's shares

- 3.6.1. The Company may purchase shares paid in full from its equity for no consideration only in the event that:

3.6.1.1. The net value of the assets less the purchase price is no less than the amount of the part of the capital paid and demanded for payment plus the reserves that the Company must hold by law, and

3.6.1.2. The par value of the share capital purchased by the Company, held thereby, held by it as a pledge or held by a subsidiary of the Company does not exceed half of its issued capital.

For the purpose of Section 3.6.1.1 above, the net value of the assets will be calculated in accordance with the provisions of the Company's articles of association.

- 3.6.2. Buyback of the Company's shares other than for no consideration is only purchased if the general meeting has authorized the Company's board of directors to perform the purchase as stated. Approval as stated will be granted in the framework of the annual meeting of the Company's shareholder and will be in effect for a maximum period of eighteen (18) months. In the approval as stated, the general meeting will list the maximum quantity of shares that the Company may acquire, the manner of acquiring the shares and the price limitations in the purchase of the shares. Up to 50% of the issued capital of the Company will be subject to a buyback by the Company.

- 3.6.3. The Company's board of directors may decide to sell the shares of the Company held thereby, taking into account the market abuse rules under Dutch law.

- 3.6.4. The Company may agree to pledge its shares in its favor only in the event that:

3.6.4.1. The pledged shares have been paid in full.

3.6.4.2. The par value of the Company's shares that have been pledged for its benefit and of the shares of the Company held by the Company or that are already pledged in its favor together does not exceed one tenth (1/10) of its issued capital; and

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3.6.4.3. The general meeting of the Company's shareholders has approved the share pledge agreement.

3.7. Reduction of Capital

- 3.7.1. The general meeting of the Company's shareholders may decide to reduce the issued capital by the cancellation of shares or the reduction of the par value of the shares through an amended to the Company's articles of association.
- 3.7.2. A resolution regarding the reduction of the Company's issued share capital will be passed with a majority of at least seventy five (75%) of those present in the general meeting attended by or in which at least three (3) shareholders are represented, holding at least ten percent (10%) of the issued and paid up capital.
- 3.7.3. Any reduction to the par value of the share capital will take place in a relative basis to all of the shares from the same class, unless the related shareholders have agreed otherwise.
- 3.7.4. In the notice of convening a general meeting with the agenda containing a resolution regarding the reduction of the Company's issued capital, the manner of performing the reduction and its application will be listed. The resolution regarding the reduction of capital must specify the shares to which it applies as well as the manner with which the resolution will be implemented.

3.8. Rights upon liquidation and reorganization of the Company

- 3.8.1. In light event of the Company's liquidation, the board of directors will be the supervising liquidator, unless the general meeting of the Company's shareholders appoints others for this role.
- 3.8.2. During the liquidation, the provisions of the Company's articles of association will retain effect to the greatest extent possible.
- 3.8.3. The shareholders of the Company will be entitled to participation in a distribution of surplus assets of the Company in liquidation, which will remain after the payment of the debts, in a manner relative to their holdings in the Company's shares.

3.9. Appointment of directors

- 3.9.1. The general meeting will appoint the members of the board of directors and determine the number thereof subject to at least three (3) directors serving on the Company's board of directors, but no more than ten (10) directors.
- 3.9.2. In each annual general meeting:
 - 3.9.2.1. One third (1/3) of the members of the board (excluding a member of the board who was appointed since the previous annual general meeting), or in the case that the number of directors is not a multiple of three (3), the closest number of one third (1/3) of the members of

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the board of directors but no more than one third (1/3) will retire for their office (therefore, if there is less than three (3) members of the board of directors that are supposed to retire in a rotation under this section, one of them will retire); and

- 3.9.2.2. Any member of the board who is not required to retire in a rotation in accordance with the provisions of Section 3.9.2.1 above, but who serves in the role for a period of three (3) years or more since his appointment or his recent reappointment, or who held the position without retiring for at least three (3) consecutive annual general meetings of the Company (had this section not been activated), will retire from his position.
- 3.9.3. Members of the board who retire in a rotation in every annual general meeting in accordance with Section 3.9.2 above will be members of the board for which on the date of the notice regarding the convening of the general meeting have served for the longest period of time in their roles since their last appointment or reappointment. Selecting the members of the board who will retire from those appointed or who were the most recently reappointed as members of the board of directors on the same day will be determined by lottery, unless agreed among them otherwise.
- 3.9.4. Members of the board who retire in the annual general meeting may be reappointed, if they agree. If they are not reappointed in the manner determined above, they will continue to serve in the capacity until the general meeting appoints another person in its place, and if it does not do so, until the end of the meeting of the general meeting.
- 3.9.5. The Company's articles of association set forth that the general meeting of the Company may, at any time, suspend or dismiss any of the members of the board.

3.10. Composition of the board of directors and division of roles

- 3.10.1. The Company's board of directors will be comprised of at least three (3) directors, of which at least one (1) will be an executive director and at least one (1) will be a non-executive director.
- 3.10.2. The roles of the board of directors will be divided between executive directors and non-executive directors.
- 3.10.3. The executive directors are entrusted with the ongoing management of the Company, and the non-executive directors are responsible to supervise the board of directors in the performance of its roles, subject to the general responsibility of the board of directors.
- 3.10.4. Actions of the board of directors in the case of the cessation of a director's service

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The board of directors may continue and operate as long as at least three directors are serving on the Company's board of directors. In the case at the number of directors serving on the Company's board is less than three (3), the remaining directors or the only director remaining on the board, will continue to hold their powers and act to promote the appointment of a number of directors as required in order to comply with the minimum number of serving directors.

3.10.5. Absence or incapacity of directors

If one or more of the directors is absent or incapacitated, the remaining members of the board will be temporarily entrusted with the management of the Company. If all of the members of the board are absent or incapacitated, the general meeting will temporarily appoint a person to manage the Company.

3.11. General meetings

3.11.1. Annual meeting

- 3.11.1.1. The annual general meeting will convene within six (6) months from the Company's financial year.
- 3.11.1.2. In any event, the agenda of the annual general meeting will include the following matters:
 - (a) The annual report,
 - (b) Adopting the annual financial statements,
 - (c) Release of members of the board from their liability vis-à-vis the Company based on the information submitted to the annual meeting of shareholders or based on the information included in the annual financial statements of the Company submitted to the annual general meeting,
 - (d) The allocation of profits,
 - (e) If required under Dutch law, the appointment of an accountant under law.
 - (f) The language in which the Company's financial statements will be prepared.
 - (g) Appointment of directors in the place of directors who have completed their service.
 - (h) All of the other details appearing on the agenda.

3.11.2. Convening an assembly

- 3.11.2.1. Special general meetings will be covered by the chairman of the board or by two (2) directors, or in the event in which one or more shareholders, representing at least one tenth of the Company's issued capital, submits a written request to the board of directors to convene

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a special general meeting, detailing the matters requested for discussion in the general meeting.

- 3.11.2.2. The notice of convening the general meeting will specify the matters to be discussed in the meeting. The invitation notice will include any matter for which discussion is requested in writing by one or more of the shareholders holding at least three percent (3%) of the issued capital, provided that the Company has accepted the request at least sixty (60) days before the date set forth for the convening of the meeting. The notice of shareholders as stated in this section above or Section 3.11.2.1 above will take place electronically provided that it meets the rules set forth in the Dutch civil code. The invitation and accompanying documents will be published on the Company's website.
- 3.11.2.3. The notice of convening a general meeting will be provided no later than eight (8) days before the registration date (as set forth in Section 3.3.5) above, and in any case no later than the forty second (42) day before the date set forth for the meeting to convene. In the event that the period is shorter or notice is not provided as stated, resolutions will be made in the general meeting only through a unanimous vote in a meeting in which all of the shareholders were present or represented. The aforesaid will also apply to resolutions in a general meeting on matters that are not listed in the invitation notice for the general meeting.
- 3.11.2.4. An invitation notice for a general meeting will occur through electronic communications that is directly accessible on an ongoing basis to the shareholders of the Company by the date of the said general meeting. In the case that there is a resolution on the agenda of the general meeting to amend the Company's articles of incorporation, a copy of the proposed resolution will be left at the offices of the Company with the complete proposed amendment to the article of association, for the review of all of the shareholders of the Company who wish to do so prior to the end of the general meeting.

3.11.3. Participation in the meeting

Shareholders may participate themselves in the general meeting or be represented through a power of attorney authorized for the said purpose in writing. The power of attorney will be deposited at least forty eight (48) hours before the date set forth for the general meeting to be held, in the manner determined in a notice regarding convening the general meeting.

3.11.4. Location of the meeting

- 3.11.4.1. The general meetings will be held in Amsterdam or a local authority of Haarlemmermeer, the Schiphol airport in Amsterdam. In the event

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in which a general meeting is held in another place, resolutions of the general meeting will be duly passed only if the presence of attendance of all of the Company's issued capital.

3.11.5. Chair of the meeting

- 3.11.5.1. The general meeting will be managed by the chairman of the board, who may appoint another to manage the meeting, whether or not he is present at the general meeting. If the chairman of the board is absent from the general meeting without another person being appointed to manage the meeting, the shareholders present and represented at the general meeting will appoint a chair for the meeting. The chair of the meeting will appoint a secretary for the meeting.
- 3.11.5.2. The chair of the general meeting will decide in all matters relating to entitlement of shareholders to participate in the meeting, exercise the voting rights and all other matters related to the general meeting.

3.11.6. Legal quorum

The legal quorum for the general meeting will be at least three (3) shareholders representing at least ten percent (10%) of the issued share capital of the Company. Pursuant to Dutch law, shares held by the Company or a subsidiary will not be taken into account in determining the legal quorum for holding general meetings of the Company's shareholders.

3.11.7. Passing resolutions

- 3.11.7.1. Excluding as set forth below, resolutions of the general meeting will be passed with a regular majority.
- 3.11.7.2. The following resolutions will be passed in the Company's general meeting, after they are proposed by the board with a majority of seventy five percent (75%) in a meeting attended by or in which at least three (3) shareholders are representing, holding at least ten percent (10%) of the issued share capital:
 - (a) A resolution regarding the amendment of the articles of association,
 - (b) A resolution of a merger of the Company,
 - (c) A resolution regarding splitting the Company, and
 - (d) A resolution regarding liquidation of the Company.
- 3.11.7.3. In the event of equal votes in a vote regarding appointment of members of the board, no resolution will be adopted. In the event of equal votes in the vote of other officers, the vote will not be passed.

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- 3.11.7.4. Members of the board of directors will be entitled to participate in the general meeting and will be granted a right to express their position on matters on the agenda. This right of directors is not included in counting the votes in a vote.

3.12. Transfer of shares

The transfer of shares or a limited right therein including in the case of: (a) the allocation of shares from shared assets of a couple, (b) the transfer of shares as a result of the exercise of a pledge on the shares, (c) the creation, waiver and transfer of rights with a beneficiary right in the share (usufruct), and (d) the creation or waiver on a pledge of a share, will be performed with a written document in accordance with the terms set forth in the Dutch civil code.

3.13. Issuance of shares

- 3.13.1. A resolution regarding the issuance of shares will be passed in the general meeting of the Company's shareholders, subject to the receipt of a non-binding recommendation on behalf of the Company's board of directors for the issuance, price at which the shares are issued and the terms of the issuance. The general meeting may determine the price at which the shares are issued and the other conditions of the issuance¹³.
- 3.13.2. Subject to the receipt of a non-binding recommendation from the Company's board on the matter, the general meeting may transfer its power to issue shares to another organ of the Company for a limited period of time that will not exceed five (5) years and it may negate this power unless determined otherwise in its resolution. The resolution to transfer its powers will list the number of shares permitted for issuance. The general meeting may extend, from time to time, resolutions as stated for a period of time that will not exceed five (5) years. Upon the delegation of powers as stated, the maximum number of shares permitted for issuance will be noted. The transfer of power for the issuance of shares to another organ of the Company in accordance with the resolution of the general meeting cannot be terminated unless the resolution as stated determines otherwise¹⁴.

¹³ As long as shares of the Company are listed for trade in the Stock Exchange, any issuance of shares of the Company will be subject to the bylaws of the Stock Exchange and the guidelines thereunder, as they may be from time to time, and the receipt of confirmation of the Stock Exchange to the listing for trade of the said shares.

¹⁴ In accordance with the resolution of the Company's general meeting dated July 8, 2014, the general meeting transferred to the board the power to issue shares of the Company (including an issuance of rights to purchase shares of the Company or options of the Company) up to a rate of 33% of the issued capital of the Company, as of the date of the invitation to the same general meeting, until the date on which the annual general meeting takes place in 2015. The agenda of the general meeting of the Company scheduled for November 28, 2014 contains a resolution to delegate to the board of directors the power to issue shares of the Company (including the issuance of rights for the acquisition of the Company's shares or options of the Company) up to a rate of 100% of the issued capital of the Company as of the date on which the general meeting is convened, by the date on convening the following annual general meeting that occurs during 2015. A resolution as stated has not yet been passed.

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- 3.13.3. The provisions of Section 3.13 apply in accordance with granting the rights to purchase shares, but do not apply to the issuance of shares to a person exercising an existing right to purchase shares.
- 3.13.4. The issuance of a share will be performed through a written document, and in accordance with the additional terms set forth in the Dutch civil code.
- 3.13.5. Notwithstanding the provisions of the Dutch civil code, shares are not issued at less than the par value thereof.
- 3.13.6. The board of directors is authorized – without prior consent of the general meeting – to perform legal actions regarding the allocation of shares other than for cash consideration and other actions as set forth in the Dutch civil code.
- 3.14. Reduction of capital
- 3.14.1. The general meeting may resolve to reduce the issued capital of the Company through: (a) termination of the shares held by the Company, or (b) reduction of the par value of the Company's shares.
- 3.14.2. A resolution of the general meeting regarding the reduction of capital will be passed in a majority of at least seventy five percent (75%) of the voting rights, in a meeting attended by or in which at least three (3) shareholders are represented, holding at least ten percent (10%) of the issued and paid up capital of the Company.
- 3.15. Priority Right
- 3.15.1. Every shareholder has a priority right in relation to any issuance of shares against the payment in cash in a manner relative to his holdings of shares in the company. The shareholders will not have a priority right in relation to shares issued against consideration in kind or in relation to shares issued to employees of the Company or employees of companies in the Group.
- 3.15.2. The organ to which the right to issue shares was delegated is entitled to limit or cancel the priority right in individual cases, provided that it has been so authorized by the general meeting.
- 3.15.3. The general meeting is entitled to limit or cancel the priority rights of shareholders in individual cases. In a proposal to receive a decision as stated, the reasons for the proposal shall be detailed in writing, as well as the chosen allocation price. The organ authorized by the general meeting in accordance with the Company's articles of association¹⁵ is even entitled to limit or negate

¹⁵ In accordance with the decision of the general assembly of the Company dated July 8, 2014, the general assembly delegated to the board of directors the authority to negate priority rights from the shareholders up to a maximum of 10% of the issued capital of the Company as of the convening date of the general assembly, until the date of the convening of the next annual general assembly which shall take place during 2015. The agenda of the general meeting of the Company convened for November 28, 2014 contains a resolution to delegate to the board of directors the authority to negate priority rights from the shareholders up to a maximum of 10% of the issued capital of the Company as of the convening date of the general

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the priority rights of the shareholders, if the general meeting of the shareholders of the Company authorized that organ for a defined period of time which shall not exceed five (5) years, which may be extended each time for five (5) years at most. The said extension may not be extended, unless the termination of the extension was determined in the original decision of the appointee.

3.15.4. In the event where the general meeting authorized another organ as an authorized body to decide to limit or negate the priority rights of the shareholders, the said decision shall be passed with a majority of seventy five percent (75%) at least of the assembly who are presented or represented by at least three (3) shareholders, representing at least ten percent (10%) of the issued share capital of the Company.

4. The trade of Company shares in the London Stock Exchange and the Warsaw Stock Exchange and the description of the proceeding of transferring securities between the Israel Stock Exchange and the London Stock Exchange and the Warsaw Stock Exchange and vice versa

4.1. The trade of shares of the Company in the London Stock Exchange and the Warsaw Stock Exchange

4.1.1. London Stock Exchange

4.1.1.1. The trade of shares of the Company in the London Stock Exchange will be performed using the CREST Settlement System (“CREST”) which is a computerized system permitting the trade of securities from the CREST account of one person to the account of another without the use of share certificates or written transfer documents and operated by Euroclear UK & Ireland Limited. Securities issued by registered companies which are not British, such as the Company, may not be held or transferred in the CREST system. However, in order to permit the investors to arrange the trade of securities as stated using the CREST system, a trustee or guardian may hold the relevant securities and issue for the Company electronic certificates called Depository Interests (“DIs”). The DIs are independent securities according to the English law that may be held and transferred using the CREST system. The trust relationship between the trustee for the holders of the DIs are documented in the deed of trust (Deed Poll) signed by the trustee (the “Deed”).

4.1.1.2. In accordance with the provisions above, all of the shares of the Company have been listed in the shareholder register in the name of Capita IRG Trustees¹⁶, which serves as a trustee for the Company’s shares (“Capita”). For this purpose, Capita issued DIs for the shares

assembly, until the date of the convening of the next annual general assembly which shall take place during 2015. The decision as stated has not yet been received.

¹⁶ It should be noted that all of the Company’s share capital is listed for trade, while one share is registered in the shareholders register of the Company under the name Elbit Ultrasound (Luxembourg) B.V. / S.a.r.l, with respect to which no DIs can be issued (see footnote 7).

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of the Company held by it in a quantity identical to the shares in the Company's issued capital based on which each DIs is equal to one ordinary share par value EUR 0.01 of the Company.

- 4.1.1.3. Participation in the CREST system is on a free basis and the shareholders seeking to hold their ordinary shares officially may do so. However, as stated above, the ordinary shares of the Company cannot be traded on the CREST system and therefore the holdings of the shareholders as stated will be listed in the shareholders register of the Company in the Netherlands.
- 4.1.1.4. According to the deed, Capita itself or through a custodian in trust holds the shares issued by the Company and any right, securities, property and other cash related to the shares held by Capita at the time in favor of holders of DIs. Capital or the custodian will transfer to the holders of DIs, or will exercise in their name, all of the rights and eligibilities received with them regarding the shares of the Company¹⁷. However, there is no certainty that all of the rights and eligibilities as stated will be transferred or realized at any time or on time. The rights to receive cash, information, to pass resolutions, elections and to participate and vote in meetings will be transferred, subject to the deed, in the manner with which they were passed, together with amendments and additional document required in order to give effect to the transfer or exercise as stated based on the deed.
- 4.1.1.5. Holders of DIs have no rights that the Dutch law and articles of association grant to shareholders, such as voting rights. These rights are granted to Capita or any custodian. As a result, if holders of the DIs wish to exercise any of the rights as stated, they must authorize Capita or any custodian that exercises these rights on their behalf or authorize them to exercise these rights in their name. In accordance with the deed, Capital or the custodian will not exercise any right in connection with the shares without the explicit instructions of the holders of DIs and in accordance with the aforesaid, will transfer to the holders of Dis or will exercise in their name all of the rights and entitlements received by them with respect to the shares of the Company.

¹⁷ In the event of a distribution of dividends by the Company, the Company will transfer to Capita the total dividends that all of the shareholders of the Company are entitled to (excluding for one share held by Elbit Ultrasound (Luxembourg) B.V./S.a.r.l as stated in footnote 16 above) and less the tax for payment to the tax authorities in Holland. Capita will transfer the total dividends that all of the shareholders of the Company in Israel are entitled to the account of the Nominee Company of Leumi Bank in JPM (the custodian of the Nominee Company in CREST), and the Nominee Company of Leumi Bank will distribute the dividends to shareholders of the Company in Israel in accordance with the instructions and rules of the Stock Exchange. For additional details regarding the approval received by the Company from the tax authorities in Israel regarding a foreign tax credit for a resident of Israel, see the immediate report of the Company dated July 9, 2014 (reference no.: 2014-02-111165), included in this document by way of reference.

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4.1.2. Warsaw Stock Exchange

The trade of the Company's shares in the Warsaw Stock Exchange is arranged in accordance with the principles established by The Polish National Depository for Securities (the "NDS"), and they apply to all of the companies registered for trade in the Warsaw Stock Exchange. The trade in the Warsaw Stock Exchange is performed via a central infrastructure institution responsible for the management and supervision over the deposit of securities and the clearing system allowing the trade of financial devices in Poland (hereinafter: the "KDPW" or "NDS"). All of the brokers in Poland interested in trading the shares of the Company (electronically) must be members of KDPW and hold shares in the Company for their final private customers (beneficial owners). These brokers distribute the Company's shares among their final private customers.

4.2. Transfer of shares between the London Stock Exchange and the Warsaw Stock Exchange and vice versa

4.2.1. An investor in the London Stock Exchange interested in transferring the DIs of the Company for trade in the Warsaw Stock Exchange (where they will be traded as electronic certificates) is required to grant, using his custodian, a directive in the CREST system for the transfer of the DIs to the Warsaw Stock Exchange and a directive using his custodian Poland to KDPW to receive his shares (as electronic certificates) in the Warsaw Stock Exchange. After receiving the directive, KDPW will transfer an instruction using Euroclear Nominees Limited, which is a subsidiary of Euroclear Bank ("**Euroclear Bank**") to the custodian of the investor in England to transfer the DIs to him. The directive to KDPW is performed via a special form which includes, inter alia, the following details: the number of the DIs requested for transfer, the agent to perform the transfer (the custodian in England), the seller (the final holder of the DIs in the London Stock Exchange who after the transfer will hold the electronic certificates in the Warsaw Stock Exchange) and the Clearing House name (CREST). When the two directives are given, the DIs will be transferred from the London Stock Exchange to the Warsaw Stock Exchange and will be submitted as electronic certificates in the account of the custodian in Poland. It shall be noted that KDPW is a company in Euroclear Bank with a separate account and therefore no additional agreements are required between the parties for the purpose of transferring the DIs from the London Stock Exchange for trade as electronic certificates in the Warsaw Stock Exchange.

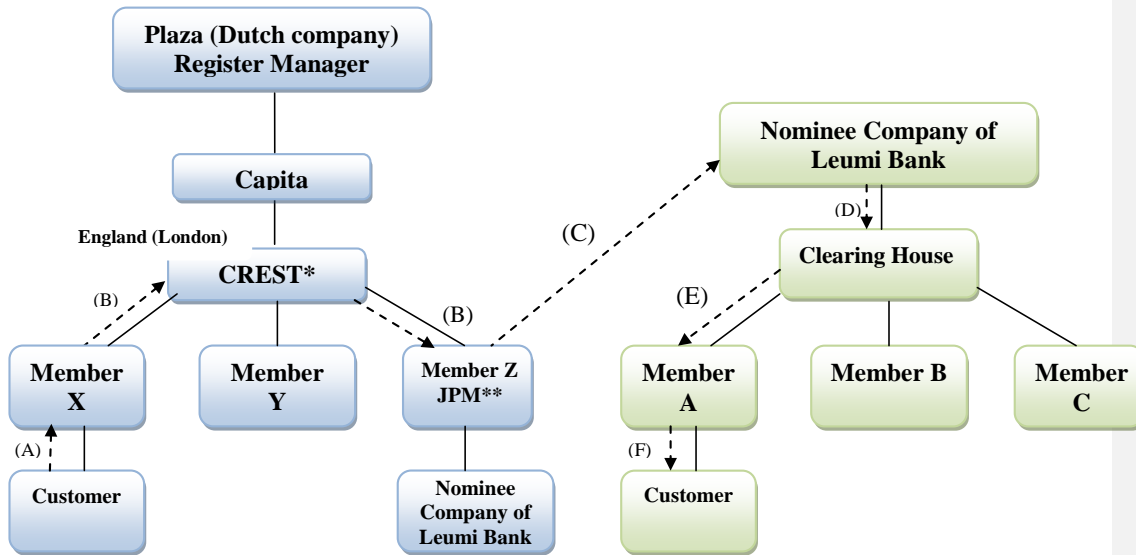
4.2.2. Whenever an investor in the Warsaw Stock Exchange is interested in transferring the electronic certificates for trade in the London Stock Exchange (where they will be traded as DIs), the said investor is required to grant a directive to his custodian in Poland who will instruct KDPW to provide instruction via Euroclear Bank to his custodian in England to release the electronic certificates for trade as DIs in the London Stock Exchange via the CREST system. At the same time, the investor in the Warsaw Stock Exchange shall provide a directive to his custodian in England, who is a member of

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CREST, to receive the DIs in the London Stock Exchange from Euroclear Bank using the CREST system, so that they will be traded there as DIs. After the two directives were granted, the electronic certificates will be pulled from the investor's account by his custodian in Poland and the Polish investor's account will be credited by his custodian in England in the CREST system, where the shares of the Company will be traded as DIs in the CREST system. It shall be clarified that the DIs themselves do not transfer between the investors. They are deposited in the account that KDPW has at Euroclear Nominees in the CREST system and electronic certificates are issued for trade in Poland therefor.

4.3. Transfer of shares between the Tel Aviv Stock Exchange and the London Stock Exchange and between the London Stock Exchange the Tel Aviv Stock Exchange

4.3.1. Transfer of shares from London to Israel (deposit)



* It should be noted that all of the Company's share capital is listed for trade, while one share is registered in the shareholders register of the Company under the name Elbit Ultrasound (Luxembourg) B.V. / S.a.r.l, with respect to which no DI can be issued and it is not traded on CREST.

** J.P.Morgan (hereinafter "JPM")

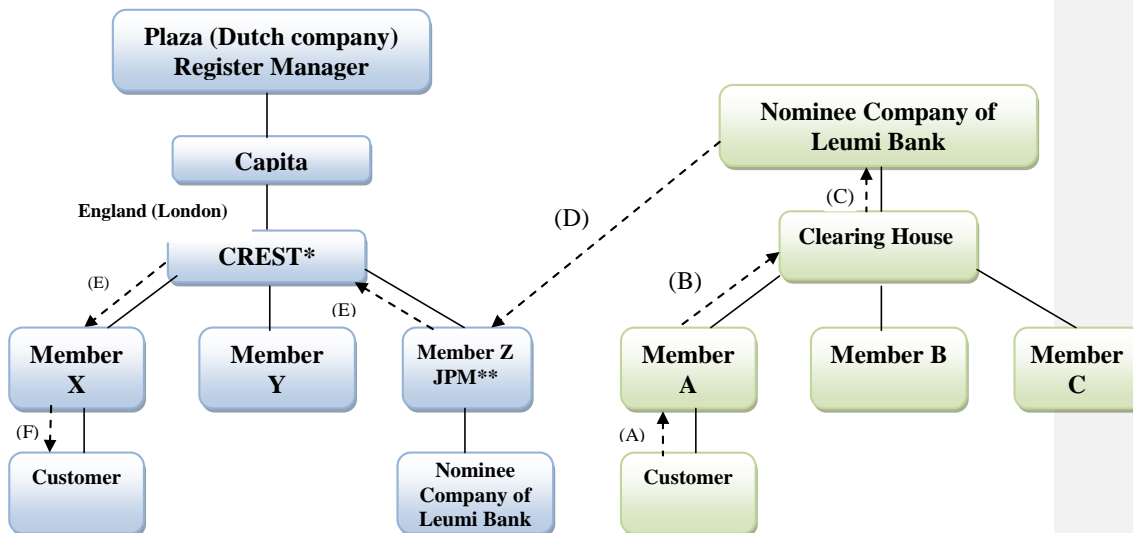
- a) Customer
Sends an instruction to its broker in London (Member X) to transfer its shares in DIs to Israel, to credit its account in shares with Member A in Israel.
- b) Member X
Sends an instruction to CREST to credit Member Z (JPM) with the quantity of DIs transferred, and to charge its account with this quantity. In parallel, Member A sends a

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written instruction to Member B (Leumi Bank) to accept the quantity of DIs from the account managed with JPM at CREST.

- c) JPM (Member Z)
 Receives an instruction from the Nominee Company of Leumi Bank to accept on its behalf the quantity of DIs transferred from Member X in CREST and credits the Leumi Bank account for the Nominee Company of Leumi Bank.
- d) Nominee Company of Leumi Bank of Israel Ltd.
1. Records in its books the shares for the credit of the clearing house.
 2. Transfers to the clearing house a deposit instruction plus a written instruction received from Member A that it will be credited in the number of Dis registered at JPM for which the transfer instruction was provided.
- e) Clearing House
1. Receives a deposit instruction for the credit of Member A.
 2. Checks that the total amount of shares deposited does not exceed the total quantity the registration of which has been approved in the stock exchange.
 3. Credits Member A in accordance with the deposit instruction.
- f) Member A
 Credits the customer's account with the quantity of shares transferred for its credit.

4.3.2. Transfer of shares from Israel to London (withdrawal)



* It should be noted that all of the Company's share capital is listed for trade, while one share is registered in the shareholders register of the Company under the name Elbit

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Ultrasound (Luxembourg) B.V. / S.a.r.l, with respect to which no DI can be issued and it is not traded on CREST.

** J.P.Morgan (hereinafter “JPM”)

- (A) Customer
Sends an instruction to its broker in Israel (Member A) to transfer its shares to London.
- (B) Member A
Sends to the Clearing House a withdrawal instruction in the amount of shares in accordance with the instruction received from the customer, in addition to a written instruction to accept the shares (as DIs) by Member X in London. In parallel, it transfers an instruction to its custodian in London to accept the shares (as DI) from the account of Member Z in CREST (JPM).
- (C) Clearing House
Charges Member A in the amount set forth in the withdrawal form and credits the Nominee Company of Leumi Bank.
- (D) Nominee Company of Leumi Israel
1. Updates the records in its books.
2. Transfers an instruction to JPM to charge the account of the Nominee Company of Leumi Bank held at it and credit Member X with the amount of DI in accordance with the instruction transferred to it from the clearing house.
- (E) JPM (Member Z in CREST)
1. Provides a notice to CREST to credit Member X’s account and charge its account (Member Z) with the number of DIs as set forth in the instruction.
2. Charges the Leumi (Nominee Company) bank account held with it for the quantity of DIs, as set forth in the instruction.
- (F) Member X
Credits the customer’s account in London with the quantity of DIs transferred for its credit.

4.3.3. It should be noted that no direct transfer of the Company’s shares will be performed between the Tel Aviv Stock Exchange and the Warsaw Stock Exchange, and that an investor seeking to transfer the Company’s shares that are traded on the Tel Aviv Stock Exchange to the Warsaw Stock Exchange will be first required to transfer them to the London Stock Exchange (as DIs) and thereafter to transfer them from the London Stock Exchange to the Warsaw Stock Exchange (as electronic certificates) in accordance with the mechanism set forth above. Similarly, a person seeking to transfer shares of the Company traded on the Warsaw Stock Exchange for trade on the Israeli Stock Exchange will be required to first transfer them from the Warsaw Stock Exchange for trade on the London Stock Exchange (as DIs) and from there to transfer them to the Stock Exchange as set forth above.

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5. Taxation

As is customary upon making decisions regarding the investment of funds, one must consider the tax implications related to the investment in securities that are offered. The provisions included in the chapter below regarding taxation of the offered securities do not purport to constitute authorized interpretation of the provisions of the law mentioned therein and are not intended to replace professional advice in accordance with the particular details and circumstances unique to each investor.

5.1. Tax Implications in Israel

On July 25, 2005, the Knesset passed a law to amend the Income Tax Ordinance (No. 147), 5765-2005. The amendment significantly modifies the provisions of the Income Tax Ordinance (New Version), 5721-1961 (hereinafter: the “**Ordinance**”), which relates to the taxation of securities traded in the Stock Exchange. In addition, on December 29, 2008, the Knesset approved Amendment 169 of the Ordinance (hereinafter: “**Amendment 169**”), which was published in the Gazette on December 31, 2008 (and enters into effect on January 1, 2009), and includes additional changes regarding taxation of securities, and on July 23, 2009, the Knesset passed the Law of Financial Efficiency (Legislative Amendments for the Application of the Financial Plan for 2009 and 2010), 5769-2009, which included Amendment No. 171 of the Ordinance (hereinafter: “**Amendment 171**”). On December 5, 2011, the Knesset approved Amendment 187 of the Ordinance, which was published in the Gazette on December 6, 2011, within which part of the recommendations of the Trachtenberg Committee were adopted within the Law to Change the Tax Burden (Legislative Amendments), 5772-2011 (hereinafter: “**Amendment 187**”). Additionally, on August 13, 2012, Amendment 195 of the Ordinance was published in the Gazette, within which additional changes occurred, including the application of additional tax as of January 1, 2013, in a rate of 2% on the income of an individual exceeding the amount set forth in Section 121b of the Ordinance (811,560 during 2014). This tax obligation must be added, accordingly, to those set forth below, if relevant (hereinafter: the “**Surtax**”).

On August 5, 2013, the Law to Change National Priorities (Legislative Amendments for Reaching Budgetary Targets for 2013 and 2014), 5773-2013 (hereinafter: the “**Law to Change**”) was published in Book of Laws 2405. Among the changes determined within this Law, the corporate tax rate increased as of January 1, 2014.

(All of the amendments jointly shall be referred to as, for the purpose of this section below: the “**Amendment**”).

5.2. Based on the currently existing law, the offered securities are subject to the tax arrangements described in short below.

5.2.1. Capital Gains from the Sale of the Offered Securities

Pursuant to Section 91 of the Ordinance, real capital gains from the sale of securities by an individual residing in Israel is subject to tax at the marginal individual tax rate pursuant to Section 121 of the Ordinance, but at a rate that shall not exceed twenty five percent (25%), and the capital gains shall be considered as the highest stage in the ladder of taxable income. This excludes the sale of securities by an individual who is a “material shareholder” of a company, meaning: a holder, directly or indirectly, alone or together

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with others¹⁸, of ten percent (10%) or more of one or more of the means of control¹⁹ of a company – upon the sale of the securities or any point in the 12 months which preceded the sale as stated, with the tax rate regarding real capital gains thereby being in a rate which shall not exceed thirty percent (30%).

Additionally, regarding an individual who claims real interest expenses and linkage differentials for the securities, the capital gains from the sale of the securities shall be subject to tax at a rate of thirty percent (30%) until the determination of provisions and terms for the reduction of real interest expenses under Section 101a(a)(9) of the Ordinance. The reduced tax rate as stated shall not apply regarding an individual whose income from the sale of securities is considered “business” income, pursuant to the provisions of Section 2(1) of the Ordinance, in which case, the individual will be subject to marginal tax as set forth in Section 121 of the Ordinance.

In calculating the capital gains by an individual alone from the sale of securities denominated in foreign currency or which has a value linked to foreign currency, the inflationary amount shall consider, for the sake of the calculation, the currency rate as the index.

A body of persons shall be subject to tax on real capital gains from the sale of securities at the corporate tax rate (26.5% during 2014).

An exempt trust fund, as well as exempt provident funds and tax-exempt entities under Section 9(2) of the Ordinance, are exempt from tax for capital gains from the sale of securities as stated, pursuant to and subject to the terms of the section. The taxable income of a trust fund from the sale of securities shall be subject to the tax rate applicable to the income of an individual whose income does not constitute “business” or “occupational” income, unless expressly determined otherwise. Where no special tax rate is determined for the income, the income shall be subject to tax at the maximal rate set forth in Section 121 of the Ordinance.

Pursuant to Section 92 of the Ordinance, losses during the tax year that originate from the sale of the offered securities during the tax year and which, if they were capital gains would be subject to tax by the recipients, shall be offset against capital gains and land betterment, including profit from the sale of securities, traded or non-traded, Israeli or foreign, and against interest and dividends paid for the same securities or for other securities (provided that the tax rate applicable to the interest or dividends as stated shall not exceed the corporate tax rate of (26.5% during 2014), in the same tax year. Offsetting the losses shall be performed by way of offsetting the capital loss against capital gains or maximal income or from dividends as stated.

Under Section 94c of the Ordinance, in the sale of a share by a body of persons, the amount of dividend received for the share during the 24 months preceding its sale shall be reduced from the amount of capital loss created from the sale of the share (excluding dividends on which tax was paid (excluding tax paid outside of Israel) in a rate of fifteen percent (15%) or more), but no more than the loss amount.

With regard to the withholding of tax at source from the real capital gains in the sale of the offered securities, pursuant to Sections 164-243 of the Ordinance and the provisions

¹⁸ As this term is defined in Section 88 of the Ordinance.

¹⁹ As this term is defined in Section 88 of the Ordinance.

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of the Income Tax Regulations thereunder (The Reduction from Consideration, Payment of Capital Gains in the Sale of a Security, the Sale of A Unit in a Trust Fund or a Future Transaction), 5763-2002, where the seller owes (as this term is defined in the same Regulations) consideration in the sale of the securities to the seller, tax will be reduced in the amount of twenty five percent (25%) from the real capital gains when the seller is an individual, and at the corporate tax rate (26.5% during 2014) from the real capital gains when the seller is a body of persons. This is subject to the exemption confirmations (or a reduced amount) from the withholding of tax at source, and subject to offsetting losses which the withholder may perform at source. Additionally, tax at source will not be withheld for provident funds, trust funds and additional entities exempt from withholding tax at source under law.

If upon the sale date, all of the tax at source is not reduced from the real capital gains, the provisions of Section 91(d) of the Ordinance and the provisions thereunder shall apply, regarding reporting and paying an advance by the seller for the sale as stated.

As a rule, a foreign resident (individual or company), as defined in the Ordinance, is exempt from tax on capital gains from the sale of securities traded in stock exchange under Section 97(b2) of the Ordinance, if the capital gains are not in the fixed enterprise in Israel. However, the above shall not apply regarding a foreign company if Israeli citizens are controlling shareholders or beneficiaries thereof, or are entitled to 25% or more of the income or profits of the foreign company, directly or indirectly as stated under Section 68a of the Ordinance. In the case where the exemption as stated does not apply, the provisions of a tax convention (if any) between Israel and the state of residence of the foreign resident shall apply, subject to the prior delivery of suitable approval issued by the Tax Authority. Additionally, tax at source will not be withheld by a banking corporation or a stock exchange member to a foreign resident upon the fulfillment of certain conditions.

5.2.2. Tax Rate Applicable to Income from Dividends for Shares of the Company

Dividends arising from shares of the company shall be generally subject to tax by Israeli resident individuals – at a rate of twenty five percent (25%), excluding regarding an individual who is a material shareholder of a Company upon the receipt of the dividend or any date in the twelve preceding months, for which the tax rate shall be thirty percent (30%).

Since the Company is a Dutch company, generally, the tax rate on dividends by Israeli companies shall be the corporate tax rate (26.5%) during 2014); by a foreign resident (individual or company) which is not a material shareholder – at a rate of twenty five percent (25%), subject to the tax convention signed by the State of Israel regarding a foreign resident who is a material shareholder of a company upon the receipt of the dividend or any date in the previous 12 months, thirty percent (30%), subject to the tax convention signed by the State of Israel; by taxable trust fund – pursuant to the tax rates applicable to an individual. An exempt trust fund, and provident funds and other entities exempt from tax under Section 9(2) of the Ordinance, shall be exempt from tax for dividends as stated, provided that the income as stated does not constitute income from a “business” or “occupation”.

Notwithstanding the above, a dividend paid by the Company within the dividends received by an “approved enterprise” profits and/or a beneficiary enterprise and/or a

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preferred enterprise and/or especially preferred enterprise, as defined in the Law for the Encouragement of Capital Investments, 5719-1959 (hereinafter: the “Capital Investment Encouragement Law”), entitled to tax benefits under the law as stated, shall be subject, generally, to tax in a rate of 15%-20% both regarding individuals and a body of persons, including foreign residents (subject to the conventions to prevent double taxation which the State of Israel has signed).

The Company shall reduce the tax at source in the distribution of dividends, pursuant to the Income Tax Regulations (Withholding from Interest, Dividends and Certain Profits), 5766-2005 (hereinafter: the “Withholding Regulations”). Pursuant to the Withholding Regulations, the withholding of tax at source in the distribution of dividends to an Israeli individual and a foreign resident (individual or body of persons) for shares of the Company, including in a distribution as stated to a material shareholder of the Company on any date in the 12 preceding months and whose shares are registered and held in the Nominee Company, shall be in a rate of 25%. According to these Regulations, if dividends are paid to an Israeli individual and/or foreign resident for which a limited tax rate is set forth by law, the tax will be withheld based on the amount determined. Regarding a foreign resident, the withholding rate at source shall be subject to the provisions of a convention for the prevention of double taxation formed between the State of Israel and the country of incorporation of the recipient, and the receipt of prior consent from the Tax Authority.

Tax will not be withheld at source for payments to provident funds, trust funds and additional entities exempt from the withholding of tax at source under the law.

As of January 1, 2013, the withholding of tax at source from dividends paid by a body of persons to an Israeli resident whose shares are registered from trade in the stock exchange due to shares held in the Nominee Company shall be through a financial institution.

5.2.3. Receipt of a credit from Dutch tax withheld at source (see description of Dutch taxation below)

In accordance with the clarification of the Securities Authority dated July 8, 2014, a credit will be provided for the tax withheld at source in the Netherlands against the withholding of tax at source in Israel, through members of the stock exchange in Israel.

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5.3. Taxation in The Netherlands (Residents and Non-Residents)

This survey only relates to the main tax results in The Netherlands of purchasing, holding and selling shares. The purpose of the survey is not to describe all of the tax aspects which may be relevant to the specific shareholder (as defined below). Each potential investor must consult with his tax consultant to receive additional information about the tax results of purchasing, holding or selling shares under his private circumstances.

In any place where this survey makes use of terms and phrases in Hebrew it shall also relate to terms in Dutch, the meaning attributed to the said terms and phrases shall have the same meaning for similar terms in Dutch in the framework of the Dutch tax laws. In any place when this survey makes use of the terms “The Netherlands” and “Dutch”, these shall only refer to the European part of The Netherlands (the Kingdom of the Netherlands). This survey is based on the assumption that the company is organized and that its business will be handled in the manner described in this registration document. A change to the organizational structure of the company or the manner in which it handles its business may terminate the validity of the contents of this survey, which shall not be updated in order to reflect any change as stated.

This survey is based on the Dutch tax laws (not including non-published case law) which are correct as of the publication date of this registration document. The tax laws upon which this survey is based are subject to changes, which may occur after the fact. Any such change may terminate the validity of the contents of this survey, which shall not be updated in order to reflect any change as stated.

This survey was written under the assumption that any transaction connected to the shares was performed in accordance with the market conditions.

In any event where in this Section 5.3 there shall be a reference to a “shareholder”, this term shall include, without limit:

1. The owner of one or more shares, which in addition to the ownership of that share/those shares, has a financial link to the share/s as stated;
2. A person or entity with a financial link to one or more shares;
3. A person or entity who have a link to an entity, for example, but are not limited to a partnership or trust fund, transparent for tax purposes in The Netherlands and whose assets include one or more shares, as they are defined in Sections 1 or 2 above; or
4. A person considered as the owner of a link to shares, according to the reference thereto within Sections 1 to 3, according to the reference rules of Section 2.14a of the Dutch Income Tax Law of 2001 (Wet inkomstenbelasting 2001), in relation to separated property, such as a trust or fund.

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5.3.1. Taxes on Income and Capital Gains

5.3.1.1. **Shareholders who are residents**

General

The survey brought in this Section “taxes on income and capital gains – shareholders who are residents” refers only to a shareholder who is an “individual resident of The Netherlands” or a “Dutch resident corporation”.

For the purposes of this Section, a shareholder is an “individual resident of The Netherlands” if they meet all of the following conditions:

- (A) Is an individual;
- (B) Is a resident, or considered a resident of The Netherlands for income tax purposes or chose to be considered a resident of The Netherlands for income tax purposes; (commencing in January 2015, the ability to choose to be considered a resident for tax purposes in The Netherlands was terminated).
- (C) Any of his shares or benefits derived from or considered to have been derived from them are not connected to his past, present or future employment, if at all; and
- (D) His shares do not constitute part of a substantial matter (aanmerkelijk belang) nor are they considered part of a substantial matter in the company, according to the meaning of the term in Chapter 4 of the Dutch Income Tax Law of 2001 (Wet inkomstenbelasting 2001).

As a rule, if a person has a personal interest in the company that would constitute part of a substantial matter, or considered a substantial matter (as described in condition D above) in the company if any of the following circumstances is true:

1. A person as stated – alone or, in the event of an individual, together with his partner (partner – for tax purposes in The Netherlands in accordance with Section 5a of the General Tax Ordinance (Algemene wet inzake rijksbelastingen) and Section 1.2 of the Dutch Income Tax Law of 2001 (Wet inkomstenbelasting 2001), if existing, or according to Section 2.14a of the Dutch Income Tax Law of 2001 (Wet inkomstenbelasting 2001) – is holding or considered to be holding, directly or indirectly, a number of shares representing five percent or more of the total issued and paid share capital (or of the issued and paid share capital of each type of share) of the company, or rights to, directly or indirectly, purchase shares, either already issued or not, representing five percent or more of the total issued and paid share capital (or the issued and paid share capital of each type of share) of the company, or profit participation

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certificates (winstbewijzen) relating to five percent or more of the annual profit of the company or five percent or more of the proceeds from the liquidation of the company.

2. The shares, profit participation certificates or rights to purchase shares in the company of the said person are held thereby or considered to be held thereby after the implementation of the non-recognition provision. A conceptual substantial matter is created when a substantial matter (or part thereof) in the company was transferred or considered to be transferred on a non-recognition basis.
3. The partner of the said person or any of his relatives through blood or marriage of the first degree (including adopted children) or his partner's blood or marriage relatives from the first degree (including adopted children) holding a substantial link (as described in 1 and 2 above) in the company.

If the holder of shares is an individual (in accordance with condition A above) and complies condition B, but does not comply with condition C and/or D, his status in regards to the Dutch income tax is not discussed in this registration document. If the holder of shares is an individual (in accordance with condition A above) but does not comply with condition B (but does comply with condition C and/or D), please review the section "Taxes on Income and Capital Gains – Holders of Shares who are not Residents".

For the purposes of this Section, a holder of shares is considered a "Dutch resident corporation" if it complies with the following conditions:

1. It is a corporation (lichaam), including a fund or association subject to taxes as a corporation, subject to corporate tax in The Netherlands in relation to the profits derived from its shares;
2. It is a resident, or considered a resident, in The Netherlands, for the purposes of the Dutch corporate tax;
3. It is not an entity which, despite the fact that, principally, it would be subject to corporate tax in The Netherlands, it is, fully or partially, exempt specifically from this tax; and
4. It is not an investment institution (beleggingsinstelling) as defined in Section 28 of the Dutch Corporate Tax Law of 1969 (Wet op de vennootschapsbelasting 1969).

If the holder of shares is not an individual and does not comply with one or more of these conditions, excluding condition 2 (meaning, condition 1 and/or 3 and/or 4) its status for corporate

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tax purposes in The Netherlands is not being discussed in this registration document. If the holder of shares is not an individual that does not comply with condition 2, please review the Section “Taxes on Income and Capital Gains – Holders of Shares who are not Residents”.

Individual residents of The Netherlands producing profits or considered as producing profits from a venture

Any profits produced or considered to be produced by an individual resident of the Netherlands from shares, including capital gains exercised by the sale of the said shares, which may be related to a venture that the individual resident of the Netherlands is financing, as stated, and is producing profits, whether as an entrepreneur (ondernemer) or according to joint entitlement to the net value of the venture, excluding as a shareholder, are generally subject to income tax in the Netherlands, at progressive rates (up to 52%).

Individuals from the Netherlands producing profits from other operations

Any profits produced or considered to be produced by an individual resident of the Netherlands from shares, including capital gain exercised by the sale of the said shares, constituting profits from various operations (resultaat uit overage werkzaamheden), are generally subject to income tax in the Netherlands, at progressive rates (up to 52%).

An individual resident of the Netherlands, may, among other things, produce, or be considered to produce, profits from shares subject to tax as profits from various operations under the following circumstances:

- A. If his investment activity is beyond the activity of an active investor in an investment portfolio, for example in the case of using inside information (voorkennis) or similar means of unique information; or
- B. If any profits produced from his shares, whether held directly or indirectly, are meant, entirely or partially, to constitute consideration for operations performed thereby or by another person who is a connected person to him, for the benefit of the company, in accordance with his intention in Section 3.92b, paragraph 5 of the Income Tax Law of the Netherlands of 2001 (Wet inkomstenbelasting 2001).

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Other individuals from the Netherlands

If the holder of shares was an individual from the Netherlands whose status was not discussed above in this chapter “Taxes on Income and Capital Gains – Holders of Shares who are not Residents”, the profits from his shares will be subject to tax every year as profits from savings and investments (voordeel uit sparen en beleggen). The said profit is considered profit at an amount of four percent annually from his “base yield” (rendementsgrondslag), which was determined as a rule at the beginning of the year, if the said base yield exceeds the “sum of exempt net assets” (heffingvrij vermogen) for the relevant year. The profit is subject to tax at a rate of 30 percent. The value of his shares constitutes a part of his base yield. The profits in practice derived from his shares, including any profit exercised from the sale of the said shares, is not considered like those subject to income tax in the Netherlands.

In the event where the purchase of the shares was financing by a loan taken under market conditions, the value of the loan denominated at the beginning of the year may be less, under certain conditions, than the “base yield”. The interest on this loan is not permitted to be deducted for the purposes of income tax for individuals by the shareholder.

Reference rule

Profits derived, or considered to have been derived, from profits derived from certain various operations, by a child or adopted child whose age is less than eighteen years, and the base yield for the profits from the savings and investments of a child or adopted child whose age is less than eighteen years, are related to the parent or parents to which authority over the child is granted, regardless of the country of residence of the child.

Dutch Corporations

Any benefits issued or considered to be issued by the corporation that is a resident of the Netherlands from shares, including any profit exercised from their sale, are generally subject to corporate tax in the Netherlands, excluding if the profits are exempt in the framework of a participation exemption as determined in the Corporate Tax Law of the Netherlands of 1969 (Wet op de vennootschapsbelasting 1969).

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5.3.1.2. Non-resident holders of shares

The survey brought in this section “Taxes on Income and Capital Gains – Holders of Shares who are not Residents” only relates to the holder of shares which is a holder of shares that is not a resident.

For the purposes of this section, a holder of shares is a “holder of shares who is not a resident” if it complies with the following conditions:

- (A) It is not a resident, and is not considered a resident, of the Netherlands for income tax purposes or corporate tax in the Netherlands, as applicable, and if it is an individual, he did not choose to be considered as a resident of the Netherlands for income tax purposes in the Netherlands;
- (B) His shares and the profits derived or considered to have been derived therefrom are not connected to his business or employment in the board of directors (bestuurder) or in the supervising council (commissaris) in a Dutch corporation in the past, present or future;
- (C) His shares do not constitute part of a substantial matter or something considered a substantial matter in the company as defined in Chapter 4 of the Income Tax Law of the Netherlands of 2001 (Wet inkomstenbelasting 2001), unless the said matter constitutes part of the assets of the corporation; and
- (D) If it is not an individual, no part of the profits derived from its shares is exempt from corporate tax in the Netherlands in the framework of the participation exemption as determined in the Income Tax Law of the Netherlands of 1969 (Wet op de vennootschapsbelasting 1969).

For a description of the circumstances in the framework of which shares constituting part of a substantial matter or something considered a substantial matter in the company, see the Section “Taxes on Income and Capital Gains – Holders of Shares who are Residents”.

If the holder of shares complies with condition A, but does not comply with one or more of conditions B, C and/or D, the income tax or corporate tax aspects therefor in the Netherlands, as applicable, will not be discussed in this registration document.

A non-resident holder of shares shall not be subject to any tax in the Netherlands for income or capital gains (excluding withholding tax on a dividend as described below) in relation to any profits derived or considered to have been derived from its shares, including a capital gain exercised on their sale, unless:

1. He is producing profits from the venture directly, or according to joint entitlement to the net profits from the said venture, not as a holder of

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shares, if he is an individual, or not as a holder of securities if it is not an individual, and the said venture is conducted in the Netherlands or performed, entirely or partially, via a fixed office or representative in the Netherlands, and its shares may be attributed to the said venture; or

2. He is an individual and producing profits from his shares that are subject to tax as profits from 'various' operations in the Netherlands.

For a description of the circumstances in the framework of which the profits derived from shares may be subject to tax as profits from 'various' operations', while understanding that the said profits will be subject to tax in the Netherlands only if the said operations are performed or considered to have been performed in the Netherlands, see the Section "Taxes on Income and Capital Gains – Holders of Shares who are Residents".

Reference Rule

Profits produced, or considered as profits produced from certain 'various' operations, by a child or adopted child whose age is less than eighteen years, are related to the parent or parents to which authority over the child is granted, regardless of the country of residence of the child.

5.3.2. Withholding Tax at Source on a Dividend

5.3.2.1. **General**

The Company is generally subject to withholding tax at source on a dividend in the Netherlands, at a rate of 15%, from the dividends distributed thereby.

The term, "dividends distributed by the Company" as used in this Section 5.3.2 includes (but is not limited to) the following:

- (A) Distributions of cash or in kind, distributions considered and implied and capital returns not recognized as repaid for the purposes of withholding tax on the dividend in the Netherlands;
- (B) Proceeds from liquidation and proceeds of a repurchase or redemption of shares exceeding the average capital recognized as repaid for purposes of withholding tax on the dividend in the Netherlands;
- (C) The par value of the shares issued by the company to the holder of shares or the amount of the par value of the shares, as applicable, as long as it is not considered a donation, that is recognized for the purposes of withholding tax on the dividend in the Netherlands that was performed or to be performed; and
- (D) A partial return of capital, recognized as repaid for the purposes of withholding tax on the dividend in the Netherlands, if and as long as there are net profits (zuivere winst), unless (a) the general assembly of shareholders in the company decided in advance to perform the said

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return and (b) the par value of the shares at the subject of the matter reduced by an equal amount by way of amending the company's articles of association.

5.3.2.2. Individual residents of the Netherlands and Netherland corporations

The Company may request a full or partial relief from withholding tax at source on dividends in the Netherlands on dividends distributed thereby to a non-individual resident shareholder, provided that one or more of the following conditions are met by the non-individual shareholder:

- a. Upon the distribution of the dividends by the Company, it holds shares representing at least five percent of the paid up share capital of the Company;
- b. It holds shares representing at least five percent of the paid up share capital of the Company during a consecutive period of at least one year during the four years that preceded the date on which the dividends were distributed by the Company.
- c. The recipient of the dividends is related to the Company in the framework of that which is referred to in Section 10a, para. 4 of the Dutch Corporate Tax Act of 1969 (Wet op de Vennootschapsbelasting 1969); or
- d. The recipient of the dividends is an entity related to it in the framework of that which is referred to in Section 10a, para. 4 of the Dutch Corporate Tax Act of 1969 (Wet op de Vennootschapsbelasting 1969), and holds on the date on which the dividends are distributed by the Company shares representing at least five percent of the nominal and paid up share capital of the Company;
- e. The recipient of the dividends does not perform activities similar to that of an investment institution (beleggingsinstelling), as defined in Section 6a or Section 28 of the Dutch Corporate Tax Act of 1969 (Wet op de Vennootschapsbelasting 1969).

In the event that any of the said conditions are not met, the Company is required to withhold tax at source in the Netherlands at a rate of 15% of the dividends distributed thereby.

A Netherlands individual resident (excluding an individual who has decided to be considered a resident of the Netherlands for the purpose of Netherlands income tax) or a Netherlands resident corporation may generally credit the tax at source on dividends in the Netherlands that were withheld against the income tax obligation or corporate tax

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obligation in the Netherlands, as applicable, as is generally entitled to a fund, in the form of a negative assessment, of income tax or corporate tax in the Netherlands, as applicable, as long as the aforesaid tax at source on the dividends, together with any local and/or other foreign tax for credit, exceeds the aggregate income tax or corporate tax obligation in the Netherlands, as applicable.

In accordance with the local regulations designed to prevent dividend stripping, withholding tax at source on dividends in the Netherlands may only be credited by or only may be returned to a holder of equitable rights (uiteindelijk gerechtigde) for dividends distributed by the company. A holder of shares who receives receipts as stated will not be recognized as a holder of equitable rights to these receipts if, in the context of the receipt of the receipts, it provides consideration in the framework of a complex transaction, including but not only the purchase of one or more dividend payments or the creation of short-term beneficiary rights on shares (kortlopende genotsrechten op aandelen) while it can be assumed that (1) receipts as stated in full or in part, directly or indirectly, will be beneficial to a person who was not entitled to an exemption from withholding tax at source on dividends, to a reduction or refund, or a credit for it, or was entitled to a reduction or refund or credit that is lower than that actually received of the receipts; and (2) a person as stated acquires or maintains, directly or indirectly, possession of shares or similar financial instruments that are equivalent in value to its holdings in shares before the date on which the complex transaction began to be formed.

An individual who is not a resident or considered to be a resident in the Netherlands, but chooses to be considered a resident of the Netherlands for the purpose of Netherlands income tax, may be entitled to leniencies in the withholding of tax at source on dividends in the Netherlands under the same conditions applicable to an individual who is a non-resident shareholder, as will be discussed below.

For a note on the term “dividends distributed by the company,” see Section 5.3.2.1 above, “**General**”.

For a note on the terms “Netherlands individual resident” and “Netherlands resident corporation,” see Section 5.3.1.1 above – “**Non-Resident Shareholder**”.

Leniencies

If a non-resident holder is a resident in the non-European part of the Kingdom of the Netherlands (Holland) or a country that has a convention for the prevention of double taxation with the Netherlands, the issuer of the share as stated may be entitled to full or partial relief on withholding tax at source on dividends in the Netherlands, provided that the request to receive the relief is made lawfully and on time. In accordance with the

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local regulations to prevent dividend stripping, relief in withholding tax at source on dividend is only available to the holder of an equitable right to dividends that were distributed by the company. The position of the tax authorities in the Netherlands is that the ownership test of the equitable right as stated may also serve to prevent relief on withholding tax at source from dividends in the framework of the double taxation treaties and the tax arrangement for the Kingdom (Belastingregeling voor het Koninkrijk).

In addition, the Company is eligible to an exemption from withholding tax at source in the Netherlands on dividend in cases in which dividends are distributed to a non-resident shareholder who is not an individual if the holder of the shares meets the following conditions:

1. In accordance with the tax laws of a member state of the European Union or a state appointed by ministerial decree, which is party to an agreement regarding the European Economic Area, it is a resident there and is not transparent for tax purposes in accordance with the tax laws of the same state;
2. It complies with one or more of the following preconditions:
 - a. On the date on which the dividends were distributed by the Company, it held shares representing at least five percent of the nominal paid up share capital of the Company.
 - b. It holds shares representing at least five percent of the nominal paid up share capital of the Company during a consecutive period of more than one year each time during the four years that preceded the date on which the dividends were distributed by the Company.
 - c. It is related to the Company in the framework of that which is referred to in Section 10a, para. 4 of the Dutch Corporate Tax Act of 1969 (Wet op de Vennootschapsbelasting 1969); or
 - d. An entity related to it in the framework of that which is referred to in Section 10a, para. 4 of the Dutch Corporate Tax Act of 1969 (Wet op de Vennootschapsbelasting 1969) holds on the date on which the dividends are distributed by the Company shares representing at least five percent of the nominal and paid up share capital of the Company;
3. It is not considered a foreign resident for member states of the European Union or the states appointed by ministerial order, as they are party to an agreement regarding the European Economic

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Area in the framework of the conditions of the double taxation treaty signed with a third country, and

4. It does not perform activities similar to that of an investment institution (beleggingsinstelling), as defined in Section 6a or Section 28 of the Dutch Corporate Tax Act of 1969 (Wet op de Vennootschapsbelasting 1969).

The exemption from withholding tax at source on dividends is not available if in accordance with the provisions for the prevent of fraud or misuse included in the double tax treaty between the Netherlands and a the state of residency of the holder of the non-resident shareholder, the holder as stated is not entitled to a reduction of the tax on dividends set forth in the aforesaid treaty. In addition, the exemption from withholding tax at source on dividends is only available to the holder of the equitable right to dividends distributed by the Company. If a non-resident shareholder is a resident of a member state of the European Union with which the Netherlands has signed a double taxation treaty that includes a reduction provision of the tax on dividends on the basis of ownership of a specific number of voting rights, a holder as stated will meet the condition in the framework of 2a above, if it holds five percent of the voting rights in the company.

Credit

If a non-resident holder of shares is subject to income tax or corporate tax in the Netherlands with respect to profits generated or that are considered as being generated from its shares, including capital gains that are exercised due to their same, it may generally receive a credit for the tax withheld at source on the dividends in the Netherlands against the income tax or corporate tax obligation in the Netherlands, as applicable, as is generally entitled to a refund based on a negative assessment, if the withholding of tax at source the dividends, together with any local and/or other foreign tax for credit exceeds the aggregate income tax or corporate tax obligation in the Netherlands, respectively.

For a note on the term “holder of an equitable right,” see Section 5.3.2.2 above, “**Individual Residents of the Netherlands and Netherland Corporations**”.

For a note on the term “dividends distributed by the company,” see Section 5.3.2.1 above, “**General**”.

For a note on the term “non-resident shareholder,” see Section 5.3.1.2 above.

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For a description of the circumstances in the framework of which a non-resident shareholder is subject to income tax or corporate tax in the Netherlands, see Section 5.3.1.2 above.

Tax on gifts and inheritance tax

If a shareholder sells shares by way of a gift, in form or nature, or if an individual shareholder is deceased, tax will not apply to the gifts or inheritance in the Netherlands, as applicable, unless:

1. The grantor is or deceased was a resident or considered a resident of the Netherlands for the purposes of tax on gifts or inheritance tax in the Netherlands, as applicable; or
2. The grantor grants shares as a gift and later became a resident or considered a resident of the Netherlands, and was deceased as a resident or as a person considered to be a resident of the Netherlands during a period of 180 days from the date of the gift.

For the purposes of the above, a gift of shares provided subject to a pre-condition (opschortende voorwaarde) is considered a gift granted on the date on which the precondition was fulfilled.

5.3.3. Taxes and other fees

Registration tax, transfer tax, stamp duties or any other similar documentary tax or fee, excluding court fees, do not apply in the Netherlands to a shareholder with respect to or in connection with (1) an order, issuance, allocation, attribution, delivery of shares, (2) delivery and/or enforcement by way of legal proceedings (including enforcement of a foreign judgment of the courts of the Netherlands) of the documents related to the issuance of shares or the fulfillment by the Company of the obligations in the framework of documents as stated or (3) the transfer of shares.

5.4. **The tax implications in the Netherlands pursuant to the convention for the prevention of double taxation and the prevention of tax evasion between the State of Israel and the Kingdom of the Netherlands (hereinafter: the “Tax Convention Between Israel and the Netherlands” or the “Tax Convention”).**

5.4.1. The tax implications in the Netherlands on a shareholder who is an individual resident of Israel are as follows:

5.4.1.1. The distribution of dividends to a shareholder who is an individual Israeli resident shall be subject to the withholding of tax at source in the Netherlands at a rate of 15%.

5.4.1.2. Pursuant to the provisions of Section 15 of the Tax Convention Between Israel and the Netherlands, gains from the sale of the shares by an Israeli individual resident shall be subject to tax in Israel only, unless the gains arise from the transfer of “jouissance” shares or “jouissance” rights in a company whose capital, in whole or in part, is divided into shares, and is a

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resident of the Netherlands, provided that the shares of rights are the property of an individual resident of Israel, and

- (1) Is a citizen of Israeli without being a citizen of the Netherlands;
- (2) Was a resident of Israel for the five years preceding the transfer of jouissance shares or jouissance rights;
- (3) Owned, for the same period, directly or indirectly, alone or together with a spouse and other family relatives, at least one third, and alone or together with a spouse, more than 8 percent, of the paid

5.4.2. The tax implications in the Netherlands of a shareholder who is an Israeli resident company are as follows:

5.4.2.1. The distribution of dividends to a shareholder who is a resident of Israel shall be subject to the withholding of tax at source in the Netherlands at a rate of 15%, unless the shareholder company holds at least 25% of the capital of the company distributing the dividends. In such a case, the tax rates shall be:

- (1) 10 percent of the gross amount of the dividends, where the dividends are paid from profits which, under the provisions of Israeli law regarding investments in Israel, are exempt from tax or subject to tax at a rate which is lower than the ordinary rate imposed on profits of Israeli companies.
- (2) 5 percent of the gross amount of the dividends in other cases.

5.4.2.2. Pursuant to the provisions of Section 15 of the Tax Convention between Israel and the Netherlands, profit from the sale of the shares by the Israeli company shall be subject to tax in Israel alone.

The general description above does not constitute a replacement for individual counsel by experts, considering the unique circumstances of each investor. It is recommended that each party seeking to acquire shares seek professional advice in order to clarify the tax results that would apply considering its unique circumstances.

6. Comparison of various issues in Dutch law and Israeli law

The following is a general and non-exhaustive description of issues in Israeli law and issues in Dutch law that apply to "a limited liability Dutch public company" (*naamloze vennootschap*, under Dutch law). This description does not purport to be an exhaustive description or authorized interpretation of the law and is not a substitute for professional advice.

6.1. Not Subject to Companies Laws in Israel

The Company was incorporated and registered outside Israel pursuant to Dutch law, and was not incorporated pursuant to the provisions of the Companies Ordinance [new version], 1983 (hereinafter: the "Companies Ordinance") or the provisions of the Companies Law, 5759-1999 (hereinafter: the "Companies Law"). In light of the above, the Company is not subject to corporate law in Israel, and the Company does not adopt provisions under the Companies Law. The Company is subject to Dutch law, including

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article 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch financial supervision law (*Wet op het financieel toezicht*), including with respect to insolvency of the Company, in which case the Company will be subject to the Dutch insolvency law (*Faillissementswet*). The reports of the Company in Israel are made in accordance with the provisions of Chapter E3 of the Securities Law, 5728-1968.

6.2. Comparison of a Number Of Company Law Issues - Provisions of Dutch Law and Israeli Law

For the reader's convenience, set forth below is a table comparing various issues in Dutch law and Israeli law. For further details, please see Sections 6.2.1-6.2.27 below. For details regarding enforcement of foreign judgments in the Netherlands, see Section 6.2.24 below. For details regarding jurisdiction see Section 6.2.25 below. For reference to the law applicable in case of contradiction between the companies laws in the Netherlands and the Securities Law in Israel, see Section 6.2.26 below. For a description of a number of issues in Dutch law that apply to companies traded on a regulated market within the European Union, see Section 6.2.27 below.

As part of the review of the provisions of Dutch law, reference is made to the recommendations of the Dutch corporate governance code (hereinafter: the "**Corporate Governance Code**"). For further information about the Corporate Governance Code see Section 6.2.23 below.

Section in registration document	Issue	Israeli law	Dutch law	Comments
6.2.1	Incorporation	<p>A company exists as of the date of incorporation listed in the certificate of incorporation and until the incorporation expires as a result of the winding up of the Company. The certificate of incorporation is a certificate signed by the Companies Register in Israel, indicating the registration of the Company and constituting absolute evidence that all of the requirements under the Companies Law have been fulfilled with regard to the registration and any other matter that is a condition thereto.</p> <p>For additional details in this regard, see Section 6.2.1 below.</p>	<p>Incorporation is performed by the execution of a notarial deed of incorporation (<i>akte van oprichting</i>) before a Dutch civil law notary (<i>notaris</i>) (it shall be noted that prior to 1 July 2011, incorporation was possible only after receiving the Ministry of Justice's approval in the Netherlands that he has no objection to the company's establishment). Based on Dutch law, the company exists from the minute of the execution of the notarial deed of incorporation as stated above.</p> <p>For additional details in this regard, see Section 6.2.1 below.</p>	-
6.2.2	Share buyback	<p>Purchase by a company of its own shares and/or securities convertible into or exercisable for the company's shares are subject to the provisions of the Seventh Part, Chapter Two of the Companies Law (Maintaining and Distributing Capital). If the company purchases its own shares and/or securities that are convertible into or exercisable</p>	<p>A purchase by the company of its own shares and/or securities convertible into or exercisable for the company's shares is permitted, subject to the requirement established in Dutch law (which includes the approval of the general meeting of the company's shareholders). Based on Dutch law, shares that are</p>	<p>For details regarding the provisions of the Company's Articles in this regard, see Section 3.6 above.</p>

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>for the Company’s shares, it may cancel them. If the company does not cancel shares as stated, the shares will not grant it any rights as long as they are held by the Company (hereinafter: “Treasury Shares”). If the Company does not cancel securities convertible into shares as stated, the Company may resell them, convert them to shares or exercise them in consideration for shares. Shares that have been converted or exercised as stated above will be Treasury shares as long as they are held by the Company.</p> <p>For additional details in this regard, see Section 6.2.2 below.</p>	<p>purchased by the company or by its subsidiaries do not vest voting rights and, if so provided in the company’s articles of association, also do not grant any right to receive dividends.</p> <p>For additional details in this regard, see Section 6.2.2 below.</p>	
6.2.3	The company's management	<p>A management structure in which the board of directors delineates the company's policy and supervises the implementation thereof and the performance of the CEO’s roles and actions.</p> <p>For additional details in this regard, see Section 6.2.3 below.</p>	<p>A two-tier management structure comprised of a managerial board and a supervisory board, or a one-tier management structure with executive and non-executive directors.</p> <p>For additional details in this regard, see Section 6.2.3 below.</p>	<p>The Company has a one-tier managerial structure – a board of directors comprised of executive directors and non-executive directors [verify]. For details regarding the provisions of the Company’s Articles in this regard, see Section 3.10 above²⁰.</p>

²⁰ In this document, regarding a board of directors with one composition (similar to that of a company) – in general, when the term “managing board of directors” is used in the framework of the description of the law in the Netherlands, the intent is to the entire board of directors of the Company, and when the term “supervisory

Section in registration document	Issue	Israeli law	Dutch law	Comments
6.2.4	External directors	<p>The Companies Law sets forth an obligation to appoint two external directors in a public company, as this term is defined in the Companies Law, while at least one of them has accounting and financial expertise, as this term is defined in the Companies Regulations (Terms and Tests for a Director with Accounting and Financial Expertise and a Director with Professional Fitness), 5766-2005 (hereinafter: the “Fitness Regulations”), and the remaining directors must have professional fitness, as this term is defined in the Fitness Regulations. A candidate for serving as an external director must meet the conditions of fitness as defined in the Companies Law which are designed primarily to maintain the independence of the external director.</p> <p>For additional details in this regard, see Section 6.2.4 below.</p>	<p>Dutch law does not contain any reference to the term “external director”, and therefore it is not possible to appoint external directors in the Company. According to the Corporate Governance Code, it is recommended that every non-executive member of the Board, except one, will be an independent director. If this is not the case, there is an obligation to submit an explanation in the company’s annual corporate governance statement which forms an integral part of the annual report.</p>	<p>As of this date, there are six non-executive directors of the Company, of which three are independent, and one executive director.</p>

board of directors” is used in the framework of the description of the law in the Netherlands, the intent is, in the appropriate cases, to directors who are not executive directors of the Company.

Section in registration document	Issue	Israeli law	Dutch law	Comments
6.2.5	Independent Directors	<p>The recommended provisions of corporate governance set forth in the Companies Law provide that a public company may determine in its articles that the rate of independent directors serving therein will be as follows: (a) in a company that does not have a controlling shareholder or a person who holds a controlling block (hereinafter in this section: a “Controlling Shareholder”), the majority of the members of the board will be independent directors; (b) in a company that does have a Controlling Shareholder, at least one third of the members of the board will be independent directors. For additional details in this regard, see Section 6.2.5 below.</p>		
6.2.6	Internal auditor	<p>The Companies Law provides that the board of directors of a public company will appoint an internal auditor, based on the suggestion of the company’s audit committee. Based on the provisions of the Companies Law, the internal auditor will examine, inter alia, the correctness of the actions of the</p>	<p>There is no reference in Dutch law to an internal auditor "institution" as opposed to an internal audit division, as customary in large companies. It should be noted that the Corporate Governance Code recommends the appointment of an internal auditor who will</p>	<p>The Company has appointed a quality control regulator, who, in practice, functions as an internal auditor.</p>

Section in registration document	Issue	Israeli law	Dutch law	Comments
		company from the perspective of compliance with the law and managing business in the proper manner. For additional details in this regard, see Section 6.2.6 below.	operate under the power of the managerial board. For additional details in this regard, see Section 6.2.6 below.	
6.2.7	Audit committee	The Companies Law provides that the board of directors of a public company will appoint from its members an audit committee. There will be no less than three members of the audit committee, all of the external directors will be members and the majority of its members will be independent directors. The role of the audit committee is set forth in the Companies Law. For additional details in this regard, see Section 6.2.7 below.	An audit committee “institution” is required under Dutch law. The members of the audit committee must include only non-executive directors, of which at least one director is independent. At least one of the members of the audit committee must have accounting and financial expertise. For additional details in this regard, see Section 6.2.7 below.	The Company has appointed an audit committee, which will operate as customary in the Netherlands, and not pursuant to the provisions of Israeli law.
6.2.8	Remuneration committee	The Companies Law provides that the board of directors of a public company will appoint a remuneration committee from its members. There will be no less than three members on the remuneration committee, all of the external directors will be members thereof	The Dutch Civil Code does not require the appointment of a remuneration committee. Nevertheless, the Corporate Governance Code recommends, if there are over four non-executive directors, the appointment of a remuneration	The Company has a remuneration committee.

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>and will be the majority of its members, while the remaining members will be directors whose terms of service and employment have been determined in accordance with the provisions of the Companies Law. The function of the remuneration committee is set forth in the Companies Law, and includes: (a) a recommendation to the board of directors of the remuneration policy for officers as well as to recommend updates from time to time and review its application, and (b) to decide whether to approve transactions regarding the terms of service and employment of officers requiring the approval of the remuneration committee, in accordance with the provisions of the Companies Law. For additional details in this regard, see Section 6.2.8 below.</p>	<p>committee from among the non-executive directors of the Company. The recommendation is applied on the basis of “comply or explain.” For additional details in this regard, see Section 6.2.8 below.</p>	
6.2.10	Distribution of dividends	<p>The distribution of a dividend is governed by the laws applicable to a permitted distribution as detailed in the Companies Law. For additional details in this regard,</p>	<p>According to Dutch law, dividends may be distributed in accordance with the terms and conditions prescribed in law and the articles of association of the</p>	<p>For details regarding the provisions of the Company’s Articles on the distribution of dividend, see Section 3.5.1 above.</p>

Section in registration document	Issue	Israeli law	Dutch law	Comments
		see Section 6.2.10 below.	relevant company, which are not identical to those detailed in the Israeli Companies Law. For additional details in this regard, see Section 6.2.10 below.	
6.2.11	Transactions with related parties and conflicts of interest.	Transactions with interested parties and officers of the Company require special approval processes, as set forth in Chapter Five of Part Six of the Companies Law. For additional details in this regard, see Section 6.2.11 below.	There are not special approval proceedings for transactions with interested parties. For additional details in this regard, see Section 6.2.11 below.	Specific related party provisions apply pursuant to the listing rules of the London Stock Exchange.
6.2.12	Exemption, indemnity and insurance	A company may not exempt an office holder therein from his liability for a breach of his duty of fidelity to it, but may exempt an officer from a breach of the duty of care (excluding following a breach of the duty of care in a distribution), according to the provisions of the Companies Law. A company may also insure the liability of its office holder or to indemnify him according to the provisions of the Companies Law. For additional details in this regard, see Section 6.2.12 below.	In Dutch law there are no restrictions on insurance or indemnity of members of the managerial board or members of the supervisory board against third party claims, except in cases of fraud or malicious inappropriate conduct (opzet of grove schuld). Nevertheless, the law in the Netherland prevents the prior indemnification of directors or the prior exemption of directors from liability vis-à-vis the Company. It is customary to insure members of the managerial board and	The Company's Articles include a provision regarding the grant of indemnification to the members of the board as set forth on pages 187-188 of the Company's prospectus dated May 27, 2014 (reference no.: 2014-02-073563) (hereinafter: the " Prospectus "). The Company has engaged in indemnification agreements with members of the board and the senior management. For a description of these agreements, see pages 193-194 of the Prospectus. Furthermore, the

Section in registration document	Issue	Israeli law	Dutch law	Comments
			<p>supervisory board and, in addition to or in lieu of the insurance as stated, to indemnify them. This is also the law with respect to members of the board of directors in a single-tier managerial structure. However, the general meeting of shareholders may grant specific release as stated, on the basis of information provided from the Company.</p> <p>For additional details in this regard, see Section 6.2.12 below.</p>	<p>Company's Articles do include a provision with regard to the passing of a resolution by the general meeting of shareholders, after adoption of the annual financial statements, with regard to releasing members of the board from their liability <i>vis-à-vis</i> the Company based on the information submitted to the general meeting beforehand or appearing from the annual financial statements.</p>
6.2.13	Terms of office and employment of directors and officers	<p>The board of directors of a public company will determine a policy with regarding to the terms of service and employment of officers of the company (hereinafter: the "Remuneration Policy"), after considering the recommendation of the remuneration committee of the company in this regard. Based on Israeli's law, the remuneration policy requires the approval of a meeting of shareholders of the company with a special majority as set forth in Section 267a(b) of the Companies Law (excluding an</p>	<p>According to the Dutch law, the Company must have a remuneration policy (<i>beleid op het terrain van bezoldiging van het bestuur</i>). The requirements in this regard are described below under the Section of "Remuneration Policy." The fees of directors serving on the managerial board or the supervisory board of a company and the conditions of their service and employment will be determined by the general meeting of shareholders of such</p>	<p>The Articles of the Company stipulate that the general meeting of the Company's shareholders will determine the principles of the remuneration policies and the other terms of office and employment with respect to members of the board. The salary, bonus and any other type of remuneration for members of the board, if any, while properly maintaining the provisions of the remuneration policy, will be determined by the board subject to an executive director not</p>

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>exempt Remuneration Policy in accordance with the leniencies set forth by law), and is effective for a period of three years.</p> <p>In addition, the Fifth Chapter of the Sixth Part of the Companies Law provides a number of interested party transactions, including regarding the terms of office and employment of the company's officers and controlling shareholders, requiring special approval processes, provided that the transactions as stated are for the benefit of the company.</p> <p>For additional details in this regard, see Section 6.2.13 below.</p>	<p>company, unless the articles of the company appoint for this purpose another corporate body, while taking into account the remuneration policy principles. An identical law applies regarding members of the executive board and non-executive board in a single-tier management structure. The articles of association of a company may set forth that the general meeting of shareholders approves only the salary policy of the members of the board, while the specific salary of every executive director will be set by another corporate body. In the case of a board of directors with a single-tier corporate structure, members of the executive board of directors may not participate in the process of making decisions regarding salary as members of the executive board. It should be noted that it is not possible to restrict the authority of the general meeting of shareholders of the company to</p>	<p>taking part in making resolutions related to the determination of the fees of non-executive directors. With respect to remuneration by way of granting shares or rights for the acquisition of shares from the capital of the company, as well as their changes, the board will submit a proposal to the general meeting of the Company's shareholders for its approval. The proposal will include at least the number of shares or rights for the acquisition of res that may be provided, while criteria applicable to granting or change as stated. The current remuneration policy of the Company is from 2006 and there is currently a process to update it. For additional details, see Section 6.2.13, known as "Remuneration Policy" in this table below.</p>

Section in registration document	Issue	Israeli law	Dutch law	Comments
			adopt a remuneration policy. For additional details in this regard, see Section 6.2.13 below.	
6.2.14	Duty of care and fiduciary duty of officers	An officer holder owes a duty of care and a fiduciary duty to the company, and will act in good faith and for its benefit, as provided in the Companies Law. For additional details in this regard, see Section 6.2.14 below.	Under Dutch law, members of the board and all persons involved with a company, are liable to act pursuant to the principles of reasonableness and fairness. For additional details in this regard, see Section 6.2.14 below.	The Company's Articles do not include provisions regarding the fiduciary duty and duty of care, since all of the rules of conduct are covered in the framework of the rules of reasonableness and fairness.
6.2.15	Shareholders' rights and duties	The rights and obligations of shares are set forth in the Companies Law, the articles of the company and any law, and including, inter alia, the right to vote, the right to receive dividend, the right to receive information – all in accordance with the provisions of the Companies Law. A shareholder will act in using its rights and fulfilling its obligations vis-à-vis the company and the other shareholders in good faith and in the proper manner, and will refrain from taking advantage of his power in the company. In addition, the Companies Law provides that the following will act fairly towards the company: (a) the	A shareholder has a right to be present at meetings and to speak, request information and vote thereat. An individual shareholder does not have a right to receive information. Under Dutch law, shareholders in the same position should be treated equally (including regarding the right to receive information). The Corporate Governance Code includes a number of guidelines regarding the responsibility of institutional investors, such as: a recommendation to publish a voting policy once per year of the sale institutional body in each of the companies in which	For details regarding the reporting obligations applicable to the shareholders, see Section 6.2.27 below.

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>controlling shareholder of the company, (2) a shareholder who knows that his vote will be decisive in a decision of a general meeting or class meeting of the company, (3) a shareholder who, based on the provisions of the articles, has the power to appoint or the prevent the appointment of an officer of the company or another power towards the company.</p> <p>For additional details in this regard, see Section 6.2.15 below.</p>	<p>it holds shares. In addition, institutional bodies will act with respect to the Company, the competent organs and the other shareholders of the Company on the basis of principles of reasonableness and fairness, which, based on the Corporate Governance Code, include the willingness to litigate and conduct negotiations with the Company and other shareholders of the Company.</p> <p>For additional details in this regard, see Section 6.2.15 below.</p>	
6.2.16	Acquisition of control in a company and forced sale	<p>The Israeli law provides, generally, that a public company will not perform an acquisition (as defined in the Companies Law), which results in a person becoming the holder of a controlling block (as defined in the Companies Law), if the company does not have a controlling block, and no acquisition is performed that results in increased holdings of the acquirer in excess of 45% of the voting rights in the Company, if there is no other person holding</p>	<p>In Dutch law there are provisions regarding legal proceedings which a shareholder holding more than 95% may take against the shareholders in order to purchase their shares at such price and upon such conditions as the court shall determine. Furthermore, under Dutch law, in certain circumstances, the minority shareholders may demand of the majority shareholders to purchase their shares, at such price and on such</p>	

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>over 45% of the voting rights in the company, other than by way of a special purchase offer in accordance with the provisions of the Companies Law (hereinafter: a “Special Purchase Offer”).</p> <p>In addition, the Companies Law provides that a person will not acquire shares of a public company or voting rights in a company as stated or a class of shares of a public company such that after the purchase, the person has holdings exceeding 90% of the shares of the public company or a class of shares, other than by way of a purchase offer for all of the shares or the class of shares (hereinafter: a “Complete Purchase Offer”). If a Complete Purchase Offer is accepted by offerees such that the rate of holdings of the offerees that do not respond to the offer constitutes less than five percent of the issued share capital or of the issued capital of the type of shares for which the offer was made and more than half of the offerees who do not have a personal interest in</p>	<p>conditions as the court shall determine.</p> <p>Acquisition of control (i.e. obtaining 30% or more of the voting rights) in a Dutch public company that is listed on a regulated market within the European Economic Area does require a procurement offer (<i>verplicht bod</i>).</p> <p>For additional details in this regard, see Section 6.2.16 below.</p>	

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>accepting the offer have responded to it, all of the shares that the offeror wishes to acquire will be transferred to its ownership (despite the above, a Complete Purchase Offer will be accepted if the rate of holdings of the offerees who have not responded to the offer constitutes less than two percent of the issued share capital or the issued share capital of the type of shares for which the offer was made (hereinafter: a “Forced Sale”). If a Complete Purchase Offer was accepted and the offer was for the only class of shares of the company or for all of the classes of shares of the company held by the public, the company will become a private company.</p> <p>For additional details in this regard, see Section 6.2.16 below.</p>		
6.2.17	Class action	<p>The provisions of the Class Action Law, 5766-2006 (hereinafter: the “Class Action Law”) apply to the submission and management of a class action. Any person with a cause of action, in the framework of the conditions set forth in the Class</p>	<p>There is no parallel in Dutch law to class actions. However, under the Act on the Collective Settlement of Mass Damage (<i>wet collectieve afhandeling massaschade</i>), as applied in article 3 of the Dutch Civil</p>	<p>The power of the shareholders to request that the Enterprise Chamber commence an investigation will fall under the category of companies listed for trade, meaning, shareholders whose holdings amount to at</p>

Section in registration document	Issue	Israeli law	Dutch law	Comments
		Action Law arising, inter alia, from a connection to a security or unit, as these terms are defined in the Class Action Law, may sue with the consent of the court on behalf of a group defined by the court. For additional details in this regard, see Section 6.2.17 below.	Code, compromises can be made and declared to be binding in tort claims of many claimants for compensation in respect of the same damage. For additional details in this regard, see Section 6.2.17 below.	least EUR 20 million may request that the Enterprise Chamber as stated initiate an investigation.
6.2.17	Derivative action	In accordance with and subject to the mechanisms set forth in Part A of Chapter Three of the Fifth Part of the Companies Law: (a) any shareholder and director may submit a derivative claim on behalf of the company, (b) any shareholder or director may, if a claim is filed against the company, make a defense on behalf of the company, and (c) any creditor of a company may file a derivative claim on behalf of the company due to a prohibited distribution performed by the company. The actions listed in subsections (a) through (c) above require the approval of the court, which will grant the approval if convinced that the claim or defense, as applicable, and the management thereof are seemingly for the	There is no parallel Section in Dutch law concerning derivative actions. However a group of shareholders (i) whose issued shares is less than EUR 22.5 million, representing at least 10% of the issued and paid up capital of the company or eligible to shares with a value of at least 225,000 par value (or certificates of deposit thereunder), or less, if permitted under the articles of association of the Company; or (2) whose issued capital is higher than EUR 22.5 million, representing at least 1/100 of the issued and paid up capital of the company; or (iii) insofar as the shares or certificates of deposit thereunder are listed for trade on a regulated	

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>benefit of the company and that the plaintiff or defense are not acting in bad faith.</p> <p>For additional details in this regard, see Section 6.2.17 below.</p>	<p>market or a multi-party trading platform within the European Economic Area, or a system parallel to such a market outside of the European Economic Area, shareholders representing at least EUR 20 million of the Company's issued capital based on the closing price of the last trading day preceding the filing of the request, if possible under the articles of association of the Company, has the right to request that the Enterprise Chamber of the Amsterdam Court of Appeal appoint one or more persons to investigate the policy and conduct of the business of a company (right of inquiry, recht van enquête).</p> <p>In addition, the Dutch Investors Association, which is an independent non-profit organization, which connects shareholders and traded companies, may, upon the fulfillment of certain conditions, sue the company on behalf of the shareholders or for them.</p>	

Section in registration document	Issue	Israeli law	Dutch law	Comments
			For additional details in this regard, see Section 6.2.17 below.	
6.2.18	Causes of the company's liquidation	The grounds for liquidating a company are set forth in the Companies Ordinance. For additional details in this regard, see Section 6.2.18 below.	The grounds for liquidation are set forth in the Dutch law and the Company's Articles, and they are not identical to those specified in Israeli law. For additional details in this regard, see Section 6.2.18 below.	
6.2.19	Authority regarding settlement or arrangement	The Companies Law provides that in the case in which a settlement or arrangement is proposed between a company and its creditors or shareholders, or between it and a certain class thereof, the court may, at the request of the company, a creditor or shareholder, or a liquidator if the company is undergoing liquidation, order the assembly of a meeting of creditors or a meeting of shareholders as applicable, in the manner instructed by the court. Meetings of creditors or shareholders will be held separately for each type of creditor or shareholder. For additional details in this regard,	Under Dutch law, when a company is declared as bankrupt or payments are delayed, claims related to the above may be resolved by the court that appoints a person or trustee to manage them. In addition, under the Dutch bankruptcy code, the court to which jurisdiction is granted may ratify an arrangement approved with a majority of creditors. An arrangement as stated will bind creditors that are not secured or priority creditors.	

Section in registration document	Issue	Israeli law	Dutch law	Comments
		see Section 6.2.19 below.		
6.2.20	Merger and split of companies	According to Israeli law, a merger of companies may occur: (1) in accordance with the First Chapter of the Eighth Part of the Companies Law, by the transfer of the assets and liabilities of the target company to the absorbing company, following which the target company is liquidated. A merger as stated requires the approval of the board of directors and the general meeting of the shareholders of each of the merging companies, excluding special cases listed in the Companies Law, and can be presented for approval of a court under certain conditions as set forth by law. The Court may, at the request of a creditor, order the delay or prevent performance of the merger, if it has found that there is a reasonable concern that following the merger, the absorbing company will not be able to uphold the liabilities of the merging company (the target company); (2) by way of a settlement or arrangement with the approval of the court in	Merger of companies may occur according to the Seventh Chapter of the Dutch Civil Code (legal merger) by execution of a notarial deed of merger, as a result of which: (1) all assets and liabilities of the dissolving company are acquired, by law, by the surviving company and; (2) the dissolving company ceases to exist and the shareholders of the dissolving company become shareholders of the surviving company or a group company of the surviving company. A legal merger requires the managerial boards (and supervisory boards) of the merging companies to make a proposal for legal merger as stated, as well as file the merger proposal and financial information with the Dutch Trade Register, waiting during a period of one month during which creditors may lodge objections to the merger. In the absence of creditor objections as	The Company's Articles require that a decision regarding a merger be adopted by a general meeting of shareholders with a majority of 75% of the votes cast in a meeting where at least three shareholders are present, together representing at least 10% of the issued capital of the Company.

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>accordance with Sections 350 and 351 of the Companies Law; (3) in any other manner, such as: the transfer of shares.</p> <p>For additional details in this regard, see Section 6.2.20 below.</p>	<p>stated above, a decision regarding the merger must be made by the general meeting of shareholders of each of the merging companies and to sign a notarial deed of the statutory merger. In addition, a merger of companies can be executed in other ways such as through transferring shares and transferring assets though this will legally not constitute a legal merger.</p> <p>In accordance with the law in the Netherlands, the court will intervene, inter alia, in merger, splitting and reduction of capital proceedings if creditors of the company raise oppositions.</p> <p>For additional details in this regard, see Section 6.2.20 below.</p>	
6.2.21	Capital reduction	<p>A company may only make a distribution in accordance with the provisions of the Companies Law. However, a company may undertake in its Articles or in a contract, not to make a distribution with any limitations that are in addition to those in the Companies</p>	<p>According to the articles of association of the Company, a capital reduction can be executed through a decision of the general meeting of shareholders, by (1) cancellation of shares held by the Company in its own capital, or (2) reduction of the nominal</p>	

Section in registration document	Issue	Israeli law	Dutch law	Comments
		<p>Law. The court is entitled, at the company's request, to allow the company to make a distribution wherein the profitability test is not met, provided that the court was satisfied that the solvency test is fulfilled. If the company effects a prohibited distribution (in contravention of the provisions of the Companies Law), a shareholder shall be liable to return what he received, unless he did not know and should not have known that the distribution was prohibited. For additional details in this regard, see Section 6.2.21 below.</p>	<p>value of shares of the Company (hereinafter: a "Decision Regarding Capital Reduction"). It should be noted that concurrent with the general meetings decision regarding the reduction of the nominal value of share capital, a decision by the general meeting is required regarding the amendment of the articles of association. The majority required for approval of the resolutions as stated above is a majority of at least seventy five percent (75%) of those present in the general meeting, in which at least three (3) shareholders holding at least ten percent (10%) of the issued share capital are present or represented. Additionally, a Decision Regarding Capital Reduction is subject to affording the relevant company's creditors the opportunity to lodge objections to the execution of reduction during a period of two months from the date of publication of the Decision Regarding Capital</p>	

Section in registration document	Issue	Israeli law	Dutch law	Comments
			Reduction in the Netherlands. In case of objections being lodged as stated, the capital reduction will only be approved if the relevant creditor has removed his objection or the objection has been cancelled by application to the court of law in the Netherlands. For additional details in this regard, see Section 6.2.21 below.	
6.2.22	Remuneration policy	<p>A public company must adopt a remuneration policy for its directors and office holders for a period of three years, pursuant to the approval procedures prescribed in the Israeli Companies Law, including the approval of the general meeting, by a special majority.</p> <p>The board of directors, excluding a public second tier subsidiary, is entitled to schedule a remuneration policy even in case where the general meeting opposed to its approval, to the extent that the remuneration committee, followed by the board of directors,</p>	<p>The company must adopt a remuneration policy (<i>beleid op het terrein van bezoldiging van het bestuur</i>) pursuant to the Dutch Civil Code and this remuneration policy is established by the generalmeeting of shareholders. The remuneration policy must address the amount of remuneration of members of the Board, divided in (i) periodic compensations, (ii) remuneration in due course, (iii) payments on termination of the employment and (iv) profit sharing and bonus payments. The supervisory</p>	

Section in registration document	Issue	Israeli law	Dutch law	Comments
		determined, based on specific arguments and after re-discussing of the remuneration policy, that the approval of the remuneration policy is for the benefit of the company, despite the general meeting opposition.	Board or the non-executive Board members shall supervise the remuneration policy and provide proposals regarding the individual remuneration of the Board members or determine these, dependent on which corporate body is authorized thereto (see above).	

6.2.1. Incorporation

Israeli law - a company exists from the date of incorporation noted in its certificate of incorporation and until the expiration of the incorporation as a result of the company's liquidation. The certificate of incorporation is a certificate signed by the Companies Registrar in Israel attesting to the company's registration and constitutes absolute proof that the requirements of the Companies Law regarding registration have been complied with and any other matter which is a condition thereto. According to Israeli law, each company must have articles of association to which the provisions of the Companies Law apply and which include the following provisions: (a) the name of the company, (b) the objective of the company, (c) details regarding the registered share capital of the company, and (d) details regarding other limitations. A company may include in its articles additional matters related to it or to its shareholders, including: the rights and obligations of the shareholders and the company, and provisions regarding methods of managing the company and the number of directors, as well as recommended provisions of corporation governance (as set forth in the First Addendum of the Companies Law) and any other matter that the shareholders saw fit to include in the company's articles of association.

Dutch law - in Dutch law, a public company becomes effective upon signing a notary deed of incorporation before a Dutch civil law notary (*notaris*). It should be noted that before 1 July 2011, companies were also required to receive certification by the Dutch Ministry of Justice's that there are no objections to the establishment of the company. The certificate of incorporation is signed by all of the founders and by every person who, according to the certificate, has one or more shares registered in his name.

The deed of incorporation shall be signed in Dutch and include, inter alia, the articles of association (*statuten*). The certificate must note the amount of the issued capital and the amount paid up thereon. The articles of association must note the amount of the authorized capital and the number of shares and their nominal value in euros. It should be noted that the ratio between the issued capital and the authorized capital may not exceed 1:5 and that an increase or decrease of the authorized capital requires an amendment to the company's articles of association. A public company can have bearer shares and registered shares. It should be noted, however, that nowadays bearer shares are rare.²¹

²¹ According to the Company's articles of association, the Company's share capital is divided into registered shares **only**.

In the case of registered shares, the company enters its shareholders registered in the register of shareholders. The company does not issue share certificates to a shareholder who is registered in the register of shareholders of the company; however, the shareholder may request an extract from the register of shareholders as stated in relation to the shares registered in his name.²²

According to Dutch law, the company's articles of association must include the following particulars: the company's name, the company place of domicile, the company's objectives (that must include its main activities)²³ and the authorized share capital of the company, which may be divided into various classes of shares.²⁴

It should be noted that in light of the company being incorporated in the Netherlands, as set forth in Section 1 above, the provisions of the Company's articles of association shall be interpreted in accordance with the provisions of Dutch law, and not according to standard interpretation under law in Israel.

6.2.2. Purchase By A Company Of Its Own Shares – “Buyback”

Israeli law – according to Israeli law, purchase by a company of its own shares and/or securities convertible into or exercisable for the company's shares, and by an purchasing corporation, as this term is defined below, is subject to the provisions of the Seventh Part, Chapter Two of the Companies Law (Preservation and Distribution of Capital). For details regarding the distribution tests set forth in the Companies Law, see Section 6.2.10 below. If a company purchases any of its shares and/or securities convertible into or exercisable for the company's shares, it may cancel the same. If the company shall not have cancelled the said share, the share shall not vest any rights so long as it is owned by the company (hereinafter: “**Treasury Shares**”). If the company shall not have cancelled the said securities convertible to shares, the company may re-sell the same or convert the same into or exercise the same for shares. Shares converted or exercised as aforesaid shall be, under Israeli law, Treasury Shares so long as they are held by the company.

²² The Company shall, at a shareholder's request, furnish an extract from the register of shareholders, free of charge.

²³ The Company's objectives, in accordance with the Company's Articles of association, are, essentially, to carry on business as a commercial company in various sectors including and without derogating from the above, the development of real estate, the acquisition and re-development of real estate and the sale of real estate; the incorporation of and financing of other companies; engagement in financing, financial or loan agreements, *inter alia* through the issue of (debt) securities; service providing on in the field of technical, administrative and financial services; and other actions contributing to the realization of the general objective of the Company.

²⁴ In the Company's capital, there is one class of shares only, conferring equal voting rights proportionately to the par value thereof, in accordance with Section 46B(a) of the Securities Law.

A subsidiary or another corporation controlled by the company (hereinafter: the “**Purchasing Corporation**”) may also purchase shares of the parent company and/or securities convertible into or exercisable for the company’s shares as aforesaid. In such case and as long as the said shares are held by the Purchasing Corporation, the share will not vest voting rights (but will vest the rest of the rights attached to the share).

Dutch law - a Dutch public company may purchase its own, fully paid up shares, either without consideration or against consideration for them, while in the latter case, the acquisition is subject to compliance with the cumulative requirements of Dutch law, as follows: (a) the company's equity (in accordance with its latest annual financial statements), less the payments needed to effect the purchase, shall not fall below the amount of the paid up share capital and reserves that must be kept pursuant to the law or pursuant to the articles of association of the company; (b) the nominal value of the shares purchased, held by the company (as owner or as chargee) - or held by a subsidiary of the company and certificates of deposit in respect of such shares, is not more than one half of the issued share capital insofar as the company is registered for trade on a regulated market; (c) the provisions of the company’s articles of association shall allow the purchase of the company’s own shares; (d) the general meeting of the company’s shareholders authorized the board to effect the self-purchase (which authorization will be effective for a maximum period of up to eighteen (18) months); (e) not more than six months shall pass from the beginning of the fiscal year, without the financial statements of the company for the ended fiscal year having been adopted (it should be noted that for traded companies, extension of the term to prepare annual financial statements within four months from the end of the book year is not possible). If the annual financial statements have not been adopted within six months from the end of the book year, purchase of own shares is not permitted until adoption of the next annual financial statements²⁵. The prohibition also extends to subsidiaries acquiring parent company shares.

The shares purchased by the company shall not be presented as part of its assets in its financial statements. Additionally, the company's equity shall be reduced by the price of the shares purchased. Shares held by the company or by its subsidiaries shall not carry voting rights and they are not taken into account for the purpose of determining the quorum at meetings of the Company’s shareholders. As of this date, the Company’s articles of association provide that in calculating the profit that is distribution, the shares purchased by the Company will also be included.

²⁵ Currently, the Company is not authorized to repurchase its own shares as its annual accounts over the financial year 2013 have not been adopted within six months from the end of the book year [**verify**].

According to Dutch law, a public company is entitled to purchase its own options, which shall be cancelled immediately after said purchase.

For details of the provisions included in the Articles of the Company regarding purchase by the Company of its own shares, see Section 3.6 above.

6.2.3. Management Of The Company

Israeli law – the Companies Law provides that the company's board of directors shall delineate the company's policy and shall supervise the performance of the Company's general manager's duties and acts. The Companies Law prescribes a list of authorities given to a board of directors, including: determining programs of action of the Company, principles for their financing and priorities between them; (b) examining the financial state of the Company and determining the credit limit that the Company may take; (c) determining the organizational structure and salary and remuneration policies; (d) issuance of a series of notes and the allocation of shares and securities convertible to shares up to a limit of the Company's registered share capital; (e) responsibility to prepare the company's financial statements and approve them; (f) the appointment and dismissal of the general manager; (g) passing a resolution regarding a distribution, all in accordance with and subject to the provisions of the Companies Law.

According to the provisions of the Companies Law, the annual general meeting will appoint the directors of the company, unless determined otherwise in the company's articles of association. The term of directors appointed by the general meeting will end at the end of the annual meeting held first after the appointment date, unless determined otherwise in the articles of association. In addition, the Companies Law provides that a company may determine in its articles of association the number of directors serving in the company and the maximal and minimal number of directors, and may contain additional provisions regarding the number of external directors and directors with accounting and financial expertise, as this term is defined in the Fitness Regulations, as defined in Section 6.2 above, which will serve in a public company. The Companies Law also contains limitations regarding the appointment of directors and provisions regarding the termination of office of directors of the company. For example, a person will not be appointed as a director of a public company and will not serve in a company as stated if the person does not have the skills required and the ability to devote the proper time to perform the role of a director in the company, considering, *inter alia*, the special needs of the company and its size. Additionally a person who has been convicted in a final judgment of the offences detailed in the Companies Law which relate, *inter alia*, to use of inside information and the breach of various statutory provisions regarding the publication of a Prospectus and fraud in connection

with securities, shall not be appointed as a director of a public company, unless 5 years have passed since the date of the judgment according to which he was convicted.

Based on the provisions of the law in Israel, a director, in his capacity as such, will use independent discretion in a vote in the board of directors, will not be party to a voting agreement

Dutch law – one-tier management structure

Since 1 January 2013, the one-tier management board is allowed under Dutch company law. The Company has a one-tier management structure. This means that the board of directors of the company is comprised of executive directors and non-executive directors. Executive directors are in charge of the day-to-day management of the Company whereas the non-executive directors have, a supervisory task, in accordance with the provisions of the Company's articles of association. Non-executive directors should be individual persons (as opposed to a legal personality). All directors of the Company have been specifically appointed by the general meeting of shareholders in their functions (executive and non-executive directors).

In case of a one-tier managerial structure, there will typically not be a supervisory board in the Company.

The Dutch Civil Code provides that a person who holds more than two supervisory board positions of large Dutch companies or who holds a chairmanship of a large Dutch company, cannot be appointed as executive director. Furthermore, the Dutch Civil Code stipulates that a person who holds more than five board positions with large Dutch companies (a chairmanship counting twice) cannot be appointed as non-executive director or supervisory director.

The Corporate Governance Code recommends that a member of the managerial board not hold office as a member of the supervisory board in more than two listed companies. Furthermore, according to the Corporate Governance Code's recommendation, a member of a managerial board shall not hold office as the chairman of the supervisory board of another listed company. Membership in the supervisory board of other companies in the group, to which a company belongs, shall not be considered with regard to this matter. According to the Corporate Governance Code's recommendation, the number of supervisory directors (of Dutch traded companies) in which a person can serve as a member of the board of directors, will be limited for the purpose of ensuring the proper performance of the duties of that same person as a director. The maximum number of

memberships in supervisory boards in traded companies as aforesaid shall not exceed five, and with regard to this matter, an individual holding office as chairman of a supervisory board shall be deemed as holding office in two boards as stated. In addition, the Corporate Governance Code has recommended that all members of the supervisory board, except up to one member, are independent as per the meaning of the term in the Corporate Governance Code as stated.

For details regarding recommendations, under the corporate governance code, that were and were not adopted by the Company, see Section 6.2.23 below.

The managerial board includes executive directors who are engaged in the day-to-day management of the company and are responsible for determining the company's business policy and its implementation, within the context of the company's objects and in the interests of the company.

As a rule, the managerial board is independent in the performance of its duties. Nonetheless, the Civil Code does and the articles of association may require the managerial board to obtain prior approval the general meeting of shareholders in the Company for the purpose of its actions.

As a rule, the provisions also apply with respect to a board of directors with one tier – the managerial tasks are divided between members of the board who are non-executive (one or more) and the members of the executive board (one or more). The service as a chairman of the board, the power to propose candidates for service as directors and the determination of the remuneration of the executive directors are powers that cannot be delegated to an executive director. It is possible that the articles of incorporation of a company set forth that one or more directors may pass resolutions on certain matters specifically belonging to his or their tasks. The articles of the Company do not include such a provision.

For details of the provisions of the Company's Articles regarding the Company's board, including with regard to the minimum appointment and the majority required for appointment as stated, see Sections 3.9-3.10 above.

6.2.4. External Directors

Israeli law - The Companies Law lays down a duty to appoint two external directors in a public company, at least one of whom has accounting and financial and accounting expertise, as this term is defined in the Fitness Regulations. A candidate for service as an external director must meet the terms of fitness set forth in the Companies Law, which are mainly designed to maintain the independent of the external director. The appointment of the

external director will occur by the general meeting of the shareholders of the company with a special majority, and the term of office will be three years (it should be noted that generally, a company may appoint a person to serve as an external director for two additional periods, up to three years each). An external director is entitled to remuneration and a reimbursement of expenses in accordance with the provisions of the Companies Law and the Companies Regulations (Rules Regarding Remuneration and Expenses for an External Director, 5760-2000. An external director will not receive, in addition to the remuneration to which it is entitled and the reimbursement of expenses, any consideration, directly or indirectly, due to his service as a director of the company (in this regard, an exemption, indemnification and/or insurance are not considered consideration, pursuant to the provisions of the Companies Law).

In addition, the Companies Law sets forth limitations to the employment, receipt of services and appointment as officer of an external director and/or its relative, and granting other benefits to the aforesaid by the company, the controlling shareholder therein and a corporation under his control, for the term of two years or one year, from the end of the term of service of the external director in the company. Under the provisions of the Companies Law, at least one external director will serve in each committee that is authorized to use any board of director power.

Dutch law - there is no parallel provision in Dutch law.

6.2.5. Independent Directors

Israeli Law – The recommended provisions of corporation governance set forth in the Companies Law provide that a public company is entitled to determine in its articles of association that the number of independent directors that serve therein will be as follows: (a) in a company without a controlling shareholder or anyone that holds a controlling block (hereinafter in this Section “**Controlling Shareholder**”), the majority of the members of the board of directors will be independent directors; (b) in a company that has a controlling shareholder - at least one third of the members of the board of directors will be independent directors. Regarding this provision – “**Independent Director**” – an external director or an individual serving as a director for which the conditions set forth in the Companies Law are met, who is appointed or classified as such under the provisions of the First Chapter of the Sixth Part of the Companies Law.

Dutch Law - there is no parallel provision in Dutch law. It should be noted that according to the Corporate Governance Code, it is recommended that all of the members of the non-executive board, excluding one, will be

independent. If the structure of the board of directors is not in accordance with the Corporate Governance Code, the Company must provide an explanation in its corporate governance declaration which constitutes an integral part of the annual report.

6.2.6. Internal Auditor

Israeli law - The Companies Law provides that the board of directors of a public company shall appoint an internal auditor, on the proposal of the company's audit committee. Based on the provisions of the Companies Law, the internal auditor will examine, inter alia, the correctness of the actions of the Company in terms of compliance with the law and managing proper business, and will submit for approval of the board or approval of the audit committee, as determined in the articles of association, or in the absence of a provision in the articles, as determined by the board of directors, an offer for an annual or period work plan, and the board of directors or the audit committee, as applicable, will approve it with the changes that it sees fit.

Dutch law - Although the Dutch Civil Code does not provide that an internal auditor shall be appointed, in fact, among large companies there is an internal audit division. It should be noted that the Code has recommended that an internal auditor be appointed who will be subject to the managerial board . The Company's Quality Control Regulator, who functions in practice as an internal auditor has been appointed by the Company's board and the Company's board shall be entitled to resolve in the future to cancel the institution of the internal auditor by an ordinary majority.

6.2.7. Audit Committee

Israeli law - The Companies Law provides that the board of directors of a public company shall appoint from its members an audit committee. The number of members of the audit committee will be no less than three, all of the external directors will be members of it and the majority of its members will be independent directors. In addition, the Companies Law provides conditions of fitness for members of the committee, designed to ensure its independence (for example, the controlling shareholder or a relative thereof will not be members of the audit committee). The roles of the audit committee are set forth in the Companies Law and include: (a) to identify flaws in the management of the company's business and (b) to decide whether to approve acts and transactions requiring the audit committee's approval as detailed in the Companies Law, (c) reviewing the internal audit system o the Company and the role of the internal auditor, and examining the scope of work of the auditing accountant of the Company and its salary,

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(d) determining arrangements regarding the manner of handling complaints of employees of the Company in connection with deficiencies in managing its business and regarding the defense provided to employees who have complained as stated.

Dutch law - As a public company, the Company is required to have an audit committee under Dutch law. The audit committee should be composed exclusively of non-executive directors of which at least one shall be independent, and at least one member of the audit committee shall be an accounting and auditing expert. There are various other provisions in Dutch law and the Corporate Governance Code regarding, inter alia, the functions of the audit committee, the adoption of rules and regulations for the audit committee and the publication thereof on the company's website. The Company's audit committee's tasks are: a) to review on an annual basis the accounting policies, practices and going concern assumption of the Company and to discuss compliance with accounting standards, regulatory and legal requirements; b) to review the adequacy of coordination between the internal and external auditors and to discuss annually with the auditors (internal and external) the scope of the audit, the cost effectiveness of their work and their independence; c) to review the state and effectiveness of the financial reporting and internal control systems used throughout the Company (including effectiveness of business risk assessment); d) to review and discuss the Auditor's Report on the Company's accounts, review the results of the internal and external audit, the contents of the (consolidated) management letters and responses from management; e) to review and discuss the financing of the Company, the policy of the Company on tax planning and the applications of information and communication technology (ICT); f) to discuss major judgmental areas and significant legal action commenced against or by the business; g) to assume the responsibilities of a balance sheet committee as defined under Israeli regulations; h) to review the annual and periodic financial statements of Kardan prior to the Board and recommend to the Board whether to approve them or not; and i) to review any other matter within the terms of reference as the Audit Committee deems appropriate. The external auditor shall in any event attend the meeting of the Board at which the report of the external auditor with respect to the audit of the financial statements is discussed and at which financial statements are to be approved or adopted. The Company has appointed an audit committee for the Company, which operates as customary in the Netherlands (and not according to Israeli law), i.e., according to the recommendations of the Corporate Governance Code and the provisions of the Dutch Law, as will be in effect from time to time. The audit committee of the company is composed of four non-executive directors. As of this date, the members of the audit committee are: (1) David Dekel (chairman of the audit committee); (2) Mr. Marco Habib Wichers; (3)

Mr. Yoav Kfir and (4) Mr. Sarig Shalhav. The duties of the audit committee are to assess and advise the board as necessary on the administrative financial controls in the Company, on the manner of the Company's financial reporting, and on the internal and external auditing of the Company and of companies held thereby. The Company's audit committee has been appointed by the board which shall be entitled to resolve in the future to cancel the institution of the audit committee by a regular majority. The audit committee has no executive powers.

6.2.8. Remuneration Committee

The law in Israel – the board of a public company will appoint a remuneration committee from its members. There will be no less than three members on the remuneration committee, all of the external directors will be members thereof and will be the majority of its members, while the remaining members will be directors whose terms of service and employment have been determined in accordance with the provisions of the Companies Law. Similar to the audit committee, regarding the members of the remuneration committee, terms of fitness for service were set forth, designed to maintain the independent of the remuneration committee. The function of the remuneration committee is set forth in the Companies Law, and includes: (a) a recommendation to the board of directors of the remuneration policy for officers as well as to recommend updates from time to time and review its application, and (b) to decide whether to approve transactions regarding the terms of service and employment of officers requiring the approval of the remuneration committee, in accordance with the provisions of the Companies Law.

The Dutch law – The Dutch Civil Code does not require the appointment of a remuneration committee. Nonetheless, the Corporate Governance Code recommends, if there are over four non-executive directors, of the appointment of an audit committee from among the Company's non-executive directors. The recommendation is applied on a “comply or explain” basis.

The remuneration committee of the company is composed of four (4) non-executive directors. As of this date, the members of the audit committee are: (1) Mr. Marco Habib Wichers (chairman of the committee); (2) Mr. David Dekel; (3) Mr. Shlomi Kelsi; and (iv) Mr. Sarig Shalhav. The duties of the remuneration committee are to make proposals to the Board for the remuneration policy to be pursued; and to make proposals for the remuneration of the individual members of the Board. Furthermore, the remuneration committee prepares the remuneration report that is included in the Company's annual report. The remuneration committee has no executive powers.

It should be noted that the recommendation of the Dutch Corporate Governance Code regarding the establishment of a remuneration committee as stated is not binding, but in practice the Dutch companies act accordingly.

6.2.9. Financial Statements

Law in Israel - the financial statements of public companies (annual and quarterly) are prepared in accordance with the international financial reporting standards (IFRS) and in accordance with the provisions of the Securities Law and the regulations thereunder. Based on the law in Israel, the financial statements of a public company are approved by the board of directors of the Company, while the annual financial statements are also presented for review before the annual meeting of the company's shareholders.

Based on the Companies Regulations (Provisions and Conditions regarding the Process of Approving the Financial Statements), 5770 – 2010, the financial statements of a public company will be submitted to the board of directors for discussion and approval, inter alia, only after they have been discussed by the committee for the inspection of the financial statements of the company and after it has formulated and transferred its recommendations to the board on a series of subjects included in the financial statements, a reasonable time before the discussion in the board.

In addition, in the framework of the Securities Regulation (Periodic and Immediate Reports), 5730-1970 provisions were also enacted obliging public companies to report on the effectiveness of their internal control and the financial reporting and the disclosure to the public were adopted.

Dutch Law - As of this date, the Company prepares financial statements in the Netherlands, according to Dutch accepted accounting rules (the Statutory Annual Financial Statements (as defined hereinafter)), and according to international financial reporting standards (IFRS as adopted by the EU). Furthermore, the Company prepares semi-annual financial statements (on the basis of IFRS) and two quarterly interim management reports (for the first quarter and the third quarter of each year) as required by the Dutch Act on the financial supervision.

Pursuant to the provisions of Dutch law and the Company's Articles, the Company's annual general meeting of shareholders adopts, by a majority of the votes present, the statutory annual financial statements that are prepared according to Dutch accounting rules by the Company's Board (hereinafter: the "**Statutory Annual Financial Statements**"). The Statutory Annual Financial Statements are signed by all members of the Board.

The Statutory Annual Financial Statements (including all attachments thereto), the semi-annual financial statements, the interim management reports and the annual report, should be filed to the **AFM** on the basis of the Dutch Act on the Financial Supervision.

In accordance with the trust deeds attached to the Prospectus dated May 27, 2014, the Company undertook to publish to the public audited annual consolidated financial statements no later than after three calendar months transpire from the end of each calendar year. Additionally, beyond that which is required by law, the Company undertook that during the period beginning on the effective date and ending on the final payment date, as defined in the trust deeds, the reviewed consolidated financial statements will be published to the public on a quarterly basis, no later than after two months from the end of each of the first three calendar quarters of each year.

It is clarified that the Company does not prepare its financial statements in accordance with Israeli law and does not present them for approval of its institutions in accordance with Israeli law, as set forth above.

6.2.10. Dividend Distribution

Israeli law – a company may perform a distribution under the provisions of the Companies Law only, however, a company may undertake in its articles or a contract not to perform a distribution with limitations in addition to the provisions of the law. A distribution contrary to the provisions of the Companies Law is a prohibited distribution. Based on the Companies Law, a company is entitled to make a distribution from its profits²⁷ (hereinafter: “**the profitability test**”), provided that there is no reasonable concern that the distribution shall deny the company the ability to meet its existing and anticipated commitments, upon the time for meeting them falling due (hereinafter: “**the solvency test**”). It should be noted that the court is entitled, at the company’s request, and after providing the opposing creditors a chance to make their claims, to allow the company to make a distribution wherein the profitability test is not met, provided that the court was satisfied that the solvency test is fulfilled.

²⁷ “Profits” regarding the profit test – the surplus balance of surplus accrued during the past two years, whichever is higher, all based on the most recent adjusted financial statements, audited or reviewed, prepared by the Company, while reducing the previous distributions if they have not already been reduced from the surplus, provided that the date for which the financial statements were prepared is not earlier than six months from the distribution date; “adjusted financial statements” means – financial statements adjusted to the index of the financial statements that replace it, all based on the generally accepted accounting practice; “surplus” means – amounts included in the company’s equity, originating in the net profit of the company, as determined based on the generally accepted auditing practices, and other amounts included in the equity based on the accepted accounting rules and which are not share capital or premium, as set forth in the Companies Regulations (Other Amounts Included in the Equity Considered Surplus), 5772-2012.

A shareholder has the right to receive a dividend if the company so decides. A decision of the company regarding distribution of a dividends will be passed by the company's board, however, a company may determine in its articles of association that the decision as stated will be passed in one of the manner set forth in Section 307 of the Companies Law (for example: in the general meeting, after being presented with the recommendation of the board of directors, the meeting may accept the recommendation or reduce the amount but may not increase it).

It should be noted that if the company performs a prohibited distribution, a shareholder must return to the company what it receives, unless it did not aware or should not have been aware that the distribution performed was prohibited. If the company performs a prohibited distribution, any person who is a director on the date on the distribution will be considered a person who has breached its obligations under Sections 252 (duty of care), 253 (means of caution and degree of expertise) or 254 (fiduciary duty) of the Companies Law, as applicable, to the Company, unless one of the following is proven: (1) that it opposed the prohibited distribution and took all of the reasonable measures in order to prevent it; (2) it reasonably relied in good faith on information which, had it been accurate, would have made the distribution permitted; (3) under the circumstances, it did not know or did not have to know about the distribution.

Dutch law - a Dutch public company may distribute dividends to its shareholders, and anyone entitled to a share of its profits,²⁸ if and insofar its equity exceeds the amount paid up in respect of its shares, together with its reserves required pursuant to the law or the articles of association. The dividends shall be paid after adoption of the annual financial statements by the general meeting of shareholders, from which it appears that the profit distribution is permitted. Nonetheless, in accordance with the Dutch case law, the above mentioned shall not apply and such dividend distribution may not be made in the case of a company that has incurred significant losses after the balance sheet date that should have been known to the managerial board and the shareholders of the company.

Under Dutch law, generally, articles of association of the company will determine that the power to decide on a dividend distribution is given to the general meeting of shareholders, but the articles of association may confer the power on another organ of the company, such as the managerial board.

²⁸ Additional persons, who are not shareholders of the company, may be deemed as being entitled to the company's profits, subject to the granting of rights as aforesaid in the company's articles of association. It should be noted that as of this date, the matter is not customary and the Company's Articles do not include such a provision. Unless otherwise agreed between pledgee and pledgor, the pledgee will, if the company has received a notice regarding the pledge and subject to the provisions of law, be entitled to receive a dividend in connection with the Company's shares.

As of this date, the Articles of the Company stipulate that the profits of the Company are at the disposal of the general meeting of shareholders. A distribution of dividends or distributions of reserves shall not be higher than the amount permitted for distribution under Dutch law, being, as stated, the Company's equity to the extent the equity amount exceeds the paid-up and called-up part of the Company's shares plus the reserves that must be held by force of law or the Articles. Any distribution of profits will be performed after the adoption of the annual reports that indicate that the distribution is permitted (excluding interim dividends, see below). For the sake of completion, it should be noted that there are funds classified according to Dutch accountancy rules as "lawful funds" such as: the Fund for Asset Re-evaluation, Fund for Establishment Expenses, Fund for Research and Development, Fund for Conversion and Currency Differentials and the Fund for Re-evaluation of Securities Available for Sale, from which it will not be possible to distribute dividends from the date of their creation.

The Company's board is entitled to decide on the distribution of an interim distribution.

The Company's general meeting of shareholders is entitled to decide that the payment of dividends to shareholders shall be wholly or partially by means of distribution of shares or any other security of the Company or of another legal person. The Company's general meeting of shareholders is entitled to decide that the division among shareholders shall be made from one or more of the Company's funds. In practice, these resolutions are generally passed after their approval by the Company's board of directors.

Any dividend paid and received in breach of the law shall be returned to the company by the shareholders or by any other person entitled to profits who knew or should have known that such distribution was prohibited.

6.2.11. Transactions with Related Parties and Interested Parties

Israeli law - the Fifth Chapter of the Sixth Part of the Companies Law provides special methods of approving transactions with interested parties, provided that transactions as stated are for the benefit of the company. In the framework of the transactions as stated, the following engagements, inter alia, are included: (1) a transaction of a company with an officer therein and a transaction of a company with another person that an officer of the company has a personal interest in; (2) an engagement of a company with an officer therein who is not a director regarding the terms of his employment and service (3) the engagement of a company with a director therein regarding his terms of office and service, regarding his service as a director and regarding his engagement in other roles, if he is employed as stated; and (4) an irregular transaction of a public company with a controlling

shareholder therein or an irregular transaction or a public company with another person that the controlling shareholder has a personal interest in, including a private placement that the controlling shareholder has a personal interest in, and an engagement of a public company with the controlling shareholder or his relative, directly or indirectly, through a company under his control, regarding the receipt of services by the company and if he is an officer therein – regarding the terms of service and employment, and if he is an employee of the Company and is not an officer therein – regarding his employment in the company.

As stated above, the transactions set forth in the Fifth Chapter of the Sixth Part of the Companies Law require unique approval processes that sometimes include, inter alia, the approval of the audit committee or the remuneration committee of the company as well, in addition to the approval of the shareholders meeting of the company with a regular or special majority, all in accordance with the provisions of the Companies Law and the articles of association of the company.

It should be noted that in the framework of the Companies Regulations (Leniencies in Transactions with Interested Parties), 5760-2000, a number of leniencies were determined regarding the approval processes listed in the Fifth Chapter of the Sixth Part of the Companies Law, upon the fulfillment of the terms set forth in the regulations as stated.

Based on the provisions of the Companies Law, a person who has a personal interest in the approval of a transaction, including an exception set forth in the Companies Law, presented for approval of the audit committee of board of directors of the Company will not be present in a discussion and will not participate in a vote in the audit committee and board of directors. However, an officer who has a personal interest may be present in order to present the transaction, if the chairperson of the audit committee or the board of directors, as applicable, provides that he is required for its presentation.

Notwithstanding the above, a director may be present in a discussion of the audit committee and participate in the vote, if most of the members of the audit committee have a personal interest in the approval of the transaction, and a director may be present in a discussion of the board of directors and participate in a vote if most of the directors of the company have a personal interest in the approval of the transaction. If most of the directors of the company's board have a personal interest in the approval of the transaction as stated, the transaction will also require approval by the general meeting.

The Israeli Companies Law provides that a transaction of a company with an officer thereof or an extraordinary transaction of a public company with a controlling shareholder or a transaction as stated with another person that

the controlling shareholder has a personal interest in, and the engagement of a public company with a controlling shareholder or with its relative with respect to the terms of office and employment will not have effect vis-à-vis the company and/or an officer or controlling shareholder, as applicable, if the transaction was not approved in accordance with the provisions of the Fifth Chapter of the Sixth Part of the Companies Law, including if a substantial flaw occurred in the approval process or if the transaction was performed with a material deviation from the approval as stated.

A transaction as stated above will not have effect vis-à-vis another person if the same person was aware of the personal interest of the officer or the controlling shareholder in the approval of the transaction, and knew or should have known of the lack of approval for the transaction as required under law.

In addition, pursuant to the provisions of the Companies Law, a company may terminate a transaction with another person that requires approval as stated in the Fifth Chapter of the Sixth Part of the Companies Law, excluding an exception set forth by law, and it sue for compensation due to damage caused without terminating the transaction, if the same person was aware of the personal interest of the officer in the company in the approval of the transaction or the personal interest of the controlling shareholder in the public company for the approval of the transaction, and was aware or should have known of the lack of approval of the transaction as required by law.

Dutch law –Dutch law does not determine special approval proceedings regarding transactions with interested parties.

Notwithstanding the above, it should be noted that pursuant to Dutch law, a legal act the object of which is to vest a benefit in the form of shares or a right to acquire shares as a remuneration to members of the managerial board or the supervisory board, requires the prior approval of the company's general meeting of shareholders by an ordinary majority. In any case in which there is a direct or indirect conflict of interest between the company and one or more of the members of the company's managerial board (where the company is involved in a transaction or dispute with a member of its managerial board or where a member of the managerial board has a personal interest in a transaction of the company with a third party), the conflicted managerial board member shall abstain from participating in the decision-making with respect to the matters by which he has a direct or indirect conflict of interest.

The Corporate Governance Code includes recommended provisions with regard to a conflict of interest as follows: a member of a managerial board or

a supervisory board of a company shall not take part in any discussion or decision-making concerning an issue or transaction with regard to which he has a conflict of interest with the company. Resolutions regarding engagement in transactions, in which the members of the managerial board or the members of the supervisory board have a conflict of interest, and which have a material effect on the company and/or on the said members of the board, require the supervisory board's approval. In addition, resolutions regarding engagement in transactions, regarding individuals or corporations, holding at least 10% of the company's share capital, which have a material effect on the company and/or those individuals and/or corporations as aforesaid, will also require the supervisory board's approval.

For details regarding the recommendations under the Corporate Governance Code, adopted and not adopted by the Company, see Section 6.2.23 below.

The Articles of the Company do not contain a provision regarding the effectiveness of a transaction of the Company with its controlling shareholder and/or its relative that was not approved as required or was performed with a material breach of the approval required for it.

6.2.12. Exemption, Indemnity and Insurance

Israeli law – The Companies Law lays down provisions regarding the exemption, indemnity and insurance of office holders of the company. According to the provisions of the Companies Law, a company may not exempt an office holder therein from his liability for a breach of the duty of fidelity to it. On the other hand, a company may exempt an office holder therein from his liability for a breach of the duty of care to it (except as regards a forbidden distribution), all pursuant to the provisions of the Companies Law. In addition, a company may insure an office holder's liability or indemnify him pursuant to the provisions of the Companies Law. It should be noted that in accordance with the provisions of the Companies Law, there will be no effect to an undertaking of indemnification or insurance of liability of an officer following a breach of a fiduciary duty vis-à-vis the Company, excluding a breach of a fiduciary duty in the framework of which the officer acted in good faith and had a reasonable basis to believe the action would not harm the interests of the company.

Dutch law - Dutch corporate law permits companies to insure members of their managerial board or members of their supervisory board or to indemnify them due to a liability in connection with third party claims and does not impose specific restrictions on insurance or granting an indemnity as aforesaid, save in cases of fraud and malicious inappropriate conduct. Dutch corporate law does not allow a company to upfront exempt members

of the managerial board or members of the supervisory board of the company from liability to the company.

According to the Articles of the Company, the Company (in the broadest scope possible under law) shall indemnify each person who is appointed as a member of the board for any capital losses, of whatever nature, arising from claims or proceedings related to the fulfillment of the duties of a member of the board of the Company or its group companies. Since the law in the Netherlands does not permit indemnification in the case of fraud or malicious inappropriate conduct of a person involved, the indemnification does not cover these circumstances.

Furthermore, the Company's Articles include a provision relating to the passing of a resolution by the general meeting of shareholders, after approval of the statutory annual financial statements, with regard to releasing the members of the board from liability to the Company. As stated in the articles of association of the Company, the scope of release from liability will be subject to limitations under the law. Release as stated is limited and based on the information submitted to the general meeting as stated or which arises from the annual financial statements.

6.2.13. Terms of Service and Employment of Directors and Office Holders

Israeli law – according to Israeli law, a board of directors of a public company will determine a policy will regarding to the terms of service and employment of officers of a company (hereinafter: a “**Remuneration Policy**”), after considering the recommendations of the company's remuneration committee in this regard. The Remuneration Policy of the company requires the approval of a meeting of the company's shareholders with a special majority as set forth in Section 267a(b) of the Companies Law (excluding a Remuneration Policy which is exempt in accordance with the leniencies set forth by law) and is effective for a period of three years.

In addition, the Fifth Chapter of the Sixth Part of the Companies Law sets forth a list of transactions of interested parties in the Company, including regarding the terms of office and employment of the officers and controlling shareholders of the company, requiring special approval processes, provided that the transactions as stated are for the benefit of the company.

The Companies Regulations (Leniencies in Transactions with Interested Parties), 5760-2000 provides a number of leniencies, upon the fulfillment of the terms set forth in the regulations as stated, regarding the approval processes of transactions listed in the Fifth Chapter of the Sixth Part of the Companies Law, including with respect to the engagement of a public

company with the controlling shareholders and the officers regarding their terms of office and employment in the company.

Dutch law - According to Dutch law, the salary of directors serving in the supervisory board of a company and the conditions of their employment must be determined by the general meeting of shareholders. The salary of directors serving in the managerial board and the conditions of their employment must also be determined by the general meeting of shareholders, unless otherwise stipulated in the articles of association of the company. It should be noted that in the articles of association it is possible to stipulate that the general meeting of shareholders will determine the remuneration policy of the directors, while the specific salary of every executive director will be set by the supervisory board. It is not possible to restrict the authority of the meeting of shareholders to adopt a remuneration policy.

The Articles of the Company state that the general meeting of shareholders of the company shall determine principles of the remuneration policy and other employment conditions of the members of the board. It was further determined that the board will determine with due observance of the provisions of the policy as established by the general meeting, the salary, the bonus and other kind of remuneration, provided that an executive director shall not participate in the decision-making regarding the remuneration of the executive directors. It should be noted that granting of remuneration in the form of Company shares or through the right to acquire such shares is in the power of the meeting of shareholders of the company only, after the board submits to the meeting a proposal on the matter.

6.2.14. Duties of Fidelity and Care

Israeli law - an office holder owes duties of care and duties of fidelity towards the company. Office holder's duties as stated are governed by the provisions of the Companies Law. In the framework of the provisions of the Companies Law in this regard, it is determined, inter alia, that:

The officer has a fiduciary duty to the company, and shall act in good faith and for its benefit, including: (1) abstaining from any action that includes a conflict of interest, whether during the fulfillment of his position or the fulfillment of another of his positions or among his personal matters; (2) abstaining from any action which has competition with the company's business; (3) abstaining from exploiting the company's business activities with the goal of receiving a benefit for himself or another; (4) revealing to the company any knowledge and transferring to it any document relating to its matters, which he received in the capacity of his position in the company.

It shall be noted that the company is entitled to approve an action from the actions noted above upon the occurrence of special terms or proceedings set forth in the Companies Law;

An officer owes the company a duty of care, as stated in Sections 35 and 36 of the Tort Ordinance [New Version].

The officer shall act at the skill level that a reasonable officer would operate at, in the same position and under the same circumstances, and this includes taking, in considering the circumstances of the matter, reasonable means to receive information relating to the business advisability brought for his approval of an action performed thereby within his position, and the receipt of any other information which has importance regarding the said operations.

Dutch law - pursuant to Dutch law, each member of the managerial board and the supervisory board shall be liable to the company for the proper performance of his duties.

Members of the managerial board or supervisory boards of Dutch companies are required to act in accordance with the principles of reasonableness and fairness pursuant to Dutch law. The duty of care of a managerial board member derives from the law, and includes the duty to properly perform his management tasks.

Members of a managerial board are considered to perform their positions properly so long as they act in accordance with what could reasonably have been expected of them given the circumstances.

A managerial board member must consider not only the interests of the shareholders of the company, but the interests of additional entities who have an interest in the company, including the company itself, creditors and, in particular, employees of the company and employees of its subsidiaries (holders of interests).

Similar to the above, members of the supervisory board must also act in accordance with the principles of reasonableness and fairness, and consider the interests of the same entities that the managerial board must consider, as mentioned above.

A breach of the duties imposed on members of the managerial board or supervisory board might, in certain circumstances constitute a cause for a claim against the breaching party, and the imposition of personal liability on him. The claim may be filed by: (1) any person injured as a result of the breach by the member of the managerial board or supervisory board; or (2) the company (or in the case of the Company's insolvency, the receiver), if a

member of the managerial board or supervisory board failed in performing duties imposed on him, and if the member of the managerial board or supervisory board was negligent in taking steps aimed at preventing the results of the said omission.

In the event of a bankruptcy of a company each director is towards the liquidation estate jointly and severally liable for the amount of the debts as far as these cannot be recovered after the assets of the company have been wound up, if the managerial Board has performed its duties clearly improperly and it is likely that this is a major cause of the company's bankruptcy. If the managerial Board has not complied with its obligations under section 2:10 or 2:394 of the Dutch Civil Code (duty to keep proper books and records and publication of the annual accounts) then it shall have performed its duties improperly and it is presumed that this improper performance of duties is a major cause of the company's bankruptcy (reverse burden of proof). The receiver in bankruptcy may institute a claim. A director who proves that the improper performance of duties by the managerial Board is not attributable to him and that he has not been negligent in taking measures to avert the consequences thereof, is not liable. The court may reduce the amount for which the directors are liable if it regards this amount to be excessive, given the nature and seriousness of the improper performance of duties by the managerial Board, the other causes of the bankruptcy and the way in which the liquidation estate has been wound up. The court may furthermore reduce the amount of liability of an individual director if it regards this amount to be excessive in view of the time during which that director has been in office in the period when the improper performance of duties took place.

6.2.15. Shareholders' Rights and Duties

Israeli law - the rights and duties of a shareholder are as prescribed in the Companies Law, the company's articles of association and any law and inter alia, the right to vote, the right to receive dividend, the right to receive information, the right to inspect the company's documents, all in accordance with the provisions of the Companies Law.

A shareholder shall act in operating his rights and fulfilling his obligations towards the company and towards the other shareholders with good faith and in the accepted manner and will abstain from negatively taking advantage of his power within the company, inter alia, in his voting in the general assembly on matters detailed in the Companies Law. The Companies Law further places the obligation on the shareholder to avoid discriminating against other shareholders in the company.

The Companies Law determines, that the following must act with fairness towards the company: (1) a controlling shareholder in the company; (2) a shareholder who knows that the manner of his voting will decide regarding a resolution of the general assembly or type assembly of the company; (3) a shareholder, which according to the provisions of the articles of association, has the power to appoint or prevent the appointment of an officer in the company or any other power towards the company. The breach of the duty of fairness, as stated above, shall have, mutatis mutandis, the laws applying in the Israeli Law on the breach of a contract apply thereon.

Dutch law - Dutch corporate law grants shareholders of a Dutch public company the right to be present at general meetings of the shareholders and to speak, request information and vote thereat.

Unlike the provisions of Israeli law, Dutch law does not grant an individual shareholder or a group of shareholders a specific right to receive information. All of the shareholders of the same position are entitled to equal treatment (this principle is determined in the Dutch Civil Code and the Dutch Financial Supervision Law).

It should be noted that based on the recommended provisions of the Corporate Governance Code, the managerial board and the supervisory board of the company will provide the general meeting of shareholders with any information requested thereby, unless the above is contrary to the interests of the company.

According to Dutch law, any shareholder is entitled to exercise his rights in accordance with his personal interest, so long as he does not breach rights under law or rights of other parties associated with the company, including the shareholders thereof. Additionally, the company, and anyone associated therewith according to the law or the articles of association, must, in the performance of their duties, treat one another reasonably and fairly.

For the sake of completeness, it should be noted that on January 1, 2009, certain provisions regarding disclosure of financial information and other information according to Directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 ("**Transparency Directive**"), were implemented into the Dutch Act on Financial Supervision. According to the rules of the Dutch Act of Financial Supervision, an obligation exists by which the shareholders and bondholders in equal circumstances receive equal treatment.

The Dutch legislator has limited the aforesaid to cases of providing identical information and subject to sharing the costs. This provision applies to companies whose shares or debentures are listed on a regulated market and

for which the Netherlands is the “home member state” in the European Union in terms of the Transparency Directive. Further to the above, in this context, said companies are not allowed to refuse their shareholders and/or their holders of bonds, as the case may be, to execute their rights by means of a proxy in the general meeting of shareholders or the meeting of debenture holders, respectively. The Dutch Act of Financial Supervision also enables, when certain conditions exist, to send certain information to shareholders and/or to holders of bonds electronically.

Notwithstanding the shareholders' rights pursuant to the Dutch Civil Code and the Articles of the Company, the Corporate Governance Act 2013 provides, inter alia, for the following new rules:

- The threshold for the right of shareholders of both listed and unlisted public limited liability companies ('NVs') to have items placed on the agenda of the general meeting of shareholders has been raised: only shareholders who (individually or jointly) have a holding of 3% or more will have this right.
- When exercising the right to have items put on the agenda of a general meeting a shareholder in a listed company will be required to disclose his/its full economic interest (long and short). This must be published on the listed company's website.
- The Act contains a complex arrangement enabling listed companies to trace the identity of their 'ultimate investors'. In brief, the procedure takes the following form:
 - a) Identification request: in the run-up to its annual or extraordinary general meeting of shareholders, a company may request Euroclear Netherlands and its member institutions and other intermediaries to provide the names and addresses of those investors for whom they administer shares (or depositary receipts for shares) together with details of their positions. The idea is that the company can proceed through the entire chain of custody until the last link, the investor, is identified. In addition, one or more shareholders who, either alone or together, have a capital interest of at least 10% have the right to request the company to institute an identification procedure. The procedure can only be used to identify investors with an interest of at least 0.5%. This limitation is intended to protect the privacy of small investors.
 - b) Procedure and sanctions: the company must submit the request within 60 days before the general meeting. The bank or other institution to which the identification request is made must reply within three working days and, if possible, supply the requested information. If no reply is forthcoming, the company may apply to a district court for an order directing compliance.

Initially the Act included a sanction for non-compliance - a three-year suspension of the voting rights on the relevant shares - but this has been dropped. The provision for the reimbursement of costs has also been dropped.

c) Duty of secrecy: the company has an obligation to keep the information obtained secret and to handle it with due care. The company must also organize the information in such a way as to ensure that it is protected from loss and unlawful processing.

d) Passing on of information: An investor who, either alone or together with other shareholders, holds at least 1% of the shares or holds shares or depositary receipts for shares with a market value of at least € 250,000 will have the right to request the company to pass on certain information to the other shareholders. The information must be connected with an item that is on the agenda of the general meeting. The company must send the information or post it on the company's website with the utmost speed, in any event within three working days. A company that decides to send the information must also post it on its website. The company is not obliged to accede to such requests in all circumstances. If the information is supplied too late or gives an incorrect or misleading impression, the company may refuse to pass it on. This also applies if the information is of such a nature that it would not be reasonable or fair to expect the company to pass it on. Examples mentioned in the explanatory memorandum to the Act are offensive criticism or unduly large documents.

The Corporate Governance Code includes several guidelines relating to the responsibility of the institutional investors, for example: a recommendation to publish the voting policy of that financial institution, once a year, for each of the companies in which it holds shares. Additionally, financial institutions shall act in relation to a company, its competent organs and the other shareholders in the company on the basis of fairness and reasonability, which according to the Corporate Governance Code, include the willingness to litigate and negotiate with the company and with its other shareholders.

6.2.16. Acquisition of Control in a Company and a Forced Sale

Israeli law - provides that, as a rule, a public company shall not make a purchase (within the meaning thereof in the Companies Law) as a result of which any person will become the holder of a controlling block (as defined in the Companies Law) if there is holder in the company of a controlling block and no purchase shall be effected as a result of which the purchaser's holdings will exceed 45% of the voting rights in the company if there is no other person holding more than 45% of the voting rights in the company except by way of a special tender offer pursuant to the provisions of the

Companies Law (hereinafter: a **Special Purchase Offer**). If a Special Purchase Offer was offered, the Board of Directors will present its opinion to the Offererees regarding the advisability of the Special Purchase Offer or will be prevented from its opinion as stated, if it is not able to do so, provided that it shall report as to the reasons for it not doing as such. The Special Purchase Offer will be directed to all of the Offererees, and the Offerees are entitled to notify about their agreement to the Special Purchase Offer or their opposition thereto. The Special Purchase Offer will not be accepted unless the Offerees agreed to the offer and notified of their position in relation thereto in accordance with the majority set forth in Section 331 of the Companies Law. The Special Purchase Offer will not be accepted unless shares which grant at least 5% of the voting rights in the Company were purchased in accordance thereto.

Additionally, the Companies Law determines that a person shall not purchase shares of a public company or voting rights in a company as stated, or a type of shares of a public company, such that after the purchase he will have a holding of more than 90% of the shares of the public company or of a type of share, except in a manner of a purchase offer for all of the shares or type of shares (hereinafter: the "Full Purchase Offer"). According to the provisions of the law, if a person held shares at a rate higher than 90% of the total shares of the public company as stated, or of a type of share, he shall not purchase, as a rule, additional shares as long as he holds the shares in the said rate. If a Full Purchase Offer was accepted by the Offerees in a manner that the rate of holdings of Offerees who did not answer the offer constitutes less than five percent of the issued share capital or from the issued capital of the share type for which the offer was offered, and more than half of the Offerees who do not have a personal interest in accepting the offer answered it, all of the shares that the Offerer requested to purchase will be transferred to his possession (notwithstanding the above, the Full Purchase Offer shall be accepted if the rate of holdings of the Offerees who did not answer the offer constitutes less than two percent of the issued share capital or the issued capital of the share type for which the offer was offered) (hereinafter: "Forced Sale"). If the Full Purchase Offer was not accepted, as stated above, the Offerer shall not purchase from the Offerees who answered the Offer, shares which will grant thereto a holding of more than 90% of the total shares in the Company or of the entire type of shares for which the Offer was offered. It shall be noted that, as a rule, the court is entitled, at the request of anyone who was an Offeree in the Full Purchase Offer that was accepted, in accordance with the provisions of the Companies Law, to determine that the consideration for the shares was less than their fair value, and that the fair value must be paid, as set forth by the court. Such a request shall be submitted no later than six months from the date of receiving the

Full Purchase Offer. As long as the Full Purchase Offer was received and the Offer was for a sole share type of the Company or to each of the share types of the Company which are in the public's possession, the Company shall become a private company.

For the sake of completing the picture it shall be noted that regarding the performance of the purchase offer additional provisions were determined in the Securities Regulations (Purchase Offers), 5760-2000, including the fact that the purchase offer according to Israeli law is not reversible and cannot be conditioned, unless in accordance with as set forth in the Regulations as stated.

Dutch law - Unlike Israeli company law, the concept "forced sale" does not exist in Dutch corporate law; nonetheless, a shareholder holding at least 95% of the shares of a limited liability company incorporated in the Netherlands (whether listed or not listed for trade) may institute legal proceedings against the remaining shareholders in order to arrange for these shareholders to transfer their shares to him, at the price, under the terms and in accordance with the provisions set forth by the Enterprise Chamber.

In October 2007, the act implementing the European directive 2004/25 of the European Commission and the Counsel (the "**Takeover Directive**") in the Dutch Act of Financial Supervision. Anchoring the Takeover Directive expressed the mandatory provision regarding the obligation to perform a purchase offer in the Dutch Act of Financial Supervision. The main provisions of the new regulations require a shareholder acquiring, directly or indirectly, jointly or separately (hereinafter: "**acting in concert**"), 30% or more of voting rights in a Dutch public company of which shares are admitted to trading on a regulated market in the European Economic Area, to submit a public acquisition offer for all shares in a company that are not held by him (hereinafter: a "**Mandatory Public Offer**"). It should be noted that this requirement does not apply to a shareholder who held 30% or more of voting rights in the company prior to the date the new regulations came into force, not even if that shareholder increases his shareholding in the company after that date. This requirement as stated also does not apply to a shareholder who has submitted a Mandatory Public Offer (and increased his holdings in the company to 30% or more), and is interested in acquiring additional shares in the company. Notwithstanding the above, if such shareholder sells some of his holdings in the company, so that his holdings fall below the 30% threshold and at a later stage wishes to acquire more shares so that his holdings will be increased to more than 30%, he will be required to make a Mandatory Public Offer.

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Moreover, according to the Dutch Civil Code a shareholder who submitted a Mandatory Public Offer and who has as a result thereof acquired at least 95% of the share capital of the company (and represents at least 95% of the voting rights in a company), may institute legal proceedings against the remaining shareholders in order to arrange for these shareholders to transfer their shares to him. The price to be paid for the shares of the remaining shareholders and the terms and conditions shall be determined by the Enterprise Chamber. The opposite also applies, meaning that the shareholder who, after having made Mandatory Public Offer, and as a result owns at least 95% of the share capital in the company (and representing at least 95% of the voting rights in such company), may be forced by the other shareholders in the company to acquire their shares in the company. The demand to transfer or to accept the remaining 5% or less, as applicable, of the shares in the capital, shall be made within three months from the end of the reply period for the acceptance of the public offer.

With respect to the purchase price the following applies: If a person is required to make a Mandatory Public Offer, the bidder must offer an "equitable price". The basic rule is that a price is considered "equitable" if it equals the price that was, in the year preceding the announcement of the Mandatory Public Offer, paid for securities of the same category or class by the bidder or by the persons with whom the bidder is acting in concert. Moreover, the bidder may not acquire any shares for a period of one year following the announcement of the offer against conditions that are more favorable than those offered in the public procurement offer. In the case that the bidder or the persons with whom the bidder is acting in concert did not buy any shares in the year preceding the announcement of the Mandatory Public Offer, the "equitable price" will be equal to the average price paid on the stock exchange for the securities of the same category or class, during the year preceding the announcement of the Mandatory Public Offer. If the bidder acquires shares, after the announcement of the Mandatory Public Offer and before the end of the offer period, which are acquired for a higher price than the "equitable price", this equitable price must be increased up to at least this higher price. It is clarified that the Enterprise Chamber may determine the "equitable price", contrary to the rules described above, at a motivated request of the bidder, the target company and a shareholder of the target company, which was submitted not later than four weeks after the announcement of the Mandatory Public Offer. A request as stated will be unsustainable if the "equitable price" is determined based on the average price paid in the stock exchange for the securities of the same category or on the basis of the price at which the offeror of the bid acquired the shares during the period after the declaration of the Mandatory Public Offer and before the end of the offer period, as stated above, and the above differs less

than ten percent from the average price of the securities three months preceding the request date.

The “equitable price” must be in shares, cash or a combination of shares and cash. Such shares must be liquid and traded on a regulated market in the EU. In the case that the bidder or the person with whom the bidder is acting in concert acquired, against payment in cash, shares with at least 5% of the voting rights in the target company, the equitable price must be in cash.

Additionally, if after a Mandatory Public Offer the bidder owns at least 95% of the share capital and voting rights of the company, the minority shareholders may apply to the Enterprise Chamber, in order to determine the “equitable price” for them that equals the “equitable price” of the Mandatory Public Offer. It should be noted that it is also possible that the Enterprise Chamber appoints three experts in order to determine the value of the relevant shares.

6.2.17. Class Actions and Derivative Actions

Israeli Law – the submission of a class action lawsuit and its management shall have the provisions of Class Action Lawsuits Law, 5766-2006 (hereinafter: the “Class Actions Law”) apply thereon. Anyone who has grounds for an action, in the framework of the terms set forth in the Class Actions Suits, derived, inter alia, from a link to a security or a unit, as these terms are defined in the Class Actions Law, is entitled to claim, with the approval of the court, in the name of the group which shall be defined by the court as stated, and provided that, inter alia, the action raises substantial questions about the fact or law common to all of the members of the group. Additionally, in accordance with and pursuant to the mechanisms detailed in Part A of Chapter Three to Part Five of the Companies Law: (A) any shareholder and any director are entitled to submit a derivative action in the name of the company; (B) any shareholder or director is entitled, as long as an action was submitted against the company, to defend on behalf of the company; and (C) any creditor of the company is entitled to submit a derivative action in the name of the company in regards to the illegal distribution performed in the company. The actions denoted in subsections (A) to (C) above require the approval of the court, which will approve them if it is convinced that seemingly the action or defense, as applicable, and its management is for the benefit of the company and that the plaintiff or defender does not act with a lack of good faith. It shall be noted that a derivative action or derivative defense shall not be submitted in the name of the company which has been appointed a liquidator according to Chapter Twelve of the Companies Ordinance.

Dutch law - Dutch law does not contain provisions parallel to Israeli law regarding class and derivative actions. Notwithstanding the above, a group of shareholders: (i) whose share capital is lower than EUR 22.5 million, representing at least 10% of the issued and paid up share capital of the company, or who are entitled to shares with a value of at least EUR 225,000 par value (or certificates of deposit thereunder) or less, if permitted under the articles of association of the Company, or; (ii) whose share capital is higher than EUR 22.5 million, representing at least 1/100 of the issued and paid up share capital of the company; or (iii) as long as the shares or certificates of deposit thereunder are listed for trade in an orderly market or multi-party trading platform within the European Economic Area, or a system parallel to this system outside of the European Economic Area, shareholders representing at least EUR 20 million in the Company's issued share capital, on the basis of the closing price of the last trading day preceding the submission of the request, if permitted under the Company's articles of association, the group has the right to request the Enterprise Chamber to appoint one or more persons to investigate the policy and the management of the company. In addition, under the Act on the Collective Settlement with Mass Damage (*Wet collectieve afwikkeling massaschade*) a contract for the compensation of damage caused by an event or by similar events, entered into by a foundation or association possessing full legal capacity with one or more other parties who undertake by contract to compensate this damage, may, be declared by the court (upon the joint request of the parties that have entered into the contract), as binding additional persons to whom the damage has been caused, provided the foundation or association as stated, by virtue of its articles, represents the interests of such persons. The aforesaid law regulates cases of claims by many claimants for compensation in respect of the same damage.

6.2.18. Causes for the Company's Liquidation

6.2.18.1. **Israeli law** – the Companies Ordinance determines a list of provisions and mechanisms for the liquidation of companies. According to the Companies Ordinance, a company may be liquidated by the court, in a willing liquidation (a voluntary extra-judicial proceeding at the initiative of the company and allowing the members of the company or its creditors to liquidate the company without them being subject, as a rule, to the provisions or guidelines of the court or the official receiver) or a liquidation enforced by the court. Listed below is an overview of the grounds for liquidation set forth in the Companies Ordinance, in accordance with the various liquidations:

(a) Liquidation by the court

According to the Companies Ordinance, the court is entitled to liquidate the company or one of the following grounds exists: (A) the company received a special resolution, as defined in Section 115a of the Companies Ordinance, that it shall be liquidated by the court; (B) the company is bankrupt (in accordance with the tests and conditions set forth in the Section 258 of the Companies Ordinance); (C) the company did not begin its business within one year after it incorporated or it ceased its business for one year; (D) the court believed that it was fair and just that the company be liquidated; € the court is entitled, at the request of the Attorney General to liquidate a company that was not registered; and (F) the court is entitled, at the request of the Companies Registrar, to liquidate a company if within three years the company did not pay at least two financial sanctions on time and provided that they were not paid by the submission date of the liquidation request.

(b) Voluntary liquidation

The company may voluntarily liquidate in the following cases: (A) if a regular resolution was passed in the general assembly about the voluntary liquidation, and provided that the term set forth in the articles of association for the existence of the company has passed and/or an event occurred which requires the company to liquidate according to the provisions of the articles of association; (B) the company passed a special resolution, as defined in Section 155a of the Companies Ordinance, to voluntarily liquidate; (C) the company decided in an extraordinary decision, as defined in Section 155a of the Companies Ordinance, that due to its obligations it is not able to continue its business, and it is fitting for it to liquidate.

(c) Voluntary liquidation enforced by the court

When the company decides to voluntarily liquidate, the court is entitled to grant an order according to which the rest of the liquidation will be under the enforcement of the court.

6.2.18.2. **Dutch law** – according to the Dutch Corporate Law, a company may liquidate under the following cases:

- (a) Pursuant to a resolution of the general meeting of the shareholders;
- (b) By the court (for a limited number of causes);³⁰
- (c) After a declaration of bankruptcy, whether by way of cancellation of the bankruptcy (due to the condition of the assets)³¹ or through insolvency;
- (d) Pursuant to a decision of the Chamber of Commerce in the Netherlands, which may only be made in the event that two or more of the following conditions are fulfilled:
 - 1. For at least one year, not one member was registered on the managerial board, or the registered members of the managerial board passed away, or it is apparently impossible to make contact with them in accordance with the addresses in the Trade Register of the Chamber of Commerce;
 - 2. The company has breached its statutory duty to publish its annual financial statements or its balance sheet and the notes to the balance sheet, for at least one year;
 - 3. For at least one year, the company did not act in accordance with certain reminder directions given to it by the tax authorities, to file a declaration of the company's income for the purpose of company tax.

6.2.19. Authority for Settlement or Arrangement

Israel Law – the Companies Law sets forth that in the event where a settlement or arrangement³² was offered between the company and its creditors or shareholders, or between it and between any certain type of

³⁰ The grounds are: (1) A defect in the incorporation of the company; (2) An inconsistency between provisions of the company's articles of association and the mandatory provisions of the law; (3) The company does not comply with the demands provided in the law concerning its legal structure; (4) The company is in breach of the prohibitions fixed in the Dutch Civil Code (Article 2) regarding its legal form, or is acting severely contrary to the provisions of its articles of association; (5) The activities or goals of the company violate public policy. It should be noted that dissolution of a company for these causes, is rare.

³¹ In the event that the assets available for distribution are not sufficient for the purpose of paying the costs of the bankruptcy and for other debts due to the bankruptcy.

³² "Arrangement" – including reorganization of the share capital by way of unifying shares of different classes or by way of distributing shares into various types, or in both ways jointly.

them, the court is entitled, at the request of the company, a creditor or shareholder, or the liquidator if the company is being liquidated, to order the convening of an assembly of creditors or a shareholders assembly, as applicable, in the manner which the court shall instruct. The creditors or shareholders assembly shall be conducted separately for every type of creditor or shareholder. If in all of the type assemblies which are convened as stated above, the majority of the voting participants, excluding the abstainers, which together is three quarters of the total representative value of the vote agreed to a settlement or arrangement, and the court approved the settlement or arrangement, then they obligate the company and all of the creditors or shareholders or the type thereof, as applicable, and if it is in liquidation – the liquidator and any participant. It shall be noted that the settlement or arrangement whose purpose is the recovery of the company shall have obligatory validity even if they were not approved, as stated above, upon the compliance with the special conditions set forth in the Companies Law.

In order to permit the company to reach an arrangement with its creditors, the court grants authority to issue an order to stay proceedings, according to which during a term which shall not exceed, generally, nine months, no proceeding may be continued or opened against the company (excluding the exceptions set forth in the law) without the authority of the court and under the conditions set forth, all in accordance with and pursuant to the provisions of the Companies Law in this regard. The court is entitled to appoint a position holder for the company during the stay of proceedings to implement the recovery process. It shall be noted that the Companies Law also sets forth a list of various provisions in regards to the laws of pledged assets, existing contracts and new credit in the framework of the stay of proceedings as stated.

Additionally, the Companies Law arranges within the various provisions the type of settlement or arrangement in a bond company³³ regarding a material change in the repayment terms of the series of bonds, including a decrease of payment or delay of the repayment date, including the arrangement or settlement according to which the bonds will be repaid, entirely or partially, by way of allocating other securities to the holders of bonds. The provisions as stated above include the appointment of an expert to examine the debt arrangement, the positions of the expert, the expert's opinion, the authority of the expert to require information, the convening of assemblies and the approval of the debt arrangement.

³³ “Bond company” – a company whose bonds are listed in the stock exchange or offered to the public under a prospectus as defined in the Securities Law or that are offered to the public outside of Israel under a public offering document required under the law outside of Israel and held by the public.

Settlement of arrangement designed to change a structure or merger: In the event that a motion to approve a settlement or composition as aforesaid has been filed with the court, and it was proven to the court that the settlement or composition had been offered for a plan with regard to a company's restructuring or a merger of companies, and that according to the plan, an enterprise or assets of one of the companies (hereinafter: the "**Transferor Company**") is to be transferred to another company (hereinafter: the "**Transferee Company**"), the court is entitled to order, in an order granting the motion, or in an order issued thereafter: (1) the transfer of the enterprise, the assets or the liabilities of the Transferor Company, in whole or in part, to the Transferee Company; (2) the allotment of shares, bonds, policies or other similar benefits in the Transferee Company, which the latter must allot to a person according to the composition or the settlement; (3) continuance on behalf of or against the Transferee Company of a pending legal proceeding on behalf of or against the Transferor Company; (4) liquidation of the Transferor Company without winding-up; (5) The remedy for people who oppose the settlement or the composition within the timeframe and in the manner, which the court orders; (6) any routine matter required in order to ensure that the restructuring or the merger is performed completely and efficiently.

If an order was given, as stated, for the transfer of assets or debts, the assets will be transferred on behalf of the order and will be granted to the transferee company and will be released, if the order instructed as such, from any pledge which has expired on behalf of the settlement or arrangement, while the debts were transferred to the transferee company and will be for its debts.

Dutch law – the Dutch court has the power in connection with collective claims by bodies representing groups of individuals (such as: creditors or shareholders in accordance with the Law of Collective Settlement of Mass Damage). In addition, under the Dutch law, when a company is declared as bankrupt or payments are ceased, claims related to the above may be resolved by a court that appoints a person or trustee to manage them. In addition, under the Dutch insolvency law, its court may the power to ratify an arrangement that is approved with a regular majority of creditors that represent the majority of holders of unsecured debt. An arrangement as stated will bind creditors who are not secured or preferred creditors.

6.2.20. Merger and Split of Companies

Israeli law - Merger of companies may occur: (1) according to the first chapter in the eighth part of the Companies Law by transference of assets and obligations of the target company to the surviving company, resulting in the liquidation of the target company. A merger as stated requires the

approval of the board of directors and the general meeting of shareholders of each one of the companies merging, except for special cases set forth in the Companies Law and it can be brought to the approval by the Courts under specific conditions as set in the law. (2) by way of settlement or arrangement with the approval of the Court, in accordance with Sections 350 and 351 of the Companies Law, as set forth in Section 6.2 above; (3) by any other way, such as: the transfer of shares.

Dutch law - Dutch law refers to a legal merger and liquidation.

In a legal merger in accordance with Article 2 of Chapter 7 of the Dutch Civil Code one or more companies (a dissolving company) merge with another company (the purchasing company), while as a result of which merger: (a) all assets and liabilities of the dissolving company are acquired, by law, by the purchasing company and (b) the dissolving company ceases to exist and the shareholders of dissolving company become, as a rule, shareholders of the purchasing company or a group company of the surviving company. In addition, a merger of companies can be executed in other ways such as transfer of shares and transfer of assets (which does not qualify as a legal merger and by which assets and liabilities are not transferred by law).

Cross border (international) mergers between companies within the European Union is, as a rule, allowed. It should be noted that the provisions of Directive 2005/56/EC on cross border legal mergers for companies within the European Union have been implemented in the Dutch Civil Code. The procedure for cross border mergers within the EU deviates in certain respects, specified in the Dutch Civil Code, from the general procedure for mergers between Dutch companies.³⁴

Process for legal mergers between Dutch companies: the managerial board of each merging company must prepare a merger proposal which is to be signed by every managing director of each company involved in the merger. The proposal must also be signed by the supervisory board members (insofar as a supervisory board as stated has been established) of each of the companies involved in the merging process. In addition, the managerial board of each merging company will prepare an explanation to the merger proposal, setting out, inter alia, details of the reasons for the merger, the expected results and the share exchange ratio. Each of the companies involved in the merger must file with the Trade Register the merger

³⁴ Many of these deviations are of a technical nature and relate to, for example, the items to be dealt with in the merger proposal, slightly different publication requirements, and the law governing the merger deed. Material deviations are in the compensation which a shareholder objecting to a cross border merger must be paid if he so demands, and in the arrangements with respect to co-determination of employees which may become applicable.

proposal, the latest adopted annual accounts for the three years preceding the date of filing and possibly interim accounts plus, if applicable, the auditor's statements issued in connection therewith. In addition, information is provided regarding the question of whether shares are issued to the shareholders of the dissolving company and auditor's statements, regarding: (i) the payment in full of the shares to be issued and (ii) the exchange ratio of the shares. All documents filed at the trade register, as well as other documents such as the explanation to the merger proposal, must be filed at the offices of the merging companies simultaneously with the filing at the Trade Register. The filing of the documents must be announced in a generally distributed newspaper in the Netherlands.

A creditor may ask for additional assurances from the dissolving company or the purchasing company, unless there is no change in his status or if he is satisfactorily assured. In case of absence of enough guaranties, the creditor is entitled to oppose the merger. The opposition must be submitted with the Court in the Netherlands within one month from the publication of the merger proposal in the newspapers, and in this period it is not possible to execute the deed of legal merger. If no opposition is submitted, the general meeting of shareholders of each of the merging companies must adopt the resolution for legal merger after the waiting period of one month passes. It should be noted that the purchasing company may approve the merger through its managerial board, unless a certain number set by law among the shareholders is opposed (5% or less if stipulated in the articles of association). In this case, the decision must be adopted by the general meeting of shareholders. The majority for acceptance of the decision must be equal to the majority required for an amendment to the articles of association, unless otherwise stipulated in the articles of association. The shareholders have no authority to change the merger proposal. Regarding the company – in order to approve a merger, the Company's Articles require a decision adopted by the general meeting of shareholders of the Company based on a proposal of the board with a majority of 75% of the meeting in which at least three shareholders were present or represented, representing at least 10% of the Company's issued capital.

The merger will come into effect on the day following the day of the execution of the notarial deed of legal merger. The deed of legal merger shall be executed within 6 months from the day of the publication of the merger. After execution of the notarial deed of legal merger, a certified copy thereof is filed at the relevant registers, including the Trade Register.

The Courts may cancel the merger process only in case the formal procedures were not fully completed. A request for cancellation as stated may be submitted by shareholders, a member of the board of directors, a member of the managerial board or any person who has an interest in a

company involved in the legal merger. The right to request a cancellation expires after six months from the day of filing of the notarial deed of legal merger at the Trade Register. It should be noted that the merger will not be cancelled if the deficiency is repaired within the time stipulated by the Court or if it is not possible to reasonably cancel the results of the merger.

The legal split procedure is similar in all material respects to the legal merger procedure.

6.2.21. Reduction of Capital

Israeli law – the general meeting is entitled to cancel registered share capital, which has not yet been allocated, provided that the Company does not have an obligation, including a conditional obligation, to allocate the shares. Additionally, the company may allocate shares for a lower consideration than their par value while converting part of its profits into share capital, as defined in Section 302(b) of the Companies Law, from a premium on shares or any other source included in its equity, set forth in its most recent financial statements, in the amount equal to the difference between the par value and the consideration. The court may, at the request of the company, authorize it to perform an allocation of shares for consideration lower than its par value other than in accordance with the above, under the conditions determined.

Dutch law – According to the Company's articles of association, a capital reduction may be performed through a resolution to that effect by the general meeting of the shareholders, by: (1) cancellation of shares held by the company in its own share capital or (2) reduction of the nominal value of the shares in the company. Concurrent with the general meeting's decision regarding the capital reduction by means of reduction of the nominal value of the shares in the company, a decision by the general meeting is required regarding the amendment of the Articles of the Company. The majority required for the approval of the resolutions as stated above is a majority of at least seventy five percent (75%) of those present in the general meeting attended by or in which at least three (3) shareholders holding at least ten percent (10%) of the issued and paid up share capital are represented. The decision of the general meeting to reduce the issued share capital will give details of the shares it refers to and will include instructions as to the implementation of the decision. Additionally, a decision regarding capital reduction is subject to affording the relevant company's creditors the opportunity to lodge objections to the execution of reduction during a period of two months from the date of publication of the decision regarding capital reduction in the Netherlands. In case of objections being lodged as stated, the capital reduction will only be approved if the relevant creditor has

removed his objection or the objection has been cancelled by application to the court of law in the Netherlands.

6.2.22. Remuneration Policy

The law in Israel – a public company must adopt a remuneration policy for directors and officers of the Company for a period of three years in accordance with the approval processes determined in the Companies Law, including approval with a special majority in the general meeting.

The board of directors of the Company, excluding in a public second-tier subsidiary, may determine the remuneration policy even if the general meeting opposes its approval, provided that the remuneration committee and thereafter the board of directors have resolved, on the basis of the reasons set forth and after addressing again the remuneration policy, that approval of the remuneration policy is for the best interests of the Company, despite the opposition of the general meeting.

The Dutch Law – companies must adopt remuneration policies (*beleid op het terrain van bezoldiging van het bestuur*) in accordance with the Dutch Civil Code, and this remuneration policy is determined by the general meeting of the shareholders. The remuneration policy must relate to the scope of remuneration of members of the board of directors, divided into (1) periodic remuneration, (2) remuneration provided during the ordinary course of business, (3) payments upon the termination of the engagement and (4) profit sharing and bonus payments. The members of the supervisory board of directors or non-executive members of the board of directors will supervise the remuneration policy and provide proposals regarding the personal remuneration of members of the board of directors, or will determine them, depending on the competent corporate body.

6.2.23. Best Practice Code

In the Netherlands – The Corporate Governance Code

A committee to examine Dutch corporate governance was established at the behest of the Dutch Finance and Economy Ministers, for the purpose of writing a new code on Best Practice

of Corporate Governance. The committee as stated submitted its final recommendations in December 2003.

On December 20, 2004, the Corporate Governance Law from 2003 was set forth in a ministerial order as a code as defined in Section 2:391, para. 5 of the Dutch Civil Code. The Corporate Governance Code applies, inter alia, to companies that have been incorporated in the Netherlands, trading in regulated markets inside and/or outside the Netherlands. In 2005, a committee was established to supervise companies' compliance with the Corporate Governance Code, and in December 2008 the Corporate Governance Code was amended and this amendment went into effect in January 2009.

The nature of the statutory mandate according to the Corporate Governance Code is that of “comply or explain”, i.e., companies listed for trade can deviate from the Best Practice Provisions. The possibility of adopting all the provisions of the Corporate Governance Code depends upon the specific circumstances of each company. The managerial board and the supervisory board of traded companies are required to adopt the provisions for their activity, complying with the requirements for good governance according to the Corporate Governance Code. Traded companies must describe, in their statutory annual report submitted by them in the Netherlands their corporate governance structure and also refer to the manner of their compliance with the Corporate Governance Code, including reference to reasons of non-compliance with certain Principles and Best Practice Provisions. In March 2009 a ministerial order was issued, which obliges companies to publish a declaration regarding “Best Practice Provisions” in their annual report. The ministerial order became applicable in relation to financial years that have started on April 1, 2008 and onwards. The declaration has to include information about the Corporate Governance practiced in the Company, detail of the main characteristics of the internal supervision and the risk management mechanisms regarding the financial reporting, the functioning of the general meeting and the principal rights of the shareholders, the composition and functioning of the managerial board and the supervisory board (or in the case of a single-tier board – the board of directors) and their committees, as well as information regarding take-over bids. Said information was first included in the statutory annual report of the Company for the financial year 2008.

Among the most important provisions that were adopted by the Company under the Corporate Governance Code were the following (it should be noted that in many cases, the Corporate Governance Code relates to a managerial board of a company. Since the Company has a single-tier board, most of the provisions relate to the board of the Company generally. If specific provisions relate to the supervisory board, the said provisions are considered as referring to non-executive directors of the Company's board of directors):

- (a) Rules have been adopted which the articles of association reflect, detailed in the Corporate Governance Code regarding cases of conflict of interest between the Company and one or more members of the board.
- (b) The Company has decided not to adopt, or not to fully adopt, inter alia, the following provisions under the Corporate Governance Code, as reflected in the Company's annual report over the year 2013³⁵:
 - 1. Best Practice Provision II.1.3 stipulates inter alia that the Company should have an internal risk management and control system and that in that respect, it should have inter alia employ as instruments of such internal risk management and control system, a code of conduct which should be published on the Company's website. In 2013, such code of conduct has not been available on the Company's website.
 - 2. Best Practice Provision II.1.4 (b) stipulates that the board shall provide a description of the design and effectiveness of the internal risk management and control system for the main risks. In 2013, such description has not been available.
 - 3. Best Practice Provision II.1.6 stipulates that the board shall describe the sensitivity of the results of the Company to external factors and

³⁵ The reference in these sections is the annual report of the Company for 2013, since it contains the most updated information, particularly in light of the fact that the composition of the Company's board changed on July 8, 2014. In the relevant places, the information was updated with respect to 2014.

variables. Since the Company has no streaming/fixed annual revenue from operation of properties, it does not perform such analysis.

4. Best Practice Provision II.2.4 stipulates that granted options shall not be exercised in the first three years after the date of granting. The Share Option Schemes of the Company do not restrict the exercise of options to a period of three years as stated above. The reason therefore is that the Company and the Elbit Imaging Group share the same remuneration policy and therefore the Share Option Schemes of the Company were drafted in accordance with Elbit Imaging's share option scheme, in order to uphold the incentive based on the same principles for all employees of the Elbit Imaging Group.
5. Best Practice Provision II.2.7 stipulates that neither the exercise price nor the other conditions regarding the granted options shall be modified during the term of the options, except insofar as prompted by structural changes relating to the shares of the Company in accordance with established market practice. The Company has on 25 November 2008 adjusted the exercise price of the granted options thereby to employees of the Group under the 2006 stock option plan and in November 2012 the Company extended the option term as stated from ten to fifteen years. This has been done since the Board was of the view that the each Share Option Scheme should serve as an effective incentive for the employees of the Group, to encourage them to remain in employment in the Company while aspiring to achieve the best possible results for the Company and the Shareholders. Market conditions and the global economic crisis that is still impacting the geographic regions and real estate sectors in which the Company operates, led to a strong decline in the Company's share price at both the London Stock Exchange and the Warsaw Stock Exchange. As a result of the above, practically all options for

employees are out of the money, without a favorable outlook for a quick recovery. In order to maintain the effective incentive for the employees, the Board has submitted to the extraordinary meeting of shareholders that was held on 25 November 2008, a proposal to amend the 2006 Share Option Scheme by determining the exercise price of all options granted on or prior to 25 October 2008, to GBP 0.52. In addition, the board submitted to the extraordinary meeting of shareholders that was held on November 20, 2012, a proposal to extend the option term from ten to fifteen years from the date of grant (in order to adapt the expiration date of the options as stated to the 2011 Share Option Scheme, adopted by the extraordinary General Meeting of shareholders on 22 November 2011). In an attempt to insure that the options under the 2006 Share Option Scheme are and remain an effective incentive, and that the option holders should have the opportunity to exercise their options until the same end date as the holders of options under the 2011 Share Option Scheme, the revised 2006 Share Option Scheme includes an extension of the vesting term for options granted less than one year prior to 25 October 2008. The shareholders approved the amendments of the 2006 Share Option Scheme, set forth above.

6. Best Practice Provision II.2.12 and Best Practice Provision II.2.13 stipulate inter alia that the remuneration report of the supervisory board shall include account of the manner in which the remuneration policy has been implemented in the past financial year as well as an overview of the remuneration policy planned by the supervisory board for the next financial year and subsequent years and should contain the information specified in these provisions. The current remuneration policy of the Company has remained unchanged from 2006 at the moment the Company's shares were admitted to listing. It should be noted in this context that the remuneration policy is fairly

straight-forward, as such that implementation is not an issue. Furthermore, pursuant to the Articles of the Company, the General Meeting of the Company will determine the remuneration policy, and not the Non-executive Directors. In accordance with the above, when the remuneration policy needs amendment, this will be addressed in a General Meeting.

7. Best Practice Provision II.3.3 and Best Practice Provision III.6.2 stipulate that both executive directors and non-executive directors shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which they have a conflict of interest with the Company. In the framework of the amendment of the Articles of the Company, on 4 July 2013, a provision as stated was set forth in the Articles of the Company. In addition, it was determined in the Articles that when as a consequence of the provision outlined above, no board resolution can be passed, then despite the conflict of interest, such resolution can be resolved by the Board provided that the resolution is adopted unanimously and in a meeting where all Board members are present or represented.
8. Best Practice Provision II.3.4 and Best Practice Provision III.6.3 stipulate, inter alia, that decisions to enter into transactions in connection with which there are conflicts of interest with managerial board members that are of material significance to the Company and/or to the relevant board members require the approval of the non-executive directors of the Company. As the Company has a one-tier board and as each Board member is obliged to notify all direct and indirect conflicts of interest, the Articles contain no specific approval clause as stated.
9. Best Practice Provision III.1.7 stipulates that the supervisory board shall discuss at least once a year, both its own functioning and that of its

individual members, and the conclusions that must be drawn on the basis thereof. The desired profile, composition and competence of the supervisory board shall also be discussed. Moreover, the supervisory board shall discuss at least once a year without the managerial board being present, the functioning of the managerial board as an organ of the company and the performance of its individual members. In 2013 the Non-executive Directors have not specifically discussed the items that appear in this Best Practice Provision, as set forth above, on separate occasions. Notwithstanding the above, it should be noted that generally every Board meeting includes an assessment by all Board members of their own functioning and that of their fellow Board members. The Board is of the view that, given the fact that the Company has a one-tier board rather than a separate managerial board and supervisory board as separate organs, this course of action appropriately meets actual purpose of this Best Practice Provision described above.

10. Best Practice Provision III.1.8 stipulates that the supervisory board shall discuss at least once a year the corporate strategy and the risks of business and the results of assessment by the managerial board of the structure and operation of the internal risks management and control systems, as well as any significant changes thereto. In 2013, there have not been separate meetings of the Non-executive Directors of the Company to discuss the items mentioned. The reason therefor is that risk management at the Company is, pursuant to the internally applicable corporate governance regulations, a matter exclusively reserved for decision by the full Board. Board meetings in 2013 have included discussions in respect of corporate strategy and risk management and periodically throughout the year, the internal system of risk management has been assessed by the full Board.

11. Best Practice Provisions III.2.1 and III.8.4 stipulate that the majority of the members of the Board shall be non-executives and independent within the meaning of Best Practice Provision III.2.2. and III.2.3. In 2013, the Company had two Executive Directors (who were considered to be non-independent) and four Non-executive Directors out of whom two Non-executive Directors were considered to be independent, under the criteria of Best Practice Provision III.2.2. The Board believes that the experience of the non-independent Directors is of great importance to the Company.³⁶
12. Best Practice Provision III.3.3 and Best Practice Provision III.4.1 (a) stipulate that all supervisory board members shall follow an induction program. The composition of the Board has remained unchanged from 2006 until 19 December 2013, on which date Mr. Sarig Shalhav was appointed to serve as Non-executive director. On July 8, 2014, an extensive change was performed in the composition of the Company's board without a valid training program. The executive directors and non-executive directors acted with a proper level of care to recognize for a member of the new executive board and members of the new non-executive boards their actions³⁷.
13. Best Practice Provision III.3.5 stipulates that a non-executive director may be appointed to the board for a maximum of three four-year terms. The Articles of the Company provide for a retirement schedule whereby directors who have been in office for three consecutive annual General Meetings shall retire from office. Such a director may be reappointed, which could result in

³⁶ It should be noted that on July 8, 2014, the composition of the Company's board changed, while Messrs. Zisser, Shterkman, Yizchaki and Wan Eibergan-Sanhagnes were dismissed from their service as directors of the Company and were replaced by Messrs. Ron Hadassi (executive director) and Yoav Kfir, Shlomi Kelsi, David Dekel and Nadav Livni, who are non-executive directors. As of this date, three non-executive directors, Messrs. Wichers, Dekel and Shalhav are considered independent.

³⁷ See footnote 37 with respect to the composition of the new board.

a term of office which is longer than three four-year terms.

14. Best Practice Provision III.5.1 provides that the committee rules stipulate that a maximum of one member of each committee need not be independent within the meaning of Best Practice Provision III.2.2. The Company's nomination committee comprised in 2013 of three members, two of whom, Messrs.: Shimon Yitzchaki and Sarig Shalhav, were considered to be non-independent. The Board believes that the composition of the nomination committee has been in the best interests of the Company, given the skills and experience of the committee members. As of this date, the appointments committee is comprised of Mr. Wichers (chairman of the committee), Dekel, Shalhav and Kelsi, of which only Mr. Kelsi is considered an independent director.
15. Best Practice provision III.5.6 stipulates that the audit committee must not be chaired by the chairman of the board or by a former executive director of the company. The Company's audit committee in 2014 was chaired by Mr. Shimon Yitzchaki and thus the Company has deviated from the said Best Practice Provision. On this date, the chairman of the audit committee is Mr. Dekel (an independent director) and the other members of the committee are Messrs. Wichers, Shalhav (both of which are considered independent directors) and Kfir.
16. Best Practice Provision III.5.11 inter alia provides that the remuneration committee shall not be chaired by a non-executive director who is either a former executive director or a member of the managerial board of another listed company. In 2013, the Company's remuneration committee was chaired by Mr. Shimon Yitzchaki, and therefore the Company deviated from this Best Practice Provision.

17. Best Practice Provision IV.3.13 stipulates that the Company shall formulate an outline policy on bilateral contacts with the shareholders and publish this policy on its website. All contacts between the Company and its shareholders are carried out in full transparency and therefore the Board considers such policy as not necessary.
18. Best Practice provision V.1.3. states that the managerial board should be responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the managerial board, so that the timeliness, completeness and correctness of the external financial reporting are assured. For this purpose, the managerial board ensures that the financial information from business divisions and/or subsidiaries is reported directly to it and that the integrity of the information is not compromised. The non-executive directors shall ensure that the internal procedures are established and maintained as stated. In respect of the Company, in 2013 the requirement to fulfill the internal procedures on timeliness of external financial reporting was not met due to restructuring and investigation on compliance.
19. Best Practice Provision V.2.1. stipulates that the external auditor may be questioned by the General Meeting in relation to his report on the fairness of the financial statements and that the external auditor shall for this purpose attend and be entitled to address this General Meeting. As the experience is that generally the Shareholders vote by proxy in a General Meeting, in the view of the Board, the presence of the external auditor is not required. The Company's Dutch auditor however, is available to attend, if required.
20. Best Practice Provision V.3 stipulates inter alia that the Company should have an internal

auditor. Though in fact the Company does not have an internal auditor itself, as part of the Europe Israel Group, the Company has a Quality Control Regulator, who practically functions as an internal auditor.

6.2.24. **Enforcement of Foreign Judgments in the Netherlands**

As of this date, there is no treaty between Israel and the Netherlands on the mutual recognition and enforcement of judgments (except for arbitration awards pursuant to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the New York Convention) in civil and commercial matters. Accordingly, a final civil judgment, rendered by a court in Israel based will not be enforceable in the Netherlands. In order to be able to enforcement a judgment given in Israel in the Netherlands, the claim must be reheard on the merits before a competent Dutch court. A binding effect of the judgment obtained in Israel should generally be obtained if proper service of process has been given and if the judgment rendered by the Israeli court:

- 6.2.24.1. results from proceedings compatible with Netherlands concepts of due process; and
- 6.2.24.2. Does not contravene public policy of the Netherlands.

6.2.25. Jurisdiction of Israeli Courts

In view of the fact that the Israeli Companies Law does not apply to the Company, it is not possible to submit against the Company actions based on the Companies Law. Nevertheless, the Israeli Securities Law applies in part to the Company, and so as a rule it is possible to submit in Israel actions against it based on the Securities Law.

In any action, submitted against the Company in Israel, if submitted, the question of the proper forum to deal with the action shall be deliberated separately, according to the circumstances of each action, with examination of the question of the maximum links of the action as stated:

The general principle says that where the Courts have international authority, through the serving of process to the defendant, the Court must use this authority. Nevertheless, one of the exceptions to this principle is

being the local Court “a forum non-conueniens” to deal with the action, when the deciding test for this matter is whether the Court in Israel is the natural forum to deal with the action or whether there is a foreign forum that is the natural forum to deal with it. For purposes of deciding on this question the links of the action to the Israeli forum are examined on one hand and those of the foreign forum on the other hand, while taking into consideration all the relevant circumstances for the management of the action, including the cause of the action; place of the events dealt with by the action; the identity of the parties to the action; the identity of witnesses of the action; the law under which the decisions on questions in disagreement must be decided; the possibility to manage the action in an efficient way in Israel and so on. As a rule, only if the balance among the links to the Israeli forum and the foreign forum clearly leans towards the foreign forum, will the Israeli Courts decide that it is not the proper forum to deal with the action.

6.2.26. Conflict between the Dutch Companies Law and the Israeli Securities Law

Since the Company is a company incorporated under Dutch law, in everything connected to the manner of incorporation, Articles, the organs of the Company – their powers and functions, the capital of the Company, the distribution of dividends, insolvency and other provisions of the Dutch Civil Code, which are mandatory, in the case of a conflict between the Dutch Civil Code – then in case of contradiction between the Dutch Companies Law and the provisions of the Israeli Securities Law, the provisions of the Dutch Civil Code shall prevail.

6.2.27. Applicable Dutch law matters relating to the fact that the Company’s securities are traded on the London Stock Exchange/Warsaw Stock Exchange

The provisions below relate to the Company and its shareholders in light of the securities of the Company being listed on the London Stock Exchange and the Warsaw Stock Exchange. It is clarified that the provisions below do not relate to the provisions of the law in Israel and do not constitute legal advice and/or exhaustive information on the matters discussed under Dutch, British or Polish law, and therefore it is recommended to consult on the matters below with an a suitable local attorney.

6.2.27.1. Inside information

Dutch law contains the prohibition of any person to make use of inside information which may influence conducting or effecting a transaction, in or from outside the Netherlands, in financial instruments that have been admitted to trading on regulated

markets within and outside of the European Union. It is also prohibited for any person with inside information at his disposal to disclose the information to a third party or to recommend or induce another person to perform transactions in those financial instruments.

Inside information is defined as awareness of specific information that relates directly or indirectly to the listed company, or to the trade in its financial instruments, which information has not been publicly disclosed and whose disclosure might have a significant influence on the price of the financial instruments or on the price of derivative financial instruments.

In addition, the company is required to apply a code of conduct in respect of the applicable insider trading rules and reporting obligations in respect of transactions in securities issued by the company. The company is also obliged to draw up a list of persons working for the company who could have access to inside information on a regular or incidental basis. The company must inform persons on this list about the relevant prohibitions of the law in respect of using insider information and the relevant sanctions.

According to the requirements of Dutch law, the policy of the company about trading by “company insiders or personnel” includes the conditions under which insiders, personnel and their relatives, as defined in internal regulations, may buy, sell or trade in another way in securities, and will specify the prohibition of activity at times prior to the publication of financial statements or issue of securities; will include provisions that prohibit giving advice about deals in securities of the company or of another company that the company has deals with; and also prohibition of revelation of inside information. According to internal regulations, the Company appointed one of its employees, the compliance officer, to supervise the fulfillment of the internal regulations as stated. Besides the sanctions stipulated in the law, the internal regulations determine sanctions for those violating the regulations, such as termination of employment and prohibition from participating in option programs of the company. The board may change the internal regulations at any time.

It is clarified that the above does not constitute all the provisions of the law and the provisions of internal regulations of the Company regarding the matter of inside information.

6.2.27.2. Shareholders Duty to Report

In accordance with the Dutch Act of Financial Supervision, a shareholder of companies traded on a regulated market is subject to the reporting obligation under law regarding its holdings in the company.

According to the Dutch Act of Financial Supervision, every person who acquires or disposes of an interest in the company's capital or voting rights must immediately report in writing to the Dutch Authority for the Financial Markets (AFM) regarding the acquisition or transfer, and this if as a result thereof, the total rights mentioned above held by the shareholder as stated rise or fall between various holding rates. The holding rates set by law are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification obligation shall also apply if a person's capital interest or voting rights exceeds or falls below one of the above thresholds as a consequence of a change in the company's share capital or voting rights. Such notification shall have to be made forthwith, and in any event no later than on the fourth day after the publication of the company's notification of such event.

Notification to the AFM must be made by means of a standard form, in writing or electronically. The AFM keeps a public electronic register of all notifications made.

6.2.27.3. Delisting of securities listed on the London Stock Exchange or the Warsaw Stock Exchange

Both the London Stock Exchange and the Warsaw Stock Exchange have detailed rules in respect of a delisting of shares. In this regard, as stated above, advice from English and/or Polish lawyers, as applicable should be sought.

7. Certification of the Stock Exchange

The Tel Aviv Stock Exchange Ltd. has provided its consent for listing the shares at the subject of this Registration Document thereon, and the shares that are allocated as a result of the exercise of options as set forth in Section 1.3.2 above.³⁸

The aforesaid certification of the Stock Exchange does not constitute confirmation of the details included in the registration document or the integrity thereof or their completeness and does not constitute an expression of the Company or the quality of the securities offered in the Registration Document.

38 As of the date of this draft, certification of the Stock Exchange has not yet been received.

Second Part

Documents attached to the Registration Document:

1. The prospectus for trade of the issuance of rights in the London Stock Exchange from October 16, 2014.
2. An annual report of the Company for 2013 dated April 30, 2014.
3. The Company's reports set forth below, included in this Registration Document by way of reference.

MAGNA report dated May 16, 2014

MAGNA report dated May 22, 2014

MAGNA report dated May 23, 2014

MAGNA report dated May 26, 2014

Two (2) MAGNA reports dated May 27, 2014

MAGNA report dated May 28, 2014

MAGNA report dated May 29, 2014

MAGNA report dated June 2, 2014

Two (2) MAGNA reports dated June 3, 2014

MAGNA report dated June 11, 2014

Two (2) MAGNA reports dated June 12, 2014

MAGNA report dated June 13, 2014

MAGNA report dated June 16, 2014

MAGNA report dated June 17, 2014

Five (5) MAGNA reports dated June 18, 2014

MAGNA report dated June 23, 2014

MAGNA report dated June 26, 2014

MAGNA report dated June 30, 2014

MAGNA report dated July 1, 2014

Two (2) MAGNA reports dated July 8, 2014

Two (2) MAGNA reports dated July 9, 2014

MAGNA report dated July 10, 2014

MAGNA report dated July 21, 2014

MAGNA report dated August 11, 2014

MAGNA report dated August 13, 2014
Three (3) MAGNA reports dated August 18, 2014
Two (2) MAGNA reports dated August 19, 2014
MAGNA report dated August 28, 2014
MAGNA report dated September 4, 2014
MAGNA report dated September 10, 2014
MAGNA report dated September 11, 2014
MAGNA report dated September 16, 2014
Three (3) MAGNA reports dated September 17, 2014
MAGNA report dated October 2, 2014
MAGNA report dated October 14, 2014
MAGNA report dated October 16, 2014
MAGNA report dated October 17, 2014

