



מדינת ישראל
STATE OF ISRAEL

משרד המשפטים
MINISTRY OF JUSTICE

רשם החברות
REGISTRAR OF COMPANIES

מספר תיק: 510015449

85

כ"ז אב תשס"ו
21/08/2006

לכבוד
הוצאת עתון הארץ בע"מ
זלמן שובן 21
תל אביב 65798

א"נ

הנדון: הוצאת עתון הארץ בע"מ

הנני מאשר קבלת המכתב מיום 11/08/2006, על החומר הרצוף בו.
ביום 21/08/2006 נרשמה הפעולה כדלהלן:
החלפת תקנון החברה, לפי החלטת האספה הכללית מיום 11/08/2006.

בכבוד רב,

יהודה כץ, עו"ד
ב/רשם החברות

ז א ב ל י א ו נ ד ו ש ו ת '

ZEEV LIOND & Co.

LAW OFFICE & NOTARY משרד עורכי דין ונוטריון

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LIOR VIGNANSKI, ADVOCATE
DOR NOY, ADVOCATE
DOR LIOND, ADVOCATE

ז א ב ל י א ו נ ד , עורך-דין ונוטריון
מ נ ח מ ו י צ מ נ , עורך-דין
א ל ו נ נ ד ב , עורך-דין
ל י א ו ר ו י ג נ נ ס ק י , עורך-דין
ד ו ר נ ו י , עורך-דין
ד ו ר ל י א ו נ ד , עורך-דין

TEL-AVIV

תל-אביב

16 באוגוסט 2006

לכבוד
רשם החברות
רחוב יפו 97
ירושלים

באמצעות בירוקל

א.ג.ג.

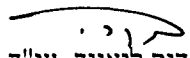
הנדון: הוצאת עתון הארץ בע"מ ח.פ. 510015449
(להלן: "החברה")

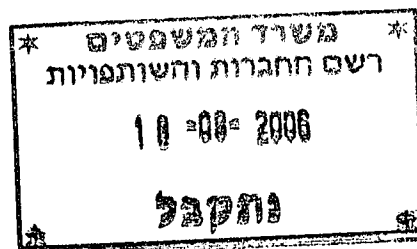
1. מצ"ב שני עותקים של הודעה על קבלת החלטה מיוחדת בחברה בדבר שינוי תקנון החברה, וכן שני עותקים של דו"ח הקצאת מניות בחברה.
2. נא לרשום את הפעולות הנ"ל ולשלוח למשרדנו עותק חתום על ידכם בחותמת "נתקבל" של כל אחד מהמסמכים הבאים:

(א) הודעה על קבלת החלטה מיוחדת בדבר שינוי תקנון החברה.

(ב) דו"ח הקצאת המניות בחברה.

בכבוד רב ובברכה,


דור ליאונד, עו"ד
זאב ליאונד ושות'
עורכי דין ונוטריון



חוק החברות, התשנ"ט - 1999

אל: רשם החברות

הודעה על שינוי בתקנון

(סעיפים 20, 21 לחוק החברות, התשנ"ט - 1999 (להלן: "החוק"))

החברה: הוצאת עתון הארץ בע"מ

מספר חברה: 51-001544-9

שמענה הרשום הוא: רח' זלמן שוקן 21, תל אביב 66532.

מודיעה בזה כי ביום 11.8.2006 התקבלה החלטה מיוחדת של האסיפה הכללית של החברה בדבר שינוי הוראות תקנון החברה, כדלקמן:

1. לשנות את תקנון החברה על-ידי החלפה. ן חדש המצורף להחלטה זו.

2. להסמיך את מר עמוס שוקן להודיע, בשם החברה, לרשם החברות על ההחלטה הנ"ל.

אני מאשר כי האמור בהודעה זו משקף את האמור בפרוטוקול האסיפה הכללית האמורה.

אני מצהיר כי הנני נושא משרה בחברה כאמור בסעיף 39 לחוק.

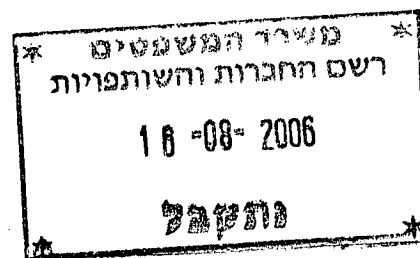

חתימה

11.8.06
תאריך

מנהל
תפקיד בחברה

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מספר זהות

עמוס שוקן
שם ממלא הטופס



THE COMPANIES LAW, 5759-1999

ARTICLES OF ASSOCIATION

OF A PRIVATE COMPANY LIMITED BY SHARES

1. **The Company's name**

הוצאת עתון הארץ בע"מ (and in English Haaretz Daily Newspaper Ltd).

2. **The Company's objects**

To engage in publication, printing of newspapers, operating on-line news sites and any other legal engagement or business.

3. **Interpretation**

The expressions herein shall bear the meanings attributed to them in the Companies Law, 5759-1999 (hereinafter referred to as "**the Law**"), as in force on the date these articles began binding the Company, unless special definitions for particular expressions are included herein.

4. **The Company's share capital and the rights attached to the shares**

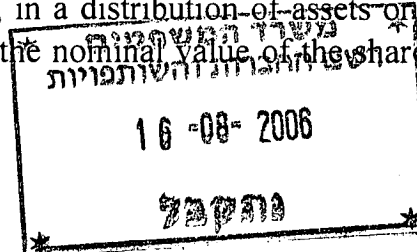
4.1 The Company's authorized capital shall be NIS 10,000 (ten thousands) divided into 100,000,000 (one hundred million) ordinary shares per value of 0.0001 each.

4.2 The rights attached to the shares are as follows:

The ordinary shares shall vest their holders -

4.2.1 with an equal right to participate in and vote at the Company's general meetings (ordinary or special), and each of the Company's shares shall entitle its holder, whether present and voting himself, by proxy or by voting paper, to one vote;

4.2.2 an equal right to participate in a distribution of dividends, in the form of cash or bonus shares, in a distribution of assets or in any other distribution, pro rata to the nominal value of the shares held by them;



- 4.2.3 an equal right to participate in a distribution of the Company's surplus assets on winding up, pro rata to the nominal value of the shares held by them;
- 4.2.4 every 17.5% (seventeen and a half percent) of the issued shares shall vest the holder(s) thereof with a right to appoint one director to the Company, as provided in article 15.1 below;
- 4.2.5 any rights deriving from the Law and the Articles of Association.

5. **Limitation of liability**

The liability of a shareholder of the Company is limited to the nominal value of the shares he has been called upon to pay the Company for the shares and not yet paid by him.

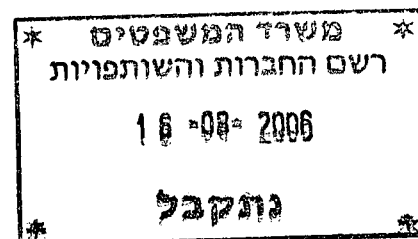
6. **Private company - restrictions**

- 6.1 These articles restrict the right to transfer the Company's shares, as provided in articles 7 and 8 below.
- 6.2 The Company is a private company.
- 6.3 The Company shall not offer its shares or the debentures issued by it to the public.
- 6.4 The number of shareholders shall not exceed 50 (fifty).

7. **Share transfer**

- 7.1 The transfer and registration of shares in the Company shall require the approval of the board of directors, but the board of directors shall not unreasonably withhold its approval of any such transfer. Any transfer of shares shall be subject to the terms and conditions set forth in this article 7 and article 8 below.

Notwithstanding any other provision herein, a direct or indirect transfer of shares shall not be permitted to persons (or their affiliated companies) with a criminal record who have been convicted of an offence involving dishonor or who have been sentenced to prison, and to an institution or entity with clear political interests.



Without derogating from the above all of the Company's shareholders shall not transfer any of the shares held by them, to any direct competitor of the Company and its affiliates, as shall be determined by the Company's board of directors.

7.2 Subject to the terms herein a transfer of shares shall be effected in writing and shall be registered on the occurrence of one of the following:

7.2.1 a proper share transfer deed is delivered to the registered office of the Company, signed by the transferor of the shares, the transferee and an attorney verifying their signature;

7.2.2 a court order to amend the registration is delivered to the Company;

7.2.3 it is proved to the Company that the legal conditions for transmission of the right to a share have been fulfilled, subject to the provisions of these articles.

8. Tag Along

Without derogating from the aforesaid in article 7, a transfer of shares in the Company shall be subject to a right of Tag Along, as provided below:

8.1 In the event that **DUMONT AUSLANDSBETEILIGUNGS GMBH** (hereinafter: "**DuMont**") together with 1 (one) or more Schocken family members (the "**Seller**") sell all their holdings in the Company (the "**Sale**") so as a result of such sale the Schocken Family's Companies and/or the Schocken Family Members, as the case may be, shall hold less than 51% of the issued shares of the Company, then the remaining Schocken Family Members shall have a right to tag along to such sale of shares (the "**Tag with Along Right**"). For the avoidance of any doubt such tag along right granted to the Schocken Family Members shall apply only respect to the abovementioned event to the exclusion of any other event.

"Schocken Family Members" – shall mean Hillel Schocken, Racheli Edelman and Amos Schocken.

"Schocken Family's Companies" - shall mean the shareholders of the Company: i.e. Nichsei Ben-Shlomo Ltd., Nichsei Hagilboa Ltd., Hashkaot Hossen Ltd., Gilboa Communications Ltd. and Establishment Theo.

8.2 DuMont shall have the right to participate in a single or series transactions of sale of shares (the "**Sale**") made by Schocken Family's Companies or by

8.3 Any sale of shares by the Seller shall be deemed null and void, unless exercised according to the provisions of this article 8 and as follows:

8.3.2 the number of shares offered for sale (hereinafter: the "**Shares Offered for Sale**");

8.3.4 The amount of the consideration, payment terms and form of payment and all other main terms offered by or to the third party;

8.3.5 That the Tag Along Right has been made clear to the third party.

Tag Along Shares = Number of shares held by the holder of the Tag Along Right / the number of shares held jointly by the Seller

and the holder of the Tag Along Right * number of the Shares Offered for Sale.

- 8.5 The Tag Along Right shall be exercisable by the holder of the Tag Along Right by giving written notice to the Seller (hereinafter: the "**Exercise Notice**"), in which notice the holder of the Tag Along Right shall give notice of its wish to tag along on the sale and set out the number of Tag Along Shares that it wishes to sell in the Sale, such notice to be given to the Seller within 14 business days of receiving the Sale Notice delivered by the Seller. Upon notice to Seller as aforesaid, Seller shall add to package of the Shares Offered, the shares which the holder of the Tag Along Right desires to sell out of the Tag Along Shares and shall reduce the same number of shares which it desired to sell from the outset.
- 8.6 Any share that shall be purchased by the third party from the holder of the Tag Along Right, shall be purchased at the same price per share, in the same manner of payment and on the same terms as shall be set out in the Sale Notice.
- 8.7 If no Tag Along Exercise Notice has been received by the Seller within the 14 (fourteen) business days as mentioned above, or the holder of the Tag Along Right has given notice that it does not wish to exercise the tag along right on the sale (the earlier to occur), the Seller shall be entitled, within 30 (thirty) days thereafter, to sign the sale agreement with the third party on terms no more favorable to the Seller than those set out in the Sale Notice. In the event that the sale to the third party was not signed within 30 days, any sale shall be again subject the procedure set forth in this Article 8.3 (including its sub-clauses).
- 8.8 The Tag Along right shall not apply in a case of transfer of shares from a shareholder to family members (spouses, descendants, children and siblings) due to inheritance or otherwise or to an Affiliate of such shareholder ("**Permitted Transferee**"), provided however that any sale of shares by any Permitted Transferee shall be subject to the tag along rights granted in this article 8.

For the purpose of this article the term "**Affiliate**" shall mean a corporation, or other entity directly or indirectly controlling, or controlled by such shareholder.

- 8.9 The provisions of article 8 shall also apply to a transfer or allotment of shares or means of control in a corporation that holds shares in this Company.

9. **Sanctions in respect of shares that have not been paid up in full**

- 9.1 Where a shareholder has not paid all or some of the consideration he undertook to pay the Company for his shares at the time and on the terms prescribed in the shares' allotment terms and/or in a call for payment issued by the Company, the Company may, in a board of directors' resolution, forfeit the shares the consideration for which has not been paid in full, after written warning of seven days from the date of receiving the warning letter.
- 9.2 The forfeited shares shall be held by the Company as dormant shares or shall be sold after no less than 90 days from the non-payment of the consideration as aforesaid. Where the consideration for the shares is paid before 90 days have elapsed as aforesaid, the forfeiture of the shares, if any, shall be cancelled.

10. **PRE-EMPTIVE RIGHTS**

Each shareholder of the Company shall have a pre-emptive right to purchase new shares, options, warrants and any other securities that the Company may, from time to time, offer to sell and issue, up to each shareholder's proportionate fully diluted equity interest in the Company immediately prior to such issuance, on the same terms and for the same consideration as the new shares are sold. Any issuance of share, options, warrants and any other securities not consistent with the provisions of this article 10 shall be deemed null and void.

Said pre-emptive rights shall be subject to the following provisions:

- 10.1 If the Company proposes to issue shares, options, warrants and any other securities, it shall give the shareholders written notice (the "**Rights Notice**") of its intention, describing the securities, the price, the terms upon which the Company proposes to issue them (the "**New Securities**"), and the number of New Securities that each shareholder has the right to purchase (the "**Preemptive Securities**").
- 10.2 Each shareholder shall have twenty one (21) days from delivery of the Rights Notice to agree to purchase all its pro-rata Preemptive Securities, for the price and upon the terms specified in the Rights Notice, by giving written notice to the Company setting forth his consent to purchase his proportional part in the New Securities to be purchased.
- 10.3 Following the consummation of the pre-emptive procedure detailed above, the New Securities shall be sold to each shareholder who elected to exercise its pre-emptive rights and such shareholder shall purchase its pro-rata Preemptive Securities.

- 10.4 Any portion of New Securities not sold to the shareholders of the Company pursuant to the abovementioned terms and conditions (the “**Remaining Securities**”) may be then offered to third parties. In the event that the transaction for the purchase of the Remaining Securities by such third parties shall not be executed within 30 days, any issuance of such Remaining Securities or any other shares and securities shall be again subject to provisions of this article 10.

11. **The general meeting - resolutions**

Unless otherwise provided in these articles or in any legal provision that may not be qualified, all the resolutions of the Company’s general meeting shall be passed by an ordinary majority. Every member shall have one vote for each share held by him, on every resolution without regard to whether the vote hereon is conducted by a show of hands, by written ballot or by any other means.

- 11.1 The Company’s resolutions on the following matters require a majority of more than 82.5% of the issued and paid up share capital of the Company’s shareholders:

- 11.1.1 Any amendment to the Company’s memorandum or articles of association, in a manner that would have an adverse effect, directly or indirectly, of materially amending or affecting the rights of any of the shareholders;
- 11.1.2 Any issuance of any securities with rights superior or more beneficial to the rights of the Ordinary Shares;
- 11.1.3 The sale of all or substantially all of the Company’s assets to another entity;
- 11.1.4 Exclusion or limitation of the pre-emption rights or any other rights attached to the Shares or to any other shares or securities which may be issued to the Shareholders;
- 11.1.5 Any material activity or material investments not in the ordinary course of the Company’s business made by the Company or any of its Subsidiaries, which owns any of the Company’s Main Assets, except for Walla! Communication Ltd. (hereinafter: “**Walla!**”);

“**Company’s Main Assets**” shall mean in these articles: A daily newspaper in Hebrew, 18 local weekly newspapers, a printing

plant and Internet sites^c - Haaretz.co.il in Hebrew; Haaretz.com in English, TheMarker business/financial news sites.

- 11.1.6 Any material changes in the nature of the Company's business or the Company's Subsidiaries' business (except for Walla!);
- 11.1.7 Any merger with other entity(s);
- 11.1.8 Approvals of any transactions with Interested Parties (as such term is defined in the Companies Law, 1999) excluding existing transactions and transactions that shall be made at market value and/or at fair and reasonable terms, provided however that such terms of the abovementioned transactions shall be presented to the Board by the Interested Party;

In addition and notwithstanding anything to the contrary, the aforesaid approvals in this article 11.1.8 require a majority of shareholders, holding more than 87.5% of the issued and outstanding share capital of the Company.

- 11.1.9 The Borrowing of additional loans which shall exceed 90% of the amount of the consolidated balance sheet, excluding non-fully owned affiliated companies to which the Company does not provide any guarantees;

12. General meetings

- 12.1 The Company shall hold annual general meetings every calendar year within a period of not more than fifteen (15) months after the last preceding annual general meeting.
- 12.2 The agenda for the general meeting shall be determined by the board of directors.
- 12.3 The board of directors may resolve to convene a special general meeting and must do so if it receives a written demand from any one of the following (hereinafter referred to as “**meeting demand**”):
 - 12.3.1 one director; and/or
 - 12.3.2 one or more shareholders holding at least 5% of the issued capital.

- 13.6 The general meeting's chairman may, with the agreement of the meeting at which a quorum is present, adjourn the meeting from time to time and from place to place, and must do so if the meeting has directed him to do so. The rules for notice of a general meeting shall also apply in respect of an adjourned meeting. Where a quorum is not present at an adjourned meeting pursuant to this article within one hour, the meeting shall take place after the passage of seven days and at the same time and place as determined for the adjourned meeting. A quorum for holding an adjourned meeting shall be the quorum for holding a meeting pursuant to article 13.2(a), (b) and (c) above. No matter may be discussed at the adjourned meeting save for those matters that were on the agenda and the discussion of which was not completed or not commenced at the meeting at which the adjournment was resolved upon.
- 13.7 Each shareholder, present in person or by proxy or through a voting paper, shall have one vote for each share belonging to him and vesting a voting right.
- 13.8 A corporation that is a shareholder of the Company may empower one or more persons as it deems fit to be its representative at any general meeting. A person empowered as aforesaid may exercise, on behalf of the corporation he represents, all those voting rights that the corporation itself could have exercised.

Notwithstanding with the abovementioned each of the Schocken Family Members and their heirs, shall represent in the general meetings number of shares that shall contain its proportional part according to its holdings in each of Schocken's Family Companies (inter alia the shareholder of Nichsei Hagilboa Ltd, that holds the shares of Hashkaot Hossen Ltd) of the votes entitles to be convened, participate and vote in the general meeting of the Company.

- 13.9 A shareholder who is a minor and a shareholder whom a competent court has declared legally incapacitated may only vote through their guardians, and any guardian as aforesaid may vote through a proxy.
- 13.10 Shareholders may vote personally or by proxy, or in the case of a corporation - by a representative pursuant to article 13.8 above, as provided below.
- 13.11 A document appointing a voting proxy (“appointment instrument”) shall be signed by the appointor or by his attorneys who have written authority to do so, or, if the appointor is a corporation, the appointment shall be made in a written document duly signed by the corporation or by its authorized attorney.
- 13.12 The appointment instrument and the powers of attorney (if any) pursuant hereto the appointment instrument is signed, or a copy thereof, shall be

13.13 An instrument appointing a proxy, for a specific meeting or otherwise, shall be, insofar as the circumstances permit, in the following form:

As witness my hand on _____

14. The board of directors

15. The appointment and dismissal of directors

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Any shareholder or shareholders, entitled to appoint a director may appoint and remove him from his office, in his discretion and at any time, by a written notice to the Company.

15.2 The Company's directors shall be elected as provided in article 15.1 above and shall hold office until they cease to serve in their positions pursuant to the provisions of the articles or the Law.

15.3 Without derogating from the generality of the provisions of articles 15.1 and 15.2 above, the office of a director shall be vacated in any one of the following cases:

15.3.1 he resigns from office by way of written notice to the Company signed by him;

15.3.2 he is removed from his office by the shareholder who appointed him;

15.3.3 he is removed from his office due to reduction of holdings of the shareholder(s) who have appointed him to less than one (1) Measure.

15.3.4 he is convicted of an offence under section 232 of the Law;

15.3.5 in accordance with the court's decision under section 233 of the Law;

15.3.6 convicted of an offence involving dishonor or sentence to prison;

15.3.7 he is declared legally incapacitated or passes away;

15.3.8 he is declared bankrupt, and in the case of a corporation - a resolution is passed for its voluntary winding up or a liquidation order is given in respect thereof.

16. **The board of directors' meetings**

16.1 The board of directors shall hold meetings in accordance with the Company's requirements and at least once every three months. Each director may call a board of directors meeting and place a matter on the agenda of which prior notice shall be given.

16.2 Each one of the members of the board of directors may determine the agenda for the board of directors' meetings.

16.3 (a) The quorum for board of directors' meetings shall be the presence of at least four (4) directors.

(b) A written resolution signed by all the directors of the board, approving the proposed resolutions, shall be valid as though passed at the board of directors' meeting.

(c) If a quorum is not present at the board of directors and if a resolution is not signed by all the board of directors' members, as provided in sub-article (b) above, the meeting shall be adjourned for 24 hours or to a later time which shall be decided by the directors who are present at such meeting. (unless all the directors have requested to advance it), to the same place and time. In any event, notice of the time of the adjourned meeting shall be given in writing to all the board of directors' members. The adjourned meeting shall take place with any number of directors.

(d) The board of directors shall be given written notice of the time and agenda of the meetings at least 14 days prior to the meeting. Notice shall be deemed delivered to the board of directors' members only if the Company has ascertained that the board of directors' member has received the notice.

(e) The board of directors members may from time to time elect one of them to be the Chairman of the board of directors, remove such Chairman from office and appoint another in its place. The Chairman of the board of directors shall not have an additional or deciding (casting) vote.

16.4 A board meeting may take place via the use of any communication means, provided that all the members participating are able to hear each other simultaneously.

17. Voting on the board of directors

17.1 Every member of the board of directors of the Company shall have one vote on every voting. Each director shall be entitled to appoint an alternate, whether permanently or temporarily. The office of an alternate as aforesaid shall expire on the expiry of the office of the appointing director.

17.2 Any matter that is discussed at a board of directors' meeting, shall be resolved upon by an ordinary majority of votes as aforesaid in article 17.1, unless expressly provided otherwise, and the meeting's chairman shall not have an additional or deciding (casting) vote.

17.3 Notwithstanding with the aforesaid, any action or resolution in the matters dealt in articles 11.1.1-11.1.9 hereof, shall require an unanimously decisions of all the members of the board of directors.

18. **Authorized signatories and stamp**

Without derogating from article 17 above, the board shall be entitled to authorize any person or persons (who need not be directors) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority.

The Company's signatory/ies shall sign together with the Company's stamp or printed name.

19. **Exemption, insurance and indemnity**

19.1 **Exemption**

The Company may exempt an officer therein in advance for all or part of his liability by reason of damage in consequence of a breach of the duty of care to it; however, the Company may not exempt a director in advance from his liability to it in consequence of a breach of the duty of care on a distribution as defined in the Law.

19.2 **Insurance**

The Company may enter into a contract to insure the liability of an officer therein by reason of a liability imposed upon him in consequence of an act done in his capacity as an officer therein, in any of the following -

19.2.1 a breach of the duty of care to the Company or to another person;

19.2.2 a breach of fiduciary duty to the Company, provided that the officer acted in good faith and had a reasonable basis to believe that the act would not harm the Company;

19.2.3 a monetary liability imposed on him in favor of another person;

19.2.4 any other act that may be insured pursuant to the Companies Law.

19.3 **Indemnity**

19.3.4 any liability or other expense that may be indemnified pursuant to the Companies Law.

19.4 The Company may give an advance undertaking vis-à-vis an officer therein to indemnify him in respect of a liability or expense as set forth in articles 19.3.2 to 19.3.4 above.

In addition, the Company may give an advance undertaking vis-à-vis an officer therein to indemnify him in respect of a liability or expense as set forth in article 19.3.1, provided that the undertaking is limited to events that in the board of directors' opinion are foreseen in light of the Company's actual activity at the time of giving the indemnity undertaking and to such amount or criterion as the board of directors has determined is reasonable in the circumstances of the case, and that the indemnity undertaking states the events that in the board of directors' opinion are foreseen in light of the Company's actual activity at the time of giving the undertaking and the amount or criterion the board of directors has determined is reasonable in the circumstances of the case.

19.5 Articles 19.1 to 19.4 shall not apply in any of the following cases:

19.5.1 a breach of fiduciary duty, save as provided in paragraph 19.2.2 above;

19.5.2 a breach of the duty of care committed intentionally or rashly, unless only negligence was involved;

19.5.3 an act done with the intention of unlawfully deriving a personal profit;

19.5.4 a fine or composition imposed on an officer.

19.6 The provisions of articles 19.1 to 19.5 above do not and shall not restrict the Company in any way with regard to its entering into an insurance contract and/or with regard to indemnity and/or with regard to an exemption from liability:

19.6.1 in connection with persons who are not officers of the Company, including employees, contractors or consultants of the Company who are not officers therein;

19.6.2 in connection with officers of the Company - where the insurance and/or indemnity and/or exemption from liability are not expressly prohibited pursuant to any law.

20. **Auditor**

The general meeting shall appoint for the company an auditor – KPMG, or one of the 4 major international firms of independent certified public accountants in the State of Israel. The auditor shall hold office until the completion of one audit, or for a longer period as determined by the general meeting, provided that his term of office shall not extend beyond the completion of three audits as of his date of appointment or until his office is terminated by the general meeting, whichever is earlier. The auditor's remuneration for the audits shall be determined by the board of directors.

21. Distribution of dividend

As long as the Company's loans are less than three times its EBITDA, after deduction of investments (the "**Distribution Threshold**"), the Company shall pay dividends to its shareholders in an amount of 25% to 30% out of the yearly profits of the Company, which are permitted to be legally distributed pursuant to the provisions of the Companies Law- 5759-1999.

22. Donations

The Company may donate a reasonable sum of money for an object that in the board of directors' unanimous opinion constitutes a worthy object, even if the donation is not in the framework of business considerations to maximize the Company's profits.

23. Accounts

23.1 The Company shall keep accounts and draw up financial statements as provided in the Law.

23.2 Each year the Company shall draw up financial statements, which shall include an audited consolidated balance sheet as at 31st December (hereinafter referred to as “**the determining date**”) and statements of income and statements of cash flow of the Company for such year, prepared also in English in accordance with Israeli generally accepted accounting principles (GAAP), as audited by KPMG or one of the 4 major international firms of independent certified public accountants in the State of Israel. (hereinafter referred to as “**Financial Statements**”). The auditor shall audit the statements and the board of directors shall approve the Financial Statements and sign them. The Financial Statements shall be drawn up within four months of the determining date.

23.3 The books of account shall be kept at the Company's registered office or anywhere else the directors deem fit, and shall always be open for the directors' inspection.

24. INFORMATION RIGHTS

The Company shall provide the Shareholders with the following reports all of which shall be also in English:

- 24.1 As soon as practicable, but in any event within one hundred and twenty (120) days after the end of each fiscal year of the Company –Financial Statements. This article 24.1 shall apply to the each shareholder of the Company for as long it holds any amount of the issued and outstanding share capital of the Company.
- 24.2 As soon as practicable, but in any event within ninety (90) days after the end of each quarter of each fiscal year of the Company - an unaudited consolidated balance sheet of the Company as at the end of each such period and unaudited statements of *(i)* income and *(ii)* cash flow of the Company for such period. This article 24.2 shall apply to the each shareholder of the Company for as long it holds at least 5% of the issued and outstanding share capital of the Company.
- 24.3 Within forty-five (45) days after the end of each month - a report by management with respect to the previous month consolidated Profit and Loss report. This article 24.3 shall apply to the each shareholder of the Company for as long it holds at least 5% of the issued and outstanding share capital of the Company.
- 24.4 At least 15 days prior to the beginning of each fiscal year - an annual budget of the Company and its Subsidiaries for such fiscal year. This article 24.4 shall apply to the each shareholder of the Company for as long it holds at least 5% of the issued and outstanding share capital of the Company.

25. CONFIDENTIALITY AND NON-COMPETITION

25.1 CONFIDENTIALITY.

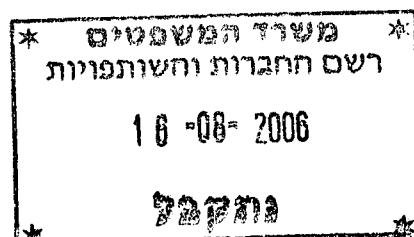
The Shareholders and/or the directors of the Company are obliged to keep in strict confidence, and not to disclose to any other third party or use for any purpose whatsoever (except for disclosures to employees and personnel, which are necessary on an as need basis), any and all information howsoever relating to the Company and/or the Company's business ("**Confidential Information**"), all for as long as they are shareholders and/or directors of the Company and indefinitely thereafter.

25.2 NON-COMPETITION.



28. Notices

Subject to any law, any notice or other document that the Company gives and/or may and/or is required to give pursuant to the provisions of these articles and/or the law, shall be delivered by the Company to any person, either personally or by sending it by registered mail at the registered address of such shareholder in the register of shareholders or at any other address of which the shareholder has notified in writing as the address for the delivery of notices or documents, or sending facsimile or other electronic means.





משרד המשפטים

מסמך זה הינו העתק שנסרק בשלמותו ביום ובשעה המצוינים ,
בסריקה ממוחשבת מהימנה מהמסמך המצוי בתיק,
בהתאם לנוהל הבדיקות במשרד המשפטים.
על החתום

משרד המשפטים (חתימה מוסדית).