



# Keren Kayemeth Leisrael - Jewish National Fund A Company with Share Capital with No Par Value

## Articles of Association

### Table A

1. The articles in Table A from the Addendum to the Laws of Israel, Chapter 22, do not apply to the Company unless they are repeated in the explicit articles below.

### Membership

2. Any person serving as a member of the Executive Committee of the World Zionist Organization, or another institution that takes its place, and whose name was listed in the Register of Members of the Company, whether upon his explicit or tacit consent, shall be viewed as a member of the Company.
3. The membership of any person in the Company, who has ceased to be a member of the Executive Committee of the World Zionist Organization, or another institution that takes its place – regardless of the reason – shall expire.
4. The rights and preferences of the Company member are personal and nontransferable – neither by his own authority nor by force of law – and they terminate upon the death of the member or upon the expiration of his membership in the Company for another reason.

### General Meetings

5. The General Meeting of the Company shall take place once a year, at a time and a place determined by the Board of Directors; these General Meetings shall be called Regular Meetings, while all others shall be called Extraordinary Meetings.
6. The Company Directors may convene an extraordinary meeting as they see fit, at any time they deem appropriate.
7.
  - (1) Special Meetings of the Company shall be convened in a manner established in Section 63 of the Companies Law, 5759-1999 (in these Articles: “the Law”). **Amendment (5766)**
  - (2) This demand shall specify the issues that shall be raised in the Meeting and be signed by the shareholders requesting to convene the meeting, whether in person or via their proxies. The demand shall be prepared in the form of a single document, or a number of similarly worded documents, with each bearing the signature of the demanding individual.  
**Amendment (5766)**

- (3) If the directors failed to convene the Meeting within 21 days of the date said demand was deposited – any one of the demanding individuals may convene the Meeting on his own authority, provided that he does so within three months of the date on which the demand was deposited.
  - (4) If a decision is adopted in such a Meeting, one requiring the approval on the part of another Meeting, the Directors must immediately convene another Extraordinary General Meeting, which shall discuss the decision and, if it deems it fit, grant its approval for it as a Special Decision; if the Directors did not convene the Meeting within seven days of the date on which the first decision was adopted, the demanding individuals, or some of them, may convene this additional Meeting on their own authority.
  - (5) The convening of a Meeting by the demanding individuals, by virtue of this article, shall be in the manner that the Company Directors convene a Meeting, or in a similar manner as much as possible.
8. A written notice, specifying the location, date and time of the General Meeting, shall be delivered to the members at least fourteen days prior to its convening; however, if by chance such notice was not delivered to any of the Company's members, it would not invalidate a decision adopted or an action taken in this Meeting. A notice on a General Meeting, which is convening in order to approve a decision and make it a Special Decision, shall be delivered to the members of the Company at least seven days prior to its convening. Except where necessary to comply with the law, it shall not be necessary for the aforementioned notice to specify the nature of the matter on the Meeting's agenda. However, where such specification would not damage the Company's business in the opinion of the Directors, every notice of a General Meeting must provide sufficient details on the purpose of the Meeting.
9. No action shall be taken by the General Meeting, unless a legal quorum was present when it sought to act; four members, who are physically present in the General Meeting, shall constitute a legal quorum.
10. If a legal quorum has not gathered within one hour of the time designated for the convening of the General Meeting – whether on its original date or its postponed date – the Meeting shall be dissolved.
11. A General Meeting with a legal quorum may be postponed and relocated by the Chairman, as per the Meeting's decision. It shall not be necessary to deliver a notice on the postponement, or on the matter on the agenda of the Postponed Meeting. The Postponed Meeting shall not be authorized to act outside of the scope of authority of the Original Meeting.
12.
  - (a) The members present at the General Meeting shall select one of the members to serve as Chairman of the Meeting.
  - (b) A member of the General Meeting, who is the Chairman of the Zionist General Council present at the Meeting, shall be elected as Chairman of the General Meeting unless the

General Meeting decided to elect a different member who is present at the Meeting. This clause shall enter into effect at the end of the 38<sup>th</sup> Zionist Congress. **(Amendment 5777)**

13. A draft decision, which was put before the General Meeting for a vote, shall be voted upon by a show of hands, and shall be carried by a majority of votes of the members present at the Meeting in person, unless a request is made by a member who is physically present at the Meeting, or on the part of the representative of an absent member – prior to the announcement of the results of the vote or by actually making this announcement – that the vote be made by secret ballot; however, if no request is made to conduct the vote by secret ballot, then upon the announcement of the Chairman of the Meeting, that a decision was adopted by a regular majority, or a supermajority, or that the decision was not carried – his announcement shall be final and decisive. The recording of this declaration in the Company's book of minutes shall serve as conclusive proof of everything written thereof, and it shall be unnecessary to present additional proof of the number and relative percentage of the votes recorded for or against the decision.

Notwithstanding the foregoing, a draft decision, which was put before the General Meeting for a vote with regard to amending the Company's Articles of Association, shall be carried upon the votes of three quarters of the members present at the Meeting and the representatives of members who are absent. **Amendment (5766)**

14. If a secret ballot is requested in the manner stated above, it shall take place at the time, in the place and in the manner stipulated by the Meeting Chairman – whether immediately, or following a recess or a postponement of no more than fourteen days – and the result of the secret ballot vote shall be considered the decision of the Meeting in which this vote was required. However, no decision by a secret ballot, on a matter whose general nature was not specified in the notice that convened the Meeting, shall be valid, unless adopted by a two-thirds majority of the votes of the Meeting participants.
15. A vote by secret ballot shall not be requested on the matter of electing the Meeting Chairman.
16. If the votes are found to be evenly split – whether in a vote by a show of hands or by secret ballot – the Chairman of the Meeting (in which the vote by a show of hands or by secret ballot took place) shall not be entitled to an additional or deciding vote, rather the decision must be viewed as having failed to pass.
17. The request for a secret ballot shall not prevent the continuation of the Meeting in order to perform any other action, which is not part of the question that the vote by secret ballot is required to resolve.
18. In a vote by a show of hands, every member who is present in person shall only have one vote; while in a vote by secret ballot, every member shall only have one vote, whether he himself is present or whether he is represented by a proxy.
19. The vote shall be in person or via a proxy; the Appointment Document needs to be prepared in writing and signed by the appointer.

20. A person shall not act as a proxy in the General Assembly, unless he is entitled under his own authority to be present and vote in the Meeting for which the appointment was made.

20A. The Company's contracting with corporations that are represented in the General Meeting of the Company, in an amount exceeding NIS 100,000 each, shall require approval by the Company's General Meeting, in addition to any approval required by law. **(Amendment 5777)**

i. 20B. The Company's contracting with corporations that have a clear linkage to a corporation represented in the General Meeting of the Company, in an amount exceeding NIS 1,000,000 each, shall require approval by the Company's General Meeting, in addition to any approval required by law. For this purpose: "clear linkage" – control as defined by law, and other essential linkage as defined for this purpose by the rules or procedures established by the Board of Directors with the approval of the General Meeting. **(Amendment 5777)**

ii. 20C. Contracting with corporations that are represented in the General Meeting of the Company or with corporations that have a clear linkage to a corporation represented in the General Meeting of the Company, shall be prepared on the basis of criteria that are established by the Board of Directors and approved by the General Meeting of the Company, all subject to the Directives of the Company Memorandum and these Articles, and to the provisions of any law. **(Amendment 5777)**

21. The Letter of Appointment shall be worded in this form:

### **"Keren Kayemeth Leisrael - Jewish National Fund**

I \_\_\_\_\_ from \_\_\_\_\_, a member of the **Keren Kayemeth Leisrael** Jewish National Fund, hereby appoint \_\_\_\_\_ from \_\_\_\_\_ to vote in my name and on my behalf in the General Meeting (whether Regular, Extraordinary, or a Regular Meeting on a postponed date, or an Extraordinary Meeting on a postponed date, all as required by circumstances) of the Company, which shall convene on the \_\_\_\_ day of the month of \_\_\_\_\_ and in any other Meeting that comes as a continuation to the postponed Meeting.

In witness whereof I have signed, this \_\_\_\_ day of the month of \_\_\_\_\_

Signed \_\_\_\_\_"

Or in any other form that the directors shall periodically agree to.

## Directors

22. Until otherwise decided by the General Meeting of the Company, by a three-quarters majority of the members of the General Meeting who participate in the vote, the number of directors shall stand at thirty-seven. The directors shall be elected in a manner that maintains the proportional representation of all the entities represented in the General Meeting of the Company: One director for each Zionist organization represented therein, and the remaining directors shall be elected from among the representatives of the Zionist Alliances represented in the General Meeting, according to their proportionate share.

This clause shall enter into effect at the end of the 38<sup>th</sup> Zionist Congress **Amendment (5776, 5777)**

22A. If the position of a director shall become vacant (whether permanently or temporarily) as specified in these Articles, the General Meeting shall elect a director in his stead, subject to the provisions of Section 22 above. Until the General Meeting convenes, the Board of Directors shall appoint an acting director to said vacant position, subject to the provisions of Section 22 above. **Amendment (5777)**

23. The first directors shall be appointed in writing by the signatories to these articles.

24.

(1) A director is not required to be a member of the Company. However, every director must be proficient, in the opinion of those who appointed him to this position, in the political economic theory or the laws of one of the world's countries or in one of the technical professions that could benefit one of the Company's goals. No person shall be entitled to be elected or appointed as a director, if he is at the time: the father, grandfather, son, grandson or brother of one of the directors; or if he is the husband of the mother, grandmother, daughter, granddaughter or sister of one of the directors.

(2) No person shall be entitled to be elected or appointed as a director or an office-holder, if he has been convicted of an offense classifies as crime, or as an offense misdemeanor to which Section 226 of the Law applies, and which according to the convicting ruling, was committed by the candidate for the position of director or office-holder in relation to his public position or his position in a corporation.

(3) A director's term of office in the Company shall expire under the circumstances stated in Section 232 of the Law.

(4) The Company may remove from office an office-holder who is not a director, who was convicted of an offense to which Section 226 of the Law applies, or to impose other disciplinary measures, subject to granting him the right to plead his case.

- (5) In the case of a director or an office-holder who was indicted not on the basis of a private complaint, for a criminal offense, or for a misdemeanor to which Section 226 of the Law applies, and which according to the indictment, was allegedly committed by the director in relation to his office in the Company, the Board of Directors may, after granting the director or office-holder, as relevant, an opportunity to plead his case before it, suspend the director or the office-holder from his position until a verdict is handed down in the criminal proceeding or for a period of three months, whichever is earlier. The period of suspension may be extended for additional periods of up to three months each time or until a verdict is handed down in the criminal proceeding, whichever is earlier.
- (6) If a decision to suspend a director is adopted according to Article 24(5), the General Meeting shall elect a director in his stead, subject to the provisions of Section 22 above. Until the General Meeting convenes, the Board of Directors shall appoint an acting director to said vacant position, subject to the provisions of Section 22 above; if a decision to suspend an office-holder who is not a director is adopted, an acting office-holder in his stead shall be appointed according to procedures determined by the Company.
- (7) If the director or the office-holder was exonerated from said offenses, he shall resume his previous position and the substitute's tenure shall terminate.
- (8) Wording of the Director's declaration:

"I, a member of the Board of Directors in the Keren Kayemeth Leisrael - Jewish National Fund, am aware of my duties under the law, including the Companies Laws, commit to the purposes stipulated in the Association Memorandum, to act according to the Companies Articles and agree to assume the office of a member of the Board of Directors."

**Amendment (5766, 5777)**

24A.

- (1) No person shall be elected as a director or office-holder in the Company until they have filled out a questionnaire that examines concerns of a conflict of interests, in a formula that shall be determined by the Company's Legal Advisor.
- (2) Every director or office-holder in the Company shall sign a Conflict of Interests Settlement within 120 days of his date of appointment at the request of the Company's Legal Advisor. This date may be extended by the Company's Legal Advisor for 30 day periods insofar as necessary, provided that the overall extension period does not exceed 60 days. The Settlement shall be deposited with the Chairman of the Audit Committee, the Company's Legal Advisor and the Company Secretary.
- (3) The tenure of a director who failed to sign a Conflict of Interests Settlement on the dates stipulated in Paragraph (2) above shall terminate at the end of the final date stipulated in that Paragraph.
- (4) In the case of an office-holder who is not a director, who failed to sign a Conflict of Interests Settlement in accordance with the provisions of this Section, the Company may,

after granting the office-holder an opportunity to plead his case, order the termination of the office-holder's tenure or to impose other disciplinary measures upon him.

- (5) The Conflict of Interests Settlement shall be published in the manner and according to the rules specified in the Procedure approved by the General Meeting and shall take note of acceptable practices in government companies. **Amendment (5776, 5777)**

24B. If the court determines that a Conflict of Interests Settlement or questionnaire that the director or office-holder signed was fraudulent in a material detail, or that a material detail was omitted from it, or that the director materially breached the Conflict of Interests Settlement, the Board of Directors may, after granting the director or office-holder, as relevant, an opportunity to plead his case before it, remove the director or the office-holder from office, or to impose other disciplinary measures upon the office-holder. **Amendment (5777)**

24C. The Board of Directors' powers under Section 24, 24A and 24B may not be delegated to a committee of the Board of Directors. **Amendment (5777)**

25. The Company may cover the travel and hotel expenses incurred by the directors due to their traveling or absence from home on the Company's business.

26. The directors shall outline the Company's policy and manage its business as stipulated in Section 92 of the Law. In performing their duties, with the scope of the powers granted to them under the law and these Articles of Association, the directors shall take into consideration every general or special **Directive** given to them by the General Meeting. Said directive shall not invalidate an action previously taken by the directors, within their competence. **Amendment (5766)**

27. The directors who continue to serve in their position, regardless of their number at the time, may act even if a position or positions on the Board of Directors become vacant.

28. A director's office shall become vacant: **Amendment (5766, 5777)**

- a) If he went bankrupt in any country in the world; or availed himself of a law that granted release for recalcitrant debtors, as exists in any country in the world at that time;
- b) Cancelled. **Amendment (5777)**
- c) If he does not participate in two consecutive meetings of the Board of Directors (when his absence is not due to actions on behalf of the Company's business), without providing a reason his fellow-directors find acceptable, and they later decide to vacate his office;
- d) If he disclosed any of the Company's secrets or interests – in a manner that does not fulfill his duties as one of the office-holders in the Company – which may damage, in the opinion of his fellow-directors, the Company or the people who are in touch with it; and the directors decide to vacate his office;
- e) If he resigned from office by delivering a written notice to the directors;

- f) If he was removed from office by virtue of a decision of the Company passed by its General Meeting;
- g) If the circumstances specified in Sections 24, 24A or 24B of these Articles occur, subject to the aforesaid in those Sections.

However, as long as the book of minutes of the Board of Directors has not recorded the vacating of the director's office, under one of the Paragraphs of this article, any action taken by him as director shall be valid.

**Amendment (5777)**

- 29. A director who retired may be elected for a second time.
- 30. In any General Meeting in which directors retire as stated, the Company may fill the vacant position of director by electing another in his stead; and may, in any General Meeting, fill any vacancy on the Board of Directors.
- 31. A new candidate (who is not a director who retired from his position in the Meeting), whose candidacy was not recommended by the directors of the Company, may not be elected as a director in the General Meeting unless a written notice was delivered to the Company Secretary prior to the meeting, no less than the time designated for such notices, from a member (who has the right to participate and vote in the Meeting to which the notice is directed), regarding his intention to propose that candidate for election, and unless that candidate delivers a written and signed notice that consents to his being elected. The time designated to give notice is no less than ten days and no more than twenty-eight whole days prior to the convening of the Meeting.
- 32. If in the Meeting, in which new directors must be elected, all or some of the offices of the retiring directors are not filled, then the retiring directors, or those whose offices were not filled, shall be considered as if they were reelected, except where a decision is made on the Company's part to reduce the number of the directors.
- 33. The term of office of the director shall be from the day of his appointment and until the General Meeting, which convenes soon after the upcoming Zionist Congress. The General Meeting shall convene for the purpose of appointing new directors within three weeks from the end of the upcoming Zionist Congress.

**Amendment (5766)**

- A. Upon being elected to office, every director shall sign a declaration that is worded as follows: "I, the member of the Board of Directors of the Keren Kayemeth Leisrael - Jewish National Fund, being aware of my duties under the law, including the Companies Laws, undertake to act for the benefit of the goals stipulated in the Memorandum of Association, in accordance with the Company Articles and agree to serve as a member of the Board of Directors."

**Amendment (5766)**

**Amendment (5773)**

- 34. The directors may fill any position on the Board of Directors that becomes vacant coincidentally; any person who is chosen in this manner, shall hold the position until the next General Meeting, whereby his selection shall be brought before the Company for approval. If



his selection is approved, the chosen director shall continue to serve until the date on which his predecessor's term of office would have terminated, had he not retired; if the selection is not approved, the Company may fill the vacant office with a new selection. **Amendment (5766)**

35. The directors may convene a meeting for the purpose of managing the Company's business, postpone or regularize their meetings in some other manner, as they see fit, and to establish the legal quorum required to conduct meetings of the Board of Directors. Unless otherwise stipulated, the presence of two directors shall constitute a legal quorum. Decisions shall be made by a regular majority, with each director having one vote. If the votes are evenly split, the Chairman shall have an additional vote. Questions that arise in a meeting, where two directors are present, require unanimous consent. Minutes that were approved and signed by the Chairman of the meeting or by the Chairman of the Board of Directors, shall serve as apparent proof to its content. **Amendment (5766)**

36.

(1) Whenever the Company is required to decide, by the Company or the World Zionist Organization, upon material issues relating to the Company's policy, such as an action that significantly deviates from the Company's normal course of business, or an action that may materially impact the reduction in the Company's profits or assets, a decision shall be made with the consent of the Company's Board of Directors and the management of the World Zionist Organization. **Amendment (5766)**

(2) The Chairman of the Board of Directors shall report the material issues, discussed by the Board of Directors, to the management of the World Zionist Organization twice a year. The management of the World Zionist Organization shall conduct a discussion on these issues and shall report the summary of the discussion to the Company's Board of Directors. **Amendment (5766)**

(3) The Chairman of the World Zionist Organization shall receive information from the Company on a regular basis, on the issues specified in Section A as well as any additional information at his request. **Amendment (5766)**

(4) The Chairman of the World Zionist Organization and his deputy shall be routinely invited to the meetings of the Board of Directors to serve as observers. **Amendment (5776)**

37. The meetings of the Board of Directors shall be convened as stipulated in Sections 97 and 98 of the Law. **Amendment (5766)**

38. The directors may elect a Chairman, Co-Chairman and Vice Chairmen, and establish the term of service for each of them. The Vice Chairmen shall not receive a salary for their position. The Chairman of the Board of Directors, who was elected as mentioned above, shall be the Chairman of every meeting of the Board of Directors. If a Chairman was not elected, or if he did not arrive at the meeting within 5 minutes of the time designed for its opening, the Co-Chairman shall serve as the Chairman of the meeting. If a Co-Chairman was not elected, or if he did not arrive at the meeting within 5 minutes of the time designed for its opening, the Vice Chairman shall serve as the Chairman of the meeting. If more than one Vice Chairman is present at the meeting, the most senior Vice Chairman shall serve as the Chairman of the

meeting. If a Vice Chairman was not elected, or if he did not arrive at the meeting within 5 minutes of the time designed for its opening, the directors shall choose one of their own to serve in this position. The director chosen as stated, shall serve as the Chairman and as head of the meeting.

**Amendment (5766)**

39. The directors may delegate some or all of their authority to the various committees, which shall also be comprised of directors, as chosen; a Committee created in this manner, shall be required to uphold the directives and work priorities imposed upon it by the Board of Directors, for as long as it wields these powers; the Chairman of the Board of Directors shall serve, by virtue of his position, as a member of each of these committees.

39A.

The Board of Directors shall maintain a committee called the "Management Committee" and its members shall include the Chairman of the Board of Directors, who serve as the head of the committee, a Co-Chairman and Vice Chairmen.

**Amendment (5766)**

40. The meetings and procedures of each of the aforesaid committees, which are comprised of two or more directors, shall be subject to the directives of these Articles concerning the arrangement of the meetings and the procedures of the directors if these are suitable to them, and if not, they shall be replaced by other directives from the Board of Directors as per the previous Section.

41. The directors may periodically institute bylaws, in order to regularize the affairs of the Company or of any of its departments or to direct the activities of all or some of its clerks and employees, as well as to change or repeal these bylaws.

42. If actions were taken in good faith in any of the Board of Directors' meetings or by a committee of directors or by anyone who serves as a director, and a fault was later discovered in the appointment of one of the directors, or of a person who serves in this position, or that all or some of them were disqualified from serving in this position, these actions shall be as firm and valid as if each of the aforementioned persons was properly appointed and was even fit to serve as director.

43. The directors shall ensure that books of minutes shall be maintained for each of the following needs, so that they record:

- (a) All the appointments of clerks made by the Board of Directors;
- (b) The names of the directors present in the meetings of the Board of Directors or the committees of directors (to this end, each director present at the meeting shall sign his name in a special book, created by the Board of Directors for this purpose);
- (c) The decisions made in Meetings of the Company, in meetings of the Board of Directors or of the committees of directors, as well as the details of negotiations that took place at these Meetings of these meetings.

44. The minutes of any meeting that were clearly signed by its Chairman, in which said appointments were made, or that said directors were present, or that said decisions were made, or that said negotiations took place (all as relevant); or minutes of a meeting that were clearly signed by the Chairman of the upcoming Company Meeting, or of a meeting of the Board of Directors or a committee of the directors (all as relevant) – shall be sufficient proof of its content, and it shall be unnecessary to present additional proof.
45. The directors may periodically determine arrangements regarding the management of the Company's affairs and their execution, within the State of Israel or outside of it, as it deems fit and proper; to that end, they may appoint via powers of attorney, a person or people who shall represent the Company for these purposes and even grant them rights and powers (which shall not exceed those granted to the directors under the articles) – For a period of time and under directives and terms they deem proper to establish. Such a power of attorney may be granted (if deemed appropriate by the directors) to any company or its members or supervisor of its executives or managers of the business of any company or firm, or any entity with a rotating composition of persons that are appointed, directly or indirectly, by the Board of Directors; and any said power of attorney may contain such powers in order to protect the rights and interests of people who may come into contact with such proxies as the directors deem proper to establish.
46. The directors may appoint any person among them, or any person apart from them, or any legal entity, in order to receive and hold in trust for the Company real estate or movable property, or any type of property and rights and usage rights, that may benefit or be advantageous to the Company and the directors may also prepare the bills and documents and all other matters necessary for the vesting of the trust as stated, as well as to determine the salary of the trustees (if they are salaried) and pay it from the Company's funds.

### **Bank Accounts and Deposits**

47. The Company's accounts shall be in "Bank Leumi Le-Israel", whether in Jerusalem or in any other location in Israel; however, nothing in this Article shall prevent the Company from opening additional bank accounts, in any location the directors deem necessary, or deposit any share of the Company's funds, that is not required for its needs at that time, in any bank or other location in the State of Israel or outside of it, as deemed proper by the directors.

### **The Company Seal**

48. The Company Seal shall be placed in the head office of the Company, and must not be affixed to any certificate or document that is not validated by a decision of the directors and in the presence of one of the directors and the Company Secretary, or in the presence of another

person (instead of the Secretary) that the directors appoint for this purpose; and that same director as well as the secretary, or another person serving in his stead, shall sign any certificate or document that bear the Company Seal that was affixed in their presence, as stated.

### **Preparation of Accounts**

49. The directors shall ensure that proper accounts are prepared regarding:
- (a) The Company's assets and the amounts to its credit or debit;
  - (b) The amounts received and expended by the Company, while noting the matters for which the funds were received or spent.
50. The ledgers shall be held in the head office, or outside of it, as shall be decided periodically by the Company in the General Meeting.
51. The Company may periodically institute reasonable articles and terms in its General Meeting, in order to allow its members to view the Company's accounts, and in accordance with these articles and terms the Company's accounts shall be open for review by the members.

### **Balance Sheet**

52. Once a year, the Company's balance sheet shall be prepared and presented to the General Meeting; this balance sheet shall contain an accounting summary of the Company's assets, credits and debits, and shall be divided by sections with suitable titles, and signed by at least two of the Company's directors.
53. A copy of the Company's balance shall be sent to the members no later than 14 days prior to the convening of the General Meeting. **Amendment (5763)**

### **Auditor**

54. The Company shall appoint an external auditor as stated in Chapter 5 of the Law. **Amendment (5766)**

### **Notices to Members**

55. The Company may deliver a written notice to any of its members, whether in person or in a letter by mail, whose postage was prepaid and sent to the member's registered address, as it appears in the Registry of Members.

56. If the notice was sent by mail, it shall be considered as having been delivered to the recipient once the letter (containing the notice) is placed in the mailbox; and it shall be sufficient to prove that the same letter was properly addressed and placed in the mailbox, in order to serve as proof that the letter arrived at its destination.

### **Exemption of Office-Holders**

57. The Company may exempt in advance and a posteriori an office-holder in it of his liability, in whole or in part, due to damage resulting from a violation of the duty of care to it to the maximum degree permitted under any law. **Amendment (5766)**

### **Indemnification of Office-Holders**

58.

- (1) The Company may indemnify an office-holder in it to the maximum degree permitted under any law. Without derogating from the generality of the aforesaid, the provisions below shall apply.
- (2) The Company may indemnify an office-holder in it due to a liability or expense imposed upon him or resulting from an action performed in his capacity as an office-holder in it, as specified below:
  - (a) A monetary liability favoring another person that was imposed upon him by a court verdict, including a verdict handed down in a compromise or the ruling of an arbiter that was approved by the court;
  - (b) Reasonable litigation costs, including attorney fees, which the office-holder spent due to an investigation or proceeding conducted against him by the authority that is competent to conduct an investigation or proceeding, and which ended without the filing of an indictment against him and without the imposition of a monetary liability as an alternative to a criminal proceeding, or which ended without the filing of an indictment against him but with the imposition of a monetary liability as an alternative to a criminal proceeding in an offense that does not require proof of mens rea.
  - (c) Reasonable litigation costs, including attorney fees, which the office-holder spent or was charged by the court, in a proceeding filed against him by the Company or on its behalf or by another person, or a criminal charge from which he was exonerated, or a criminal charge in an offense that does not require proof of mens rea.
  - (d) Any other liability or expense for which it is or shall be permitted to indemnify an office-holder under the law. **Amendment (5766)**

(3) Advance Indemnity

The Company is entitled to provide an advance commitment to indemnify an office-holder in it due to a liability or expense as specified above, provided that the commitment to indemnify in advance is limited to events that in the opinion of the Board of Directors are predictable in light of the Company's actual activity at the time the commitment to indemnify was made as well as the amount and criteria that the Board of Directors determined to be reasonable under the circumstances, and that the commitment to indemnify specifies the events that in the opinion of the Board of Directors are predictable in light of the Company's actual activity at the time the commitment was made as well as the amount and criteria that the Board of Directors determined to be reasonable under the circumstances.

**Amendment (5766)**

(4) A Posteriori Indemnity

The Company may indemnify an office-holder in it a posteriori.

### **Insurance of Office-Holders**

59. The Company may insure an office-holder in it to the maximum degree permitted under any law. Without derogating from the generality of the aforesaid, the Company may sign a contract for insuring the liability of an office-holder in the Company due to a liability imposed upon him following an action he performed in his capacity as an office-holder in it, in each of the following:

- (a) Violation of the duty of care vis-à-vis the Company or vis-à-vis another person;
- (b) Violation of the fiduciary duty vis-à-vis the Company, provided that the office-holder acted in good faith and had reasonable grounds to assume that the action would be detrimental to the Company;
- (c) A monetary liability favoring another person that was imposed upon him;
- (d) Any other event for which it is or shall be permitted to insure an office-holder under the law.

**Amendment (5766)**

### **Exemption, Indemnity and Insurance – General**

60.

- (1) It is not, and shall not be, the intent of the above directives with regards to an exemption, indemnity and insurance, to limit the Company in any manner in the signing of a contract with regards to an exemption, indemnity or insurance for the individuals specified below:

- (a) Those who are not office-holders in the Company, including employees, contractors or consultants of the Company, who are not office-holders in it; **Amendment (5766)**
- (b) Office-holders in other companies. The Company may sign a contract with regards to an exemption, indemnity and insurance for office-holders in companies under its control, related companies or other companies in which it has any interest, to the maximum degree permitted under any law, and the above directives shall apply on this issue with regards to an exemption, indemnity and insurance for office-holders in the Company, *mutatis mutandis*. **Amendment (5766)**
- (2) It is clarified that in this Chapter, a commitment in relation to said exemption, indemnity and insurance for an office-holder may be valid even after the office-holder ceased to serve in the Company.

## Names of the Subscribers, their address and descriptions

1. Yehudit G. Epstein, via Hadassah, 1819 Broadway, New York 23, NY, USA.
2. Y. Bar-Yehuda, 11 Ha-Yarkon St., Tel Aviv-Yafo, Israel.
3. Y.K. Goldblum, 40 Teignmouth Rd., London NW2 4HN, UK.
4. Nahum Goldman, via the Jewish Agency for Israel, 16E 66<sup>th</sup> St., New York 21, NY, USA.
5. A. Granot, via the Jewish National Fund, Jerusalem, Israel.
6. G. Halpern, 11 Menahem Ussishkin St., Jerusalem, Israel.
7. A. Hantke, via Keren HaYesod, Jerusalem, Israel.
8. Shimshon Unichman, 134 Ibn Gabirol St., Tel Aviv-Yafo, Israel
9. Berl Locker, via the Jewish Agency for Israel, Jerusalem, Israel.
10. A. Neufeld 118 Ahad Ha'Am St., Tel Aviv-Yafo, Israel.
11. M. Namir, via the General Organization of Workers in the Land of Israel (Histadrut), Arlozorov St., Tel Aviv-Yafo, Israel.
12. L. Segal, via the Jewish National Workers Alliance, 45E 17<sup>th</sup> St, New York 3, NY, USA.
13. A.A. Roedelheim, 5118 15<sup>th</sup> Avenue, Brooklyn 19, NY, USA.
14. A. Rice, 10 Ben Ami St., Tel Aviv-Yafo, Israel.
15. Rachel Shazar, Basel House, Balfour St., Jerusalem, Israel.
16. Yosef Sprinzak, via the Knesset, Jerusalem, Israel.

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Jerusalem, 24 Tevet 5714 (December 30, 1953)

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Jerusalem, 24 Tevet 5714 (December 30, 1953)

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