

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Emblaze Shares or Depository Interests, please send this document but not any accompanying personalised Form of Acceptance or Tax Declaration Form, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, the Offer is not being made in any Prohibited Territory and therefore this document and the accompanying Form of Acceptance, should not be forwarded or transmitted in or into any Prohibited Territory. If you have sold only part of your holding of Emblaze Shares or Depository Interests, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected, immediately.

BGI Investments (1961) LTD. (“BGI”)

CASH OFFER

FOR

FIVE (5) PER CENT. OF THE VOTING RIGHTS OF EMBLAZE BEING FIVE (5) PER CENT. OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE LTD. (“EMBLAZE”), A COMPANY ORGANIZED IN ISRAEL

CAUTIONARY NOTE:

EMBLAZE IS AN ISRAELI COMPANY WHOSE SECURITIES ARE ADMITTED TO TRADING ON THE MAIN MARKET OF LONDON STOCK EXCHANGE PLC WITH A STANDARD LISTING. COMPANY SHAREHOLDERS AND DEPOSITORY INTEREST HOLDERS SHOULD BE AWARE THAT THE OFFER IS NOT GOVERNED BY OR SUBJECT TO THE UK CITY CODE ON TAKEOVERS AND MERGERS (THE “CITY CODE”) AND IS SUBJECT TO THE ISRAELI COMPANIES LAW (1999-5799) (THE “COMPANIES LAW”). THIS OFFER AND ANY CONTRACT ENTERED INTO PURSUANT TO THIS OFFER AND ALL TERMS CONTAINED IN THIS DOCUMENT AND (FOR CERTIFICATED SHAREHOLDERS ONLY) THE ACCOMPANYING FORM OF ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ISRAEL. IN ADDITION, THE OFFER HAS BEEN DESCRIBED IN THIS DOCUMENT IN A MANNER THAT MAY BE DIFFERENT FROM THE MANNER IN WHICH TENDER OFFERS ARE CUSTOMARILY DESCRIBED IN OTHER JURISDICTIONS, INCLUDING (WITHOUT LIMITATION) ISRAEL AND ENGLAND AND WALES, AND DOES NOT NECESSARILY INCLUDE ALL OF THE INFORMATION THAT IS CUSTOMARILY INCLUDED IN SUCH JURISDICTIONS.

BGI IS OFFERING TO PURCHASE, THROUGH ITS INDIRECTLY WHOLLY OWNED SUBSIDIARY, B.G. ALPHA LTD. (“BGA”, TOGETHER WITH BGI, THE “BGI GROUP” AND THE BGI GROUP SHALL REFER TO ANY MEMBER THEREOF AS APPROPRIATE), SHARES CARRYING FIVE (5) PER CENT. OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE. PURSUANT TO SECTION 331 OF THE COMPANIES LAW, THE OFFER IS CONDITIONAL UPON, AMONG OTHER THINGS, (I) IT BEING DULY ACCEPTED WITH RESPECT TO AT LEAST FIVE (5) PER CENT. OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE AND (II) THE ACCEPTANCE OF THE OFFER BY THE HOLDERS (OTHER THAN BGI, PERSONS ACTING ON BGI’S BEHALF, PERSONS HAVING THE ABILITY TO CONTROL, OR HOLDING MORE THAN 25 PER CENT. OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE, PERSONS WITH A PERSONAL INTEREST IN THE OFFER (WITH RESPECT TO WHOM, SECTION 276 OF THE COMPANIES LAW SHALL APPLY), OR PERSONS ACTING ON BEHALF OF ANY OF THE FOREGOING, INCLUDING IN EACH

CASE CERTAIN RELATIVES OF AND ENTITIES CONTROLLED BY SUCH PERSONS INCLUDING BGI AND CHABAD 770) OF A MAJORITY OF THE EMBLAZE SHARES OR DEPOSITORY INTERESTS BENEFICIALLY OWNED BY THE EMBLAZE SHAREHOLDERS AND DEPOSITORY INTEREST HOLDERS WHOSE FORMS OF ACCEPTANCE OR TTE INSTRUCTIONS, AS THE CASE MAY BE, ARE VALIDLY RECEIVED BY CAPITA ASSET SERVICES PRIOR TO THE EXPIRATION OF THIS OFFER (REGARDLESS OF THE AMOUNT OF EMBLAZE SHARES OR DEPOSITORY INTERESTS TENDERED BY SUCH PERSONS HEREUNDER). IF, SUBJECT TO THE FOREGOING, THE NUMBER OF EMBLAZE SHARES OR DEPOSITORY INTERESTS VALIDLY TENDERED HEREUNDER EXCEEDS FIVE (5) PER CENT. OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE AS AT THE EXPIRATION OF THIS OFFER AND THE OFFER IS DECLARED UNCONDITIONAL BY THE BGI GROUP, THEN THE BGI GROUP WILL ONLY PURCHASE SUCH NUMBER OF EMBLAZE SHARES AND DEPOSITORY INTERESTS THAT REPRESENTS IN THE AGGREGATE FIVE (5) PER CENT. OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE AS AT THE EXPIRATION OF THE OFFER, WHICH SHARES AND DEPOSITORY INTERESTS SHALL BE PURCHASED BY THE BGI GROUP FROM THE EMBLAZE SHAREHOLDERS OR DEPOSITORY INTEREST HOLDERS ACCEPTING THIS OFFER IN *PRO RATA* PORTIONS TO THE NUMBER OF EMBLAZE SHARES OR DEPOSITORY INTERESTS VALIDLY TENDERED BY SUCH SHAREHOLDERS OR DEPOSITORY INTEREST HOLDERS HEREUNDER SUBJECT TO THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT. IN ACCORDANCE WITH LISTING RULE 14.2.2, AT LEAST 25 PER CENT. OF THE EMBLAZE SHARES AND DEPOSITORY INTERESTS MUST BE DISTRIBUTED TO THE PUBLIC (I.E. HELD IN 'PUBLIC HANDS') IN ONE OR MORE EEA STATES. ACCORDINGLY, IF THE PURCHASE OF ANY OF THE EXISTING ISSUED SHARE CAPITAL OF EMBLAZE AS DESCRIBED ABOVE, WOULD JEOPARDISE EMBLAZE'S MAIN MARKET ELIGIBILITY, THE BGI GROUP RESERVES THE RIGHT TO ACCEPT SUCH ADDITIONAL TENDERS AND REJECT ANY VALID TENDERS. IN EACH CASE (I) TO THE EXTENT THAT TO DO SO WOULD PRESERVE AND NOT JEOPARDISE EMBLAZE'S MAIN MARKET ELIGIBILITY AND (II) SUBJECT TO OTHER TERMS AND CONDITIONS OF THE OFFER SET OUT IN THIS DOCUMENT (AND AS APPLICABLE, THE FORM OF ACCEPTANCE).

This document has been approved by finnCap Limited ("**finnCap**") for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended). finnCap, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for the BGI Group and no one else in connection with the Offer and will not be responsible to anyone other than the BGI Group for providing the protections afforded to customers of finnCap nor for giving advice in relation to the contents of this document.

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OFFER STATISTICS

Aggregate amount of Emblaze Shares and Depository Interests proposed to be purchased from the Emblaze Shareholders and Depository Interests Holders	5 per cent. of the Existing Issued Share Capital of Emblaze, being four point nine six (4.96) per cent. on a fully diluted basis.
Price offered by the BGI Group for each Emblaze Share or Depository Interest validly tendered and accepted by the BGI Group	75 Pence.
Total consideration to be paid by the BGI Group for all Emblaze Shares and Depository Interests validly tendered and accepted by the BGI Group	approximately 4,124,634 Pounds Sterling.

EXPECTED TIMETABLE OF EVENTS

Record date relating to the despatch of this document	23 December, 2013
Posting of Offer documents to Shareholders and Depository Interest Holders	30 December, 2013
Latest time and date for receipt of Forms of Acceptance, TTE Instructions from Depository Interest Holders and Tax Declaration Forms	1.00 p.m. on 13 January, 2014
Outcome of Tender Offer announced after initial final date for acceptance	By 8.00 a.m. on 14 January, 2014
Latest time and date for receipt of Forms of Acceptance, TTE Instructions from Depository Interest Holders and Tax Declaration Forms, in circumstances where there is an Additional Acceptance Period	1.00 p.m. on 17 January, 2014
Outcome of Tender Offer announced (if relevant), following Additional Acceptance Period	by 8.00 a.m. on 20 January, 2014
Cheques despatched for Emblaze Shares purchased pursuant to the Tender Offer and payment through CREST for Depository Interests purchased pursuant to the Tender Offer	By 31 January, 2014
CREST accounts credited for revised holdings of Depository Interests; and	
TFE instructions to be made in CREST for the return of Depository Interests where a vote against the Offer has been made	by 31 January, 2014
Despatch of balance share certificates for unsold Emblaze Shares	by 31 January, 2014

If any of the above times and/or dates change, the revised times and/or dates the BGI Group will provide Emblaze with the necessary information so that Emblaze will be in a position to notify Emblaze Shareholders and holders of Depository Interests by an announcement through the Regulatory Information Service of London Stock Exchange. All references in this document are to London time unless otherwise stated.

Part 1

Letter from the Chairman of BGI Investments (1961) Ltd.

BGI Investments (1961) Ltd

(A public company registered in Israel)

132 Menachem Begin Road
Tel Aviv 6702301
Israel

24 December, 2013

To Emblaze Shareholders and Depository Interest Holders

Dear Emblaze Shareholder and Depository Interest Holders:

Cash Offer For Five (5) Per Cent. of the Existing Issued Share Capital of Emblaze Ltd.

1. Introduction

The BGI Group, today, announced the terms of a cash offer to be made for five (5) per cent. of the entire Existing Issued Share Capital of Emblaze, being four point nine six (4.96) per cent. of the share capital of Emblaze on a fully diluted basis. The Offer values each of your Emblaze Shares at 75 pence and provides you with an opportunity to achieve liquidity for a portion of your Emblaze Shares.

I am writing to you to explain the background to and reasons for the Offer and why the BGI Group believes that you should accept the Offer. This letter, together with the conditions and further terms set out in Part 2 and (for certificated shareholders only) in the Form of Acceptance, contain the formal Offer for the Emblaze Shares and Depository Interests.

2. Background and reasons for the offer

On 14 August 2013, BGI Investments (1961) Ltd (“BGI”), purchased 7,741,392 Emblaze Shares (comprising 7.04 per cent. of the Emblaze Shares) from Mr. Naftali Shani at a price of £0.75 per share (the “**Initial Shani Shares**”).

In addition, in consideration for the payment by BGI of US\$500,000 (the “**Shani Call Option Consideration**”), Mr. Shani granted to BGI a call option (the “**Shani Call Option**”) providing BGI with the ability to acquire the remainder of Mr. Shani’s Emblaze Shares (comprising 7,741,392 shares, representing 7.04 per cent. of the Existing Issued Share Capital (the “**Shani Option Shares**”)) for £7,067,891 (equating to a price per Shani Option Share of £0.913), together with an additional payment of £1,261,847 in respect of the Initial Shani Shares (equating to a price per Initial Share of £0.163), less the Shani Call Option Consideration. As part of the same transaction, BGI granted Mr. Shani with a put option (the “**Shani Put Option**”) providing Mr. Shani with the power to obligate BGI to acquire the Shani Option Shares:

- to the extent that the Shani Put Option is exercised between a 6 month and 24 month period from 14 August 2013, for £6,425,355 (equating to a price per Shani Option Share of £0.83); or
- to the extent that the Shani Put Option is exercised between the 25th month and 40th month period from 14 August 2013, for £6,746,623 (equating to a price per Shani Option Share of £0.8715).

The Shani Put Option is only capable of exercise by Mr. Shani between a 6 month and a 40 month period from 14 August 2013 and may be exercised by BGI through a third party.

The Shani Call Option was assigned on 31 October 2013, to Chabad 770 B.V., a private Dutch company and the controlling shareholder of BGI (“**Chabad 770**”) and it must be exercised by Chabad 770 by 23 January 2014. As part of the same assignment, the Shani Put Option was assigned as is, to Chabad 770.

In addition, on 14 August 2013, BGI purchased 9,899,123 Emblaze Shares (comprising 9 per cent. of the Existing Issued Share Capital) from Fortissimo Capital Management Ltd (“**Fortissimo**”) at a price of £0.75 per share (the “**Initial Fortissimo Shares**”).

In consideration for the payment by BGA of US\$500,000 (the “**Fortissimo Call Option Consideration**”), Fortissimo also granted to BGI a call option (the “**Fortissimo Call Option**”) providing BGA and/or BGI with the ability to acquire the remainder of Fortissimo’s Emblaze Shares (comprising 8,883,757 shares, representing 8.08 per cent. of Existing Issued Share Capital) (the “**Fortissimo Option Shares**”) for \$13,290,150 less the Fortissimo Call Option Consideration (equating to a price per share, when taken with the Fortissimo Call Option Consideration, of \$1.55).

BGI also granted Fortissimo with a put option (the “**Fortissimo Put Option**”) providing Fortissimo with the power to obligate BGI to acquire the Fortissimo Option Shares for \$11,388,370 (equating to a price per share of \$1.28). The Fortissimo Put Option shall only be capable of exercise by Fortissimo between a 6 month and 36 month period from 14 August 2013 and may be exercised by BGI through a third party.

The Fortissimo Call Option was assigned on 23 September 2013, to Chabad 770 and it must be exercisable by Chabad 770 by 23 January, 2014. As part of the same assignment, the Fortissimo Put Option was assigned as is, to Chabad 770.

In addition to the dealings referred to above:

- The BGI Group also acquired further shares in Emblaze such that it currently holds 20.01 per cent. of the Existing Issued Share Capital (the “**Existing BGI Shares**”); and
- BGI also acquired additional call options, and granted put options (on terms equal to the Shani Call Option and the Shani Put Option respectively) (the “**Additional Call and Put Options**”), which, taken together with the Shani Option Shares and the Fortissimo Option Shares, provide BGI with the ability to acquire, and provide the grantees of such put options with the ability to obligate BGI to acquire, an additional 21,000,800 Emblaze Shares of the Company amounting to 19.09 per cent. of the Existing Issued Share Capital (the “**BGI Option Shares**”). As of 31 October, 2013, all of Fortissimo Call Options, Shani Call Options, Fortissimo Put Options, Shani Put Options and the Additional Call and Put Options. in relation to the BGI Option Shares, were assigned to Chabad 770. On 17 October, 2013, Chabad 770 exercised call options with respect to 1.59 per cent. of the Existing Issued Share Capital of Emblaze.

Chabad 770, being the indirect controlling shareholder of BGI and BGA (itself being fully owned and controlled by BGI, Chabad 770, BGI and BGA, together the “**Extended Group**”), are considered together, to hold 21.6 per cent. of the Existing Issued Share Capital of Emblaze and call and put options in relation to an additional 17.5 per cent. of the Existing Issued Share Capital of Emblaze (together with the Existing BGI Shares, the “**Existing Extended Group Shares**”).

Taken with the Existing Extended Group Shares, should:

- The BGI Group successfully complete the Offer; and
- Chabad 770 exercise the above-mentioned call options,

then the Extended Group will end up holding approximately 44.1 per cent. of the Existing Issued Share Capital immediately following completion of the Offer.

In addition, if Chabad 770 or any member of the BGI Group completes a purchase of not less than 0.9 per cent. of the Existing Issued Share Capital of Emblaze, from an Emblaze Shareholder or Depository Interest Holder, prior to the expiration of this Offer, which Chabad 770 and the members of the BGI Group reserve the right to do, then the Extended Group will end up holding more than 45 per cent. of the Existing Issued Share Capital immediately following completion of the Offer.

The reasons for the Offer are:

- to increase the holding percentage of the Extended Group in Emblaze to over 25 per cent. of the Existing Issued Share Capital (as further detailed in paragraph 3 below, the Extended Group is required to successfully complete a tender offer in accordance with the provisions of the Companies Law. Emblaze Shares purchased in excess of 25 per cent. of the Existing Issued Share Capital, other than pursuant to such tender offer shall not confer any voting or economic rights and shall be deemed dormant shares); and
- to provide the Emblaze Shareholders (other than the Extended Group) with liquidity in respect of 5 per cent. of their Emblaze Shares by enabling them to sell such Emblaze Shares.

The Offer has therefore been put forward to the Emblaze Shareholders to enable them to realise value immediately. We believe that the Offer, which values each Emblaze Share at 75 Pence, is attractive for the following reasons:

- The Offer represents a premium of 52 per cent. over the average share price of the Emblaze Shares, as derived from the Daily Official List, in the 12 month period immediately prior to 15 August 2013 (the date on which trading in Emblaze Shares was suspended and being the last date on which shares in Emblaze were traded prior to the printing of this document); and

The Offer gives Emblaze Shareholders the opportunity to exchange a portion of their Emblaze Shares for cash.

Trading in Emblaze Shares was suspended on 15 August 2013 pending the publication of information in relation to the proposed investment by Emblaze in IDB as referenced in paragraph 6.

3. The Offer

The BGI Group hereby offers to acquire, subject to the conditions and further terms set out or referred to in this document and (for certificated shareholders only) the Form of Acceptance, five (5) per cent. of the Existing Issued Share Capital, by paying 75 pence in cash for each Emblaze Share or Depository Interest tendered and accepted hereunder. Subject to the conditions and further terms set out in this document, the Offer will initially remain open until 1.00 p.m. London time on 13 January, 2014. The Offer will then be open for an Additional Acceptance Period of four (4) days, ending on 17 January, 2014.

Pursuant to Section 331 of the Companies Law:

- (i) a condition for the acceptance of the Offer is that it is accepted (1) in respect of at least five (5) per cent. of the Existing Issued Share Capital and (2) by the holders (other than each of the Extended Group, persons acting on the Extended Group's behalf, persons having the ability to control, or holding more than 25 per cent. of the Existing Issued Share Capital, persons with a personal interest in the Offer (with respect to whom, Section 276 of the Companies Law shall apply), or persons acting on behalf of any of the foregoing, including in each case certain relatives of and entities controlled by such persons) of a majority of the Emblaze Shares or Depository Interests beneficially owned by the Emblaze Shareholders and Depository Interest Holders whose Forms of Acceptance or TTE Instructions are received by Capita Asset Services prior to expiration of this Offer (regardless of the amount of Emblaze Shares or Depository Interests tendered by such persons hereunder); and
- (ii) if the Offer is accepted (in the manner described in paragraph (i) above), the Emblaze Shareholders or Depository Interest Holders that have either not returned their Form of Acceptance or TTE Instructions, as the case may be, prior to the expiration of the Offer shall have the right to tender their Emblaze Shares pursuant to the Offer (by using the Form of Acceptance or submitting the relevant TTE Instruction, as the case may be,) during the Additional Acceptance Period, and, if any non-tendering Shareholder or Depository Interest Holder so accepts the Offer, such non-tendering Shareholder or Depository Interest Holder will be deemed to have accepted the Offer prior to expiration thereof.

In accordance with Listing Rule 14.2.2 of the UK Financial Conduct Authority, at least 25 per cent. of the Emblaze Shares and Depository Interests must be distributed to the public (i.e. held in 'public hands') in one or more EEA states. Accordingly, if the purchase of any of the Existing Issued Share Capital of Emblaze as described above, would jeopardise Emblaze's main market eligibility, the BGI Group reserves the right to accept such additional tenders and reject any valid tenders, in each case (i) to the extent that to do so would preserve and not jeopardise Emblaze's main market eligibility and (ii) subject to the other terms and conditions set out in this document and in the Form of Acceptance.

The Offer values the entire Existing Issued Share Capital of Emblaze at approximately £82.5 million.

The Emblaze Shares and Depository Interests to be acquired pursuant to the Offer will be acquired fully paid and free from all liens, charges, encumbrances and other interests and together with all rights attaching thereto, including (without limitation) the right to receive and retain all dividends and other distributions (if any), to the extent that they are paid after the Offer becomes unconditional.

Transactions in Emblaze Shares and Depository Interests are not subject to the provisions of the City Code and therefore any increase in any member of the Extended Group's holdings in Emblaze Shares and Depository Interests are not affected by the provisions of the City Code (but are subject to the limitations under Israeli law).

As an Israeli company, Emblaze is subject to the Companies Law. Furthermore, as it is listed on the London Stock Exchange, it is considered a public company under the Companies Law. Accordingly, the provisions of sections 328-335 of the Companies Law apply to it. Pursuant to these provisions, no purchase of shares in a public company shall be effected if as a result of which a person shall become (i) a holder of shares conferring twenty-five per cent. or more of the voting rights at the general meeting ("Control Block") of a public company, if there is no such other holder of a Control Block in the company, or (ii) a holder of shares conferring forty-five per cent. or more of the voting rights at the general meeting of a public company, if there is no such other holder of a forty-five per cent. stake in the company, other than by way of a tender offer in accordance with the provisions of the Companies Law. Emblaze Shares purchased in contravention of said restrictions shall not confer any voting or economic rights and shall be deemed dormant shares.

If Chabad 770 or any member of the BGI Group completes the purchase of not less than 0.9 per cent. of the Existing Issued Share Capital of Emblaze, from an Emblaze Shareholder or Depository Interest Holder, prior to the expiration of the Offer which they reserve the right to do, only one Special Tender Offer will be required in relation to the envisaged crossing of the twenty-five per cent. and forty-five per cent. thresholds by the Extended Group. Thereafter, the Extended Group could acquire Emblaze Shares further in excess of forty-five per cent. of the Existing Issued Share Capital, without having to make a second special tender offer other than if they have fallen below the forty-five per cent. threshold.

The BGI Group has informed the board of Directors of Emblaze (the "**Board**") of the Offer, and under Israeli law, the Board is required either to (i) state its position with respect to the Offer or (ii) refrain from stating its position and explain why it so refrains. The Board is expected to make an announcement in this respect, in due course.

The BGI Group reserves the right to amend or withdraw the Offer in accordance with the terms set out in Part 2.

The Extended Group reserves the right to purchase additional Emblaze Shares prior to the expiration of this Offer.

The Extended Group reserves the right to make additional tender offers for Emblaze Shares following expiration of this Offer (whether the Offer has been successfully completed or not), also within the 12 month period following expiration of the Offer.

If you hold your Emblaze Shares in certificated form, to accept the Offer you should complete, sign and return the Form of Acceptance which accompanies this document as soon as possible and, in any event, so as to be received by Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 1.00 p.m. London time on 13 January, 2014 or such

later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document. If you hold your shares as Depository Interests in CREST you should arrange, or procure that your CREST sponsor arranges, to submit the relevant TTE Instruction in order to accept the Offer not later than 1.00 p.m. London time on 13 January, 2014 or such later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document. Under Israeli law, the Emblaze Shareholders or Depository Interest Holders that shall have either not returned their Form of Acceptance or submitted the relevant TTE Instruction prior to the expiration of the Offer shall have the right to tender their Emblaze Shares or Depository Interests pursuant to the Offer (by using the Form of Acceptance or submitting the relevant TTE Instruction as the case may be), during the Additional Acceptance Period and, if any such shareholder or Depository Interest Holder so accepts the Offer, such shareholder shall be deemed to have accepted the Offer prior to expiration thereof. The procedure for acceptance is set out in paragraph 10 below and for certificated shareholders in the Form of Acceptance.

Your attention is drawn to the conditions and further terms of the Offer set out in Part 2 and the additional information set out in Part 3, in particular with respect to UK taxation and Israeli Taxation as described in paragraphs 4 and 5 of Part 3.

4. Information on Emblaze

Emblaze was incorporated in Israel on 19 January 1994. Emblaze completed the initial public offering of its ordinary shares on AIM, a market of the London Stock Exchange in October 1996 and thereafter completed a listing on the Official List of the London Stock Exchange, in 1998. According to Emblaze's most recent financial statements dated 30 September 2013, Emblaze has equity of 141,573 US Dollars (in thousands) and an equity per share of 1.28 US Dollars, which on a fully diluted basis is 1.27 US Dollars. The Emblaze Shares are currently admitted to trading on the Main Market of the London Stock Exchange PLC with a standard listing.

5. Information on BGI and BGA

BGI is an Israeli public company admitted to trading on the Tel Aviv Stock Exchange ("TASE").

79.94 per cent. of the share capital and voting rights in BGI are held by ZBI and 3.78 per cent. of the share capital and voting rights in BGI are held by Chabad 770.

Chabad 770 holds 84.22 per cent. of the share capital and voting rights in ZBI Ltd. ("ZBI") and, thus, ZBI and Chabad 770 are considered to be jointly holding 83.72 per cent. of the share capital and voting rights in BGI.

World Chabad, a Dutch foundation, holds 95 per cent. of the equity rights of Chabad 770 and Israel Jossef Schneerson, who is the CEO and director of both Emblaze and BGI, holds 5 per cent. of the equity of Chabad 770. Alexander Granovsyy, a Ukrainian citizen, holds 90 per cent. of the voting rights in Chabad 770.

In August 2012, Mr. Granovsyy acquired a controlling interest in ZBI. He is considered to be the ultimate controlling shareholder of BGI and has been granted an option to purchase the equity rights of World Chabad in Chabad 770 in 2017.

BGI has its headquarters at 132 Menachem Begin Road (3 Azrieli Center) Tel-Aviv 6702301. Until 2011, BGI had two main areas of focus, financing and textiles, and was the controlling shareholder of Bagir Group Ltd. an Israeli fashion company. Since July 2013 BGI's assets have consisted of cash.

Neither BGI nor BGA nor, to the best of their respective knowledge, any interested party in either of them (i.e. a person holding 5 per cent. or more of the issued and allocated capital of either of them or of voting rights in either of them, or a person who has a right to appoint a director or CEO at BGI or BGA, or a person who acts as director or CEO) have any business or family connection, which are not negligible, with holders of securities in Emblaze, other than BGI, BGA and Chabad 770.

Below is certain information with respect to the directors of BGI:

Chanoch Winderboim, Chairman of the Board (56): Mr. Winderboim joined BGI on 25 November, 2013 and also serves as a board member of Emblaze. Mr. Winderboim is the Chairman of the Board of ZBI Ltd. and has experience in the field of real-estate transactions. Mr Winderboim received an LL.B from Shaarei Mishpat College, and an LL.M from Bar-Ilan University.

Abraham Wolff (43): Mr. Wolff joined BGI on 27 August 2012. Mr. Wolf, who also serves as director at Emblaze and ZBI, is a Rabbi of Odessa and Southern Ukraine and is a director of a number of Odessa's Jewish community institutions.

Israel Jossef Schneorson, director and CEO (47): Mr. Schneorson joined BGI on 27 August 2012. Mr. Schneorson, who also serves as a director and Chairman of BGA, as a director and CEO of Emblaze and ZBI, is a financial advisor to Mr. Granovskyy, the majority shareholder in BGI. He has served as CEO and a member of the Board of Directors of major international public companies. Mr. Schneorson is an alumnus of Rabbinical College of America.

Amnon Ben-Shay, independent director (51): Mr. Ben-Shay joined BGI on 27 August 2012. Mr. Ben-Shay also serves as non-executive director at Emblaze. Mr. Ben-Shay previously served as a board member of Azorim Ltd, one of Israel's leading residential construction and commercial real estate companies. Mr. Ben-Shay currently serves as the CFO of Is-Line Import Export Services Ltd, an international courier and customs services company. Mr. Ben-Shay holds an MBA in banking and finance, and a B.A in economics, majoring in business administration, both from the Hebrew University of Jerusalem. Mr. Ben-Shay studied accounting at the College of Management Academic Studies.

Merav Siegel, external director (41): Ms. Siegel joined BGI on 20 November 2012. During the past 5 years, Ms. Siegel has established a company concentrating on business development and investment banking, advised on initial public offerings and on capital market transactions (as part of her work with M.S. Valkyrie Investments Ltd.).

Tamar Kfir, external director (46): Ms. Kfir joined BGI on 20 November 2011. Ms. Kfir has been a 'Venture Partner' at Infinity IP Bank for the last four years and has provided expertise in the establishment of an incubator in Harbin, China. Ms. Kfir is the founder and the CEO of BP&C Consulting Group, which specializes in investment management, commercialization deals and incubators. Ms. Kfir serves as a board member for a number of private companies and Israeli public companies traded on the TASE. She was the CEO of Knowledge Tree Ventures Inc. and was formerly VP licensing, healthcare at Yissum, the technology transfer company of the Hebrew University of Jerusalem. Previously, she worked as a CFO at Portman Pharmaceutical Industries LTD. Ms. Kfir has extensive experience in license deals, technology collaborations, investments and incubators. Ms. Kfir holds a B.A. in business and economics and M.A. in economics and finance, both from Bar-Ilan University.

BGA is an Israeli private limited company indirectly owned one hundred per cent. (100%) by BGI. As of December 2013, BGA holds nine (9) per cent. of the Emblaze Shares, while the remaining assets are cash, cash equivalent and deposits.

The directors of BGA are Israel Jossef Schneorson (as described above) and Eyal Merdler, who serves as Emblaze's CFO.

6. Proposed investment in IDB Holdings Corporation Ltd. ("IDB")

The information provided in this paragraph 6 below is based on information available in the public domain.

IDB is one of Israel's largest and diverse holding companies. IDB owns significant interests in undertakings with leading market positions in the Israeli retail and services industry (through one of the largest retail companies in Israel), insurance (through one of the largest insurance companies in Israel), telecommunications (through one of the largest cellular companies in Israel), technology and real estate sectors (through one of the leading real estate companies in Israel), as well as holdings in the financial

services and real estate sectors outside Israel. Most of the major companies held by IDB are traded on TASE or NASDAQ. IDB is an Israeli resident company incorporated in Israel and its securities are listed on TASE.

After creditors of IDB had submitted several insolvency petitions against it and as part of such proceedings, IDB applied to the District Court of Tel Aviv (the “**Court**”) in accordance with Section 350 of the Companies Law in an attempt to reach an arrangement with its creditors. As part of such court proceedings, on 7 July 2013, IDB submitted an outline for a court-governed scheme of arrangement. The Proposed Transaction (as defined below) is intended to be carried out as part of the potential implementation of such outline scheme of arrangement.

On 26 November 2013, IDB submitted to the Court a proposal (the “**Proposal**”), backed by a consortium of investors led by the Company (the “**Emblaze Consortium**”), to acquire a controlling stake in IDB (the “**Proposed Transaction**”).

Further information in respect of the Proposed Transaction is available to the public through Emblaze’s regulatory announcements, which remain available on the Emblaze company website.

On 9 December 2013, Emblaze announced that the competing offer of the consortium led by Eduardo Elsztain and Motti Ben-Moshe has received the support of approximately seventy-five point two (75.2) per cent. of IDB creditors.

On 17 December 2013, the Court has upheld the competing offer of the consortium led by Eduardo Elsztain and Motti Ben-Moshe in respect to the acquisition of control of IDB. The Court has further determined that its ruling shall take effect subject to determination by the Israel Securities Authority, the Official Receiver and the Court-appointed observer that sufficient information with respect to the controlling shareholders within the consortium led by Eduardo Elsztain and Motti Ben-Moshe was satisfactory provided and approved. Such determination is to be filed with the Court no later than 29 December, 2013.

7. Emblaze Share Scheme

The Offer will extend to any Emblaze Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) as a result of the exercise of options under the Emblaze Share Scheme or otherwise prior to the date on which the Offer expires.

8. Financing arrangements

Full acceptance of the Offer would involve a maximum cash payment of approximately Pounds Sterling 4,124,634.

9. Overseas shareholders

The availability of the Offer to persons not resident in the UK or who are citizens, residents or nationals of jurisdictions outside the UK may be prohibited or affected by the laws of the relevant jurisdiction. Persons who are citizens, residents or nationals of jurisdictions outside the UK or custodians, nominees or trustees for persons who are citizens, residents or nationals of jurisdictions outside the UK should inform themselves about and observe any applicable legal or regulatory requirements in relation to the Offer.

The Offer is not being made directly or indirectly in or into the Prohibited Territories.

The attention of Emblaze Shareholders who are citizens, residents or nationals of jurisdictions outside the UK or Israel or other Emblaze Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to, forward this document and its accompanying documents to any jurisdiction outside the UK or Israel is drawn to paragraph 6 of Part B of Part 2, and paragraphs (d) and (e) of Part C of Part 2 of this document.

10. Procedures for acceptance and voting for the Offer

If your Emblaze Shares are held in certificated form this paragraph should be read together with the notes on the enclosed Form of Acceptance which are deemed to be part of the terms of the Offer.

If you have any questions as to how to complete the Form of Acceptance please contact Capita at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.30 p.m. (UK Time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

(a) ***Completion of Form of Acceptance***

To accept the Offer in respect of your certificated shares you must complete Box 1 on page 3 of the Form of Acceptance and, if appropriate, Boxes 3, 4, 5 and 6. To vote against the Offer, you must complete Box 1A and, if appropriate, Box 3. In all cases complete and sign Box 2 on the Form of Acceptance in accordance with the instructions printed therein.

If you are voting against the Offer you will not be required to return your share certificate, however, you should complete box 1A in accordance with the instructions printed on the Form of Acceptance and in this Offer.

By completing and returning the Form of Acceptance you will be deemed not to be an Interested Party unless you complete Box 5 of the Form of Acceptance.

You should note that if you hold Emblaze Shares under different designations, you should complete a separate Form of Acceptance for each holding. Additional Forms of Acceptance are available from Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by telephone on the numbers shown above.

(b) ***Return of Form of Acceptance***

To accept the Offer in respect of your certificated shares, the completed and signed Form of Acceptance should be returned, by post or (during normal business hours) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, as soon as possible and in any event so as to be received no later than 1.00 p.m. London time on 13 January, 2014 or such later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document.

If you are accepting the Offer, the completed and executed Form of Acceptance should be returned with your share certificate(s) and/or other documents(s) of title. A reply-paid envelope (for use in the United Kingdom only) is enclosed for this purpose. No acknowledgement of receipt of documents will be given. If the BGI Group purchases less than all of the Emblaze Shares validly tendered by any Emblaze Shareholder that holds his Emblaze Shares in certificated form, the BGI Group shall arrange for the issuance by Capita Asset Services to such Emblaze Shareholders, in lieu of the certificates tendered by him hereunder, new certificates representing the number of Emblaze Shares held by him following the purchase by the BGI Group from such Emblaze Shareholder of Emblaze Shares pursuant to the Offer.

Certificated shareholders should also arrange to complete the relevant section of the Tax Declaration Form including the number of Emblaze Shares to which the acceptance relates. This should be returned to Capita Asset Services with your Form of Acceptance and share certificate(s).

Tax Declarations will be personalised with the Emblaze Shareholder's information and should be completed by the beneficial owner of the Emblaze Shares. Any shareholder that is a Nominee should arrange for the Tax Declaration Form to be photocopied and completed by the underlying beneficial owner that the acceptance relates to.

(c) ***Share certificates lost or not readily available***

In accepting the Offer, even if your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the completed Form of Acceptance together with any share certificate(s) and/or other documents(s) of title that you may have available should be lodged with Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document), accompanied by a letter stating that the balance will follow as soon as possible or that you have lost one or more of your share certificates and/or other documents of title. In the case of lost certificates and/or documents, you should then write to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, for a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be lodged as soon as possible with Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

(d) ***Emblaze Depository Interests in Uncertificated Form (that is in CREST)***

If you hold your Emblaze Shares as Depository Interests in CREST you should not complete a Form of Acceptance but instead you should take (or procure to be taken) the action set out in this paragraph (d) to transfer the Emblaze Depository Interests in respect of which you wish to accept and vote for the Offer or vote against the Offer to an escrow balance (that is a TTE instruction) as soon as possible and in any event so that the transfer to escrow settles no later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide).

Depository Interest Holders should arrange for a separate TTE Instruction to be sent to Capita Asset Services on behalf of each beneficial owner wishing to participate in the Offer. A separate Tax Declaration Form for each beneficial owner should then be completed and returned to Capita Asset Services which should include the relevant CREST transaction ID and the number of shares submitted in the TTE instruction where indicated.

Tax Declaration Forms will be personalised with the Depository Interest Holder's information. Where a Depository Interest Holder is submitting multiple acceptances on behalf of their underlying beneficial holders, the Tax Declaration Form provided should be photocopied and completed by the underlying beneficial owner that the TTE instruction relates to.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Emblaze Depository Interests are held. In addition, only your CREST sponsor will be able to send the TTE instruction to Euroclear in relation to your Emblaze Depository Interests.

If you wish to accept and vote for the Offer you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear using the information below which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- (i) the number of Emblaze Depository Interests to be transferred to an escrow balance;
- (ii) the corporate action ISIN number for the Emblaze Depository Interests, which is IL0010830219;
- (iii) your member account ID;
- (iv) your participant ID;
- (v) the participant ID of the Escrow Agent (namely Capita, in its capacity as a CREST receiving agent). This is RA10;

- (vi) the member account ID of the Escrow Agent This is 40242FOR;
- (vii) the Corporate Action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (viii) the intended settlement date. This should be as soon as possible and in any event no later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide); and
- (ix) contact name and telephone number, to be inserted into the shared note field; and
- (x) input with standard delivery priority of 80.

TFE instructions in CREST will be made in respect of any Depository Interests not accepted in the Offer within 3 business days of the announcement of the final closing date of the Offer.

After settlement of the TTE instruction, you will not be able to access the Emblaze Depository Interests concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the Emblaze Depository Interests concerned to itself in accordance with paragraph (j) of Part C of Part 2 of this document.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Emblaze Depository Interests to settle prior to 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide). In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST systems and timings.

No acknowledgement of receipt of TTE Instructions will be given. If the BGI Group purchases less than all of the Emblaze Depository Interests validly tendered by any Emblaze Depository Interest Holder the BGI Group will ensure that Capita Asset Services updates its records with respect to Emblaze Depository Interest Holders that hold their Emblaze Depository Interests in Uncertificated Form (that is, through CREST) to reflect the sale by such Emblaze Depository Interest Holders of Emblaze Depository Interests hereunder.

You will be deemed not to be an Interested Party unless you submit a TTE instruction using the details below:

- (i) the number of Emblaze Depository Interests to be transferred to an escrow balance;
- (ii) the corporate action ISIN number for the Emblaze Depository Interests, which is IL0010830219;
- (iii) your member account ID;
- (iv) your participant ID;
- (v) the participant ID of the Escrow Agent (namely Capita, in its capacity as a CREST receiving agent). This is RA10;
- (vi) the member account ID of the Escrow Agent This is 40242PER;
- (vii) the Corporate Action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;

- (viii) the intended settlement date. This should be as soon as possible and in any event no later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide); and
 - (ix) contact name and telephone number, to be inserted into the shared note field; and
 - (x) input with standard delivery priority of 80.
- (e) ***Deposits of Emblaze Depository Interests into, and withdrawals of Emblaze Depository Interests from CREST***
- Normal CREST procedures (including timings) apply in relation to any Emblaze Depository Interests that are, or are to be, converted from Uncertificated to certificated form, or from certificated to Uncertificated Form during the course of the Offer (whether any such conversion arises as a result of a transfer of Emblaze Depository Interests or otherwise). Holders of Emblaze Depository Interests who are proposing to convert any such Depository Interests are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Depository Interests as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide).
- (f) ***Validity of acceptances***
- Without prejudice to any other provision of Part 2 of this document and subject to the terms of the Offer, the BGI Group reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied (where appropriate) by the relevant share certificate(s) and/or other document(s) of title. The consideration payable in respect of such acceptances will not be despatched until after the relevant transfer to escrow has settled or (as applicable) the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to the BGI Group (which would include the letter of indemnity referred to in paragraph (c) above) have been received.
- (g) If you wish to vote against the Offer you should complete the Form of Acceptance in accordance with the instructions for voting against the Offer set out therein (if your Emblaze Shares are held in certificated form), or send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear (if your Emblaze Shares are held as Depository Interests) using the information below which must properly be authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:
- (i) the number of Emblaze Depository Interests to which your vote against the Offer applies;
 - (ii) the corporate action ISIN number for the Emblaze Depository Interests, which is IL0010830219;
 - (iii) your member account ID;
 - (iv) your participant ID;
 - (v) the participant ID of the Escrow Agent (namely Capita, in its capacity as a CREST receiving agent). This is RA10;
 - (vi) the member account ID of the Escrow Agent which relates to those Depository Interest Holders that wish to vote against the Offer. This is 40242AGA;
 - (vii) the Corporate Action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;

- (viii) the intended settlement date. This should be as soon as possible and in any event no later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide); and
- (ix) contact name and telephone number, to be inserted into the shared note field; and
- (x) input with standard delivery priority of 80.

TFE instructions in CREST will be made in respect of any Depository Interests where a vote against the Offer has been made within 3 business days of the announcement of the final closing date of the Offer.

After settlement of the TTE instruction, you will not be able to access the Emblaze Depository Interests concerned in CREST for any transaction or charging purposes.

11. Settlement

Subject to the Offer becoming or being declared unconditional in all respects (except as provided in paragraph 6 of Part B of Part 2 of this document, in the case of certain overseas Emblaze shareholders), settlement of the cash consideration will be effected by the despatch of cheques or the crediting of CREST accounts, as applicable, notwithstanding that the Offer has already become or been declared unconditional and the BGI Group shall be the beneficial owner of the Emblaze Shares or Depository Interests upon such becoming or declaration that the Offer is unconditional:

- (i) in the case of acceptances of the Offer received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date;
- (ii) in the case of acceptances of the Offer received, complete in all respects, after such date on which the Offer becomes or is declared unconditional in all respects but while the Offer remains open for acceptance, within 14 days of such receipt,

in each case, in the following manner:

- (a) with respect to Emblaze Depository Interests in Uncertificated Form (that is in CREST), where an acceptance relates to Emblaze Depository Interests in Uncertificated Form, the cash consideration to which the accepting Emblaze Depository Interest Holder is entitled will be paid in Pounds Sterling by means of CREST by BGA procuring the creation of an assured payment obligation in favour of the accepting Emblaze Depository Interest Holder in respect of the cash consideration due in accordance with the CREST assured payment arrangements; or
- (b) with respect to Emblaze Shares in certificated form (that is evidenced by a share certificate), when an acceptance relates to Emblaze Shares in certificated form, the cash consideration to which an accepting Emblaze Shareholder is entitled will be despatched by first class post. All such cash payments will be made in Pounds Sterling by cheque drawn on a branch of a UK clearing bank.

If the Offer does not become unconditional in all respects:

- (a) in the case of Emblaze Depository Interests held in Uncertificated Form, the Escrow Agent will, within 3 London business days after the lapsing of the Offer, give TFE instructions to Euroclear to transfer all Emblaze Depository Interests held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Emblaze Depository Interest Holders concerned; and
- (b) in the case of Emblaze Shares held in certificated form, share certificates and/or other documents of title will be returned by post within 14 days of the Offer lapsing to the person or agent whose name and address is set out in appropriate box of the Form of Acceptance, or, if none is set out, to the sole or first-named holder at his registered address (outside the Prohibited Territories).

All documents and remittances sent by or to Emblaze Depository Interest Holders or their appointed agents will be sent at their own risk.

12. Action to be taken

To accept and vote for the Offer, you should complete, sign and return the enclosed Form of Acceptance in accordance with the instructions printed thereon (if your Emblaze Shares are in certificated form) and return it to Capita together with your share certificate(s) and duly completed Tax Declaration Form, as soon as possible but, in any event, so as to arrive by post or (during normal business hours) by hand at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document).

To vote against the Offer in respect of all of your Emblaze Shares, you should complete, sign and return the enclosed Form of Acceptance in accordance with the instructions printed thereon (if your Emblaze Shares are in certificated form) and return it to Capita, as soon as possible but, in any event, so as to arrive by post or (during normal business hours) by hand with Capita Asset Services at the address shown above by not later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide. Certificated shareholders who are voting against the Offer do not need to return their share certificate. A reply paid envelope (for use in the UK only) is enclosed for your convenience.

To accept the Offer in respect of Emblaze Depository Interests, you should take or procure to be taken the actions set out in paragraph 10 (d) above and arrange for the Tax Declaration to be delivered to Capita, at the address shown above, in respect of the beneficial holder of the Depository Interests that the acceptance relates to. To vote against the Offer in respect of Emblaze Depository Interests, you should take or procure to be taken the actions set out in paragraph 10 (g) above.

13. Further information

The Offer will remain open for acceptance until 1.00 p.m. London time on 13 January, 2014 or such later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document. If the Offer is accepted, the Emblaze Shareholders that shall have either not returned their Form of Acceptance or Emblaze Depository Interest Holders that have not submitted the relevant TTE Instruction as required herein prior to the expiration of the Offer shall have the right to tender their Emblaze Shares or Depository Interests pursuant to the Offer (by using the Form of Acceptance or submitting the relevant TTE Instruction during the Additional Acceptance Period, in each case, a Tax Declaration Form should also be submitted), and, if any such shareholder or Depository Interest Holder so accepts the Offer, such shareholder or Depository Interest Holder shall be deemed to have accepted the Offer prior to the expiration thereof. Your attention is drawn to the additional information set out in Parts 2 and 3 of this document and for certificated shareholders to the enclosed Form of Acceptance.

Any shareholder who wishes to change their vote against the Offer to an acceptance and vote for the Offer during the additional acceptance period should follow the instructions for acceptance as set out in paragraph 10(a) above.

Any Depository Interest Holder who wishes to change their vote against the Offer to an acceptance and vote for the Offer during the additional acceptance period should follow the instructions for acceptance as set out in paragraph 4 of Part B of Part 2 relating to a revised Offer.

In light of the foregoing and the other information included in or incorporated by reference into this Offer Document, the BGI Group hereby recommends to all Emblaze Shareholders and Depository Interest Holders to accept the Offer as set forth herein.

Yours faithfully

Chanoch Winderboim

Chairman of the Board BGI Investments (1961) Ltd

Part 2

Conditions and Further Terms of the Offer

Part A – Conditions of the Offer

The Offer is subject to the following conditions:

- (a) the Offer being validly accepted (and not, where permitted, withdrawn) by not later than 1.00 p.m. London time on 13 January, 2014 (or such later time(s) and/or date(s) as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document) by the holders (other than the BGI Group, persons acting on the BGI Group's behalf, persons having the ability to control, or holding more than 25 per cent. of the Existing Issued Share Capital, or persons acting on behalf of any of the foregoing, including in each case certain relatives of and entities controlled by such persons) of a majority of the Emblaze Shares or Depository Interests beneficially owned by the Emblaze Shareholders and Depository Interest Holders whose Forms of Acceptance or TTE Instructions are received by Capita Registrars prior to such time and date (regardless of the amount of Emblaze Shares or Depository Interests tendered by such persons hereunder);
- (b) if the condition set forth in clause (a) above is met, the Emblaze Shares validly tendered (and not, where permitted, withdrawn) prior to expiration of the Acceptance Period constitutes at least five (5) per cent. of the Existing Issued Share Capital of Emblaze as of the expiration of the Acceptance Period;
- (c) the BGI Group not having discovered after the date of the announcement of the Offer that:
 - (i) any financial, business or other information about Emblaze which has been publicly disclosed at any time by or on behalf of Emblaze is misleading in any material respect, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading in any material respect; or
 - (ii) Emblaze is subject to any liability, contingent or otherwise, which is or may be material and which has not been publicly announced;
- (d) there has not been made and not withdrawn any Superior Proposal with respect to Emblaze.

The BGI Group reserves the right to waive, in whole or in part, all or any of the foregoing conditions, subject to its sole discretion. The Offer will lapse unless all the conditions set out in this Part A have been fulfilled, waived by the BGI Group (if capable of being waived) or, where appropriate, have been determined by the BGI Group in its reasonable opinion to be and continue to be satisfied upon expiration of the Additional Acceptance Period. The BGI Group shall be under no obligation to waive or treat as fulfilled any of the foregoing conditions by a date and time earlier than the date and time of expiration of the Additional Acceptance Date; notwithstanding that the other conditions of the Offer may at such earlier date and time have been waived or fulfilled and that there are at such earlier date and time no circumstances indicating that any such conditions may not be capable of fulfilment.

Part B – Further Terms of the Offer

Except where the context otherwise requires, references in Parts B and C of this Part 2 and for certificated shareholders in the Form of Acceptance to:

- (a) the "Offer" shall include any revision, variation, renewal or extension of the Offer and an extension of the Offer shall include an extension of the date by which the acceptance conditions have to be fulfilled;
- (b) the "Offer becoming unconditional" shall be construed as: (i) including references to the Offer being declared unconditional; and (ii) including references to the Offer becoming or being declared

unconditional as to acceptances whether or not any other condition of the Offer remains to be fulfilled; and

- (c) the “acceptance condition” shall mean the conditions as to acceptances of the Offer set out in paragraphs (a) and (b) of Part A of this Part 2.

The following further terms apply, unless the context otherwise requires, to the Offer:

1. ***Scope of Offer***

The Offer extends to five (5) per cent. of the Existing Issued Share Capital of Emblaze at the expiration of the Additional Acceptance Period. In accordance with Listing Rule 14.2.2 of the UK Financial Conduct Authority, at least 25 per cent. of the Emblaze Shares and Depository Interests must be distributed to the public (i.e. held in ‘public hands’) in one or more EEA states. Accordingly, if the purchase of any of the Existing Issued Share Capital of Emblaze as described above, would jeopardise Emblaze’s main market eligibility, the BGI Group reserves the right to accept such additional tenders and reject any valid tenders, in each case (i) to the extent that to do so would preserve and not jeopardise Emblaze’s main market eligibility and (ii) subject to the other terms and conditions set out in this document and in the Form of Acceptance.

2. ***Acceptance period***

- (a) The Offer is initially open for acceptance until 1.00 p.m. London time on 13 January, 2014 or such later time(s) and/or date(s) as the BGI Group may decide. The BGI Group will provide Emblaze with the necessary information so that Emblaze will be in a position to publicise any such later time(s) and/or date(s) shall be announced via a Regulatory Information Service.

Under Israeli law, if the Offer is accepted (as described in Section 11 of the letter contained in Part 1 of this document), the non-tendering Shareholders shall have the right to tender their Emblaze Shares or Depository Interest pursuant to the Offer (by using the Form of Acceptance or by submitting the relevant TTE instructions, as the case may be) during the Additional Acceptance Period, and, if any non-tendering Shareholder or Depository Interest Holder so accepts the Offer, such non-tendering Shareholder or Depository Interest Holder will be deemed to have accepted the Offer prior to expiration thereof. Promptly following the expiration of the Offer, the BGI Group will provide Emblaze with the necessary information so that Emblaze will be in a position to publicise, via a Regulatory Information Service (i) whether the Offer has been accepted, (ii) if the Offer has been accepted, the number of Emblaze Shares or Depository Interests with respect to which the Offer has been accepted and the percentage of Emblaze’s issued and outstanding share capital represented by the Emblaze Shares and Depository Interests so accepted and (iii) if the Offer has been accepted, that the Offer shall be open for acceptance by the non-tendering Shareholders and Depository Interest Holders during the Additional Acceptance Period and the date and time on which the Additional Acceptance Period shall expire.

- (b) For the purpose of determining whether the acceptance condition has been satisfied (thereby enabling the non-tendering Shareholders and Depository Interest Holders to tender their Emblaze Shares and Depository Interests during the Additional Acceptance Period), the BGI Group reserves the right, in its discretion, to take into account acceptances received in respect of which all relevant documents are received by Capita Asset Services by 1.00 p.m. London time on 17 January, 2014 (or such later time and date as the BGI Group may decide, in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document).
- (c) If a competing offer is made for Emblaze Shares after the BGI Group has made a statement that the Offer will not be extended, the BGI Group may, if it has specifically reserved the right to do so at the time such statement was made, choose to withdraw such statement, provided that it announces such withdrawal within four business days after the announcement of the competing offer and notifies Emblaze Shareholders and Depository Interest Holders in writing thereof (or, in the case of Emblaze Shareholders or Depository Interest Holders with registered

addresses outside the UK or whom the BGI Group knows to be a nominee, trustee or custodian holding Emblaze Shares or Depository Interests for any such person, by an announcement in the UK) at the earliest opportunity thereafter.

- (d) The BGI Group may, if it has specifically reserved the right to do so at the time such statement was made, choose to withdraw a “no extension” statement if the terms of the Offer are increased or improved and the increased or improved Offer is recommended for acceptance by the board of Emblaze.
- (e) For the purpose of determining at any particular time whether the acceptance condition is then satisfied, the BGI Group shall not be bound to take into account any Emblaze Shares which have been unconditionally allotted or issued before that time unless written notice of such unconditional allotment or issue containing all relevant details has been received before that time by Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU on behalf of the BGI Group from Emblaze or its agents. Telex, facsimile transmission or other electronic transmission will not be sufficient for this purpose unless otherwise determined by the BGI Group.
- (f) If the number of Emblaze Shares and Depository Interests validly tendered hereunder prior to expiration of the Additional Acceptance Period exceeds in the aggregate five (5) per cent. of the Existing Issued Share Capital of Emblaze as of the time of expiration of the Additional Acceptance Period and if the Offer is declared unconditional by the BGI Group, then the BGI Group will only purchase such number of Emblaze Shares and Depository Interests that represents in the aggregate five (5) per cent. of the Existing Issued Share Capital of Emblaze as of the time of expiration of the Offer, which shares and Depository Interests shall be purchased by the BGI Group from the Emblaze Shareholders and Depository Interest Holders accepting this Offer in *pro rata* portions to the number of Emblaze Shares and Depository Interests validly tendered by them hereunder.

3. Announcements

- (a) By 8.00 a.m. on the next business day (the “relevant day”) following the day on which the Offer is due to expire or becomes unconditional or is extended, the BGI Group will provide the Board with any necessary information so that Emblaze will be in a position to announce, via a Regulatory Information Service, the position vis-à-vis the Offer. Such announcement will state whether the Offer has been accepted and (as nearly as practicable) the total number of Emblaze Shares and rights over Emblaze Shares:

- (i) for which acceptances of the Offer have been received;
- (ii) acquired or agreed to be acquired by or on behalf of the BGI Group during the Offer Period; and
- (iii) held by or on behalf of the BGI Group prior to the Offer Period

and will specify the percentages of the Emblaze share capital represented by each of these figures. If the Offer shall have been accepted, such announcement will also include a statement by the BGI Group that the Offer shall be open for acceptance by the non-tendering Shareholders and Depository Interest Holders during the Additional Acceptance Period and the date and time on which the Additional Acceptance Period shall expire. Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made by the BGI Group at any time up to, and will be announced not later than, 8.30 a.m. on the relevant day.

- (b) In Part B of this Part 2, references to the making of an announcement by or on behalf of any member of the BGI Group include the release of an announcement by any member of the BGI Group, or by its public relations consultant on its behalf to the press and the delivery by hand, telephone, telex, facsimile or other electronic transmission of an announcement to a Regulatory Information Service.

4. Revised Offer or Withdrawal

- (a) The BGI Group reserves the right to revise the Offer in accordance with this document prior to the Acceptance Date. Other than provided for under applicable Israeli law, no revision made by the BGI Group will extend the Acceptance Date or any other date provided for in this document, unless the BGI Group determines otherwise in its sole discretion.
- (b) Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents, on the date on which such revision is announced, an improvement (or no diminution) in the value of the Offer (an “**Improved Offer**”) as so revised compared with the consideration or terms previously offered or in the overall value received and/or retained by an Emblaze Shareholder or Depository Interest Holder that has tendered its Emblaze Shares in accordance with the terms of the Offer (“**Tendering Shareholder**”), the benefit of the revised Offer will be made available to Tendering Shareholders who have accepted the Offer in its original or previously revised form(s) (hereinafter called “**Previous Acceptors**”).
- (c) Following an Improved Offer, the acceptance of the Offer by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall be treated as an acceptance of the Offer as so revised and shall also constitute the separate appointment of BGI and each of its directors as his attorney and/or agent with authority to:
- (i) accept any such revised Offer on behalf of such Previous Acceptor;
 - (ii) if such revised Offer includes alternative forms of consideration, to make elections and/or accept such alternative forms of consideration in such proportions as such attorney and/or agent in his absolute discretion thinks fit; and
 - (iii) execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.
- (d) The acceptance of any revised offer which is not an Improved Offer shall not apply to the extent that a Previous Acceptor:
- (i) in respect of Emblaze Shares in certificated form, lodges with Capita Asset Services, within 7 calendar days of the posting of the document pursuant to which the revision of the Offer is made available to Emblaze Shareholders and in any event by no later than 3.00 p.m. (London time) on the Acceptance Date, a Form of Acceptance or some other form issued by or on behalf of the BGI Group in which he or she validly elects to receive the consideration receivable by him or her under such revised Offer in some other manner; or
 - (ii) in respect of Depository Interests, sends (or, if a Previous Acceptor is a CREST personal member, procures that his or her CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:
 1. the number of Depository Interests in respect of which the changed acceptance and vote is to be made;
 2. the corporate action ISIN number (this is IL001083219);
 3. your member account ID;
 4. your participant ID;
 5. the member account ID of the Escrow Agent included in the relevant TTE Instruction;
 6. the Escrow Agent’s participant ID (this is RA10);

7. the CREST transaction ID of the TTE Instruction in respect of which the acceptance and vote is to be changed to be inserted in the shared note field;
8. the intended settlement date for the changed acceptance and vote. This should be as soon as possible and in any event no later than 1.00 p.m. on 13 January, 2014;
9. the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
10. the member account ID of the Escrow Agent relevant to the new election; and
11. the input with a standard delivery instruction priority 80.

Please note that in this case you will be deemed not to be an Interested Party unless you submit your TTE Instruction to the member account detailed in the instructions in Paragraph 10 (d) of Part 1 of this Document.

Any such change of election in respect of Depository Interests will be conditional upon Capita Asset Services verifying that the request is validly made. Accordingly, Capita Asset Services will on behalf of the BGI Group reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (e) The authorities conferred by this paragraph 4 and any acceptance of a revised Offer and/or any election(s) pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his or her acceptance under this paragraph 4 of this Part B and duly does so.
- (f) The BGI Group reserves the right to treat an executed Form of Acceptance or TTE instruction relating to the Offer (in its original or any previously revised forms) which is received or dated after the announcement or issue of the Offer in any revised form as a valid acceptance of the revised Offer. Such acceptances shall constitute an authority in the terms of paragraph 4(c) of this Part B *mutatis mutandis* on behalf of the relevant Tendering Shareholder.
- (g) The BGI Group reserves the right to withdraw the Offer in accordance with this document prior to the Acceptance Date by making an appropriate announcement. Following such withdrawal of the Offer, all Emblaze Shareholders and Depository Interest Holders will be treated as if the Offer had failed to become unconditional.

5. General

- (a) The Offer will lapse, unless all the conditions set out in Part A of this Part 2 have been fulfilled, or, where appropriate, have been determined by the BGI Group in its reasonable opinion to be and/or continue to be satisfied or, if capable of waiver, waived, on or before that time, at 1.00 p.m. London time on 14 January, 2014 (or such later time and date as the BGI Group may determine in accordance with the provisions contained in paragraph 2 of Part B of Part 2 of this document).
- (b) If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and the BGI Group and those Emblaze Shareholders or Depository Interest Holders who shall have accepted the Offer will cease to be bound by any Form of Acceptance or TTE Instruction, as the case may be, submitted on or before the time when the Offer so lapses.
- (c) Settlement of the consideration to which any Emblaze Shareholder or Depository Interest Holder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the BGI Group may otherwise be, or claim to be, entitled as against such Emblaze Shareholder. The payment of any consideration due to any Emblaze Shareholder or Depository Interest Holder will be made on the later to occur of (i) a date within 14 days of the expiration of the Additional Acceptance Period and (ii) a date within 14 days after receipt from such Emblaze Shareholder or Depository Interest Holder of a valid and complete acceptance (including the relevant transfer to escrow or (as applicable) receipt of the relevant share certificate(s) and/or other document(s) of title or indemnity satisfactory to the BGI

Group). All payments (other than payment by means of CREST) will be made by cheque drawn on a branch of a UK clearing bank. No consideration will be sent to an address in the Prohibited Territories.

The BGI Group shall arrange for the issuance by Capita Asset Services to Emblaze Shareholders that hold their Emblaze Shares in certificated form, in lieu of the certificates tendered by them hereunder, new certificates representing the number of Emblaze Shares held by them following the purchase by the BGI Group from such Emblaze Shareholders of Emblaze Shares pursuant to the Offer. The BGI Group shall also ensure that Capita Asset Services updates its records with respect to Emblaze Depository Interest Holders that hold their Emblaze Depository Interests in Uncertificated Form (that is, through CREST) to reflect the sale by such Emblaze Depository Interest Holders of Emblaze Depository Interests hereunder.

- (d) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document shall have the same meanings when used in the Form of Acceptance. The provisions of this Part 2 shall be deemed to be incorporated into the Form of Acceptance.
- (e) Without prejudice to any other provision of this Part 2, the BGI Group reserves the right to treat a Form of Acceptance or TTE Instruction, as the case may be, as valid even though not entirely in order or not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title.
- (f) In addition to the other conditions to this Offer set forth in Part A of this Part 2, the Offer shall not become unconditional unless and until Capita Asset Services has issued a certificate to the BGI Group (or its agent) which states the number of Emblaze Shares and Depository Interests in respect of which acceptances have been received which comply with paragraph 6 of this Part B and the number of Emblaze Shares and Depository Interests otherwise acquired, whether before or during the Offer Period, which comply with paragraph 6 of this Part B. Copies of such certificate will be sent to the BGI Group as soon as possible after it has been issued.
- (g) All references in this document and in the Form of Acceptance to 13 January, 2014 except those in the definition of Offer Period and in paragraph 2 (a) of this Part B, shall (except where the context otherwise requires) be deemed, if the expiry date of the Offer has been extended, to refer to the expiry date of the Offer as so extended.
- (h) Any omission to despatch this document, the Form of Acceptance, the Tax Declaration Form or any document required to be given under the terms of the Offer and/or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Save as provided in paragraph 6 of this Part B, the Offer extends to any Emblaze Shareholders and Depository Interest Holders to whom this document, the Form of Acceptance, the Tax Declaration Form and/or any related documents may not be despatched, and such persons may collect copies of this document, the Form of Acceptance, Tax Declaration Form and/or any related documents from Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
- (i) If the Offer does not become unconditional in all respects, completed Forms of Acceptance (together with any share certificate(s) and/or other document(s) of title or evidence thereof) will be returned by post within 14 days of the Offer lapsing, at the risk of the person entitled thereto, to the person or agent whose name and address is set out above Box 1 or as inserted in Box 3 on the Form of Acceptance or, if none is set out there, to the first-named holder at his registered address (in all cases outside the Prohibited Territories). Immediately after the lapsing of the Offer, Capita will give instructions to Euroclear to transfer all Emblaze Depository Interests held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Emblaze Depository Interest Holder(s) concerned.
- (j) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Part 2 or in the Form of Acceptance are given by way of security for the performance of the

obligations of the Emblaze Shareholder concerned and are irrevocable except in the circumstances where the grantor of such power of attorney or appointment.

- (k) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from an Emblaze Shareholder or Depository Interest Holder will be delivered by or sent to or from him (or his designated agents) at his risk. No acknowledgement of receipt of any Form of Acceptance or TTE Instructions in CREST, share certificate and/or other document of title will be given by or on behalf of the BGI Group.
- (l) The Offer, this document, the Form of Acceptance and all acceptances of the Offer and actions made or taken or deemed to have been made or taken under any of the foregoing, shall be governed by and construed in accordance with English law and subject to the jurisdiction of the Courts of England.
- (m) The Offer is made on 24 December, 2013 and is capable of acceptance from 30 December 2013. Copies of this document and the Form of Acceptance will be available from Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Subject to paragraph 6 (a) of this Part B, the Offer is being made solely by means of this document.
- (n) In relation to any acceptance of the Offer in respect of a holding of Emblaze Depository Interests which are held in Uncertificated Form, the BGI Group reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise.
- (o) All references in this document to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (p) Neither the BGI Group nor any of its agents or directors nor any of its advisers nor any person acting on the BGI Group behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances or otherwise in connection therewith.

6. Overseas shareholders

- (a) The BGI Group reserves the right to notify any matters, including the making of the Offer, to all or any Emblaze Shareholder(s) or Depository Interest Holder with registered addresses outside the United Kingdom or whom the BGI Group knows to be nominees, trustees or custodians of persons who are citizens, residents or nationals outside the United Kingdom by announcements, or by paid advertisements circulated in the United Kingdom, in which event such notice shall be deemed to have been sufficiently given, notwithstanding any failure by any such Emblaze Shareholder(s) to receive such notice, and all references in this document to notice in writing or on behalf of the BGI Group and/or its agents shall be construed accordingly.
- (b) **IF YOU ARE AN OVERSEAS EMBLAZE SHAREHOLDER OR DEPOSITORY INTEREST HOLDER AND YOU ARE IN ANY DOUBT ABOUT YOUR POSITION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER IN THE RELEVANT JURISDICTION.** The making of the Offer in jurisdictions outside the United Kingdom or to certain persons not resident in the United Kingdom or who are citizens, residents or nationals of other countries outside the United Kingdom may be prohibited or affected by the laws of the relevant jurisdictions. Emblaze Shareholders or Depository Interest Holders who are citizens, residents or nationals of jurisdictions outside the United Kingdom should inform themselves about and observe any applicable legal requirements. No person receiving a copy of this document and/or the Form of Acceptance or in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Form of Acceptance if in the relevant jurisdiction, such an invitation or offer cannot lawfully be made to him or such Form of Acceptance, cannot lawfully be used without contravention of any relevant registration or other legal requirements. In such circumstances this document and/or any Form of Acceptance sent for information only. It is the responsibility of any such person wishing to accept the Offer to satisfy himself to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary

formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any such Emblaze Shareholder or Depository Interest Holder will be responsible for any such issue, transfer or other taxes by whomsoever payable and shall fully indemnify and hold harmless the BGI Group in relation thereto. No steps have been taken to register or qualify the Offer or authorise the extending of the Offer or the distribution of this document or any accompanying Form of Acceptance and any related documents in any territory outside the United Kingdom.

- (c) The Offer is not being made, directly or indirectly, in or into or by use of mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facility of a national securities exchange of the Prohibited Territories and the Offer cannot be accepted by any such use, means or instrumentality or from within the Prohibited Territories.
- (d) Copies of this document, the Form of Acceptance, the Tax Declaration Form and any related offering documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the Prohibited Territories, including (without limitation) to Emblaze Shareholders or Depository Interest Holders with registered addresses in the Prohibited Territories or to custodians, nominees and trustees holding Emblaze Shares or Emblaze Depository Interests for any such person. Persons receiving such documents (including, without limitation, custodians, trustees or nominees) must not distribute or send them in or into the Prohibited Territories or use mails in the Prohibited Territory or any such means or instrumentality for any purposes directly or indirectly in connection with the Offer and so doing may invalidate any purported acceptance of the Offer. Persons wishing to accept the Offer should not use such mails or any such means or instrumentality for any purpose directly or indirectly related to acceptance of the Offer and so doing may invalidate any purported acceptance. Envelopes containing Form(s) of Acceptance should not be postmarked in the Prohibited Territories or otherwise despatched from the Prohibited Territories, and all acceptors must provide addresses outside the Prohibited Territories for the return of Form(s) of Acceptance, Emblaze Share certificate(s) and/or other document(s) of title and remittance of cash.
- (e) Save as provided in the remainder of paragraph 6 of this Part B, an Emblaze Shareholder or any Depository Interest Holders will be deemed not to have validly accepted the Offer if:
 - (i) he is unable to give the relevant representations and warranties set out in paragraphs (d) and (e) of Part C of this Part 2 (as appropriate); or
 - (ii) he completes Box 3 of the relevant Form of Acceptance with an address in the Prohibited Territories or has a registered address in the Prohibited Territories and in either case he does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside the Prohibited Territories to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to the provisions of this paragraph (e) and any applicable laws; or
 - (iii) the Form of Acceptance, received from him is in an envelope postmarked in, or otherwise appears to the BGI Group or its agents to have been sent from the Prohibited Territories.
 - (iv) he makes a Restricted Escrow Transfer in respect of his Depository Interests, unless he also makes a related Restricted ESA Instruction which is accepted by the BGI Group.

The BGI Group reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the relevant representations and warranties set out in paragraphs (d) and (e) of Part C of this Part 2 given by the relevant Emblaze Shareholder or Depository Interest Holder are correct and, if such investigation is made and as a result the BGI Group determines that such representations and warranties could not have been so given or are not correct, such acceptance shall not, save as aforesaid, be valid.

- (f) Neither the BGI Group nor any of its agents or directors nor any of its advisers nor any person acting on the BGI Group's behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances or otherwise in connection herewith.

- (g) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance, the Tax Declaration or any related offering documents in, into or from the Prohibited Territories or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or other electronic transmission) of interstate or foreign commerce of, or any facility of national securities exchange of the Prohibited Territories in connection with such forwarding, such person should:
- (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action will invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 6.
- (h) The provisions of this paragraph 6 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Emblaze Shareholders or Depository Interest Holders or on a general basis by the BGI Group in its absolute discretion, if the BGI Group is satisfied that such waiver, variation or modification will not constitute a breach of any applicable securities or other laws (and in any such case the BGI Group may impose additional requirements and restrictions on such acceptance). Subject to the foregoing, the provisions of this paragraph 6 supersede any terms of the Offer inconsistent herewith. References in this paragraph 6 to an Emblaze Shareholder or Depository Interest Holder shall include references to the person or persons executing a Form of Acceptance or submitting the relevant CREST instruction, as the case may be, and, in the event of more than one person executing a Form of Acceptance, the provisions of this paragraph 6 shall apply to such persons jointly and severally.

If Emblaze Shares are held as Depository Interests in CREST and the Depository Interest Holder cannot give the applicable warranties required by the BGI Group but nevertheless can provide evidence satisfactory to the BGI Group that he can accept the Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:

- (i) TTE instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
- (ii) one or more valid ESA instructions (a “**Restricted ESA instruction**”).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and the BGI Group decides, in its absolute discretion, to exercise its right to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period or Additional Acceptance Period as the case may be. If the BGI Group accordingly decides to permit such acceptance to be made, Capita Asset Services will, on behalf of the BGI Group, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Capita Asset Services will, on behalf of the BGI Group, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- (A) the corporate action ISIN number. (This is IL0010830219);
- (B) the number of Emblaze Depository Interests in respect of which the Offer is to be accepted;
- (C) the member account ID of acceptor;
- (D) the participant ID of the acceptor;

- (E) the participant ID of the Escrow Agent (this is RA10);
- (F) the member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
- (G) the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on 13 January, 2014;
- (H) the corporate action number for the Offer allocated by Euroclear;
- (I) input with a standard delivery instruction priority of 80; and
- (J) the contact name and telephone number inserted in the shared note file.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- (A) the corporate actions ISIN number. (This is IL0010830219);
- (B) the number of Emblaze Depository Interests relevant to that Restricted ESA instruction;
- (C) the member account ID of the accepting Depository Interest Holder;
- (D) the participant ID of the accepting Depository Interest Holder;
- (E) the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer (this is RESTRICT);
- (F) the participant account ID of the Escrow Agent set out in the Restricted Escrow Transfer (this is RA10);
- (G) the applicable member account ID;
- (H) the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
- (I) the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on 13 January, 2014;
- (J) input with a standard delivery instruction priority of 80; and
- (K) the corporate action number for the Offer allocated by Euroclear.

Part C – Forms of Acceptance and TTE Instructions

Each Emblaze Shareholder or Depository Interest Holder by whom, or on whose behalf, a Form of Acceptance or TTE Instruction, as the case may be, is executed irrevocably undertakes, represents, warrants and agrees to and with the BGI Group (so as to bind him, his personal representatives, executors, heirs, successor and assigns) that:

- (a) the execution of a Form of Acceptance or TTE Instruction, as the case may be, shall, subject to the provisions of paragraph 6 of Part B of this Part 2, constitute:
 - (i) an acceptance or vote against the Offer in respect of the number of Emblaze Shares inserted or deemed to be inserted in Box 1 or Box 1A as the case may be, by the Emblaze Shareholder;
 - (ii) If Box 1 or Box 1A of the Form of Acceptance is left blank or a number greater than such shareholder's registered holding of Emblaze Shares appears in Box 1 or Box 1A, an acceptance or vote against the Offer by such shareholder of the Offer in respect of the total number of Emblaze Shares registered in his name, shall be registered;
 - (iii) an acceptance, deemed acceptance or vote against the Offer in respect of the number of Depository Interests contained within the relevant CREST instruction;

- (iv) an acceptance, deemed acceptance or vote against the Offer from a holder who is not considered to be an Interested Party, unless otherwise stated;

subject to the terms and conditions set out or referred to in this document and the Form of Acceptance such acceptances shall be irrevocable;

- (b) The BGI Group or its agents are authorised to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable the BGI Group to obtain full benefit of the acceptance and/or to perfect any of the authorities expressed to be given hereunder, in each case on and subject to the terms and conditions set out or referred to in this document or for certificated shareholders in the Form of Acceptance;
- (c) he has the right to dispose of the Emblaze Shares or Depository Interests in respect of which the Offer is accepted or deemed to be accepted and that the Emblaze Shares or Depository Interests in respect of which the Offer is accepted or deemed to be accepted are sold with full title guarantee and free from all liens, charges, encumbrances, equitable interests, third party rights and other interests and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid on or after the date on which the Offer was announced;
- (d) unless “No” is indicated in Box 6 of the Form of Acceptance such shareholder has not received or sent copies of this document, the Form of Acceptance or any related offering documents, in, into or from the Prohibited Territories and has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including without limitation, facsimile transmission, telex or telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the Prohibited Territories and that the Form of Acceptance has not been signed in the Prohibited Territories and he is accepting the Offer from outside the Prohibited Territories;
- (e) unless “No” is indicated in Box 6 of the Form of Acceptance such shareholder is not a resident of a Prohibited Territory, does not hold any Emblaze Shares on behalf of a resident of a Prohibited Territory and is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such principal has given instructions with respect to the Offer from outside the Prohibited Territories;
- (f) the execution of a Form of Acceptance or submission a TTE Instruction, as the case may be, constitutes, subject to the Offer becoming unconditional in all respects, the irrevocable appointment of any director of BGA as such shareholder’s or Depository Interest Holder’s attorney and/or agent (the “**Attorney**”) and an irrevocable instruction to the attorney:
 - (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the attorney’s discretion in relation to the Emblaze Shares or Depository Interests referred to in paragraph (a) of this Part C in respect of which an accepting Emblaze Shareholder or Depository Interest Holder has not validly withdrawn his acceptance (“**Acceptance Securities**”) in favour of BGA or such other person or persons as BGA may direct, and to deliver such form(s) or transfer and/or other document(s) at the attorney’s discretion, together with the certificate(s) and/or other document(s) relating to such Acceptance Securities, for registration within six months of the Offer becoming unconditional in all respects; and
 - (ii) to execute all such other documents and do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purposes of, or in convention with, the acceptance of the Offer, and to vest in BGA or its nominee(s) the Acceptance Securities, as aforesaid;
- (g) the execution of the Form of Acceptance or submission of a TTE Instruction, as the case may be, constitutes, subject to the Offer becoming unconditional in all respects a separate irrevocable authority and request:

- (i) to Emblaze or its agents to procure the registration of the transfer of the Emblaze Shares in certificated form pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to BGA or as it may direct;
 - (ii) to BGA or its agents, if the relevant Emblaze Depository Interests are in Uncertificated Form, to procure the creation of an assured payment obligation in favour of the Emblaze Depository Interest Holder's payment bank in accordance with the CREST assured payment arrangements in respect of the consideration to which such Depository Interest Holder is entitled, provided that BGA may (if for any reason it wishes to do so) determine that all or part of the consideration shall be paid by cheque despatched as aforesaid;
 - (iii) to BGA or its agents, if the relevant Emblaze Shares are in certificated form (or if the proviso in paragraph (g) (ii) of this Part C applies), to procure the despatch of a cheque in respect of the consideration to which an accepting Emblaze Shareholder may become entitled pursuant to his acceptance of the Offer, at the risk of such shareholder, to the person or agent whose name and address (outside of the Prohibited Territories) is set out in Box 4 on the Form of Acceptance or, if none is set out there, to the sole or first-named registered holder at the address set out in Box 3 on the Form of Acceptance or, if none is set out there, to the sole or first-name registered holder at his registered address; and
 - (iv) to BGA or its agents to record and act upon any instruction with regard to payments or notices which have been entered in the records of Emblaze in respect of such shareholder's holding(s) of Emblaze Shares;
- (h) the execution of the Form of Acceptance or submission of a TTE Instruction, as the case may be, constitutes the irrevocable appointment of any director or agent of BGA as such Emblaze Shareholder's or Depository Interest Holder's attorney and/or agent within the terms of paragraph 6 of Part B of this Part 2 and this Part C with authority to execute any further documents and give any further assurances which may be required in connection with the matters referred to in paragraph 6 of Part B of this Part 2 and this Part C;
- (i) after the Offer becomes unconditional in all respects (or, if the Offer would become unconditional in all respects or lapse immediately upon outcome of the resolution in question), and in such other circumstances as the BGI Group may request:
- (i) BGA or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisite the convening of any general meeting of Emblaze or of any class of its shareholders) attaching to any Acceptance Securities;
 - (ii) Emblaze shall be authorised by the holder of the Acceptance Securities to send any notice, circular, warrant, document or other communication which may be required to be sent to him as an Emblaze Shareholder or Depository Interest Holder to BGA at its registered office;
 - (iii) BGA or any director of BGA shall be authorised by the holder of the Acceptance Securities to sign any consent to short notice of a general meeting or separate class meeting on his behalf and/or to execute a form of proxy in respect of such Acceptance Securities appointing any person nominated by BGA to attend any general meetings and/or separate class meetings of the Emblaze Shareholders or any of them and to exercise the votes attaching to such Acceptance Securities on his behalf (where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer);
 - (iv) the execution of a Form of Acceptance or submission of a TTE Instruction, as the case may be, will constitute the agreement of such Emblaze Shareholder or Depository Interest Holder not to exercise any of such rights without the consent of BGA and the irrevocable undertaking of such Emblaze Shareholder or Depository Interest Holder not to appoint a proxy or corporate representative for or to attend any general meeting or separate class meeting of the Emblaze Shareholders or Depository Interest Holders or any of them;

- (j) the execution of a TTE Instruction constitutes the irrevocable appointment of BGA or any director of BGA as such person's attorney and/or agent and an irrevocable instruction and authority to the attorney and/or agent:
- (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to such person not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Emblaze or its agents may direct) by means of CREST all or any of the Emblaze Depository Interests (but not exceeding the number of Emblaze Depository Interests in respect of which the Offer is accepted or deemed to be accepted); and
 - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer, to transfer all relevant Emblaze securities to the original available balance of the accepting Emblaze Depository Interest Holder. "**Relevant Emblaze securities**" means Emblaze Depository Interests in Uncertificated Form and in respect of which a Transfer or Transfers To Escrow has or have been effected pursuant to the procedures described in paragraph 10 of the letter contained in Part 1 of this document.
- (k) he will take (or procure to be taken) the action set out in paragraph 10(d) of the letter contained in Part 1 of this document to transfer all Emblaze Depository Interests, in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, held by him in Uncertificated Form to an escrow balance as soon as possible and in any event by no later than 13 January, 2014.
- (l) if for any reason any Emblaze Depository Interests in respect of which a transfer to an escrow balance has been effected in accordance with paragraph 11 of the letter contained in Part 1 of this document are converted to certificated form, he will (without prejudice to paragraphs (d) and (e) of this Part C) immediately deliver or procure the immediate delivery of the share certificates or other documents of title in respect of all such Emblaze Shares so converted to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or to BGA at its registered office or as BGA or its agents may direct;
- (m) he will deliver to, or procure delivery to, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, his certificate(s) and/or other document(s) of title in respect of the Emblaze Shares referred to in paragraph (a) of this Part C or an indemnity acceptable to BGA instead thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (n) the terms and conditions of the Offer as contained in this Offer Document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;
- (o) subject to the Offer becoming unconditional in all respects, he shall promptly following request by or on behalf of the BGI Group do all such acts and things as shall be necessary or expedient to vest in BGA or its nominees the Acceptance Securities and to enable the Escrow Agent to perform its function as Escrow Agent for the purposes of the Offer and accordingly grants power(s) of attorney and authorities on the terms conferred by or referred to in this Part C which are given by way of security for the performance of the obligations of such person and which are irrevocable;
- (p) he agrees to ratify each and every act or thing which may be done or effected by BGA or any director of BGA and/or its agents or attorneys in the exercise of any of the powers and/or authorities hereunder and to indemnify each such person against losses arising therefrom;
- (q) that the execution of the Form of Acceptance or submission of a TTE Instruction, as the case may be, constitutes his irrevocable submission, in relation to the Offer, the Form of Acceptance or TTE Instruction, as the case may be, or other matters arising in relation thereto, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of the BGI Group to bring any action, suit or proceeding arising out of or in connection with the Offer in any other manner permitted by law or in any court of competent jurisdiction;

- (r) the creation of an assured payment obligation in favour of his payment bank in accordance with the CREST assured payments arrangements referred to in paragraph (g) (ii) of this Part C shall, to the extent of the obligations so created, discharge in full any obligation of BGA to pay to him the cash consideration to which he is entitled pursuant to the Offer; and
- (s) if any provisions of the Form of Acceptance or TTE Instructions, as the case may be, and/or of Part B or Part C of this Part 2 shall be unenforceable or invalid or shall not operate so as to afford BGA or any director of BGA (or nominees thereof) the benefit of the authorities and powers of attorney expressed to be given therein or herein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required or desirable to enable BGA and/or any director of BGA (or nominee thereof) to secure the full benefits of the Form of Acceptance or TTE Instructions, as the case may be, and of Part B and Part C of this Part 2.

References in this Part C to an Emblaze Shareholder or Depository Interest Holder shall include references to the person or persons executing a Form of Acceptance or submitting the TTE Instruction as the case may be, and, in the event of more than one person executing a Form of Acceptance as the case may be, the provisions of this Part C shall apply to them jointly and to each of them.

Part 3

Additional Information

1. Responsibility

BGI accepts responsibility for the information contained in this document that relates to the terms of the Offer and to the BGI Group and its units and group companies, and to the best knowledge and belief of BGI, such information is in accordance with the facts. The information about Emblaze (including all financial information about Emblaze and its business and historical price information relating to the Emblaze shares) and in relation to IDB, has been compiled by the BGI Group from publicly available sources and the BGI Group has ensured that such information has been correctly extracted and presented herein, but the BGI Group does not assume any responsibility with respect to its accuracy or completeness.

2. Directors

The directors of the BGI Group and their respective functions are as set forth in paragraph 5 of the letter appearing in Part 1 of this Offer Document.

3. Market quotations

The following table shows the highest and lowest Closing Quotations for the Emblaze Shares, as derived from the Daily Official List, in each month from August 2012 to 15 August 2013 (the date on which trading in Emblaze Shares was suspended and being the last date on which Emblaze Shares were traded prior to the printing of this document):

<i>Month</i>	<i>Date of high price</i>	<i>High price (Pounds Sterling)</i>	<i>Date of low price</i>	<i>Low price (Pounds Sterling)</i>
August 2012	31 August 2012	0.50	1 August 2012	0.44
September 2012	7 September 2012	0.5175	18 September 2012	0.46
October 2012	3 October 2012	0.49	15 October 2012	0.45
November 2012	2 November 2012	0.4875	21 November 2012	0.43
December 2012	10 December 2012	0.47	20 December 2012	0.44
January 2013	10 January 2013	0.465	2 January 2013	0.44
February 2013	27 February 2013	0.50	20 February 2013	0.46
March 2013	28 March 2013	0.60	1 March 2013	0.4625
April 2013	17 April 2013	0.61	12 April 2013	0.56
May 2013	2 May 2013	0.59	23 May 2013	0.4575
June 2013	10 June 2013	0.52	12 June 2013	0.49
July 2013	18 July 2013	0.52	3 July 2013	0.495
August 2013	6 August 2013	0.5138	13 August 2013	0.4763

The highest and lowest Closing Quotations for the Emblaze Shares, as derived from the Daily Official List, during the 12-month period prior to 15 August 2013 (the date on which trading in Emblaze Shares was suspended) were 61 pence (on 17 April 2013) and 43 pence (on 21 November 2012).

4. United Kingdom taxation

The following paragraphs, which are intended as a general guide only, are based on current UK legislation and Her Majesty's Revenue and Customs practice as at the date of this document. They summarize only certain legislation aspects of the UK tax treatment of acceptance of the Offer, and they relate only to the position of Emblaze Shareholders who hold their Emblaze Shares as an investment (otherwise than in an individual savings account) and not as an asset of a financial trade, who are resident in the UK for tax purposes (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Emblaze Shares. **If you are in any doubt as to your taxation position**

or if you are subject to tax in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser without delay.

(a) ***Tax on chargeable gains***

Liability to UK tax on chargeable gains will depend on the individual circumstances of each Emblaze Shareholder. The receipt of cash by an Emblaze Shareholder under the Offer will constitute a disposal of such Emblaze Shares for chargeable gains purposes. Such a disposal may, depending on the individual circumstances of the Emblaze Shareholder, give rise to a chargeable gain.

In the case of an Emblaze Shareholder within the charge to UK corporation tax, a chargeable gain may arise depending on the particular circumstances of the company disposing of the shares. In calculating the gain a deduction will be given for the base cost of the shares and indexation allowance up to the date of disposal will also be given.

(b) ***Other tax matters***

Special tax provisions may apply to Emblaze Shareholders who have acquired or who acquire their Emblaze Shares by exercising options under the Emblaze Share Scheme, including provisions which may, depending on the nature of the option, impose a charge to UK income tax and employee's National Insurance Contributions. These charges may be collected through the PAYE system.

(c) ***Stamp duty and stamp duty reserve tax ("SDRT")***

No stamp duty or SDRT will be payable by Emblaze Shareholders as a result of accepting the Offer.

5. Israeli Taxation

It is recommended that Emblaze Shareholders review the tax aspects associated with the Offer, acceptance thereof or acts which may follow the same, *inter alia*, by receiving specific professional advice on such matters, in accordance with the specific particulars and circumstances of each such Emblaze Shareholder. Notwithstanding the foregoing, Emblaze Shareholders should be advised of the following withholding tax implications:

(a) ***Withholding Tax – Israeli Residents:***

Without derogating from the generality of the aforesaid, the BGI Group draws the attention of Emblaze Shareholders who reside in Israel ("**Israeli Resident**"), to the fact that consideration received from the sale of Emblaze Shares pursuant to this Offer is subject to withholding tax at source at the rate of 25 per cent., with respect to individuals and companies (unless such Emblaze Shareholders deliver to Capita Asset Services, in the manner described below, an exemption from such withholding or instructions from the Israeli Income Tax Authorities as to a lower withholding tax rate). Notwithstanding the above, with respect to Emblaze Shares which are held by an Israeli Resident through an Israeli bank or broker, the BGI Group shall pay the consideration without withholding tax, and to the extent applicable such tax withholding will be made by the Israeli bank or broker.

Since the BGI Group does not have the information as to the real capital gain of each Emblaze Shareholder, the withholding tax will be calculated on the basis of the consideration received from the sale of Emblaze Shares pursuant to this Offer.

Each Israeli Resident is required fully complete Part 1 of the Tax Declaration Form, which is enclosed with this Offer Document and deliver it to Capita Asset Services.

(b) ***Withholding Tax – Non Israeli Residents:***

With respect to Emblaze Shareholders resident in jurisdictions other than Israel, if such Emblaze Shareholder purchased the Emblaze Shares upon or after the admission thereof to the London Stock Exchange, such Emblaze Shareholder is exempt from withholding tax, provided it fully completes

Part 2 of the Tax Declaration Form, which is enclosed with this Offer Document and delivers it to Capita Asset Services.

(c) ***Withholding Tax – General***

Accordingly, the BGI Group will deduct the withholding tax rates described above from the consideration for the Emblaze Shares, unless the Emblaze Shareholder, either:

- (i) with respect to residents of jurisdictions other than Israel, fully completes the Non Israeli Resident section in the Tax Declaration Form and delivers such Tax Declaration Form to Capita Asset Services; or
- (ii) with respect to Emblaze Shareholders that are Israeli Resident, delivers to Capita Asset Services by the Acceptance Date, either (a) a certificate from the Israeli Income Tax Authorities of exemption from withholding tax or of a reduced tax rate, or (b) a Tax Declaration with the Israeli Resident section completed, declaring that such Emblaze Shareholder's Emblaze Shares are held through an Israeli bank or broker.

IF AN EMBLAZE SHAREHOLDER DOES NOT DELIVER A FULLY COMPLETED DECLARATION WITH THE RELEVANT SECTION COMPLETED OR A CERTIFICATE FROM THE ISRAELI INCOME TAX AUTHORITIES AS DESCRIBED ABOVE, THEN THE BGI GROUP SHALL DEDUCT FROM THE CONSIDERATION PAYABLE FOR SUCH EMBLAZE SHAREHOLDER'S EMBLAZE SHARES WITHHOLDING TAX AT THE RATE OF 25 PER CENT. THE BGI GROUP WILL HOLD SUCH WITHHELD AMOUNT UNTIL THE DATE ON WHICH SUCH AMOUNT IS PAYABLE TO THE ISRAELI INCOME TAX AUTHORITIES.

The BGI Group (in its sole discretion) reserves the right to reject any Tax Declaration Form, or certificate from the Israeli Income Tax Authorities received from Emblaze Shareholders or Depository Interest Holders, which is incomplete, inconsistent, unclear or otherwise unusable.

6. Other information

- (a) Save as disclosed in this document, no agreement or understanding (including any compensation arrangement) exists between the BGI Group or, to the knowledge of the BGI Group, any party acting in concert with the BGI Group and any of the directors or recent directors, shareholders or recent shareholders of Emblaze having any connection with or dependence on the Offer.
- (b) There is no current agreement, arrangement or understanding whereby the beneficial ownership of any Emblaze Shares acquired by the BGI Group in pursuance of the Offer will be transferred to any other person, save that the BGI Group reserves the right to transfer any such shares to any of its subsidiaries or other group companies.
- (c) finnCap has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- (d) The registered office of BGI and of BGA is 132 Menachem Begin Road (3 Azrieli Center), Tel Aviv 6702301, Israel.

24 December, 2013

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Acquisition Proposal”	a proposal for (i) a transaction or series of transactions pursuant to which any person or group of persons acquires or would acquire beneficial ownership of more than 50 per cent. of the outstanding voting power of Emblaze, whether from the Emblaze shareholders or from Emblaze, or pursuant to a tender offer, exchange offer or otherwise; (ii) a merger, consolidation, business combination, reorganization or share exchange pursuant to which any person or group of persons acquires or would acquire beneficial ownership of more than 50 per cent. of the outstanding voting power of Emblaze; or a recapitalization, liquidation, dissolution or similar transaction involving Emblaze; (iii) any transaction or series of transactions which would result in any third party, un-affiliated with Emblaze, acquiring more than 50 per cent. of the fair market value of the assets of Emblaze immediately prior to such transaction (whether by purchase of assets, acquisition of stock or otherwise); or (iv) any combination of the foregoing
“Additional Acceptance Period”	the four-day period following the expiration of the Offer
“BGA”	B.G. Alpha Ltd.
“Capita or Capita Asset Services”	a trading division of Capita Registrars Limited
“Closing Quotation”	closing price as derived from the Daily Official List
“Company” or “Emblaze”	Emblaze Ltd.
“CREST”	the relevant system (as defined in the Regulations) in respect of which CRESTCo is the Operator (as defined in the Regulations)
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Daily Official List”	the Daily Official List of the London Stock Exchange
“Depository Interests”	depository interests representing one ordinary share of Emblaze
“Depository Interest Holders”	holders of Depository Interests in CREST
“Emblaze Share(s)”	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.01 New Israeli Shekel each in the share capital of Emblaze and any further shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) prior to the date on which the Offer closes including any such shares unconditionally allotted or issued pursuant to the exercise of options granted under the Emblaze Share Scheme
“Emblaze Shareholders”	holders of Emblaze Shares in certificated form
“Emblaze Share Scheme”	the share option scheme adopted by Emblaze in 2001
“Euroclear”	Euroclear UK & Ireland Limited
“Escrow Agent”	Capita

“ESA Instruction”	means an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear)
“Existing Issued Share Capital”	the issued ordinary share capital of the Company, being 109,990,252 Emblaze Shares as at the date of this document (which for the avoidance of doubt, excludes the Treasury Shares)
“finnCap”	finnCap Ltd (company number 06198898) whose registered office is at 60 New Broad Street, London, EC2M 1JJ, United Kingdom
“Form of Acceptance”	the form of acceptance relating to the Offer, accompanying the Offer Document, which is to be completed by holders of Emblaze Shares in certificated form to accept the Offer
“Interested Party”	BGI, Persons acting on BGI’s Behalf, Persons having the ability to control, or holding more than 25 per cent. of the issued share capital of Emblaze, persons with a personal interest in the Offer (with respect to whom, section 276 of the companies law shall apply), or persons acting on behalf of any of the foregoing, including in each case certain relatives of and entities controlled by such persons
“Japan”	Japan, its cities and prefectures, territories and possessions
“London Stock Exchange”	London Stock Exchange plc
“Offer”	the cash offer being made by the BGI Group to acquire five (5) per cent. of the issued Emblaze Shares being four point nine six (4.96) per cent. on a fully diluted basis, on the terms and subject to the conditions described in the Offer Document and the Form of Acceptance or the Offer Document, as the case may be, including (where the context permits) any subsequent revision, variation, renewal or extension thereof
“Offer Document”	this document addressed to Emblaze Shareholders and Depository Interest Holders and, for information only, to participants in the Emblaze Share Scheme containing the Offer
“Offer Period”	the period commencing on 24 December, 2014 and ending on the latest of the following dates: <ul style="list-style-type: none"> (i) 1.00 p.m. London time on 13 January, 2014 (subject to the Additional Acceptance Period); (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes unconditional in all respects
“Official List”	the Official List of the London Stock Exchange
“Overseas Shareholders”	a holder of Emblaze Shares or Depository Interests who is resident in, or a citizen of, a jurisdiction other than the United Kingdom
“Prohibited Territory” or “Prohibited Territories”	any or all of the United States, Canada, Australia, Japan, the Republic of South Africa and their respective territories and possessions and any other jurisdictions where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure for the Company if information or documents

	concerning the Offer were to be sent or made available to Shareholders in that jurisdiction
“Regulations”	the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272)
“Regulatory Information Service”	means any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the listing rules made by the FCA pursuant to section 73A of FSMA
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Superior Proposal”	any written Acquisition Proposal (provided that no Acquisition Proposal shall constitute a Superior Proposal if immediately following the consummation of such Acquisition Proposal, the shareholders of Emblaze immediately prior to such consummation would own a majority of the voting power of the survivor or acquiring entity immediately following such consummation) that a majority of the members of the board of directors of Emblaze determine in good faith, after consultation with outside legal counsel and financial advisors, (i) provides to the shareholders of Emblaze a value that exceeds the cash amount to be paid under this Offer, (ii) would result in a transaction, if consummated, that would be more favorable to the Emblaze Shareholders (taking into account all facts and circumstances, including all legal, financial, regulatory and other aspects of the proposal and the identity of the offeror) than the consideration payable to the Emblaze Shareholders under this Offer, (iii) is reasonably likely to be consummated in a timely manner (taking into account all legal, financial, regulatory and other relevant considerations), and (iv) is made by a person or group of persons that shall have provided to the Emblaze board of directors reasonable evidence that such person or group of persons has or will have sufficient funds or committed financing to complete such Acquisition Proposal (with respect to a Superior Proposal that contemplates a cash consideration)
“Tax Declaration Form”	the tax declaration form relating to the Offer, accompanying the Offer Document, which is to be completed by or on behalf of the beneficial holders of Emblaze Shares or Depository Interests
“TFE instruction”	a Transfer From Escrow instruction (as defined by the CREST Manual issued by Euroclear)
“Treasury Share(s)”	the 30,587,902 existing issued but not allotted ordinary shares of 0.01 New Israel Shekels each in the share capital of Emblaze held by Emblaze in its treasury
“TTE instruction”	a Transfer To Escrow instruction (as defined by the CREST Manual issued by Euroclear), which shall be deemed received at the time at which the relevant instruction settles in CREST
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“Uncertificated” or “in Uncertificated Form”	recorded on the register of members of Emblaze as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CERST

“US\$” or “\$”	means the lawful currency of the United States of America
“US person”	a US person as defined in Regulation S under the Securities Act
“United States” or “US”	the United States of America (including the states of the United States of America and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used herein.

