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If you sell or transfer or have sold or transferred all of your Ordinary Shares or Depository Interests, please forward this document, but not the personalised Form of Proxy or Form of Direction enclosed with it, as soon as possible to the purchaser or the transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or transfer or have sold or transferred only part of your holding of Ordinary Shares or Depository Interests, you should retain this document. If you receive this document from another Shareholder or holder of Depository Interests, or transferee, please contact the Company's Registrar for a Form of Proxy or Form of Direction.

Any person (including without limitation custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action. The distribution of this document and any accompanying documents into jurisdictions other than the UK may be restricted by law. Any person not in the UK into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document comprises a revised notice of extraordinary general meeting relating to, amongst other things, the appointment of external directors of the Company pursuant to the requirements of the Israeli Companies Law.

B.S.D Crown Ltd.

(incorporated and registered in Israel with registered number 52-004292-0)

Revised Notice of Extraordinary General Meeting

A revised notice convening an Extraordinary General Meeting of the Company to be held at 9.00 AM (London time) on 29 March 2017 at Hilton London Tower Bridge, 5 More London Place, SE1 2BY London UK, is set out at the end of this document.

Your attention is drawn to the letter to Shareholders from the Chairman of the Company, in which the Board unanimously recommends that you vote in favour of the Resolutions to be proposed or otherwise approved by the Board at the Extraordinary General Meeting and vote against the Resolutions proposed by the Requisitionist other than as approved by the Board. Please read the whole of this document and consider whether to vote in favour of the Resolutions in light of the information contained in this document.

Enclosed with this document is a Form of Proxy for Shareholders or a Form of Direction for holders of Depository Interests.

If you hold your Ordinary Shares in certificated form, whether or not you intend to be present in person at the Extraordinary General Meeting, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Company's Registrar by 9.00 AM (London time) on 27 March 2017.

If, however, you are a holder of Depository Interests, please complete, sign and return the Form of Direction in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Company's Registrar by 9.00 AM (London time) on 26 March 2017.

IMPORTANT NOTICE

No person has been authorised to give any information or to make any representations other than as may be contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and the publication of this document shall not give rise to any implication that there has been no change in the facts set out herein since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company, except where otherwise stated.

Publication on website

A copy of this document will be available on the Company's website at www.bsd-c.com and from the National Storage Mechanism at www.morningstar.co.uk/uk/NSM from 2 March 2017.

Date of publication

This document is published on 2 March 2017.

LETTER FROM THE CHAIRMAN

B.S.D CROWN LTD.

(INCORPORATED AND REGISTERED IN THE STATE OF ISRAEL UNDER THE ISRAELI COMPANIES LAW
WITH REGISTERED NUMBER 52-004292-0)

Registered Office
7 Menachem Begin Road
Gibor Sport Tower
8th Floor
Ramat-Gan 5268102
Israel

2 March 2017

Dear Shareholder,

Revised Notice of an Extraordinary General Meeting

This document contains a revised notice of the forthcoming extraordinary general meeting of the shareholders (the “**Meeting**”) of B.S.D Crown Ltd. (the “**Company**”) to be held at 9.00 AM (London time) on 29 March 2017 at Hilton London Tower Bridge, 5 More London Place, SE1 2BY London UK. This revised notice is being sent at the request of Yossi Willi Management and Investment Ltd., the “**Requisitionist**”) in order to clarify the Requisitionist’s position as presented herein, in relation to the Meeting.

With this letter we would like to provide you with some additional information regarding the resolutions to be proposed by the Board at the Meeting. In addition the Requisitionist has requisitioned an extraordinary general meeting of the Company for the second time in less than a year and is proposing resolutions to seek the appointment of several individuals and the removal from office of all of the existing directors of the Company (apart from the Company’s external director who has a statutory role under Israeli law), (each of the resolutions proposed by the Board and the Requisitionist, together the “**Resolutions**”).

Resolutions 1 and 6 – 14 proposed for adoption at the Meeting require, under the Israeli Companies Law, 5759-1999 and any regulations promulgated thereunder (the “**Israeli Companies Law**”), the affirmative vote of holders of the majority of ordinary shares represented at the Meeting, in person or by proxy, entitled to vote and voting on the matter, excluding any abstaining votes. In relation to the remaining resolutions, the approvals required in each case are set out within each relevant section below.

As noted above and as announced by the Requisitionist on 9 February 2017, the Requisitionist has requested that the Board submit various resolutions to the Meeting of the Company, including a resolution proposing the removal of all existing non-external directors of the Company.

It should be noted that following a claim against Israel 18 B.V., the controlling shareholder of BGI which in turn is the parent company of B.S.D Crown, the Company has achieved a foreclosure over the only known assets of Israel 18 which are BGI and the Company’s shares. Replacement of the current Board by the Requisitionist’s nominees as set forth, inter alia, shall effectively mean that the control of the Company by BGI is no longer given. This effective transfer of control could mean that the Company’s most valuable asset, the foreclosed value inherent in Israel 18, will no longer form part of the wider group. Therefore, shareholders should be aware that the replacement of the current members of the Board means the immediate decline in value of Company’s security asset with its value directly derived from the control of Israel 18 by the Company.

In order to provide Shareholders with adequate and complete information to enable them to make an informed decision with regard to how to vote on such resolutions, the Board wishes to set out below some of the actions it has taken during the past few months which it considers to be in the best interests of the Company and its Shareholders as a whole.

1. The Current Board Members:

- a. The Board is comprised of professional and experienced persons, each appointed to serve on the Board in accordance with Israeli Law and the Company's Articles of Association. All Board members have an in-depth knowledge relating to public companies and they are diligently working to secure the Company's future and to enforce all its rights.
- b. Amongst other things, the Board is acting diligently (including by engaging expert legal and financial advisers) to ensure that the Company's assets are protected and to ensure that the Company is able to publish its financial results for the financial years ending 31 December 2015 and 2016 as soon as possible (including by engaging, subject to Shareholder approval, PWC Israel (Kesselman and Kesselman CPAs) as external auditors of the Company). To the extent that the Shareholders of the Company do not approve the appointment of PWC Israel (Kesselman and Kesselman CPAs) as external auditors of the Company, the timing and the Board's ability to publish the financial results for the financial years ending 31 December 2015 and 2016 will be affected.
- c. The Board's independent committee (which has received the authorisation of the Israeli Securities Authority (the "ISA")), has been working to investigate certain financial transactions involving the Company's assets (the "Past Transactions"), which are the subject matter of an ongoing investigation by the ISA.
- d. The independent committee, with the assistance of the Company's legal counsel and advisers, has already commenced legal proceedings relating to the Past Transactions, against Israel 18 B.V., a private company held by the Chairman of the Company's Board of Directors, and the International Bank of Azerbaijan in order to secure Company assets.
- e. Furthermore, the Board has been continuing to liaise with the UK Financial Conduct Authority (the "FCA"), providing any and all information requested by FCA, all with the intention of securing the lifting of the suspension in trading of its shares on the London Stock Exchange.
- f. The Board meets very frequently (in recent months, at least once a week) in order to advance and review all aspects required for the Company to protect its assets, satisfy its regulatory obligations and act in the best interests of the Company and Shareholders as a whole.

2. Market Free Float

- a. As announced by the Company on 8 February 2017, following the acquisition (directly and indirectly) by Mr. Yossi Williger of 7.94% of the Company's issued and outstanding share capital (announced on 2 February 2017), and in light of the clarification provided by Mr. Zwi Williger (announced on 6 February 2017) as to the fact that he holds (directly and indirectly) 9.996% of the Company's issued and outstanding share capital, the Company believes that the number of Company shares currently held in "public hands" for the purposes of Chapter 14 of the listing rules made under section 74 of the Financial Services and Markets Act 2000 (as amended) (the "Listing Rules") has fallen to approximately 12.6%, which is significantly below the 25% threshold required (subject to certain exceptions) under Chapter 14 of the Listing Rules.
- b. The Board has been monitoring the number of shares of the Company held in "public hands" for the purposes of Chapter 14 of the Listing Rules and despite these events being out of the control of the Board, the Board is taking steps (to the extent available to it) to try and rectify this situation and to ensure regulatory compliance.
- c. These steps include the Board sending letters to all major shareholders (holding over than 5% of the Company's shares) urging them to consider the distribution of some of their holdings, so that the Company can comply with the requirements of Chapter 14 of the Listing Rules once more.
- d. It should be noted that although no such decision has been taken by the Board to issue new shares, on 16 February 2017, the Requisitionist, by its controlling shareholder Joseph Williger, filed a request for a temporary injunction against the Company preventing the Company from taking any action which may change the Company's capital, and which might include, by way of example, a non

pre-emptive issue of shares in order to try and address the “public hands” position of the Company. On 19 February 2017 the court granted the Requisitionist’s request for a temporary injunction (ex-parte). The Board is considering its options in relation to the request, which it considers to be an unjustified hindrance on the Board’s ability to consider all available options to it for the benefit of the Company and its Shareholders as a whole, and including securing the lifting of the suspension in trading of its shares on the London Stock Exchange. The Company takes this opportunity of reminding shareholders that under the Listing Rules, in the event that the FCA has the power to cancel the Company’s listing where the percentage of shares in public hands falls below 25 per cent. If the listing is cancelled there will no longer be an exchange on which the Company’s shares can be readily traded.

Resolutions recommended for adoption by the Board

RESOLUTION 1: Amendment of the Company’s Articles of Association

In order to ensure that the Company’s management is represented at all general meetings, without the need to attend in person, it is proposed to add article 9.4.3A to the Company’s articles of association as follows:

“9.4.3A Company Management Attendance

The board may resolve to enable one or more representatives of the Company’s management to attend a General Meeting in person, or by telephone or video conference. Such attendance shall not, by itself, entitle the holder to vote at any General Meeting.”

RESOLUTIONS 2 - 4: Election of External Directors

Under the Israeli Companies Law, companies incorporated under the laws of Israel whose shares have been offered to the public in or outside of Israel, are required to appoint to its board of directors at least two statutory independent directors (the “**External Directors**”) who meet certain Israeli statutory criteria of independence as set out in appendix 2 hereto.

If an external directorship becomes vacant and there are fewer than two External Directors on the board of directors at that point in time, the board of directors is required under the Israeli Companies Law to call a shareholders’ meeting as soon as practicable to appoint a replacement External Director. Currently, the board of directors of B.S.D Crown (the “**Board**”) includes one director designated as an External Director, Mrs. Iris-Even Tov, who was elected at the Company’s annual general meeting held on 5 July 2016 for a three- year term expiring on 4 July 2019.

The Board is therefore seeking Shareholders’ authority to appoint additional External Directors.

The Israeli Companies Law provides that External Directors must be elected by a majority vote of the shares present and voting at a shareholders’ meeting, provided that either:

- i. the majority voting in favour of the election includes a majority of the shares held by the shareholders that are both: (i) non-controlling shareholders; and (ii) do not have a personal interest in the election of the proposed External Director (other than a personal interest not deriving from a relationship with a controlling shareholder), excluding abstentions referred to as a “disinterested majority”; or
- ii. the total number of shares held by shareholders who have no personal interest in the proposed resolution (as described above) that voted against the election of the proposed External Director does not exceed two per cent (2%) of the aggregate voting rights in the company.

The term “controlling shareholder” is defined under the Israeli Companies Law (by reference to the Israeli Securities Law, 5728-1968, the “Israeli Securities Law”) as a shareholder with the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder holds 50 per cent. or more of the voting rights in a company or has the right to appoint 50 per cent. or more of the directors of the company, or its general manager.

The Board proposes to each of (i) Mr. Gal Chet, advocate (ii) Mr. Yair Shilhav, CPA and (iii) Mr. Shlomo Wertheim, advocate, as External Directors. The Board believes that the appointment of the aforementioned persons as External Directors of the Company would comply with the provisions and requirements under the Israeli Companies Law and that their skills and capabilities would contribute to the Company's ongoing success. The Board has also determined that the aforementioned persons satisfy the requirements under the 2016 UK Corporate Governance Code in relation to independence and hence the appointment of each of these nominees will increase the level of independence of the Board.

As required under the Israeli Companies Law, it is proposed to elect each of Mr. Gal Chet Mr. Yair Shilhav and Mr. Shlomo Wertheim to serve the office as External Director for an initial fixed term of three years commencing on the date on which their election is approved by the Shareholders.

If such elections are approved by the Shareholders, the appointed External Directors will each be appointed by the Board to serve as members of the audit committee, the financial statement committee and the remuneration committee.

Information regarding the backgrounds and experience of Mr. Gal Chet, Mr. Yair Shilhav and Mr. Shlomo Wertheim is available in appendix 1 attached hereto.

The terms and conditions for the election of an external director, as set out by the Israeli Companies Law, are available in appendix 2 attached hereto.

The elected External Director shall be entitled, in consideration for the services provided by him to the Company as a director, to remuneration in an amount equal to the greater of: (i) remuneration according to the Maximum Amount (as such term is defined in the Israeli Companies Regulations (Rules regarding Remuneration and Expenses of an External Director), 5760-2000 (the "**Remuneration Regulations**") and the Israeli Companies Regulations (Exemptions Regarding Companies Traded on Foreign Stock Exchanges) 5760-2000 (the "**Exemptions Regulations**"), which remuneration is calculated with reference to the Company's share capital and which is composed of an annual fee and a fee per meeting held in each quarter; and (ii) GBP 20,000 per year, such amount to be paid on a quarterly basis and to be paid in respect of both annual remuneration and remuneration for attendance at board meetings or committee meetings, subject always to all approvals required by law.

RESOLUTION 5: Amendment to, and re-adoption of, the Company's Remuneration Policy

It is proposed to amend the Company's remuneration policy as approved by Shareholders on 8 September 2014 (the "**Remuneration Policy**") in accordance with Section 267A of the Israeli Companies Law.

The amendments are required to be made as a result of changes introduced by the Israeli Companies Law regarding the remuneration of office holders of the Company. The main changes proposed are as follows:

- (i) any variable component of an office holder's remuneration, shall not exceed, in any year, an amount equal to three months' salary of the relevant office holder, except in circumstances where such office holder's contribution meets pre-defined criteria set by the Company in the Remuneration Policy whereupon such limitation shall not apply;
- (ii) certain threshold conditions relevant determining whether an office holder is entitled to receive an annual bonus shall not apply to officers who report directly to the CEO; and
- (iii) the weight of the components of the annual bonus mechanism for office holders (other than the CEO and Chairman of the Board) will be so as to increase the minimum threshold for targets based on Company performance and to also increase the ceiling threshold for targets based on personal performance.

The proposed amendments to the Remuneration Policy have been approved by the Board following the recommendation of the remuneration committee.

The Company is also taking the opportunity to put the Remuneration Policy (as revised) to Shareholders for their approval, as the Company is required to do so by the Israeli Companies Law at least every three years.

A copy of the full English translation of the Remuneration Policy, as revised for the changes referred to above, is attached hereto in appendix 3 and will be available for inspection from the date of this Revised Notice until the end of the Meeting: (i) on the Company's website (www.bsd-c.com); and (ii) at the Company's registered address, as well as a copy being made available at the Meeting.

Section 267A to the Israeli Companies Law provides that an amendment to a remuneration policy must be approved by a majority vote of the shares present and voting at a shareholders' meeting, provided that either:

- i. the majority voting in favour of the election includes a majority of the shares held by non-controlling shareholders who do not have a personal interest in the approval of the remuneration policy, excluding abstentions referred to as a "disinterested majority"; or
- ii. the total number of shares held by shareholders who do not have a personal interest in the proposed resolution (as described in the previous bullet-point) that vote against the adoption of the amended remuneration policy, does not exceed two per cent (2%) of the aggregate voting rights in the company.

It should be noted that under the provisions of Section 267A(c) of the Israeli Companies Law, the Board may approve a remuneration policy even if the general meeting has rejected it, provided that the remuneration committee, and thereafter the Board, will have resolved, based on detailed reasoning and following a renewed discussion of the remuneration policy, that the approval of the remuneration policy, despite the rejection by the general meeting, is in the Company's best interests.

RESOLUTION 6: Appointment and remuneration of auditors

According to the provisions of the Israeli Companies Law, the term of a company's independent auditor shall expire at each annual general meeting of a company. Under the Israeli Companies Law, shareholders may also authorise the board of directors of the Company to determine the independent auditor's remuneration.

The appointment of the Company's independent auditors was adjourned with the consent of the last annual general meeting of the shareholders of the company convened on 5 July 2016.

The Company's audit committee, which has interviewed the previous auditors of the Company, came to the conclusion that it would be in the best interest of the Company that they shall be replaced.

It is proposed to appoint PWC Israel (Kesselman & Kesselman CPAs), a registered public accounting firm, to serve as the Company's auditors for the years ending 31 December 2015 and 31 December 2016 and until the next annual general meeting of the Company and to authorise the Board, with the approval of the audit committee of the Board, to determine the remuneration of the auditors.

Resolutions proposed by the Requisitionist or by the Company as a Result of the Requisitionist Proposal

RESOLUTIONS 7 – 10: Re-election and Election of Directors

The Board proposes to re-appoint Mr. Gregory Gurtovoy, and to elect Mr. Eli Arad, Mr. Nir Netzer and Mr. Arik Safran, as members of the Board until the conclusion of the next annual general meeting. In accordance with the Company's articles of association and the provisions of the Israeli Companies Law, each such director, if so elected, will hold office until the next annual general meeting of the Company (if such director is not so elected, he shall be automatically removed from office). Information regarding the backgrounds and experience of Mr. Gregory Gurtovoy, Mr. Eli Arad, Mr. Nir Netzer and Mr. Arik Safran is available in appendix 1 attached hereto.

RESOLUTIONS 11 – 14: Appointment of directors

The Requisitionist has proposed the appointment of Mr. Shmuel Messenberg, Mrs. Keren Marcus, Mr. Avi Zigelman and Mr. Joseph Williger as directors until the conclusion of the next annual general meeting. Information regarding the backgrounds and experience of Mr. Shmuel Messenberg, Mrs. Keren Marcus and Mr. Joseph Williger and Mr. Avi Zigelman is available in appendix 1 attached hereto

DIRECTORS' RECOMMENDATION

The Board is of the view that the continuation of the work by the current members of the Board, with the assistance of the Company's external auditors, PWC Israel (Kesselman and Kesselman CPAs) (subject to their approval at the General Meeting), is in the best interests of the Company and its Shareholders as a whole.

Shareholders are therefore recommended to **vote FOR Resolutions 1-10** at the Meeting. Shareholders are also recommended to **vote AGAINST Resolutions 11-14**.

Recommendations to vote in favour:

The Board considers the amendment to the Company's articles of association to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of Resolution 1.

The Board considers the election of additional external directors, and the remuneration thereof, to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of Resolutions 2 to 4.

The Board considers the amendment to the Remuneration Policy, to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of Resolution 5.

The Board considers the appointment of PWC Israel (Kesselman & Kesselman CPAs) as the Company's auditors to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of Resolution 6.

In respect of Resolutions 7 - 10, the Board (each recommending in respect of the resolutions concerning each other member of the Board) considers the re-election of the Chairman of the Board and election of all other existing non-external directors of the Company to be in the best interests of the Company and its Shareholders as a whole. As is apparent from the Company's regular announcements and its consistent work to ensure that the suspension of trading in the Company's shares is removed as soon as possible, the Board, whose members have all (besides the Chairman) been recently appointed, is actively working in the best interests of the Company and its Shareholders as a whole. The Board considers a change of directors to be unnecessary and costly to the Company as well as detrimental to the interests of the Company's Shareholders as a whole, especially given that this is the Requisitionist's second attempt to alter the majority of the Board within less than one year. As such, the Board recommends that Shareholders vote in **FOR Resolutions 7 - 10**.

Recommendations to vote against:

The Board considers the appointment of all of the Requisitionist's proposed directors not to be in the best interests of the Company and its Shareholders as a whole. The Board considers that the current Board has undertaken all action required to promote the interests of the Company and protect its assets. such actions include: (1) undertaking action in order to fully investigate certain transactions that took place in relation to Company funds under the previous board of directors and management of the Company, specifically regarding the company accounts in Austria and Azerbaijan, as the Company has previously reported; (2) fully cooperating with the Israeli Securities authority (ISA) in the investigation of such transactions, through an independent committee appointed by the Board in coordination with the ISA. The ISA has granted the current Board members which compose the independent committee the full and complete authorization to undertake the investigation of the aforementioned transactions; and (3) making significant progress by the current Board members to enable the publication of the Company's financial statements for the years ending 31 December 2015 and 31 December 2016, as soon as possible.

Under these resolutions, the Requisitionist is in effect proposing to remove the entire Board (except one External Director) and replace it with their own proposed Directors. This clearly demonstrates the

Requisitionist's ulterior motive of obtaining Board control, thus seeking to control the Company's business without paying a control premium to the remaining shareholders.

In light of the above, the Board considers that the replacement of the current Board by the Requisitionist's nominees is not in the best interests of the Company and its Shareholders as a whole. Therefore the Board recommends that **Shareholders vote AGAINST Resolutions 11 - 14.**

ACTION TO BE TAKEN

You will find enclosed with this document a Form of Proxy or (as appropriate) a Form of Direction for use in connection with the Extraordinary General Meeting or at any adjournment thereof. **Previously submitted Forms of Proxy or Forms of Direction will be disregarded – THE REVISED FORM OF PROXY AND FORM OF DIRECTION ATTACHED TO THIS REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING ARE THE ONLY VALID FORMS THAT WILL BE ACCEPTED.** Please review the notes available at the end of the Form of Proxy or (as appropriate) the Form of Direction for further instructions.

It is important to us that our Shareholders and holders of Depository Interests have the opportunity to vote.

1. If you are a Shareholder of the Company, whether or not you intend to be present at the EGM, please complete and return the Form of Proxy (in accordance with the instructions set out in that document) to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, England, as soon as possible and in any event so as to be received by the Company's registrars by no later than 9.00 AM (London time) on 27 March 2017. Completion and return of a signed Form of Proxy will not prevent you from attending the EGM and voting in person, if you so wish.
2. If you are a holder of Depository Interests, please complete and return the Form of Direction (in accordance with the instructions set out in that document) to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, England, as soon as possible and in any event so as to be received by Capita Asset Services by no later than 9.00 AM (London time) on 26 March 2017. Holders of Depository Interests cannot vote in person at the EGM; therefore, please make sure that your vote is received by the Company's registrars no later than 9.00 AM (London time) on 26 March 2017.
3. In the case of joint Shareholders, the vote of the senior of such Shareholders who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

According to the Israeli Companies Law, for your vote on Resolutions 2-5 to be considered you must state if you: (1) are a Controlling Shareholder (as defined above) or (2) have a personal interest (in each case, as defined in the Israeli Companies Law and described above) in either (i) the election of each of Mr. Gal Chet Mr. Yair Shilhav and Mr. Shlomo Wertheim as external directors or (ii) the approval of the Remuneration Policy. An interest arising solely from the ownership of shares is not a personal interest.

Please check the relevant box provided in the forms. If you do not provide such indication, your shares will not be voted on Resolutions 2-5.

Yours faithfully

Gregory Gurtovoy
Chairman

REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

B.S.D CROWN LTD.

(Incorporated and registered in Israel under company number 52-004292-0)

REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

Revised Notice is hereby given that an Extraordinary General Meeting of B.S.D Crown Ltd. (the “**Company**”) is to be held at 9.00 AM (London time) on 29 March 2017 at Hilton London Tower Bridge, 5 More London Place, SE1 2BY London UK (the “**Meeting**”), for the following purposes:

PART I RESOLUTIONS – as recommended by the Company

1. To amend the Company’s articles of association in the manner set out in the revised notice of the Meeting.
2. To elect Mr. Gal Chet as a director of the Company to serve as an external director for a three-year term commencing on the date his election is approved by Shareholders and to approve his remuneration.
3. To elect Yair Shilhav as a director of the Company to serve as an external director for a three-year term commencing on the date his election is approved by Shareholders and to approve his remuneration.
4. To elect Shlomo Wertheim as a director of the Company to serve as an external director for a three- year term commencing on the date his election is approved by Shareholders and to approve his remuneration.
5. To approve the amendment to the Company’s Remuneration Policy in the manner and as attached as appendix 3 to the revised notice of the Meeting.
6. To appoint PWC Israel (Kesselman & Kesselman CPAs) as auditor of the Company until the conclusion of the next annual general meeting of the Company and to authorise the board of directors of the Company (the “**Board**”), with the approval of the audit committee of the Board, to determine such auditor’s remuneration.

PART II RESOLUTIONS – as requested and recommended by the Company

7. To re-elect Mr. Gregory Gurtovoy as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.
8. To elect Mr. Eli Arad as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.
9. To elect Mr. Nir Netzer as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.
10. To elect Mr. Arik Safran as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.

PART III RESOLUTIONS – as requested by the Requisitionist and not recommended by the Company

11. To elect Mr. Shmuel Messenberg as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.
12. To elect Mrs. Keren Marcus as a director of the Board until the conclusion of the next annual general meeting and to approve her remuneration.

13. To elect Mr. Avi Zigelman as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.
14. To elect Mr. Joseph Williger as a director of the Board until the conclusion of the next annual general meeting and to approve his remuneration.

By order of the Board
Gregory Gurtovoy
Chairman

Registered Office
7 Menachem Begin Road
Gibor Sport Tower 8th Floor
Ramat-Gan 5268102
Israel

2 March 2017

Incorporated and registered in Israel under company number 52-004292-0

Notes:

- 1 The Board has set 06.00 p.m. (Greenwich Mean Time) on 15 March 2017 as the record date for Shareholders and Depository Interest holders to be entitled to vote. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at such Meeting.
- 2 Enclosed with this document is a form of proxy for Shareholders (the “**Form of Proxy**”) or a form of direction for Depository Interests holders (the “**Form of Direction**”).
- 3 If you are a Shareholder of the Company, whether or not you intend to be present at the Meeting, please complete and return the Form of Proxy (in accordance with the instructions set out in that document) to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, England, as soon as possible and in any event so as to be received by Capita Asset Services by no later than 9.00 AM (London Time) on 27 March 2017 or forty eight hours before any adjourned meeting. Completion and return of a signed Form of Proxy will not prevent you from attending the Meeting and voting in person, if you so wish.
- 4 If you are a holder of Depository Interests representing ordinary shares of the Company, please complete and return the Form of Direction (in accordance with the instructions set out in that document) to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, England, as soon as possible and in any event so as to be received by the Company’s registrars by no later than 9.00 AM (London Time) on 26 March 2017 or seventy two hours before any adjourned meeting. Holders of Depository Interests cannot vote in person at the Meeting; therefore, please make sure that your vote is received by Capita Asset Services no later than 9.00 AM (London Time) on 27 March 2017 or seventy two hours before any adjourned meeting.
- 5 In the case of joint Shareholders, the vote of the senior of such Shareholders who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- 6 According to the Israeli Companies Law, for your vote on the Resolution regarding external directors appointment, you must state if you have a personal interest (in each case, as defined in the Israeli Companies Law and described above) in either (i) the election of each of the candidates as external directors or (ii) the approval of the terms of their remuneration. An interest arising solely from the ownership of shares is not a personal interest for the purposes of this section.

For your vote on the Resolution regarding remuneration policy, you must state if you have a personal interest (in each case, as defined in the Israeli Companies Law and described above) in the approval of the remuneration policy.

Please check the relevant box provided in the forms. If you do not provide such indication, your shares will not be voted on the applicable resolutions.

Issued share capital and total voting rights

- 7 As at 22 February 2017 (being the last practicable date prior to the publication of this Revised Notice) the Company’s issued share capital is 140,578,154. There are 30,587,902 treasury shares. Therefore, the total voting rights in the Company as at 22 February 2017 are 109,990,252.

Members’ rights to ask questions

- 8 Members attending the meeting have the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 9 Depository Interest Holders wishing to attend the meeting should contact Capita IRG Trustees Limited at the Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, England or by email to custodymgt@capita.co.uk in order to request a letter of representation by no later than 9.00 AM (London Time) on 26 March 2017. However, Depository Interest Holders will not be able to vote at the Meeting.

Website

- 10 A copy of this revised notice can be found at www.bsd-c.com.

Voting results

- 11 The results of the voting at the Extraordinary General Meeting will be announced through a Regulatory Information Service and will appear on our website, www.bsd-c.com, on 29 March 2017.

APPENDIX 1

BIOGRAPHIES OF THE DIRECTORS PROPOSED FOR ELECTION

Mr Gal Chet (50), advocate, has over 20 years of experience in the practice of law, specializing in corporate and securities law. Adv. Chet focuses on representation of Israeli technology companies and leading angel investors investment in technology companies. Advocate Chet has handled securities offerings, investments, mergers and acquisitions, in the technology and other sectors, as well as large-scale transactions in Israel and abroad. Adv. Chet has gained extensive experience in counselling companies and controlling shareholders of public companies, including advising companies listed on the Tel Aviv Stock Exchange, the NASDAQ and the AIM market. Adv. Chet received his law degree from the Hebrew University of Jerusalem in 1992.

Mr Yair Shilhav (58), CPA, has over 30 year of experience in the practice of accounting, including being a senior partner of KPMG Israel and has served as a director in public companies over the last decade. Mr Shilhav was involved in several large scale governmental projects such as privatisation of governmental companies and consulting private and governmental entities in the energy sector. During his tenure as a partner of KPMG Israel, Mr Shilhav was in charge of the auditing of several companies in the food industry, and provided consultancy to the Osem group. Mr Shilhav received his Bachelor's degree in economics and accounting, as well as his Master's degree in business administration (finance) with distinction from the Hebrew University in Jerusalem, and served as a university lecturer in, and as the head of, the accounting department at Haifa University.

Mr Shlomo Wertheim (65), advocate, has almost 40 years of experience in the practice of law, has served as a director in public companies for 10 years and is an arbitrator registered with the Israeli Bar Association. Adv. Wertheim received his law degree from Tel Aviv University in 1977 has handled corporate and debt transactions for private companies as well as gaining experience in handling corporate recovery matters and creditor arrangements.

Mr. Gregory Gurtovoy (53) is the Company's ultimate controlling shareholder. Mr. Gurtovoy is an experienced investment banker who held a number of management and board positions with a variety of leading international, Ukrainian and Russian corporations and financial institutions and currently serves as Chairman of the Supervisory Board of Platinum Bank in Ukraine and is also a Managing Partner of GHP Group Investment Bank in Ukraine. He holds a degree of M.Eng from Moscow Roads & Vehicles State Technical University, an MBA from the Moscow University of National Economy, an MBA from the St. Petersburg Civil Aviation Academy and a Ph.D in Economics from National Civil Aviation University in Kiev. Mr. Gurtovoy has been on the Board of the Company since 15 July 2015.

Mr. Eli Arad (44) is a CPA and holds an Executive B.A in Business from Rupin College with over 10 years of extensive experience in the international hi-tech arena, proven ability to lead financing, finance, business and operational activities and leading private placements by institutional investors and private investors. Mr. Arad has been on the Board of the Company since 25 August 2016.

Mr. Nir Netzer (46) is the CEO of DEN Financial Consultancy Ltd., a private Israeli company which manages investments in various countries, provides consulting services to private investors and provides financial services to local and foreign companies. He holds a Bachelor's degree in Business Management and Accounting from The Academic College of Management, Israel. Mr. Netzer has previously worked for PWC in Israel and was the CEO of G.H. East Europe Limited, a real estate developer, (a Cypriot company owned by Gamla Group and Harel Insurance Group) and the CFO of Engel East Europe N.V. (EEE), a real estate developer (a Dutch company previously admitted to trading on the AIM Market in London). Mr. Netzer has been on the Board of the Company since 15 September 2016.

Mr. Arik Safran (advocate) (36) was until recently the deputy director general (Business development and legal counsel), at Ravid A.R Holdings Ltd., a private Israeli holding company which owns multiple companies in Israel, focused on security, maintenance and hotels. Mr. Safran holds degrees in law and in psychology from Haifa University, Israel, and an MBA from Tel-Aviv University, Israel with dual specialisation in strategy & entrepreneurship, and marketing. Adv. Safran previously worked for 5 years as an attorney in leading law firms and specialises in commercial law and litigation.

Mrs. Keren Marcus was the Vice President, General Counsel and covered business development at Carnie Capital Ltd., a private company. Ms. Marcus was a director at various private companies (Xfone 018 Ltd. and Sapira Marcus Greenberg Engineers Ltd.). Ms. Marcus holds a law bachelor degree from College of Management, Israel and a law master degree in commercial law from Tel-Aviv University.

Mr. Shmuel Messenberg was a member of the board of Nafta-Israel Petroleum Company Ltd., I.E.S Holdings Ltd. Mimun Yashir Ltd and Naaman (N.V) Ltd. He was a managing partner at Sigma City Fund, and consulted in mergers and acquisitions and investment banking. Mr. Messenberg was a member of the board of Norstar Holdings Ltd., Mercantile Discount Bank Ltd., Keren Midan Investments Ltd., Arad Investment and Industry Ltd., Psagot Securities Ltd and Willi-Food Investments Ltd. Mr. Messenberg holds a bachelor of arts in economics and an MBA, both from Tel-Aviv University.

Mr. Joseph Williger is the founder of the Willi-Food Group. In addition, Mr. Williger is a member of the presidium of the Israel Chamber Of Commerce and Chairman of the Committee of Import and Customs in the Israel Chamber of Commerce. Mr. Williger is a member of the board of Y.M Dekel Holdings and Investments Ltd and Yossi Willi Management and Investments Ltd, both private companies. Mr. Williger attended Business Administration studies in California State University, Los Angeles for two years, and Business Administration studies in Bar-Ilan University, Israel, for one year. Mr. Williger has held positions as a chairman at Willi-Food Investments Ltd, and as Chief Executive Officer, president and director at G. Willi-food International Ltd.

Mr. Avi Zigelman, CPA is a member of the board of Exalenz Bioscience Ltd., Mizrahi Tefahot Bank Ltd., Ultra Equity Investments, Clal Biotechnology Industries Ltd., Tefron Ltd., Ormat Industries Ltd., Gindi Investments Ltd, and has many years' experience serving as Chairman of Audit Committees, Chairman of Financial Statement Review Committees and additional executive positions. Mr. Zigelman, holds a B.A. in Accounting and Economics (with honors), and a M.A. in Business Economics, (with honors), both from Tel-Aviv University. Mr. Zigelman is a Certified Public Accountant.

APPENDIX 2

TERMS AND CONDITIONS FOR ELECTION OF EXTERNAL DIRECTORS

The Israeli Companies Law provides that external directors must be elected by a majority vote of the shares present and voting at a shareholders' meeting, provided that either:

- i. the majority voting in favour of the election includes a majority of the shares held by the shareholders that are both: (i) non-controlling shareholders; and (ii) do not have a personal interest in the election of the proposed external director (other than a personal interest not deriving from a relationship with a controlling shareholder), excluding abstentions referred to as a "disinterested majority"; or
- ii. the total number of shares held by shareholders who have no personal interest in the proposed resolution (as described above) that voted against the election of the proposed external director does not exceed two per cent. (2%) of the aggregate voting rights in the company.

The term "controlling shareholder" is defined under the Israeli Companies Law (by reference to the Israeli Securities Law, 5728-1968) as a shareholder with the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder holds 50 per cent. or more of the voting rights in a company or has the right to appoint 50 per cent. or more of the directors of the company or its general manager.

The initial term of an external director is fixed for three years. After an initial term of three years, an external director may be re-elected to serve in that capacity for up to two additional three-year terms, provided that either (i) his or her service for each such additional term is recommended by one or more shareholders holding at least one per cent. (1%) of the company's voting rights and is approved at a shareholders' meeting by a disinterested majority, where the total number of shares held by non-controlling, disinterested shareholders voting for such re-election exceeds two per cent. (2%) of the aggregate voting rights in the company; or (ii) his or her service for each such additional term is recommended by the board of directors and is approved at a shareholders meeting by the same disinterested majority required for the initial election of an external director (as described above).

Under the Israeli Companies Law, external directors of a company are prohibited from receiving, directly or indirectly, any remuneration from the company other than in consideration for their services as external directors pursuant to applicable Israeli regulations. Remuneration of an external director is determined prior to his or her appointment and may not be changed during his or her term, subject to certain exceptions.

The Israeli Companies Law provides that a person is not qualified to serve as an external director if that person: (i) is a relative of the controlling shareholder of the company, or (ii) or his or her relative, partner, employer, another person to whom he or she was directly or indirectly subject, or any entity under his or her control, has or had, during the two years preceding the date of appointment as an external director: (a) any affiliation or other prohibited relationship with the company, with any person or entity controlling the company or a relative of such person, or with any entity controlled by or under common control with the company; or (b) in the case of a company with no controlling shareholder, any affiliation or other prohibited relationship with a person serving as chairman of the board, chief executive officer, a substantial shareholder or the most senior office holder in the company's finance department.

The term "relative" is defined as a spouse, sibling, parent, grandparent or descendant; spouse's sibling, parent or descendant; and the spouse of each of the foregoing persons. The term affiliation and the similar types of prohibited relationships include (subject to certain exemptions):

- an employment relationship;
- a business or professional relationship even if not maintained on a regular basis (excluding insignificant relationships);
- control; and

- service as an office holder, excluding service as a director in a private company prior to the first offering of its shares to the public if such director was appointed as a director of the private company in order to serve as an external director following the public offering.

The term “office holder” is defined under the Israeli Companies Law as a director, general manager, chief business manager, deputy general manager, vice general manager, other manager directly subordinate to the general manager or any other person assuming the responsibilities of any of these positions regardless of that person’s title.

In addition, no person may serve as an external director if that person’s position or professional or other activities create, or may create, a conflict of interest with that person’s responsibilities as a director or otherwise interfere with that person’s ability to serve as an external director, or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. A person may furthermore not continue to serve as an external director if he or she received direct or indirect compensation from the company for his or her role as a director. This prohibition does not apply to remuneration paid or given in accordance with the Israeli Companies Law regulations or amounts paid pursuant to indemnification and/or exculpation contracts or commitments and insurance coverage. Following the termination of an external director’s service on a board of directors, such former external director and his or her spouse and children may not be provided a direct or indirect benefit by the company, its controlling shareholder or any entity under its controlling shareholder’s control. This includes engagement as an executive officer or director of the company or a company controlled by its controlling shareholder or employment by, or provision of services to, any such company for consideration, either directly or indirectly, including through a corporation controlled by the former external director. This restriction extends for a period of two years with regard to the former external director and his or her spouse or child, and for one year with respect to other relatives of the former external director.

A director of one company may not be appointed as an external director of another company if a director of the other company is acting as an external director of the first company at such time.

According to regulations promulgated under the Israeli Companies Law, a person may be appointed as an external director only if he or she has professional qualifications or if he or she has accounting and financial expertise (each, as defined below). A director with accounting and financial expertise is a director who, due to his or her education, experience and skills, possesses an expertise in, and an understanding of, financial and accounting matters and financial statements, in such a manner which allows him or her to understand the financial statements of the company and initiate a discussion about the presentation of financial data. A director is deemed to have professional qualifications if he or she has any of (i) an academic degree in economics, business management, accounting, law or public service, (ii) an academic or other degree or has completed other higher education, all in the field of business of the company or relevant for his/her position, or (iii) at least five years of experience as either a senior managing officer in the company’s line of business with a significant volume of business, a public office or a senior position in the company’s main line of business.

If at the time at which an external director is appointed, all members of the board of directors (excluding a controlling shareholder or a relative thereof) are of the same gender, the external director must be of the other gender.

Under the Israeli Companies Law, each committee of the board of directors that exercises the powers of the board of directors must include at least one external director, except that the audit committee and the compensation committee must include all external directors then serving on the board of directors.

APPENDIX 3

**Office Holder Remuneration Policy
B.S.D. Crown Ltd.**

February 2017

Introduction

The purpose of this document is to describe and specify the Company's policy on the remuneration of the office holders of B.S.D. Crown Ltd. (the "**Company**"), the components thereof and the manner of determination thereof, *inter alia* in accordance with the Companies Law (Amendment No. 20), 5773-2012 ("**Amendment 20**").

The remuneration policy is a tool in the hands of the Company in which it can, insofar as necessary, incentivise and remunerate the office holders. The only remuneration components to which the office holders will be entitled will be those specifically approved by the organs authorised therefor at the Company, and subject to the provisions of any law. Adoption of the remuneration policy by the Company confers no right on the officers thereof and does not change, in itself, the rights conferred on them.

The Validity of the Remuneration Policy

The remuneration policy will take effect from the date of approval thereof by the general meeting, for 3 years, pursuant to the provisions of the Companies Law, 5759-1999, including the regulations thereunder, as shall be updated from time to time (the "**Companies Law**").

The Company's Remuneration Committee shall examine and update the remuneration policy at least once every 3 years and as shall be required from time to time, and shall recommend to the Company's Board of Directors on the update or extension of the validity thereof and shall supervise its implementation.

The Company shall further aspire, in the framework of the execution of new employment agreements and/or management agreements/renewal of existing agreements, to incorporate and implement the principles of the remuneration policy included below.

The Organs Authorised to Approve the Remuneration Conditions at the Company

Approval of the terms of employment and modifications to the remuneration plans of the office holders in the framework of the policy shall be discussed and authorised by the Company's competent organs pursuant to the provisions of any law.

Guiding Principles for Setting the Remuneration Policy

The considerations weighed by the Company's Remuneration Committee and the Company's Board of Directors when determining the remuneration policy are:

1. To create fitting and balanced incentives for the Company's office holders, considering, *inter alia*, the Company's risk management policy. The remuneration policy defines a remuneration structure whose purpose is to incentivise the office holders to act to achieve targets that will promote the Company's goals, its work plan, in both the immediate and long terms, including the proper ratio between the variable and fixed components out of the total remuneration package, *inter alia* in order not to encourage the relevant office holder to take risks deviating from the Company's policy in this regard, while emphasising balancing the need to retain the Company's executive office holders.
2. To develop and retain high-quality suitable managers who form the solid foundation of the Company's management, *inter alia* in view of the Company's modest manpower structure and the executive status and position of the office holders, its continued development and success over time.
3. In determining variable components in the terms of office and employment of the office holders, the remuneration policy expresses the contribution of the office holder to achieving the Company's targets and maximising its profits, *inter alia* in the long-term and in accordance with the office holder's position, and with the taking into consideration that currently the Company is a holding company.
4. The remuneration policy reflects the consideration of the Company's size and the nature and complexity of its business.
5. The policy shall apply to all of the Company's office holders, as defined in the Companies Law.

The Remuneration Policy

General

Generally, office holders' remuneration plans are adapted to their duties and responsibilities in the Company and to the achievable targets that are set for them in the framework of performance of their duties for the purpose of promoting the Company's goals, its work plan and its policy in the long-term.

Objectives of the remuneration policy:

- a. Promotion of the Company's goals, its work plans and its policy in the short- and long-term;
- b. Creation of fitting incentives for the office holders, considering, *inter alia*, the Company's risk management policy;
- c. Recruitment and retention of excellent, high-quality managers who form the solid foundation of the Company's management, its continued development and success over time.

Considerations upon determining terms of office and employment for office holders:

- a. Consideration of the skills, expertise, professional experience, education and achievements of the candidate or incumbent office holder.
- b. Consideration of the duties, responsibilities, term of employment of and previous agreements with the office holder (in the case of an existing office holder).
- c. The Company's size and the nature of its business.
- d. The recommendation of the office holder's supervisor.
- e. The office holder's contribution to achieving the Company's targets and maximising its profits, all in the long-term and in accordance with the office holder's position (in reference to variable remuneration components).
- f. Relation to the earning bracket of the Company's employees and managers – upon approval of remuneration for an office holder, data will be presented regarding: (1) the remuneration of office holders at a similar level in the Company (insofar as relevant); (2) the salary of the previous office holder in the same position (insofar as relevant); (3) the average salary and the median salary of the Company's employees and contract workers engaged by the Company, and the ratio between each one of these as well as the remuneration proposed for approval for the office holder – in this context, the effect of the disparity between the terms of office of the office holders and the salary conditions of the Company's other employees on working relations at the Company will be examined.
- g. Comparison from time to time to the earning bracket of office holders in similar positions at similar companies. Similar companies for this purpose will be public companies similar to the Company in terms of the nature and field of business and relevant financial figures such as the market cap, total balance sheet, income and/or the totality of such parameters in accordance with the nature and size of the Company and its type of business. In addition, a maximum range will be defined for each parameter relative to the Company itself, such that the comparison group will not include companies in which such parameters deviate from the said range. In addition, the Company **shall aspire** to have no less than 4 companies in its comparison group.
- h. The Company's financial position.

Set forth below are guidelines for the Company's remuneration policy, as approved by the Remuneration Committee and the Board of Directors, with respect to the components of the remuneration plans.

It is emphasised and clarified that this policy does not impose any undertaking on the Company vis-à-vis its office holders.

1. Fixed salary components

Fixed salary – intended to remunerate the office holder for the time that he invests in performing his duties at the Company on an ongoing basis. Fixed salary reflects both the office holder's skills and professional experience and the definition of his position, the characteristics and level of his position at the Company, including the authority and responsibility deriving therefrom.

Generally, the Company shall update or determine that the range of fixed monthly salary¹ for full-time office holders of the Company shall not exceed 75 percent of the fixed monthly salary of office holders in similar positions at similar companies as explained above.

The Company, at its discretion, may link the base salary of the office holders to the consumer price index.

In the event that the Company shall engage with the office holder through a management agreement for receipt of his services, the management fee ceiling will be equal to the ceiling of the fixed salary (base salary), plus the ceiling of the related and social benefits, as shall be defined, and plus V.A.T as required by law (if applicable), with the exception of reimbursement of expenses.

Related benefits – the terms of office and employment of the office holders include related and social benefits pursuant to law and Company practice.

Related benefits include, *inter alia*, leave, recuperation, contributions for provident payments and severance pay and contribution to a study fund.

The Company may provide the office holder, for the purpose of performance of his duties, with a mobile telephone, car, laptop etc., as the Company's management shall determine. The Company may determine that it shall bear any and all expenses entailed by such related benefits, including gross-up of the tax thereon. Changes to the related benefits will be examined as part of the total fixed component in reference to the ratios defined by the Company between variable and fixed components in the remuneration package.

In any event, the related and social benefits specified above shall not exceed 40% of the gross monthly salary of the office holder (with the exception of reimbursement of expenses) and subject to the provisions of the relevant law.

The Company may also determine in its engagement with the office holder that it shall bear part or all of the office holder's expenses which are incurred for the purpose of performance of his duties, including telephone, internet, accommodation (in and outside of Israel), *per diem*, hospitality, travel expenses in Israel and overseas, newspapers, professional literature, professional organisation membership fees etc.

2. Variable remuneration – target-based bonus

The variable component shall reflect the office holder's contribution to achieving the Company's targets and maximising its profits, in the short- and long-term, according to measurable criteria. The variable component will be determined in accordance with the Company's performance and the office holder's personal performance against the targets defined for him in the framework of performance of his duties according to his responsibilities.

The Company's remuneration policy is that significant weight is given to the meeting of targets, which derive from the Company's annual and multi-year work plan and/or the Company's strategic plan. The Company's targets express the Company's success on the whole in realising its plans, the contribution of the office

¹ The fixed salary for this purpose is the gross base salary without the related and social components.

holders to the Company's success and the Company's desire to remunerate office holders for meeting such targets.

The Company's remuneration policy, as set forth herein, determines that the more senior the office holder, the greater the proportional weight of the Company's targets out of the total targets.

The targets shall include measurable targets that reflect the Company's goals and strategy in the short- and long-term in order to create an identity of interests between the Company, the shareholders and the office holders, in promoting the Company's goals and strategy as aforesaid.

An immaterial part of the total variable remuneration components or a total variable of the remuneration components which is not exceeding 3 months' salaries per year will be granted according to non-measurable (i.e. discretionary) criteria, considering the office holder's contribution, which cannot be measured by identified quantitative criteria (the "**Consideration Bonus**").

The bonus which is based on measurable criteria shall derive from and be calculated based on the measurable targets but shall not exceed the bonus ceilings.

Variable remuneration calculation model

Applicability

The office holders who may be entitled to variable remuneration – a bonus, are: an active Chairman of the Board, CEO, CFO, Deputy CEO and any other office holder who reports directly to the CEO. In case of absent CEO, then all office holders shall report directly to the board of directors.

Components of the annual bonus mechanism

The amount of an office holder's annual bonus will be determined by a model which may include the following three parameters:

a) *Meeting the Company's target which is subject to threshold conditions:*

The office holder shall be entitled to an annual bonus for meeting the Company's target specified below only if the Company meets the following cumulative threshold conditions:

1. **Net Profit** – in the course of the relevant calendar year, the Company presents a consolidated net profit in its audited annual financial statements.
2. **Meeting financial covenants** – in the course of the relevant calendar year, the Company shall fully meet the financial covenants undertaken with respect to its creditors.

Failure to meet one or more of the threshold conditions specified above means that the office holders will not be entitled to the annual bonus for meeting the Company's targets in the relevant calendar year.

The obligation to meet the threshold conditions specified above may not be applied upon Office holders who are subject to the Company's CEO. Office holders who are subject to the Company's CEO may be entitled to an annual bonus without the necessity of meeting the aforementioned threshold conditions. That sort of a bonus will not exceed the Consideration Bonus.

The Company's target is meeting the Company's annual ROE. "ROE" measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners and it calculated by dividing the ownership interest's net income with the average shareholders' equity. In this regard, "Average Shareholders' Equity" is the average of the book value according to the Company's consolidated financial statements (does not include minority interest).

Each year, the ROE rate shall be determined by the authorised organs of the Company, taking into consideration the following parameters: risk-free rate, the Company's liquidity needs, payment of the bonds and other loan balances, etc.

In addition, each year, the authorised organs of the Company shall determine the minimal rate of achievement, which shall be no less than 50%. Achievement of less than 50% of the Company target shall be deemed as failure to meet the relevant Company target. Each increase of 0.25% of the Company target shall entitle an additional 10% of the achievement of such target (on a straight line), up to a ceiling of 100%.

b) *Meeting personal targets*

On an annual basis, the personal targets of an office holder shall be defined by the Company’s competent organs, as measurable, absolute and necessitating no exercise of discretion.

Determination of the personal targets for the Company’s office holders and determination of the weight for each personal target as aforesaid shall be determined each year by the Company’s Board of Directors considering the Company’s plans for such year; and considering special tasks that shall be imposed on the office holder, if any.

These metrics may include, *inter alia*, the following targets: meeting the objectives of corporate governance, efforts to locate potential investments, credit line’s conservation, etc.

At the date of approval of the remuneration policy, the minimum rate of achievement of each personal target that shall be defined which grants entitlement to remuneration for such targets, is 70%.

c) *Discretionary bonus*

The board of directors will be entitled to decide on the granting of an additional bonus to the Company’s office holders, in whole or in part. In any event, the amount of the additional bonus shall not exceed 20% of the sum total of the annual bonus paid to an office holder.

The total variable remuneration (measurable and non-measurable components) will not exceed the ceilings of annual bonuses as defined below.

Weight of the components of the annual bonus mechanism

	<i>Company Targets</i>	<i>Personal Targets</i>	<i>Discretionary</i>	<i>Total</i>
Chairman of the Board	100%			100%
CEO	80%-100%	0%-10%	0%-10%	100%
Other office holders ²	30%-80%	20%-60%	0%-20%	100%

Mechanism for calculation of the measurable bonus

The mix and weight of the targets (Company target and personal targets) and the threshold of minimum achievement thereof, which grants entitlement to the measurable bonus, shall be determined each year by the Remuneration Committee and the Board of Directors.

If no personal targets and/or discretionary bonuses are defined for office holders in a given year, their weight will be transferred to the Company’s target in the variable remuneration formula.

The remuneration for meeting the measurable targets (Company target and personal targets, if any) shall be calculated as follows: the product reached by multiplying the rate of achievement of the applicable target by the weight such target comprises in the remuneration formula, up to the ceiling of the bonus for office holders.

2 Not including Chairman of the Board and CEO.

Ceilings of annual bonuses for the office holders

The ceiling of the annual personal bonus for the office holders is as specified below:

<i>Office holder</i>	<i>Bonus Ceiling in Terms of Employment Cost Per Month³</i>
Chairman of the Board	6
CEO	6
Other office holders ⁴	5

Special bonus

The Remuneration Committee and Board of Directors may decide on granting a special bonus to office holders, as applied in this chapter, for long term objectives and/or other achievements, as defined by authorised functions in the Company; and shall be reviewed once every 3 years. It is to be noted, that special bonuses will be granted in the event that the Company did not meet the abovementioned annual threshold criteria.

Detailed below are the objectives/criteria according to which a special bonus will be granted (in terms of employment cost per month⁵):

<i>Objectives/Criteria</i>	<i>Chairman, CEO</i>	<i>CFO</i>	<i>Other Office Holders⁶</i>
<u>Outstanding Company</u>			
<u>Achievements</u> – averaging 100% or more for 3 consecutive years.	✓	✓	✓
Ceiling of special bonus	2	1	0.5
<u>Unusual Transaction</u> – acquisitions, restructuring, merger, etc.	✓	✓	✓
Ceilings of Special Bonus	2	1	0.5
Total Ceiling of Special Bonus	4	2	1

Bonus Budget

Generally, the maximum annual bonuses (including special bonuses), for the office holders, shall not exceed the Company's consolidated net profit in its audited annual financial statements (“**Annual Bonus Budget**”). If the total annual bonus amounts exceed the Company's annual bonus budget, then each officer will receive, *pro rata*, his part of the Company's annual bonus budget.

3 The employment cost per month for this purpose is the gross base salary, linked to the index, including the related and social benefits component, as of December of the year in respect of which the remuneration is being granted.

4 Not including Chairman of the Board and CEO.

5 The employment cost per month for this purpose is the gross base salary, linked to the index, including the related and social benefits component, as of December of the year in respect of which the remuneration is being granted.

6 Not including Chairman of the Board and CEO.

Additional issues:

1. Where there is an office holder who serves in two positions simultaneously, his **variable remuneration** (bonus) shall be subjected to the variable remuneration principles of the more senior position.
2. The Company's Board of Directors, at the recommendation of the Remuneration Committee, will be authorised to deduct up to 20% of the amount of the annual bonus, considering the business and financial condition of the Company.
3. **Timing of payment:** the bonus will be paid to the office holders in respect of each calendar year of the employment period, no later than the date of payment of the first salary following the approval of the financial statements.
4. **Partial bonus and qualification period:** the office holders entitled to variable remuneration shall have accumulated at least one year of seniority. If the office holder begins/ends his term before the end of the relevant remuneration year, the partial annual bonus will be calculated in respect of the year of commencement/expiration of his term, as follows: the sum of the bonus in accordance with the above calculation, multiplied by the ratio between the number of days on which the office holder worked at the Company and 365 days.
5. If the office holder did not work at the Company in practice on the date of entitlement to the bonus, the office holder will be entitled to a bonus in accordance with the ratio between the period of his actual employment at the Company in such year and a full year of employment (while achievement of the targets will be examined on a quarterly basis).
6. The calculation of an office holder's annual bonus, which is subjected to threshold conditions (if any) and the examination of the fulfilment of cumulative threshold conditions, will be performed, discussed and approved by the Company's Remuneration Committee and authorised by the External Auditor (as part of the annual financial statements audit).
7. Unless a personal employment agreement explicitly determines otherwise, any payment that is made to the office holder on account of variable remuneration according to this remuneration policy, if paid, is not and will not be deemed as part of the office holder's regular salary for all intents and purposes and will not constitute a basis for calculation or for entitlement or for accrual of any related right, including, and without derogating from the generality of the aforesaid, not as a component included in the payment of leave, severance pay, contributions to the provident funds etc.
8. **Taxation:** Unless the Company explicitly determines otherwise, insofar as any tax liability or other mandatory payment shall be levied on the variable remuneration (national insurance, national health tax etc.) in accordance with the plan, the office holder shall bear the same pursuant to law (insofar as it shall apply to the office holder pursuant to law).

3. Variable remuneration – capital component

The Company does not propose to grant equity based remuneration for office holders in the future.

4. Retirement conditions

The Company's office holders are entitled to prior notice required by the relevant law and severance pay of up to 60 days.

The Company has the option of granting a retirement bonus to an office holder who retires, in accordance with the terms and conditions specified below, over and above the remuneration for the prior notice period.

Generally, if the Company terminates the employment relationship with the office holder at the Company’s initiative, the retirement bonus will not exceed 6 fixed monthly salaries⁷. If the office holder ends the employment relationship with the Company at his initiative, the ceiling of the retirement bonus will be according to the following table:

<i>Minimum Seniority (Years)</i>	<i>Retirement Bonus Ceiling in Terms of Fixed Monthly Salaries</i>
One year	2
Two years	4
Three and above	6

Upon determination of the granting of a retirement bonus to an office holder of the Company (if approved), the Company’s Board of Directors, considering the Remuneration Committee’s recommendation, shall consider, *inter alia*, the following parameters: the period and terms and conditions of the office and employment, the Company’s performance in the said period and the office holder’s contribution to the achievement of the Company’s targets and to maximising its profits, and the circumstances of the retirement (without harm to the Company).

5. Ratio between variable and fixed components in the remuneration package

With respect to the Chairman of the Board and the CEO, the variable remuneration component shall not exceed 45% of the total remuneration package for an office holder.

With respect to CFO, the variable remuneration component shall not exceed 40% of the total remuneration package for an office holder.

With respect to other office holders, the variable remuneration component will not exceed 35% of the total remuneration package for an office holder.

6. Reimbursement of variable remuneration in the case of an error

If it transpires that an annual bonus or part thereof that was paid to an office holder was calculated on the basis of figures which transpired, within 3 years from the date of payment of the relevant bonus, to be erroneous – the office holder shall return to the Company, or the Company shall pay the office holder, as the case may be, the difference between the sum of the bonus that he received and that to which he was entitled due to the said amendment (while weighting differences, if any, in tax liabilities and payments which apply to an office holder and/or which were paid by him).

In addition, reimbursement as aforesaid, shall not apply in a case of an update or amendment of the financial statements as a result of a modification of the accounting standardisation or the reporting rules.

Reimbursement of the said amounts will be made, on the date of payment of the first salary after the date of approval of the revised financial statements. In addition, the reimbursement of the said amounts will be made by way of setoff or addition (as the case may be) to the annual bonus in the following year, while the balance, if any, will be settled or paid (as the case may be) in the framework of the monthly salary in 12 instalments.

7. The ratio between the terms of employment of the office holder and the terms of employment of the Company’s employees

The Company’s Board of Directors and the Remuneration Committee shall examine the ratio between the terms of office and employment of the Company’s office holders and the terms of employment of the Company’s other employees, and particularly the ratio relative to the average and median salary of such employees, and shall opine on the effect of such ratios on working relations at the Company, the reasonableness of the salary of the Company’s office holders in view of the Company’s type, size and mix of employees.

⁷ The fixed salary for this purpose is the gross base salary, without the related and social components, as of December of the year in respect of which the remuneration is being granted.

As of the date of approval of the remuneration policy at the Company⁸, set forth below is a specification of the ratio between the cost of the office holders’ salary and the average and median cost of the salary of the Company’s other employees:

	<i>The ratio between the cost of the office holder’s salary and the <u>average</u> salary of <u>other</u> office holders</i>	<i>The ratio between the cost of the office holder’s salary and the <u>median</u> salary of <u>other</u> office holders</i>
CEO	2.17	2.52
CFO	1.89	2.28

8. Office Holders – Holding Company

On an annual basis, the accounting with respect to employment’s scope and payment of the remuneration components as defined in this policy document for an office holder who provides his services both at the Company and at its Holding Company⁹, will be determined by the Company’s Remuneration Committee and the Board of Directors.

9. Directors’ remuneration

Directors of the Company will be entitled to remuneration that shall not exceed the greater of: (i) remuneration according to the Companies Regulations (Rules regarding Remuneration and Expenses of an External Director), 5760-2000 (the “**remuneration Regulations**”) and the Companies Regulations (Exemptions Regarding Companies Traded on Foreign Stock Exchanges). 5760-2000; and (ii) GBP 20,000 per year, such amounts to be paid quarterly in respect of annual remuneration and remuneration for attendance at board or committee meetings.

In addition, the Company may enter into an agreement with a director to receive additional services, such as professional consulting, subject to the provisions of the law.

10. Exemption, indemnification and insurance

An office holder of the Company (including the directors and the Chairman of the Board of Directors, and including such who are controlling shareholders of the Company and their relatives, if any) may be entitled, in addition to the remuneration package as stated in this remuneration policy, and subject to the approval of the organs authorised therefor in the Company, to office holder’s liability insurance and indemnification arrangements in respect of their liability as office holders as is customary, all subject to the provisions of any law and the Company’s articles of association.

For the purpose of office holder’s liability insurance, the Company may engage in a policy for insurance of the liability of office holders and directors of the Company (including such who are controlling shareholders of the Company and their relatives, if any), in consideration for an annual premium as is acceptable in similar companies.

As at the date hereof, current office holders of the Company benefit from indemnity and insurance arrangements as approved by the Company’s annual general meeting held on 8 December, 2009 (the results of which were announced by the Company that same day). Such arrangements may be modified subject to approvals as required by law. To the extent that the Company seeks to modify or add to such arrangements, the approval of the Remuneration Committee, Board of Directors and shareholders of the Company will be sought, as applicable and in accordance with law.

The Company procure, renew, extend and/or replace from time to time an insurance policy covering actions and omissions of the then serving and future directors and officers of the Company at an annual premium not to exceed \$500,000.

8 The calculation of the ratios is based on the salary cost figures in June 2014, including fractions of payments made on an annual basis.
 9 As of the date of approval of the remuneration policy, B.S.D. Crown Ltd.’s Holding Company is BGI Investments (1961) Ltd.

