



B.G.I. INVESTMENTS (1961) LTD

March 2, 2017

**Re: General Meeting of Shareholders of B.S.D. Crown Ltd. (the “Company”)**

Dear shareholder,

As the controlling shareholder of the Company we feel it is important to direct your attention to the following issues that are of the utmost importance to the resolutions proposed in the upcoming General Meeting of the Company:

1. B.G.I holds 24.64% of BSD's issued share capital directly and holds the voting rights of another 19.01% of BSD's issued share capital held by Israel 18 B.V (“**Israel 18**”) according to an agreement with Israel 18.
2. Therefore, BGI holds, directly and indirectly, in 43.65% of the voting rights of BSD.
3. It is without doubt that those who most benefited from the decisions of the former Company board of directors are none other than Company shareholders, Joseph and Zwi Williger, and now the ones who want to gain control of the Company, who sold the control of Willi Food to the Company for a price of approx. 320 million ILS, an amount which of course came directly from Company accounts and was valued at around 40% **above** market value at the time. Therefore, letters from the Williger brothers bringing claims against the decision making process of the board at the time is clearly lacking good faith.
4. Throughout the past events, the Williger brothers' actions have made it fully clear that their primary interest is the control of Willi-Food and the best interest of the Company is not a concern of theirs.
5. Appointing the nominees suggested by the Williger brothers to the Company board, and removal of the current board members, will cause the transfer of the control of the Company from BGI to the Williger brothers. That means the immediate decline in value of the Company's security asset with its value directly deriving from the control of Israel 18 by the Company and will harm the value of the foreclosure that was given to the Company in its claim against Israel 18.
6. Also, appointing the nominees suggested by the Williger brothers to the Company board, and removal of the current board members, will cause the progress of the internal investigations regarding the transactions with the banks to come to a complete halt and retrieving the Company funds will no longer be a primary concern of the board.
7. In a letter dated February 13th, 2017, BSD informed its shareholders, who currently are not considered to be 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**”), and urged them to find a solution to increase the portion of shares held by the public, via disposal of some of the shares each shareholder holds, in order to avoid possible delisting from the London Stock Exchange due to the Listing Rules.
8. It is to be clarified that BGI holds the Company's shares since January 2014. **In the period from January 2014 and until this day, BGI has never made any additional purchase of BSD shares.**



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9. According to their declaration to the Company, Joseph Williger and his brother, Zwi Williger (the “**Williger Brothers**”), through companies controlled by them, purchased BSD shares, starting February 2016.
10. It is the Williger Brothers’ purchases of the Company shares that caused the violation of the Listing Rules by the Company.
11. Please note that until the Williger Brothers purchased shares, the Company had **never** violated the Listing Rules regarding the requirement of shares held in “public hands”.
12. Furthermore, Joseph Williger, the individual who argues that the current Board is harming the Company, published a tender offer (the “**Tender Offer**”) to purchase, after changes, up to 15% of the Company’s issued share capital **knowing** that it may cause a violation of the Listing Rules by the Company.
13. Joseph Williger himself stated in the Tender Offer, that he was aware of the Listing Rules provisions as follows, **and yet still purchased the shares**:  
  
*“IN ACCORDANCE WITH LISTING RULE 14.2.2, AT LEAST TWENTY FIVE (25) PER CENT. OF THE BSD SHARES AND DEPOSITORY INTERESTS MUST, ON ADMISSION, BE DISTRIBUTED TO AND CONTINUE TO BE HELD BY THE PUBLIC (I.E., HELD IN ‘PUBLIC HANDS’) IN ONE OR MORE EEA STATES. ACCORDINGLY, IF THE PURCHASE OF ANY OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD AS DESCRIBED ABOVE WOULD OR COULD RESULT IN LESS THAN TWENTY FIVE (25) PER CENT. OF THE BSD SHARES AND DEPOSITORY INTERESTS IN ISSUE AT SUCH TIME BEING HELD IN PUBLIC HANDS IN ONE OR MORE EEA STATES, THE OFFEROR RESERVES THE RIGHT TO ACCEPT SUCH ADDITIONAL TENDERS AND REJECT OR SCALE DOWN ANY VALID TENDERS. IN EACH CASE (I) TO THE EXTENT THAT TO DO SO WOULD PRESERVE AND NOT JEOPARDISE BSD’S MAIN MARKET ELIGIBILITY, AND (II) SUBJECT TO OTHER TERMS AND CONDITIONS OF THE OFFER SET OUT IN THIS OFFER DOCUMENT AND THE TENDER FORM”*
14. Additionally, we are deeply troubled by Zwi Williger’s, the brother of the individual that is demanding the replacement of all Board members of the Company, **misleading and false declaration** dated November 9, 2016 in which he declared that he only holds 6.27% of BSD’s issued share capital when in reality he held 9.996% of BSD’s issued share capital. It should be noted that this means that the Williger Brothers caused the violation of the Listing Rules, since November 2016.
15. It is under extreme lack of good faith to purchase BSD shares and cause a violation of the Listing Rules, while simultaneously requesting the controlling shareholder of BSD to reduce their holdings, holdings held by the controlling shareholder without contributing whatsoever to the violation of the Listing Rules.
16. Due to the above-mentioned, the Company listing is not a concern of the Williger brothers and their only interest is to gain the control over Willi Food which means that they will have no interest in relisting the shares permanently.
17. It is clear to all, that there were questionable transactions that took place with the 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 previously reported.



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18. BGI fully supports the actions being taken by the Company's board of directors in order to fully investigate the transactions mentioned above and the pursuit of all viable solutions including legal action against the banks and the previous Company management and all related parties to those transactions that approved the questionable transactions in order to fully retrieve the Company funds and repair all damages caused to the Company and its shareholders.

**Mr. Arik Kaufman and Mrs. Gila Deutsch**

**External Directors of Board**

