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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 notice of extraordinary general meeting relating to the appointment of an external director of the Company pursuant to the requirements of the Israeli Companies Law.

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## **B.S.D Crown Ltd.**

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

### **Notice of Extraordinary General Meeting**

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**A notice convening an Extraordinary General Meeting of the Company to be held at 12 noon (Greenwich Mean Time "GMT") on 29 October 2015 at the Hilton London Tower Bridge, 5 More London Place, Tooley Street, London SE1 2BY, United Kingdom 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 Resolution to be proposed at the Extraordinary General Meeting. Please read the whole of this document and consider whether to vote in favour of the Resolution 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 12 noon (GMT) on 27 October 2015.**

**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 12 noon (GMT) on 26 October 2015.**

## **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](http://www.bsd-c.com) and from the National Storage Mechanism at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM) from 24 September 2015.

### **Date of publication**

This document is published on 24 September 2015.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING TO BE HELD AT THE HILTON LONDON TOWER BRIDGE, 5 MORE LONDON PLACE, TOOLEY STREET, LONDON SE1 2BY, UNITED KINGDOM AT 12 NOON (GMT) ON 29 OCTOBER 2015

## **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

24 September 2015

Dear Shareholder,

### **Notice of Extraordinary General Meeting**

#### **1 Election of an External Director**

Under the Israeli Companies Law, 5759-1999 and regulations promulgated thereunder (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 at least two statutory independent directors (the “**external directors**”) who meet certain Israeli statutory criteria of independence; such criteria are generally in line with the independence requirement under the 2014 UK Corporate Governance Code (the “**Code**”).

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, Mr. Zvi Shur, who was elected at the Company’s annual general meeting in April 2013 for a third three-year term as an external director commencing 24 November 2013.

The Board is therefore convening this Extraordinary General Meeting (the “**EGM**”) to seek Shareholders’ authority to appoint a second external director following the cancellation of the original extraordinary general meeting convened for these purposes owing to ongoing discussions with shareholders.

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 non-controlling shareholders who do not have a personal interest in the election of the 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 non-controlling, disinterested shareholders (as described in the previous bullet-point) that are voted against the election of the 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) 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 the majority of the directors of the company or its general manager. I am the controlling shareholder of the Company.

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 compensation from the company other than for their services as external directors pursuant to applicable Israeli regulations. Compensation 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 (i) the person is a relative of the controlling shareholder of the company, or (ii) that person or his or her relative, partner, employer, another person to whom he or she was directly or indirectly subject, or any entity under the person's 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 compensation 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.

The Board has determined that Mr. Zvi Shur has accounting and financial expertise as required under the Israeli Companies Law.

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.

According to the foregoing, the directors propose to elect Mrs. Dafna Shalev-Flamm as an external director. The Board believes that the appointment of Mrs. Shalev-Flamm as an external director of the Company complies with the provisions and requirements under the Israeli Companies Law and that her skills and capabilities would contribute to the Company's on-going business. The Board has also determined that Mrs. Shalev-Flamm satisfies the requirements under the Code to serve on our Board as an independent director and hence, her appointment will increase the level of independency of the Board.

As required by the Israeli Companies Law, it is proposed to elect Mrs. Shalev-Flamm to serve the office as an external director for an initial fixed term of three years commencing on the date her election is approved by Shareholders.

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. Accordingly, if her election is approved by Shareholders, Mrs. Shalev-Flamm will be appointed by the Board to serve as member of the audit committee and compensation committee.

Set forth below is certain information regarding the background and experience of Mrs. Shalev-Flamm:

Mrs. Dafna Shalev-Flamm is a certified public accountant in Israel and has served as the Chief Financial Officer and Consultant of the Destiny Group, with holdings in real estate, hi-tech, finance, and human resources, since 1995. As part of this role, Mrs. Shalev-Flamm has served as the Chief Financial Officer and Consultant for 15 investment companies including Giron Development & Building Ltd., an Israeli publicly traded company specialising in real estate.

Mrs. Shalev-Flamm started her career in the accounting department of Africa Israel Investments Ltd. and in the tax department of the accounting firm Ernst & Young. Mrs. Shalev-Flamm has served on the board as an

external director of Poliram Ltd. from 2004 to 2010, on the board of Plasson Industries Ltd. since 2009, on the board of MTI Computers and Software Services (1982) Ltd since 2012 and, since 2013, Mrs. Shalev-Flamm has been an independent director of Polyram (1999) Ltd.

Mrs. Shalev-Flamm holds a Bachelor's degree in Business Administration from The College of Management Academic Studies and an MBA from the Ben-Gurion University.

The Company's intends to pay Mrs. Shalev-Flamm an annual fee of £20,000 for her services as a director, to be paid quarterly in arrears and subject to any limitations on total compensation amounts payable to external directors that may apply from time to time under the Israeli Companies Law.

This fee shall survive the three-year term of appointment and is in line with the Company's remuneration policy as approved by Shareholders on 8 September 2014. Pursuant to the Israeli Companies Law, Mrs. Shalev-Flamm's remuneration is subject to the approval by the Company's remuneration committee followed by the approval of the Board.

## **2 Extraordinary General Meeting**

A notice convening the Extraordinary General Meeting to be held at 12 noon (GMT) on 29 October 2015 at the Hilton London Tower Bridge, 5 More London Place, Tooley Street, London SE1 2BY, United Kingdom, is set out at the end of this document. A Form of Proxy or (as appropriate) a Form of Direction to be used in connection with the Extraordinary General Meeting is enclosed.

The election of Mrs. Shalev-Flamm as an external director of the Company requires the affirmative vote of shareholders present in person or by proxy and holding ordinary shares representing a majority of the votes cast with respect to such proposal. Furthermore, under the Israeli Companies Law, the approval of such proposal requires that either:

- (i) such majority includes at least a majority of the voting power of the non-controlling and non-interested shareholders who are present in person or by proxy and who vote on such proposal; or
- (ii) the total votes cast in opposition to the proposal by the non-controlling and non-interested shareholders does not exceed two (2%) of all of the voting power in the Company

## **3 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. 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 12 noon (GMT) on 27 October 2015. 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 12 noon (GMT) on 26 October 2015. 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 12 noon (GMT) on 26 October 2015.
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.

4. **According to the Israeli Companies Law, for your vote on the Resolution to be considered 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 Mrs. Shalev-Flamm as an external director or (ii) the approval of the terms of her compensation. 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 the Resolution.**

## **5 Recommendation**

The Board considers that the election of Mrs. Dafna Shalev-Flamm is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution.

Yours faithfully

**Gregory Gurtovoi**  
*Chairman*

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## B.S.D CROWN LTD.

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

### NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of B.S.D Crown Ltd. (the “**Company**”) will be held at 12 noon (GMT) on 29 October 2015 at the Hilton London Tower Bridge, 5 More London Place, Tooley Street, London SE1 2BY, United Kingdom (the “**Meeting**”) to consider, and if thought fit to pass, the following resolution:

#### **Resolution**

“RESOLVED, to elect Mrs. Dafna Shalev-Flamm as a director of B.S.D Crown Ltd. to serve as external director for a three-year term commencing on the date her election is approved by Shareholders”

By order of the Board

**Emil Budilovsky**

*Joint CEO, CFO and Company Secretary*

Registered Office

7 Menachem Begin Road

Gibor Sport Tower

8th Floor

Ramat-Gan 5268102

Israel

24 September 2015

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



#### Notes:

- 1 The Board has set 6.00 p.m. (GMT) on 24 October 2015 as the record date for Shareholders and DI 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 12 noon (GMT) on 27 October 2015 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 12 noon (GMT) on 26 October 2015 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 12 noon (GMT) on 26 October 2015 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 to be considered 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 Mrs. Dafna Shalev-Flamm as an external director or (ii) the approval of the terms of her compensation. 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 the Resolution.**

#### Issued share capital and total voting rights

- 7 As at 23 September 2015 (being the last practicable date prior to the publication of this 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 23 September 2015 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 or by email to [custodymgt@capita.co.uk](mailto:custodymgt@capita.co.uk) in order to request a letter of representation by no later than 12 noon (GMT) on 26 October 2015. However, Depository Interest Holders will not be able to vote at the Meeting.

#### Website

- 10 A copy of this notice can be found at [www.bsd-c.com](http://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](http://www.bsd-c.com), on 29 October 2015.





