



רשות ניירות ערך

ISRAEL SECURITIES AUTHORITY

מחלקת תאגידים . www.isa.gov.il

www.isa.gov.il Corporations Department

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Announcement to companies: The holding of Board of Directors' meetings and General meetings by electronic means during a period of restrictions to prevent the spread of the Corona virus

In view of the Government of Israel's directives issued on March 14, 2020 concerning the effort to prevent the spread of the Corona virus, and pursuant to the announcements of the Israel Securities Authority (ISA) on March 8, 2020 and March 16, 2020 and in response to inquiries recently received in this regard, the ISA hereby issues the following clarifications:

- 1. Holding General meetings of shareholders and General meetings of bondholders** - The instructions of the law with regard to the holding of General meetings of shareholders and General meetings of bondholders (General meetings) are contained in paragraph 73 of the Companies Law, 5759 – 1999 (the Companies Law) and in paragraph 35L11 of the Securities Law, 5728 – 1968 (the Securities Law), respectively. The voting in General meetings is usually done through ballots or the electronic voting system. For the avoidance of any doubt, it should be clear that from the ISA's perspective there is no prohibition under the Securities Law and the Companies Law that during the restrictions period, corporations will hold General meetings by electronic means without any physical presence, such that all of the participants in the meeting can hear one another simultaneously. Corporations that have published General meeting's invitation reports prior to the period of restrictions are permitted to update the location of the General meeting to said electronic means.
- 2. Holding of meetings of the Board of Directors and its committees** - In addition to is the statement in paragraph 1, it should also be clear that from the perspective of the ISA there is no prevention according to the Companies Law from holdings meetings of the Board of Directors and its committees by electronic means, during the period of restrictions, that prevents corporations, conditional on all the participating directors being able to hear one another simultaneously.¹

¹ In this regard, see, paragraphs 101 and 111 of the Companies Law.