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**BATM ADVANCED COMMUNICATIONS LTD.**

**Notice of An Extraordinary General Meeting**

**12<sup>th</sup> February 2015**



**International H.Q.**

Neve Ne'eman Industrial Park 4, Ha'harash street

PO Box 7318, Hod Hasahron, 45240 Israel

**52-0042813 – Registered in Israel**

20<sup>th</sup> January 2015

Dear Shareholder,

**Extraordinary General meeting**

I am pleased to enclose the notice to an Extraordinary General Meeting (“EGM” or the “Meeting”) of BATM Advanced Communications Ltd (“BATM” or the “Company”) to be held at the offices of **finnCap Limited at 60 New Broad Street, London, EC2M 1JJ**, on 12<sup>th</sup> February 2015 at 11.00am.

The purpose of the Meeting is to consider and if thought appropriate approve the following matters that require shareholders’ approval under the relevant provisions of the Israeli Companies Law:

- a) appoint Dr. Avigdor Shafferman as an additional external director on the Board of the Company;
- b) authorise the Company to enter into a management services contract with Nostredamus Technology Services Ltd., a service company through which the current CEO of the Company, Zvi Marom, will now provide his management services to the Company and the terms of such contract (which are substantially the same as the previous employment contract with Zvi Marom and do not alter the Company’s cost of employing the CEO); and
- c) authorise the Company to pay the current COO (former CFO), Ofer Barner, a one-time bonus of USD \$50,000 gross for his outstanding performance in year 2014 in areas outside his normal duties.

**Recommendation**

The directors of the Company consider that the proposals to be considered at the EGM are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole.

The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do so in respect of their own beneficial holdings to the extent that they have any.

Yours sincerely,

Dr. Gideon Chitayat, Chairman of the Board

Notice is hereby given that an Extraordinary General Meeting of BATM Advanced Communications Ltd. will be held at the offices of **finnCap Limited at 60 New Broad Street, London, EC2M 1JJ** on 12<sup>th</sup> February 2015 at 11.00 a.m. to consider, and if thought fit, to pass the following Resolutions, which will be proposed as **ordinary resolutions**:

### Ordinary Resolutions

1. To appoint Dr. Avigdor Shafferman as an additional external director to the Board of the Company (see Note 1)
2. To authorise the Company to enter into a management services contract with Nostredamus Technology Services Ltd., a service company through which the current CEO of the Company, Zvi Marom, will now provide his management services to the Company and the terms of such contract (which are substantially the same as the previous employment contract with Zvi Marom and do not alter the Company's cost of employing the CEO) [for a summary of the terms of the management services contract, see Part 2 in the Appendix]
3. To authorise the Company to pay the current COO (former CFO), Ofer Barner, a one-time bonus of USD \$50,000 gross for his outstanding performance in year 2014 in areas outside his normal duties (for an explanation of the Remuneration Committee and Board's recommendation on this proposed resolution, see Part 3 in the Appendix)

Dated: 20<sup>th</sup> January 2015

By order of the Board  
Dr. Zvi Marom  
Chief Executive Officer

Company number: 52-0042813

Registered office: Neve Ne'eman Industrial Park 4, Ha'harash street

PO Box 7318, Hod Hasahron, 45240 Israel.

### Notes to the Notice of Extraordinary General Meeting

1. Under the Israeli Companies Law of 1999, an external director is an independent public director which Israeli publicly listed companies are obligated to appoint to its Board. Each public company must have at least two such external directors on its Board and their appointment is by the shareholders for a defined term of three years. For Dr. Avigdor Shafferman's credentials and resume, see Part 1 of the Appendix to this Notice. Pursuant to section 239 of the Israeli Companies Law, nominees for external directors must be appointed by a special vote of the shareholders' meeting which complies with one of the following conditions: (a) the majority vote in favour of the nominee shall comprise a majority of all the shareholders which were present (in person or by proxy) at the vote who are not a controlling party or having a personal interest in the appointment (and the votes of those abstaining will not be counted); **or** (b) the aggregate number of those voting against the nominee shall not exceed two percent of the aggregate voting rights in the company.
2. Only those members registered on the Company's register of members at:
  - 2.1 6.00pm GMT on 10<sup>th</sup> February 2015; or
  - 2.2 if this Meeting is adjourned, at 6.00pm GMT on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

3. Information regarding the Meeting is available at [www.batm.com](http://www.batm.com).
4. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy are set out in the Notes to the proxy form below. **In order to be valid, proxy forms must be lodged at either Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF England not less than 48 hours prior to the Meeting, or at the registered office of the Company in Israel marked for the attention of the CFO not less than 96 hours prior to the Meeting.** A form of proxy appears on the following page. In the case of a member which is a corporation, the proxy (or any related document) should be given under its common seal or under the hand of an officer or attorney duly authorised in writing. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such party or authority) must be included with the proxy form.
5. If you are a member of the Company and your shares are registered only on the Israeli Register of shareholders, you must send your proxy forms as indicated above together with a Certificate of ownership in English proving your ownership of the shares you wish to vote at the Meeting from the Israeli Register or Israeli bank at which you hold your shares.
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

In order to revoke a proxy instruction, you will need to inform the Company by sending a hardy copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services at the address referred to in Note 3 above. The revocation notice must be received by Capita Asset Services not less than 48 hours prior to the Meeting.

8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
9. In the case of holders of Depositary Interests representing shares in the Company, a Form of Direction must be completed in order to direct Capita IRG Trustees Limited, the Depositary, to vote on the holder's behalf at the Meeting (in person or by proxy) or, if the Meeting is adjourned, at the adjourned meeting. **In order to be effective, a completed and signed Form of Direction (and any power of attorney or other authority under which it is signed) must be delivered to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by no later than 11.00am on the 8<sup>th</sup> February 2015, or 72 hours before the time fixed for any adjourned meeting.** A Form of Direction appears on the penultimate page of this notice.

10. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
11. The Company will answer any question you ask relating to the business being dealt with at the Meeting unless:
  - 11.1 answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - 11.2 the answer has already been given on a website in the form of an answer to a question; or
  - 11.3 it is undesirable in the interest of the Company or the good order of the Meeting that the question be answered.
12. As at 11.00a.m on 19<sup>th</sup> January 2015, the Company's issued share capital comprised **403,150,820** ordinary shares at 0.01 NIS each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 11.00a.m. on 19<sup>th</sup> January 2015 is **403,150,820**.
13. If you do not have a proxy form or Form of Direction and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300 if calling from the UK (calls cost 10p per minute plus network extras) or +44 (0)208 639 3399 if calling from outside the UK.
14. You may not use any electronic address provided either:
  - 14.1 in this notice of EGM; or
  - 14.2 any related documents (including the chairman's letter and proxy form)to communicate with the Company for any purposes other than those expressly stated.
15. The following documents will be available for inspection at **the registered office of the Company** from the date of this Notice until the time of the Meeting and at the Meeting venue itself for at least 15 minutes prior to the Meeting until the end of the Meeting:
  - Copy of the Resume of Dr. Avigdor Shafferman – the appointee for the position of an external director to the Board of the Company
  - Copy of the management service agreement to be entered into between the Company and Nostredamus Technology Services Ltd., in respect of Dr. Zvi Marom's services

**Form of Proxy**

**for use at the February 2015 Extraordinary General Meeting  
of BATM Advanced Communications Ltd. convened  
for 11.00a.m. on 12<sup>th</sup> February 2015 at 60 New Broad St., London, England**

I/We .....

of .....

being a member of the Company hereby appoint ...../the  
Chairman of the meeting to act as my/our proxy and to vote for me/us as indicated below with an  
“X” at the General Meeting of the Company convened for 12<sup>th</sup> February 2015 at 11.00a.m. and at  
any adjournment.

Date .....

Signed .....

Please indicate how you wish to vote with an “X” in the appropriate box opposite each resolution.  
If no specific indication as to voting is given the proxy will vote or abstain in his direction as he will  
on any other matter arising at the meeting.

<b>Ordinary Resolutions</b>	<b>FOR</b>	<b>AGAINST</b>
1. To appoint Dr. Avigdor Shafferman as a new external public director to the Board of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To authorise the Company to enter into a services agreement with Nostredamus Technology Services Ltd., whereby such company will provide the services of Dr. Zvi Marom as CEO to the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the payment of a one-time bonus to the current COO (former CFO), Ofer Barner, in the amount of USD 50,000 for his special efforts and contribution in year 2014 which were outside his normal duties.	<input type="checkbox"/>	<input type="checkbox"/>

**Notes:**

1. This form of proxy to be valid must be completed and signed and must be deposited with Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF or at the registered office of the Company not less than 48 hours before the time fixed for the meeting.
2. In the case of a corporation this proxy should be under its common seal, or if not so required under the hand of an officer duly authorised in writing.
3. In the case of joint holders the signature of any one of them will suffice but the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for the purposes seniority shall be determined by the order in which the names stand on the Company’s register of members in respect of the joint holding.
4. Any alteration made in the form of proxy should be initialled.

5. You are referred to the Notes to the Notice of Extraordinary General Meeting for further information.

### Form of Direction

**For use by holders of Depositary Interests representing shares on a one-for-one basis in the BATM Advanced Communications Ltd (“BATM”) in respect of the Extraordinary General Meeting of BATM convened for 12<sup>th</sup> February 2015 at 11.00a.m. at 60 New Broad St., London, England**

I/We .....  
of .....

being a holder of Depositary Interests representing shares in BATM hereby direct Capita IRG Trustees Limited, the Depositary, to vote for me/us and on my/our behalf in person or by proxy at the Extraordinary General Meeting of BATM to be held on the above date (and at any adjournment thereof) as directed by an “X” in the appropriate box opposite each resolution. **If no indication is given, you will be deemed as instructing the Depositary to abstain from voting.**

Ordinary Resolutions	FOR	AGAINST
1. To appoint Dr. Avigdor Shefferman as a new external public director to the Board of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To authorise the Company to enter into a services agreement with Nostredamus Technology Services Ltd., whereby such company will provide the services of Dr. Zvi Marom as CEO to the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the payment of a one-time bonus to the COO (former CFO), Ofer Barner, in the amount of USD 50,000 for his special efforts and contribution in year 2014 which were outside his normal duties.	<input type="checkbox"/>	<input type="checkbox"/>

Signature: ..... Date: .....

Notes:

- To be effective, this Form of Direction and the power of attorney or other authority (if any) under which it is signed, or a notarised or otherwise certified copy of such power of attorney, must be deposited at Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF not later than 11.00am on 08 February 2015, or 72 hours before the time appointed for any adjourned Meeting.
- Any alterations made to this Form of Direction should be initialled.
- In the case of a corporation this proxy should be given under its common seal or under the hand of an officer or attorney duly authorised in writing.
- Please indicate how you wish your votes to be cast by placing “X” in the boxes provided. On receipt of this form duly signed, you will be deemed to have authorised Capita IRG Trustees Limited to vote, or to abstain from voting, as per your instructions.



5. The Depository will appoint the Chairman of the meeting as its proxy to cast your votes. The Chairman may also vote or abstain from voting as he or she thinks fit on any other resolution (including amendments to resolutions) which may properly come before the meeting.
6. Depository Interest holders wishing to attend the meeting should contact the Depository at Capita IRG Trustees Limited, 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 11.00am on 08 February 2015, or 72 hours before the time appointed for any adjourned Meeting.
7. You are referred to the Notes to the Notice of the Extraordinary General Meeting for further information.

## **APPENDIX**

### **PART 1**

Dr. Shefferman holds a Ph.D. in physical chemistry from the Hebrew University of Jerusalem.

He served for eighteen years as general manager and Head of R&D of a leading governmental applied research institute specializing in the fields of biology, medicinal chemistry and environmental sciences.

He is a visiting professor in the University of California, San Diego at the biology department as well as a visiting senior research scientist at various leading research institutions in the United States in various medical areas including vaccines.

The Board, after interviewing and meeting with him and considering his credentials, has concluded that he holds expertise in various medical areas which are the main underlying disciplines of the Company's Medical Division and his expertise and connections can greatly benefit the Company.

### **PART 2**

Summary of main terms of the service contract to be entered into by the Company with Nostredamus Technology Services Ltd (hereinafter – Services company”):

1. The Services Company will procure that Dr. Zvi Marom (the current CEO) will render CEO and management services to the Company on an exclusive basis during the term of the contract.
2. Term of the contract: from 1 January 2015 until 30 June 2016 (same as his previous personal employment contract).
3. Remuneration to the Services Company: the total cost to the Company for obtaining Dr. Zvi Marom's services as CEO through the Services Company will remain the same as his previous personal employment contract, namely the gross cost of the Company for obtaining these services will remain the same as the total cost of all salaries, social benefits, pension and taxes which the Company previously paid directly to Dr. Zvi Marom as his employer. The Services Company will be solely responsible for payment to Dr. Zvi Marom of all his salaries, social benefits and pension and for paying over to all the relevant tax and other authorities all taxes and levies imposed by law as the employer of Dr. Zvi Marom.
4. The Services Company shall also be entitled to payment of an annual bonus, long-term incentives and reimbursement of expenses with respect to Dr. Zvi Marom's performance as CEO upon exactly the same terms and conditions as specified in his previous personal employment contract which was approved by the General Meeting of shareholders on 10 September 2014. All such bonuses and incentives are subject to the achievement of those performance targets set forth in the CEO's previous personal employment contract.

### **PART 3**

Payment of a one-time bonus to the COO (former CFO), Ofer Barner:

1. The Remuneration Committee of the Company, at its meeting of 14 January 2015 after receiving a very positive appraisal from the CEO of Mr. Barner's performance and efforts for the Company during year 2014, recommended to the Board to pay to Mr. Barner a one-time bonus of USD 50,000 gross in recognition of his special efforts for the Company's investment and position in the IBC corporation (the fiber-to-the-home joint company with the Israeli Electricity Corporation in which the Company holds a 7.5% equity interest) and succeeding in bringing savings to the Company in its management expenses of this investment that were outside the CFO's normal duties and which were beneficial to the Company.
2. The Board, at its meeting on 14 January 2015, accepted the above recommendation and approved the payment of said bonus.