

BATM ADVANCED COMMUNICATIONS LTD.

Nomination Committee - Terms of reference

1. Appointing a Nomination Committee

The Board of Directors of the Company has appointed a nomination committee (the – "Committee") as recommended in the UK Corporate Governance Code, section B2.1 and in order to comply with the relevant provisions of the Israeli Companies Law – 1999 regarding appointment of senior management and non-executive directors.

2. Composition of the Committee

- 2.1 The Committee will consist of a minimum of three members appointed by the Board out of which at least one external (non-executive) director and at least one independent non-executive director must be a member;
- 2.2 The Chairman of the Board shall act as chairman of the Committee (but will not chair the committee when it is dealing with the appointment of a successor to the chairmanship);
- 2.3 appointments to the Committee will be for a period of up to three years, which may be extended for two further three year periods but only if the member remains independent;
- 2.4 the secretary to the Committee will be the Company secretary if such person is not a member of the Company's finance staff; and
- 2.5 members of the Committee shall be named in the Company's annual report.

3. Purpose, role and duties of the Committee

The role and duties of the Committee are:

- 3.1 to consider and recommend to the Board with regards the appointment and removal of the CEO ;
- 3.2 to consider and recommend to the Board with regards the appointment of new non-executive directors being proposed for election while taking into consideration and evaluating the balance of skills, experience, independence and knowledge on the Board at that time;
- 3.3 to monitor and consider that the composition of the Board should be diversified, including gender, with directors holding skills relevant to the fields of operation of the Company;
- 3.4 to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and to make recommendations as to steps to be taken; and
- 3.5 report to the Board on how it has discharged its responsibilities.

4. Procedure

- 4.1 Meetings will be held at least once a year and at additional times, when needed, to consider proposals for appointing a new CEO and/or new non-executive directors;
- 4.2 the quorum of a meeting of the Committee shall be a majority of the members;
- 4.3 each member of the Committee has one vote on all matters to be determined by the Committee;
- 4.4 meetings of the Committee will be summoned by the secretary of the Committee at the request of any of its members or at the request of the external or internal auditors if they consider it necessary;
- 4.5 the secretary of the Committee will minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance;
- 4.6 the secretary of the Committee must promptly circulate minutes of Committee meetings to all members of the Committee and, once agreed, to all members of the Board.

5. Duties: The Committee will carry out the following duties:

- 5.1 To lead the process for Board appointments of candidates for the position of external or independent non-executive directors as well as a new CEO;
- 5.2 to interview (through the entire Committee or by one member of the Committee to be so authorized) the candidates for appointment as a new director, obtain background material, references and resumes of such candidates;
- 5.3 while considering whether to recommend the candidate to the Board, to take into account the importance of maintaining an appropriate balance of skills and experience within the Board;
- 5.4 to obtain the services of an external search consultancy firm and/or placement agency, if the Committee so deems it necessary, in order to optimize the process of identifying the best possible skilled candidates to be appointed as non-executive directors on the Board.
- 5.5 To monitor and ensure that the Board brings to the shareholders' meeting for its approval all proposals for election of a new non-executive director and/or a new CEO as required under section 239 of the Israeli Law.

These Terms of Reference of the Nomination Committee were adopted at the meeting of the Board of Directors held on 20th April 2017.

Dr. Gideon Chitayat, Chairman of the Board