

**Shikun & Binui Ltd.  
(the "Company")**

**Voting Letter**

**In accordance with the Companies Regulations (Written Votes and Position Notices) 5766-2005 (hereinafter: "the Voting Regulations")**

**Part I of Voting Letter**

1. **Name of Company**

Shikun & Binui Ltd. (hereinafter: "the Company")

2. **Type of the General Meeting, time and place of Meeting**

A special General Meeting of shareholders that will convene on Tuesday, March 28, 2017 at 14:00, at the registered offices of the Company at 1A Ha'yarden Street, Airport City (herein after: "the General Meeting" or "the Meeting").

If a lawful quorum is not achieved to enable the Meeting, the Meeting will be postponed held in the following week on the same day at the same time, same place.

3. **Details on the subjects in the Meeting agenda that are allowed to be voted in writing, and a proposed version of the resolutions**

Approving the appointment of Ms. Lili Ayalon as external director in the Company for a period of three years, beginning on March 28, 2017. Ms. Ayalon will be entitled to the serving terms bestowed to external directors in the Company, based on the Company's reward policy and decisions reached by the Company's authorized organs, as they will be from time to time. As of this date, the external directors are entitled to directors rewards and indemnity, exemption and officers' liability insurance commencement notes according to the Company's reward policy and the decision of its authorized organs as delineated in the Company reports of 05.04.2016, 16.05.2016, 21.04.2014 and 19.05.2016 (references no.: 2016-01-042349, 2016-01-054010, 2016-01-027024 and 2016-01-029658).

Version of proposed resolutions: "To approve the appointment of Ms. Lili Ayalon as Company external director for a period of three years and to approve Ms. Ayalon's eligibility for the directors appointment terms as accustomed in the company".

4. **Viewing the version of the proposed resolutions**

The shareholders of the Company may read the full version of the proposed resolution at the Company offices on Sunday-Thursday from 09:00 to 16:00, subject to an advance notice by telephone: 03-6301517 until the convening date of the Special General Meeting and on the websites of the securities and exchange Commission and that of the Tel Aviv Stock Exchange Ltd., as indicted below.

5. **The quorum required at the Meeting to approve the above resolution**

The required quorum for the approval of the resolution on the agenda is as set forth in Section 239(b) and 273(b) in the Companies Law, that is the, majority of votes out of the total votes attending the Meeting, who are entitled to participate in the vote and as long as one of the following exists:

- 5.1. (a) The majority of votes in the Meeting will include the majority of shareholders votes who are not controlling shareholders in the Company or that do not have a personal interest in approving the appointment (except for personal interest that does not derive from the controlling shareholder's connections) attending the vote; in the count of the total votes of the said shareholders, the votes of abstainers will not be considered.
- 5.2. (b) The total opposing votes of the voting shareholders mentioned in Section (a) did not exceed 2% of the total voting rights at the Company.

6. **Personal interest**

In the second part of the voting note there is space for marking if there is a personal interest and for describing the personal interest. **It shall be clarified that if a shareholder did not mark as above or did not describe his personal interest in the said resolution, his vote will not be considered in the count.**

7. **The validity of the Voting Letter**

The Voting Letter will be valid only if attached therewith a certificate of ownership of the unregistered shareholder (that is, one who has registered shares with a stock exchange member and that those shares are included within the shares registered in the shareholders' registry in the name of the registration company), or a copy of an ID card, passport or corporation certificate, as the matter shall be, if the shareholder is registered in the Company books.

The Voting Letter, including the documents set forth above, should be submitted to the Company offices 4 hours prior to the convention time of the Meeting. In this regard, "submission date" is the date on which the Voting Letter and the documents attached therewith have been received at the Company offices as set forth below.

8. **Voting via Electronic Voting System**

Unregistered shareholder may vote by means of the Electronic Voting System until the system is locked as above (For more details, refer to Section 8.4 of the invitation report).

9. **The Company address to which the voting letters and position notices are to be delivered**

The Company offices are at: 1A Ha'yarden Street, Airport City, Sunday-Thursday.

10. **Final date for delivering the position notices and the effective date for determining the shareholders' eligibility to participate in the Meeting and vote**

10.1 The final date for the submission of the position notices is up to ten days prior to the Meeting date. The final date for the submission of the Board of Directors' Comments on the position notices is up to five days prior to the Meeting date.

10.2 The "Determining Date" is the date for determining the shareholder's right to vote in the General Meeting, according to the Companies Law, set for Tuesday, February 28, 2017 ("**the Effective Date**").

11. **Addresses of the distribution site and the internet site of the Stock Exchange in which the voting letters and position notices are available**

11.1 Address of the distribution site of the Securities Authority:

[www.magna.isa.gov.il](http://www.magna.isa.gov.il)

11.2 Address of the internet website of the Exchange: [www.maya.tase.co.il](http://www.maya.tase.co.il)

12. **Link to the voting letter and position notices**

12.1 A shareholder is entitled to get a "certificate of ownership" (as defined in Section 7 above and as defined in Clause 71 to the Companies Law) at the branch of the stock exchange member or by registered mail if requested. Such request will be granted in advance to a specific securities account.

12.2 An unregistered shareholder is entitled to get by e-mail without paying any consideration, a link to the voting letter and position notices at the distribution site from a member of the stock exchange through which he/she is holding his/her shares, unless he/she notified the member of the stock exchange member that he/she is not interested in getting a link as mentioned or that he/she is interested in getting voting letters by mail, postage paid thereby. His/her notice in respect of the voting letters shall apply as well in respect of receiving position notices.

12.3 One or more shareholders holding shares at a rate constituting five percent or more of the total voting rights in the Company and anyone who is holding the same rate of the total voting rights that are not held by any shareholder in control in the Company as defined in Section 268 to the Companies Law is entitled to read the voting letters as defined in regulation 10 of the voting regulations.

12.3.1 As of the date this voting note is sent, the number of shares consisting of 5% of the total voting rights in the Company is: 19,845,358 ordinary shares (with no face value) of the Company.

12.3.2 As of the date this voting note is sent, the number of shares consisting of 5% of the total voting rights not held by a controlling shareholder in the Company is: 10,297,556 ordinary shares (with no face value) of the Company.

13. After the publication of the voting letter there may be changes in the Meeting agenda concerning this voting note (including adding a subject to the agenda), and position notices may have been published regarding the subject of this voting note. The updated agenda and published position notices may be read in the Company reports at the distribution site. The amendment of the voting letter, to the extent required, as a result of changes in the agenda resolutions, shall be published by the Company at the distribution site concurrently with the publication of the changes in the resolutions as set forth, no later than the dates provided in Regulation 5b to the Companies Regulations (Notification and Notice regarding a General Meeting and a Classifying Meeting at a Public Company), 5760-2000. A shareholder shall specify the manner in which he/she elects to vote in respect of the subject allowed to be voted for by a voting letter, at the second part of the voting letter.

14. **Revocation of a voting letter**

Any shareholder may, up to 24 hours prior to the convention of the General Meeting, refer to the address for delivering Voting Notes, as mentioned in clause 10 above, and after being identified to the satisfaction of the Company secretary, or any other employer assigned to this matter, draw the voting letter and the certificate of ownership thereof or cancel his vote; Had he done so, the shareholder is entitled to vote only during the General Meeting.

\* \* \*

## Part II of the Voting Note

### **A. General:**

1. **Name of the Company:** Shikun & Binui Ltd. (hereinafter: "the Company"); no. 520036104.
2. **Company Address (to deliver and send Voting Letters):** 1A Ha'yarden Street, Airport City.
3. **Date of Meeting:** Tuesday, March 28, 2017, at 14:00.
4. **Type of Meeting:** Special General Meeting.
5. **Effective Date:** Tuesday, February 28, 2017.
6. **Voting on the Internet:** the Company permits voting via the Internet.

### **B. The following details are to be filled out by the shareholders:**

#### **1. Details of the Shareholders**

- 1.1 Name of shareholder: \_\_\_\_\_
- 1.2 ID no.: \_\_\_\_\_
- 1.3 Passport no. (if shareholder doesn't have Israeli ID): \_\_\_\_\_
- 1.4 Country that issued the passport (if shareholder doesn't have Israeli ID): \_\_\_\_\_
- 1.5 Passport is valid until (if shareholder doesn't have Israeli ID):  
\_\_\_\_\_
- 1.6 Corporation no. (if shareholder is a corporation): \_\_\_\_\_
- 1.7 Country of incorporation (if shareholder is a corporation):  
\_\_\_\_\_

#### **2. Way of Voting**

Subject on the Agenda	Way of Voting <sup>1</sup>			Do you have Personal Interest in Approving the Resolution <sup>2</sup>
	For	Against	Abstain	
Confirmation of the appointment of Ms. Lili Ayalon as Company external director for a period of three years under the Company directors' serving terms accustomed in the Company				

Interested party, senior officer position or institutional investor<sup>3</sup>

Are you an interested party, senior officer position or institutional investor?  
[Mark]

Are you an interesting party <sup>4</sup> in the Company?	Yes	No
Are you a senior officer <sup>5</sup> in the Company?	Yes	No
Are you an institutional investor <sup>6</sup> ?	Yes	No

**3. Comments regarding the voting regulations**

In respect to shareholders who hold shares through a member of the stock exchange (according to Section 177(1) to the Companies Law) – this voting letter is valid only if attached therewith a certificate of ownership.

<sup>1</sup> If unmarked, it will be considered as abstaining the vote on that subject

<sup>2</sup> Shareholder that will not fill out this column or mark "Yes" and will not give details, his vote will not be considered in the count. There is no need to details a personal interest in approving the appointment that does not derive from a relation with the controlling shareholder.

<sup>3</sup> As defined in Regulation 1 of the Financial Services (pension funds) Supervision Regulations (Participation of managing Company in the General Meeting), 5769-2009, and a joint trust investment manager as defined in the Joint Trust Investments Law 5754-1994.

<sup>4</sup> As defined in Clause 1 of the Securities Law 5768-1968

<sup>5</sup> As defined in Clause 37(d) of the Securities Law 5768-1968

<sup>6</sup> As defined in Regulation 1 of the Financial Services (pension funds) Supervision Regulations (Participation of managing Company in the General Meeting), 5769-2009, and a joint trust investment manager as defined in the Joint Trust Investments Law 5754-1994.

- 3.1 In respect of shareholders who are registered in the shareholders register - the voting letter is valid only if attached therewith a copy of the identity card / passport / Articles of Association.
- 3.2 This letter must be delivered to the Company, or sent by registered mail, so that this voting letter and the above-mentioned documents shall be received in the Company's registered office not later than four hours prior to the convention date of the General Meeting. Any voting letter delivered later than that, will not be regarded as if attended the Meeting for the purpose of maintaining the lawful quorum for the vote and will not be counted in the ballot.

**Date:** \_\_\_\_\_

\_\_\_\_\_

Signature of Shareholder