

THE GOVERNMENT COMPANIES AUTHORITY

RESOLUTION BY THE MINISTERIAL COMMITTEE FOR PRIVATIZATION

DATE OF THE RESOLUTION: 08/12/2003

PRIVATIZATION OF THE “GOVERNMENT COINS AND MEDALS CORPORATION LTD.” – SUMMARY OF THE DISCUSSIONS

The Minister of Finance opens the meeting.

The Director of the Government Companies Authority reports to the members of the Ministerial Committee on the contacts which have taken place with the Bank of Israel concerning the privatization of the “Government Coins and Medals Corporation Ltd.” (hereinafter: the “Company”) and on the position of the Governor of the Bank of Israel concerning this matter, as expressed in his letter to the Minister of Finance dated 12.8.2003 (the letter is available at the Government Secretariat).

Participants in the discussions: the Minister Benjamin Netanyahu and Messrs. Eyal Gabai, Abraham Natan, and Ofer Ziv.

With reference to Paragraph 3.2 of this resolution hereunder – to record the statement by the Director of the Government Companies Authority that the Authority does not oppose the Company talking to the Authority in order for the Authority to provide the Company with a framework approval, in advance, for certain contractual commitments.

It is (unanimously) resolved:

1. To privatize all of the shares held by the State of Israel in the “Government Coins and Medals Corporation Ltd.” (hereinafter: the “Company”) by way of a private sale, as one block, of all of the shares held by the State of Israel in the Company, to an investor or a group of investors from Israel and/or abroad (the “Sale”).
2. Government corporations, including government companies, government subsidiaries, and mixed companies, will not be permitted to participate, directly or indirectly, in the sale process, whether alone or together with another/others.
3. To authorize the Government Companies Authority (the “Authority”) to carry out all of the actions required in the Authority’s opinion for the purpose of giving effect to this resolution, including:
 - 3.1 To act to transfer to the State of Israel, without consideration, and prior to the sale, the shares of the Company held by the “Government Tourism Company Ltd.”, and to transfer to the State of Israel, without

consideration, and prior to the sale, the shares held by the Company in other companies.

- 3.2 The Company will not bind itself contractually under any contractual commitments and will not assume any obligations which are not necessitated in the opinion of the Authority by agreements signed or to be signed by the Company, except by prior approval in writing by the Authority and in accordance with the terms stipulated in such approval.
- 3.3 To act to amend the provisions contained in the Bank of Israel Law, of 5714 – 1954 (the “Bank of Israel Law”), in coordination with the Bank of Israel and the Ministry of Finance, to the extent required, for the purpose of giving effect to this resolution.
- 3.4 To act to effect the signature between the Bank of Israel and the Company of a long term agreement, for such period and in such scope as shall be allocated in advance in coordination with the Bank of Israel, for the purchase and exclusive distribution of commemorative coins and special coins as defined in the Bank of Israel Law.
- 3.5 To change the name of the Company to “The Israel Coins and Medals Corporation Ltd.” and this subject to approval by the Registrar of Companies (in this resolution, the “Company” – whether by its current name or by the new name as shall be given to it as provided in this Paragraph).
- 3.6 To act to change the corporate instruments of the Company inasmuch as required.
- 3.7 To establish arrangements, inasmuch as required in the opinion of the Authority, for the purpose of giving effect to this resolution.
4. To authorize the Authority to conduct the sale process and to carry it out together with everything involved therewith, including by way of giving instructions to the Company in accordance with the Authority’s competence pursuant to the Government Companies Law, of 5735 – 1975.
5. Soon after the sale and subject to the implementation thereof, a monetary remuneration will be provided to the employees of the Company in accordance with the Authority’s rules.
6. This resolution supersedes prior resolutions by the Ministerial Committee for Privatization Matters concerning the Company.
7. This resolution also constitutes governmental approval with respect to everything contained herein, inasmuch as required in accordance with the law.