

ADAMIND LTD (the "Company")

REMUNERATION COMMITTEE

TERMS OF REFERENCE

(Adopted by the board of directors of the Company on 10 February 2005)

- 1 There shall be a Committee of the board of directors to be known as "The Remuneration Committee".
- 2 All the independent non-executive directors shall be the members of the Remuneration Committee and at least one member (who may also be an independent non-executive director for the purposes of the Combined Code) of the Remuneration Committee shall be an External Director (as such term is defined in the Israeli Companies Law – 1999). A quorum shall be two members. For the purposes of the Remuneration Committee, the chairman of the board of directors of the Company (the "Company Chairman") shall be deemed to be independent for the purpose of the Combined Code.
- 3 The board of directors will nominate one of the members of the Remuneration Committee to act as Chairman of the Remuneration Committee.
- 4 Appointments to the Remuneration Committee shall be for such periods as the members thereof are elected to serve as directors of the Company in accordance with the Company's articles of association, the Israeli Companies Law and the Combined Code.
- 5 The Company Secretary shall be the secretary of the Remuneration Committee and shall keep appropriate minutes of its proceedings which shall be circulated to all directors of the Company and, once agreed, to all members of the board of directors, unless a conflict of interest exists.
- 6 Although not a member of the Remuneration Committee, on occasion and for matters not related to himself, the Chief Executive may be invited to attend meetings of the Remuneration Committee and, in any event, shall be consulted by the Remuneration Committee on proposals relating to the remuneration of the other executive directors.
- 7 Committee meetings shall be held not less than twice a year.
- 8 Meetings of the Remuneration Committee shall be summoned by the secretary of the Remuneration Committee at the request of any of its members.
- 9 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration Committee, any other person required to attend and all (if any) other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 10 The Chairman of the Remuneration Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Remuneration Committee's activities.
- 11 The Remuneration Committee shall be authorised to take such external advice as it shall consider appropriate to determine the remuneration, terms of service and incentives of the executive directors and such other members of the executive management as it is designated to consider.
- 12 The Remuneration Committee shall have no authority in relation to the remuneration of the non-executive directors, including the External Directors.
- 13 The duties of the Remuneration Committee shall be:

- (a) to determine and agree with the board of directors the framework or broad policy for the remuneration of the Company's Chairman, Chief Executive and other executive directors and such other members of the executive management as it is designated to consider, including pension rights and any compensation payments. The remuneration of non-executive directors shall be a matter for the executive members of the board of directors (other than the External Directors, whose remuneration shall be determined in accordance with Israeli law). No Director shall be involved in any decisions as to his or her own remuneration;
- (b) in determining such policy, to take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- (c) to review the ongoing appropriateness and relevance of the remuneration policy;
- (d) to approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- (e) to review the design of all share incentive plans for approval by the board of directors and shareholders and, for any such plans, to determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;
- (f) to determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- (g) to ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (h) within the terms of the agreed policy and in consultation with the Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other senior executives including bonuses, incentive payments and share options or other share awards;
- (i) in determining such packages and arrangements, to give due regard to any relevant legal requirements and provisions and recommendations in the Combined Code and in the AIM Rules and associated guidance;
- (j) to review and note annually the remuneration trends across the Company or the Company's group;
- (k) to oversee any major changes in employee benefits structures throughout the Company or the Company's group;
- (l) to agree the policy for authorising claims for expenses from the Chief Executive and other executive directors;
- (m) to ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code are fulfilled; and

- (n) to be exclusively responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of reference for, any remuneration consultants who advise the Remuneration Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Remuneration Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
- 14 The chairman of the Committee shall report formally to the board of directors on its proceedings after each meeting on all matters within its duties and responsibilities.
- 15 The Remuneration Committee shall make whatever recommendations to the board of directors it deems appropriate on any area within its remit where action or improvement is needed.
- 16 The Remuneration Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the AGM. The Annual Report shall report the frequency of, and attendance by members at remuneration committee meetings.
- 17 The Remuneration Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board of directors for approval.
- 18 The Remuneration Committee is authorised by the board of directors to seek any information it requires from any employees of the Company in order to perform its duties.
- 19 In connection with its duties the Remuneration Committee is authorised by the board of directors to obtain, at the Company's expense, any outside legal or other professional advice.

In these Terms of Reference, "Combined Code" shall mean the Combined Code on Corporate Governance appended to the Listing Rules of the UK Listing Authority.