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The by-laws of Keren Kayemet L'Israel ("KKL") recognize two methods for voting in the general meeting of the company- by a "show of hands" and in a "poll". This short memorandum states the voting procedure in each one of these two methods.

1. Section 13 of the by-laws of KKL states the procedure for voting by a show of hands. In voting by a show of hands, each member who is physically present in the meeting is entitled to one vote. This means that members who are also proxy holders cannot use their proxies. Section 18 of the by- laws, on the other hand, states that if voting takes place by setting up a poll, members are entitled to use their proxies.
2. The same rule applies to companies, unlike the KKL, in which there is a share capital, and different shareholders hold differential voting power: if voting is by a show of hands, each shareholder, regardless of the number of his or her shares, is entitled to just one vote.
3. Voting by a show of hands is a useful procedure if a proposed resolution has a very broad support, such that meticulous vote- counting is not essential.
4. Voting by a show of hands is not useful if the proposed resolution appears to be contentious, and thus accurate vote-counting is called for. In such a case it is appropriate to set up another procedure—voting in a poll—, which more accurately reflects the sentiment of each member, whether physically present or represented by proxy. Similarly, in a company with share capital, contentious resolutions should not be reached by a show of hands, in order to ensure proportional representation to large and small shareholders. This explains the rule contained in Section 13, which entitles each member to request that voting should be made in a poll. The section confers this right on each single member, and the company must respect this request even if all other members would rather have it otherwise. To explain the rationale of this rule, let me use an hypothetical example, derived from the practice of companies with a share capital. Suppose a company has ten

shareholders. Nine shareholders hold 10 shares each. The tenth shareholder holds 100 shares, more than all the other shareholders combined. If the tenth shareholder could not insist on a poll, she or he could be outvoted by a show of hands, in spite of the fact that she or he is the majority shareholder in the company.

5. This analysis explains the rationale of voting in a poll. Only this method ensures, in contentious resolutions, a proper representation for all shareholders in the case of companies with a share capital; and for all members, whether physically present or represented by proxy, in the case of companies like the KKL that do not have a share capital.
6. Since voting in a poll makes it possible for members to vote more than once, it is essential to make sure that delegates purporting to exercise their voting privileges are entitled to vote, and are lawfully authorized to act on behalf of other members who are not physically present in the meeting. The following guidelines are designed to achieve this purpose:
  - Each delegate is handed a voting slip. The voting slip ought to entitle voters to indicate their preferences (for the resolution, against the resolution or an abstention).
  - Delegates are requested to enter their names, as well as the names of the other members who authorized them to act on their behalf. Next to each name the mode of voting (for, against, or an abstention) ought to be indicated.
  - The voting slips should be deposited in the poll.
  - The chairperson of the meeting should appoint a poll committee for the purpose of vote counting. The voting committee must verify that the voting persons are members of the KKL, that the other persons on whose behalf a vote is taken by proxy are also members of the KKL, and that the proxies given to the member who is physically present in the meeting were lawfully executed, according to the rules set up in the by-laws.
  - The vote-counting results should be announced by the chairperson as soon as the counting is finished.

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