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If you sell or have sold or otherwise transferred all your BSD Shares, please send this document, the accompanying reply-paid envelope but not any personalised Tender Form or Tax Declaration Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. Such documents should, however, not be distributed, forwarded or transmitted in or into or from any Prohibited Territory. If you have sold or otherwise transferred only part of your holding of BSD Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document and any accompanying documents in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore any person into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares, in any jurisdiction in which such offer or solicitation would be unlawful.

This document should be read in conjunction with the accompanying Tender Form, which forms part of this document.

YOSSI WILLI MANAGEMENT AND INVESTMENTS LTD.

CASH OFFER

FOR

NOT LESS THAN SEVENTEEN AND THREE QUARTERS (17.75) PER CENT. AND UP TO TWENTY (20) PER CENT. OF THE VOTING RIGHTS OF B.S.D CROWN LTD., A COMPANY ORGANIZED IN ISRAEL (“BSD”), BEING NOT LESS THAN SEVENTEEN AND THREE QUARTERS (17.75) PER CENT. AND UP TO TWENTY (20) PER CENT. OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD

CAUTIONARY NOTE: BSD is an Israeli company whose securities are admitted to trading on the Main Market of the London Stock Exchange plc with a standard listing. BSD Shareholders and Depository Interest Holders should be aware that the Offer is not governed by or subject to the UK City Code on Takeovers and Mergers (the “**City Code**”) and is subject to the Israeli Companies Law, 1999-5759 (the “**Companies Law**”). This Offer and any contract entered into pursuant to this Offer and all terms contained in this document and the accompanying documents shall be governed by and construed in accordance with the laws of the State of Israel. In addition, the Offer has been described in this document in a manner that may be different from the manner in which cash offers are customarily described in other jurisdictions, including (without limitation) Israel and England and Wales, and does not necessarily include all of the information that is customarily included in such jurisdictions.

YOSSI WILLI MANAGEMENT AND INVESTMENTS LTD. (THE “**OFFEROR**”) IS OFFERING TO PURCHASE UP TO TWENTY (20) PER CENT. OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD. THE OFFER IS CONDITIONAL UPON, AMONG OTHER THINGS, IT BEING DULY ACCEPTED WITH RESPECT TO AT LEAST SEVENTEEN AND THREE QUARTERS (17.75) PER CENT. OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD. AS AT THE DATE HEREOF, THE OFFEROR HOLDS APPROXIMATELY TWO AND A HALF (2.5) PER CENT. OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD AND THE PARENT COMPANY OF THE OFFEROR, Y.M. DEKEL HOLDINGS AND INVESTMENTS LTD. (“**Y.M DEKEL**”), HOLDS APPROXIMATELY FIFTEEN (15) PER CENT. OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD.

Pursuant to the Companies Law, any increase in the voting rights of the Offeror in BSD to above forty five (45) per cent., including through the purchase by the Offeror of additional holdings under this Offer, is conditional upon the successful completion of a special tender offer in accordance with the provisions of the Companies Law.

IF THE OFFER IS DECLARED UNCONDITIONAL BY THE OFFEROR, THEN THE OFFEROR WILL ONLY PURCHASE SUCH NUMBER OF BSD SHARES THAT WOULD NOT INCREASE THE VOTING RIGHTS OF THE OFFEROR IN BSD TO ABOVE FORTY FIVE (45) PER CENT. (AND TO THE EXTENT APPLICABLE, SUCH BSD SHARES SHALL BE PURCHASED BY THE OFFEROR FROM THE SHAREHOLDERS ACCEPTING THIS OFFER *PRO RATA* TO THE NUMBER OF BSD SHARES VALIDLY TENDERED BY SUCH SHAREHOLDERS HEREUNDER), SUBJECT TO THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT.

IF, SUBJECT TO THE FOREGOING, THE NUMBER OF BSD SHARES VALIDLY TENDERED HEREUNDER EXCEEDS TWENTY (20) PER CENT. OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD AS AT THE EXPIRATION OF THE OFFER PERIOD AND THE OFFER IS DECLARED UNCONDITIONAL BY THE OFFEROR, THEN THE OFFEROR WILL ONLY PURCHASE SUCH NUMBER OF BSD SHARES THAT REPRESENTS IN THE AGGREGATE TWENTY (20) PER CENT. (OR SUCH LOWER NUMBER OF SHARES TO COMPLY WITH THE IMMEDIATELY PRECEDING PARAGRAPH) OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD AS AT THE EXPIRATION OF THE OFFER PERIOD, WHICH BSD SHARES SHALL BE PURCHASED BY THE OFFEROR FROM THE SHAREHOLDERS ACCEPTING THIS OFFER *PRO RATA* TO THE NUMBER OF BSD SHARES VALIDLY TENDERED BY SUCH SHAREHOLDERS HEREUNDER, SUBJECT TO THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT.

IN ACCORDANCE WITH LISTING RULE 14.2.2, AT LEAST TWENTY FIVE (25) PER CENT. OF THE BSD SHARES AND DEPOSITORY INTERESTS MUST, ON ADMISSION, BE DISTRIBUTED TO AND CONTINUE TO BE HELD BY THE PUBLIC (I.E., HELD IN 'PUBLIC HANDS') IN ONE OR MORE EEA STATES. ACCORDINGLY, IF THE PURCHASE OF ANY OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF BSD AS DESCRIBED ABOVE WOULD OR COULD RESULT IN LESS THAN TWENTY FIVE (25) PER CENT. OF THE BSD SHARES AND DEPOSITORY INTERESTS IN ISSUE AT SUCH TIME BEING HELD IN PUBLIC HANDS IN ONE OR MORE EEA STATES, THE OFFEROR RESERVES THE RIGHT TO ACCEPT SUCH ADDITIONAL TENDERS AND REJECT OR SCALE DOWN ANY VALID TENDERS. IN EACH CASE (I) TO THE EXTENT THAT TO DO SO WOULD PRESERVE AND NOT JEOPARDISE BSD'S MAIN MARKET ELIGIBILITY, AND (II) SUBJECT TO OTHER TERMS AND CONDITIONS OF THE OFFER SET OUT IN THIS OFFER DOCUMENT AND THE TENDER FORM.

This document has been approved by Daniel Stewart & Company plc ("**DS&C**") for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended). DS&C, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for the Offeror and no one else in connection with the Offer and will not be responsible to anyone other than the Offeror for providing legal or regulatory protection. In particular, DS&C will not provide advice in relation to the contents of this document. For the avoidance of doubt, although DS&C has approved this document for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended), DS&C will not under any circumstances be responsible to any person for the contents of this document, nor does DS&C give a view on the fairness or appropriateness of the commercial terms of the Offer.

September 20, 2016

TO ACCEPT THE CASH OFFER

- If you are a CREST participant and hold shares as Depository Interests, before an acceptance can be made you **MUST** make arrangements for the applicable shares to be withdrawn from CREST into certificated form. The certificated account should be in the name of the beneficial owner wishing to accept the Offer. Such withdrawal should be made in sufficient time to enable the beneficial holder to accept the Offer by 1.00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).
- To accept the Offer, shareholders must complete and sign a Tender Form and Tax Declaration Form in accordance with the instructions contained in this document and printed thereon. The Tender Form and Tax Declaration Form can also be downloaded via the links below:

<https://www.dropbox.com/s/pq2e0kuysb2aj86/Tender%20Form-Sep%202020-Clean.pdf?dl=0>

<https://www.dropbox.com/s/ll9boe10kxpv0/Tax%20Declaration%20Form.pdf?dl=0>
- Shareholders should then return the completed and signed Tender Form and Tax Declaration Form, together with their share certificate(s) and/or other document(s) of title, by post or (during normal business hours) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event, so as to be received by no later than 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).

YOUR ACCEPTANCE MUST BE RECEIVED BY NO LATER THAN 1:00 P.M. (LONDON TIME) ON NOVEMBER 1, 2016 (OR SUCH LATER TIME(S) AND/OR DATE(S) AS THE OFFEROR MAY DECIDE).

If you have any questions as to how to complete the Tender Form or Tax Declaration Form, please contact Capita at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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OFFER STATISTICS

Minimum aggregate amount of BSD Shares proposed to be purchased from the shareholders – 19,523,270 representing seventeen and three quarters (17.75) per cent. of the Issued and Outstanding Share Capital of BSD.

Maximum aggregate amount of BSD Shares proposed to be purchased from the shareholders – 21,998,051 representing twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD.

Price offered by the Offeror for each BSD Share – 27.5 pence.

Total consideration to be paid by the Offeror for all BSD Shares validly tendered (assuming the Offer is accepted and consummated and twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD are acquired) – approximately 6,049,465 Pounds Sterling.

EXPECTED TIMETABLE

If you are a CREST participant and hold shares as Depository Interests, before an acceptance can be made you **MUST** make arrangements for the applicable shares to be withdrawn from CREST into certificated form. The certificated account should be in the name of the beneficial owner wishing to accept the Offer. Such withdrawal should be made in sufficient time to enable the beneficial holder to accept the Offer by 1.00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).

Shareholders who wish to tender their BSD Shares must validly accept the Offer by 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).

The outcome of the Offer will be announced by 8:00 a.m. (London time) on the next business day.

Part 1

Letter from the Chair of the Offeror

YOSSI WILLI MANAGEMENT AND INVESTMENTS LTD.

September 20, 2016

Dear BSD Shareholders and Depository Interest Holders:

Cash Offer for up to 21,998,051 BSD Shares, representing up to 20 per cent. of the Issued and Outstanding Share Capital of B.S.D Crown Ltd.

1. Introduction

The Offeror is delighted to offer to purchase from shareholders up to 21,998,051 BSD Shares, representing up to twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD, at 27.5 pence per share/DI. The Offeror believes that this is a good opportunity to achieve liquidity for your BSD Shares, especially in light of the very limited trading in the BSD Shares.

I am writing to you to explain the background to and reasons for the Offer and why the Offeror believes that you should accept the Offer. This letter, together with the conditions and further terms set out in this document and in the Tender Form contain the formal Offer from the Offeror for the BSD Shares.

2. Background to and reasons for the Offer

As you may know, since the beginning of the year a series of alarming announcements have been made by BSD which relate to its cash positions and investigations by regulatory authorities, all of which raise grave concerns as to the conduct of BSD's business and the discharge by directors of their fiduciary duties to BSD and its shareholders.

At the top of these announcements are the statements by BSD regarding approximately **US\$30 million** held by BSD with a B-credit rated bank in Austria and approximately **US\$13.6 million** held by BSD with a Ba3-credit rated bank in Azerbaijan, both of which deposits have allegedly been **used as collateral for loans** extended to "offshore companies" and the controlling shareholder of B.G.I Investments (1961) Ltd. ("**BGI**") (the controlling shareholder of BSD), respectively.

In addition to the above, in February 2016 BSD announced that as a result of suspicions of certain breaches of Israeli securities laws and criminal offenses, the Israel Securities Authority (the "**ISA**") initiated an investigation, and conducted a search at the offices of (i) BSD, (ii) its controlling shareholder, BGI, and (iii) its subsidiaries Willi-Food Investments Ltd. and G. Willi-Food International Ltd., and seized certain computers and other materials. BSD also announced that a number of officers and directors of the above-mentioned companies were questioned by the ISA, and that Mr. Gurtovoy was detained.

In connection with the above, various motions requesting disclosure of documents and a request to approve a derivative action were filed with the Tel-Aviv District Court.

On April 29, 2016, BSD announced that it would not be able to publish its annual financial statements for the year ended December 31, 2015 by April 30, 2016 (as required by the Listing Rules and the Disclosure Guidance and Transparency Rules) and that given the delay in publishing such financial statements BSD requested that trading in its shares be temporarily suspended as of such date. Accordingly, BSD has not published any financial statements since it published its financial statements for the third quarter of 2015 and to date has provided no indication as to when it will publish its financial statements.

In addition, the undersigned notes that over the past couple of years the market price of BSD Shares has decreased significantly from 55.88 pence on January 9, 2014 to 25.12 pence on April 29, 2016 (being the last day of trading before trading in BSD Shares was suspended), i.e., a decrease of 55%. The highest and

lowest Closing Quotations for BSD Shares during such period were 62 pence on January 10, 2014 and 14.5 pence on January 6, 2016.

Given the falling market price in BSD Shares, the disturbing announcements by BSD, and investigations by regulatory authorities into its affairs, as well as claims and litigations by its shareholders, all of which raise grave concerns as to BSD's business and its assets, the Offeror believes that the Offer, which values each BSD Share that the Offeror offers to purchase at 27.5 pence, is attractive. The Offeror further notes that the Offer:

- (a) represents a premium of 35.46% per cent. over the average share price of BSD Shares in the 12 month period immediately prior to September 20, 2016; and**
- (b) enables shareholders to realize value immediately (especially in light of the very limited trading in the BSD Shares), by providing them with the opportunity to exchange BSD Shares for cash.**

Accordingly, the objectives of the Offer are:

- (i) to increase the holding percentage of the Offeror in BSD; and
- (ii) to provide shareholders with liquidity in respect of up to twenty (20) per cent. of the issued and outstanding BSD Shares by enabling them to sell the same to the Offeror.

The Offeror has informed the Board of the Offer.

3. The Offer

The Offeror hereby offers to acquire, subject to the conditions and further terms set out or referred to in this document and the Tender Form, up to 21,998,051 BSD Shares, representing up to 20 per cent. of the Issued and Outstanding Share Capital of BSD, by paying 27.5 pence in cash for each BSD Share duly tendered and accepted hereunder.

The Offer values the entire Issued and Outstanding Share Capital of BSD at approximately 30,247,319.30 Pounds Sterling.

A condition to the due tender of the BSD Shares is, and each holder of BSD Shares that tenders such BSD Shares is deemed to represent to the Offeror that, the BSD Shares to be acquired pursuant to the Offer will, upon the purchase thereof, be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including (without limitation) voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or paid hereafter.

Your attention is drawn to the conditions and further terms of the Offer set out in Part 2 to this document and in the Tender Form and to the other information set out in Part 3, which form part of this document.

4. Information on the Offeror

The Offeror is a private limited liability company incorporated under the laws of the State of Israel on December 25, 1996 (company number 512416033). The address of the Offeror is 7 Jaboutinsky Street, Ramat Gan 5252007, Israel and its parent company is Y.M Dekel (which holds 99.9% thereof).

Joseph Williger (59) is the sole director of each of the Offeror and Y.M Dekel, and also holds 99.8% of the latter. Until the beginning of 2016, Mr. Williger also served as Co-Chairman of Willi-Food Investments Ltd. and as Director and President in G. Willi-Food International Ltd. Mr. Williger attended Bar-Ilan University in Israel and California State University, Northridge in Los Angeles.

For business or family connections between the Offeror and/or its affiliates, and other holders of BSD Shares and/or Depository Interests, please see paragraph 3 of Part 3 of this document.

5. **BSD Share Scheme**

The Offer will extend to any BSD Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) as a result of the exercise of options under the BSD Share Scheme or otherwise prior to the date on which the Offer expires.

6. **Financing arrangements**

The cash consideration payable by the Offeror under the terms of the Offer will be financed from the existing financial resources of the Offeror. Full acceptance of the Offer with respect to 20 per cent. of the voting rights in BSD would involve a maximum cash payment of approximately 6,049,465 Pounds Sterling.

7. **Overseas shareholders**

The availability of the Offer to persons not resident in the UK or who are citizens, residents or nationals of jurisdictions outside the UK may be prohibited or affected by the laws of the relevant jurisdiction. Persons who are citizens, residents or nationals of jurisdictions outside the UK or custodians, nominees or trustees for persons who are citizens, residents or nationals of jurisdictions outside the UK should inform themselves about and observe any applicable legal or regulatory requirements in relation to the Offer. The Offer is not being made directly or indirectly in or into the Prohibited Territories. The attention of holders of BSD Shares and Depository Interests who are citizens, residents or nationals of jurisdictions outside the UK and any persons (including, without limitation, nominees, trustees and custodians) who would or otherwise intend to forward this document or its accompanying documents to any jurisdiction outside the UK, is drawn to paragraph 7 of Part B of Part 2, and paragraphs (d) and (e) of Part C of Part 2 of this document.

8. **Procedures for Acceptance of the Offer**

This section should be read in conjunction with Part 2 of this document and the accompanying Tender Form.

(a) ***BSD shares held as Depository Interests in CREST.***

If you hold your BSD Shares as Depository Interests in CREST, you are NOT able to make an acceptance in CREST on behalf of your underlying beneficial holders. To accept the Offer, arrangements MUST be made for the applicable shares to be withdrawn from CREST into certificated form. The certificated account should be in the name of the beneficial owner wishing to accept the Offer.

Normal CREST procedures (including timings) apply in relation to any Depository Interests that are, or are to be, converted from un-certificated to certificated form during the course of the Offer. Holders of Depository Interests who are proposing to withdraw any such Depository Interests are recommended to ensure that the withdrawal procedures are implemented in sufficient time to enable the beneficial holder to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards to delivery of the accompanying forms together with share certificate(s) or other document(s) of title as described below) prior to 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).

(b) ***Completion of Forms***

To accept the Offer you must complete Boxes 2, 3 and 6 on the Tender Form and if appropriate, Boxes 1, 4, and 5, in accordance with the instructions printed therein. In all cases, to accept the Offer you must sign Box 3. If you hold BSD Shares under different designations you should complete a separate Tender Form for each holding.

If you meet the conditions described in clauses (1) or (2) of paragraph 6(d) of Part 3 of this document, in order to benefit from the withholding tax ruling by the Israel Tax Authority that the Offeror has applied for, if and when it is obtained, you must also complete, sign and return a Tax Declaration Form (for additional information, please see paragraph 6(d) of Part 3). This form should be completed by the beneficial owner of the shares or the eligible Israeli brokers or Israeli financial institutions and should include the registered shareholder's information (if different from that of the beneficial owner

of the shares, i.e., in the case of a nominee) and must include the number of shares to which your acceptance of the offer relates.

If you have not received personalised documents, the Tender Form and Tax Declaration Form can be downloaded via the links below:

<https://www.dropbox.com/s/pq2e0kuysb2aj86/Tender%20Form-Sep%2020-Clean.pdf?dl=0>

<https://www.dropbox.com/s/1l9boe10kxpvno0/Tax%20Declaration%20Form.pdf?dl=0>

If you have any questions as to how to complete the Tender Form or Tax Declaration Form, please contact Capita at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(c) ***Return of Forms***

The completed and signed Tender Form and Tax Declaration Form should be returned, together with the relevant share certificate(s) and/or other documents(s) of title, by post or (during normal business hours) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, as soon as possible and in any event so as to be received by no later than 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide). A reply-paid envelope (for use in the United Kingdom only) is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

(d) ***Share certificates lost or not readily available***

In accepting the Offer, even if your share certificate(s) or other document(s) of title are not readily available or are lost, the completed Tender Form and Tax Declaration Form, together with any share certificate(s) and other documents(s) of title that you may have available should be lodged with Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, by no later than 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide), accompanied by a letter stating that the balance will follow as soon as possible or that you have lost one or more of your share certificates or other documents of title. In the case of lost certificates or documents, you should then write to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, for a letter of indemnity for lost share certificate(s) or other document(s) of title which, when completed in accordance with the instructions given, should be lodged as soon as possible with Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

(e) ***Validity of acceptances***

Without prejudice to any other provision of this document and subject to the terms of the Offer, the Offeror reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) or other document(s) of title. In that event, the consideration payable in respect of such acceptances will not be despatched until after the relevant share certificate(s) or other document(s) of title or indemnities satisfactory to the Offeror have been received.

9. **Settlement**

Subject to the Offer becoming or being declared unconditional in all respects (except as provided in paragraph 7 of Part B of Part 2 of this document, in the case of certain overseas shareholders), settlement of the cash consideration will be effected by the despatch of cheques within 20 business days of the Offer being declared unconditional in all respects and receipt by or on behalf of the Offeror from such shareholder of a

valid and complete acceptance (including receipt of the relevant share certificate(s) and/or other document(s) of title or indemnity satisfactory to the Offeror). The cash consideration to which an accepting shareholder is entitled will be despatched by first class post. All such cash payments will be made in Pounds Sterling by cheque drawn on a branch of a UK clearing bank.

If the Offeror purchases less than all of the BSD Shares validly tendered by any shareholder, Capita Asset Services shall issue to such shareholder, in lieu of the certificates tendered by such shareholder hereunder, new certificates representing the number of BSD Shares held by such shareholder following the purchase by the Offeror from such shareholder pursuant to the Offer. If the Offer does not become or is not declared unconditional in all respects, the completed Tender Form, Tax Declaration Form, and share certificate(s) and other document(s) of title will be returned by post within 14 business days of the Offer lapsing, to the person or agent whose name and address is set out in Box 5 of the Tender Form, or, if none is set out, to the sole or first-named holder at the address as set out in Box 1 on the Tender Form or, if none is set out there, to the sole or first-name registered holder at his registered address (outside the Prohibited Territories).

10. **Taxation**

Your attention is drawn to paragraphs 5 and 6 (United Kingdom and Israeli taxation) of Part 3 of this document. If you are in any doubt as to your tax position, or if you require more detailed information, or if you are resident or otherwise subject to taxation in any jurisdiction other than the United Kingdom, you should consult your independent professional adviser immediately.

11. **Further Information on BSD**

Further information, including financial information, on BSD can be found on BSD's website at <http://www.bsd-c.com>.

Yours Faithfully,

Joseph Williger

Chairman, Yossi Willi Management and Investments Ltd.

Part 2

Additional Conditions and Further Terms of the Offer

Part A – Conditions of the Offer

1. Transactions in BSD Shares and Depository Interests are not subject to the provisions of the City Code and therefore any increase in the Offeror's holdings in BSD Shares and Depository Interests are not affected by the provisions of the City Code (but are subject to the limitations under Israeli law). As an Israeli company, BSD is subject to the Israeli Companies Law. Furthermore, as it is listed on the London Stock Exchange, it is considered a public company under the Companies Law. Accordingly, the Offer is not governed by or subject to the City Code and is subject to the Companies Law. This Offer and any contract entered into pursuant to this Offer and all terms contained in this document and the accompanying Tender Form shall be governed by and construed in accordance with the laws of the State of Israel.
2. The Offer is subject to the following conditions:
 - (a) the BSD Shares validly tendered (and not, where permitted, withdrawn) prior to expiration of the Offer Period constitute at least seventeen and three quarters (17.75) per cent. of the Issued and Outstanding Share Capital of BSD as of the expiration of the Offer Period;
 - (b) no government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body or court or any trade agency, association, institution or professional body, or any other similar person or body, in any jurisdiction (each, a "**Third Party**") having decided to take, instituted, implemented or threatened any action, suit, proceeding, investigation or enquiry or having enacted, made or proposed any statute, regulation, decision or order or having taken any other step that would or is reasonably likely to:
 - (i) make the Offer or the acquisition or proposed acquisition by the Offeror of any shares or other securities in BSD or control of any member of the BSD Group, or any material assets of the BSD Group, void, illegal or unenforceable or otherwise directly or indirectly restrain, prohibit, restrict, frustrate or delay or otherwise interfere with the same or impose additional conditions or obligations with respect thereto;
 - (ii) result in a delay in the ability of the Offeror, or render the Offeror unable, to acquire any of the BSD Shares or Depository Interests;
 - (iii) impose any material limitation on, or result in a delay in, the ability of the Offeror to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares (or the equivalent thereof) in, or to exercise voting or management control over any member of the BSD Group;
 - (iv) save pursuant to the Offer, require the Offeror or any member of the BSD Group to acquire or offer to acquire shares or other securities in, or any interest in any asset owned by, any member of the BSD Group or owned by any third party; or
 - (v) save as Disclosed (as defined below), otherwise adversely affect the business, operations, assets, profits, liabilities, financial or trading position or prospects of the Offeror or any member of the BSD Group;
 - (c) all authorisations, orders, grants, consents, recognitions, confirmations, licences, clearances, permissions and approvals ("**Authorisations**") which are necessary in any relevant jurisdiction for or in respect of the Offer or the acquisition or proposed acquisition of any shares or other securities in BSD, or control of management of any member of the BSD Group by the Offeror or the carrying on by any member of the BSD Group of its business having been obtained, in terms and in a form satisfactory to the Offeror acting reasonably, from all Third Parties or

persons with whom any member of the BSD Group has entered into contractual arrangements, in each case where the absence of such Authorisation would or may have a material adverse effect on any member of the BSD Group, and all such Authorisations remaining in full force and effect and there being no notice, intimation or indication of an intention to revoke, suspend, restrict, modify or not to renew such Authorisation;

- (d) all notifications and filings having been made and all waiting periods under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated and all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Offer or the acquisition or proposed acquisition of any shares or other securities in BSD, or control of management of any member of the BSD Group, by the Offeror;
- (e) there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the BSD Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject and which could or might in consequence of the Offer or the acquisition or proposed acquisition of by the Offeror of any shares or other securities in BSD, or control of any member of the BSD Group, or because of a change of control or management of the BSD Group or otherwise, be expected to result in:
 - (i) any monies borrowed by or any indebtedness or liability, actual or contingent, of any member of the BSD Group being or becoming capable of being declared repayable immediately or earlier than the repayment date stated in such arrangement, agreement or other instrument or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or adversely modified or affected;
 - (ii) any such arrangement, agreement, lease, licence, permit or other instrument being terminated, revoked or materially adversely modified or any action being taken or obligation or liability arising thereunder;
 - (iii) the rights, liabilities, obligations, business or interests of any member of the BSD Group with or in any other person, firm, company or body (or any arrangements relating to such business or interests) being terminated, materially adversely modified or otherwise materially adversely affected;
 - (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the BSD Group or any such mortgage, charge or other security interest becoming enforceable;
 - (v) any assets or interests of any member of the BSD Group being or falling to be disposed of or charged, or any right arising under which any such asset or interest could be required to be disposed of or charged, otherwise than in the ordinary course of business;
 - (vi) the value of, or financial or trading position or prospects of any member of the BSD Group being prejudiced or materially adversely affected; or
 - (vii) any member of the BSD Group ceasing to be able to carry on business, being prohibited from carrying on business or being subject to a restriction imposing a non-compete, exclusivity or similar restrictive covenant on the BSD Group, in each case, in any jurisdiction in which it currently carries on business;

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, lease, licence, permit or other instrument to which any member of the BSD Group is a party or by or to which any such member or any of its assets is bound, entitled or subject, is reasonably likely to result in any of the events or circumstances as are referred to in paragraphs (i) to (vii) of this paragraph 2(e);

- (f) other than as disclosed in the BSD Interim Condensed Consolidated Financial Statements as of September 30, 2015 published on BSD's website, or as disclosed in any public announcement made through the London Stock Exchange or otherwise before the date of announcement of the Offer ("**Disclosed**"), since September 30, 2015, no member of the BSD Group taking or agreeing to take or proposing or announcing any intention to take, any of the following actions (except as expressly required by applicable law or regulation):
- (i) declaring, making or paying any dividend or other distribution in respect of any of its share capital;
 - (ii) save upon the grant or exercise of rights to subscribe for BSD Shares pursuant to the exercise of options under the BSD Share Scheme, issuing or agreeing to issue additional shares of any class, or any rights or securities convertible into or exchangeable for shares of any class, or rights, warrants or options to subscribe for or acquire any such shares or convertible or exchangeable securities;
 - (iii) issuing any debentures or loan capital or incurring any indebtedness or contingent liability that is material or not in the ordinary course of business;
 - (iv) making or authorising any change in its loan capital;
 - (v) merging with any body corporate, partnership or business, or acquiring or disposing of any asset or shares or mortgaging or encumbering any asset or shares or any right, title or interest in any asset or shares, other than in the ordinary course of business;
 - (vi) waiving or compromising any claim that is material;
 - (vii) entering into or varying any contract, transaction, commitment or arrangement (whether in respect of capital expenditure or otherwise) which is not in the ordinary course of business or which is of a long term or unusual nature or magnitude or which is or may be materially restrictive on the business of any member of the BSD Group;
 - (viii) entering into or improving the terms of, or making any offer (which remains open for acceptance) to enter into or improve the terms of engagement or appointment of any director or senior executive of any member of the BSD Group;
 - (ix) effecting any share split, share combination, reverse share split or consolidation, share dividend, recapitalisation, or altering the rights attaching to any shares, or effecting any reduction, repayment or cancellation of share capital or undenominated capital or capitalising any reserves or redeeming or repurchasing any shares or other similar transaction;
 - (x) implementing, authorising or proposing any merger, reconstruction, amalgamation, scheme or other similar transaction or arrangement otherwise than in the ordinary course of business;
 - (xi) altering the memorandum or articles of association or other incorporation documents of any member of the BSD Group, or the terms of the BSD Share Scheme; or
 - (xii) being unable, or admitting in writing that it is unable, to pay its debts or having stopping or suspending (or threatening to stop or suspend) payment of its debts or ceasing to carry on all or a material part of any business, or taking any action or having any legal proceedings made or instituted against it in respect of its winding up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or being the subject of any analogous or similar event in any jurisdiction ("**Liquidation Proceedings**");
- (g) since September 30, 2015 and save as Disclosed:

- (i) the Offeror not having discovered that any financial, business or other information concerning the BSD Group which has been publicly disclosed at any time by or on behalf of any member of the BSD Group is misleading in any material respect, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading in any material respect;
 - (ii) no contingent or other liability having arisen which would or might materially adversely affect any member of the BSD Group;
 - (iii) there not having arisen any material adverse change in the business, financial or trading position, profits, assets or prospects of any member of the BSD Group; and
 - (iv) no litigation or arbitration proceedings or prosecution or other legal proceedings to which any member of the BSD Group is or may become a party and no investigation against or in respect thereof having been announced, instituted or threatened by or against, or remaining outstanding in respect of any member of the BSD Group, which in any such case might adversely affect the BSD Group to a material extent (which include, for the avoidance of doubt, any Liquidation Proceedings);
- (h) there has not been made and not withdrawn any Superior Proposal with respect to BSD; and
- (i) there having been no circumstances that the Offeror was not aware of and was not expected to be aware of, under which circumstances the terms of the Offer became materially different than terms that a reasonable offeror would offer had the offeror been aware of such circumstances at the time of commencement of the Offer.

The Offeror reserves the right (but shall be under no obligation) to waive, in whole or in part, all or any of the foregoing conditions.

Part B – Further Terms of the Offer

The following further terms apply, unless the context otherwise requires, to the Offer.

1. Scope of Offer

The Offer extends to up to twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD.

Pursuant to the Companies Law, any purchase of BSD Shares hereunder that would increase the voting rights of the Offeror in BSD to above forty five (45) per cent., is conditional upon the successful completion of a special tender offer in accordance with the provisions of the Companies Law. BSD Shares purchased in contravention of said provisions shall not confer any voting or economic rights and shall be deemed dormant shares.

If the outcome of the Offer is such that the purchase of BSD Shares duly tendered hereunder as at the final date for acceptance of the Offer would increase the voting rights of the Offeror in BSD to above forty five (45) per cent., and if the Offer is declared unconditional by the Offeror, then the Offeror will only purchase such number of BSD Shares that would not increase the voting rights of the Offeror in BSD to above forty five (45) per cent. (and to the extent applicable, such BSD Shares shall be purchased by the Offeror from the shareholders accepting this Offer *pro rata* to the number of BSD Shares validly tendered by such shareholders hereunder), subject to the terms and conditions set out in this Offer Document.

If, subject to the foregoing, the number of BSD Shares validly tendered hereunder exceeds in the aggregate twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD as at the expiration of the Offer Period and if the Offer is declared unconditional by the Offeror, then the Offeror will only purchase such number of BSD Shares that represents in the aggregate twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD as at the expiration of the Offer Period, which BSD Shares shall be purchased by the Offeror from the shareholders accepting this Offer *pro rata* to the number of BSD Shares validly tendered by them hereunder.

In accordance with Listing Rule 14.2.2 of the UK Financial Conduct Authority, at least twenty five (25) per cent. of the BSD Shares and Depository Interests must, on admission, be distributed to and continue to be held by the public (*i.e.*, held in ‘public hands’) in one or more EEA states. Accordingly, if the purchase of any of the Issued and Outstanding Share Capital of BSD as described above, would or could result in less than twenty five (25) per cent. of the BSD Shares and Depository Interests in issue at such time being held in public hands in one or more EEA states, the Offeror reserves the right to accept such additional tenders and reject or scale down any valid tenders, in each case (i) to the extent that to do so would preserve and not jeopardize BSD’s Main Market eligibility, and (ii) subject to the other terms and conditions set out in this document and in the Tender Form.

2. Acceptance period

- (a) The Offer will be open for acceptance until 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).
- (b) If a competing offer is made for shares or other securities (or equivalents thereof) or assets of any member of the BSD Group after the Offeror has made a statement that the Offer will not be extended and/or that the Offer will not be increased, the Offeror may, if it specifically reserved the right to do so at the time such statement was made, withdraw such statement and be free to extend and/or increase the Offer (as appropriate), provided that it announces such withdrawal within four business days after the announcement of the competing offer and notifies the holders of BSD Shares in writing thereof (or, in the case of shareholders with registered addresses outside the UK or whom the Offeror knows to be an agent, nominee, trustee or custodian holding BSD Shares for any such person, by an announcement in the UK) at the earliest opportunity.
- (c) The Offeror may, if it has reserved the right to do so, choose to withdraw a “no extension” or “no increase” statement if it would otherwise prevent the posting of an increased or improved Offer (either as to the value or form of the consideration offered or otherwise).
- (d) For the purpose of determining at any particular time whether the conditions for the Offer have been satisfied, the Offeror shall not be bound to take into account any BSD Shares which have been unconditionally allotted or issued before that time unless written notice of such unconditional allotment or issue containing all relevant details has been received before that time by Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU on behalf of the Offeror from BSD or its agents. Telex, facsimile transmission or other electronic transmission will not be sufficient for this purpose unless otherwise determined by the Offeror.

3. Announcements

- (a) By 8:00 a.m. (London time) on the next business day (the “**relevant day**”) following the day on which the Offer is due to expire or becomes unconditional or is revised or extended (as the case may be), the Offeror will make an appropriate announcement and simultaneously inform the London Stock Exchange of the position. Such announcement upon the expiration of the Acceptance Period will state the total number of BSD Shares (as nearly as practicable):
 - (i) for which acceptances of the Offer have been received;
 - (ii) acquired or agreed to be acquired by or on behalf of the Offeror during the Offer Period; and
 - (iii) held by or on behalf of the Offeror prior to the Offer Period;
 and the announcement will specify the percentage of the BSD Issued and Outstanding Share Capital represented by each of these figures.

Any decision to extend or revise the Offer may be made by the Offeror at any time up to, and will be announced not later than, 8:00 a.m. (London time) on the relevant day.

- (b) In this Part 2, references to the making of an announcement or the giving of notice by or on behalf of the Offeror include the release of an announcement by the Offeror, or by its public relations consultant on its behalf to the press and the delivery by hand, telephone, email, facsimile or other electronic transmission of an announcement to the London Stock Exchange. An announcement made otherwise than to the London Stock Exchange shall be notified simultaneously to the London Stock Exchange.

4. **Rights of Withdrawal**

- (a) An accepting shareholder may at any time withdraw his acceptance by written notice, received by Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU on behalf of the Offeror, prior to the expiration of the Acceptance Period. Except as provided by this paragraph 4, acceptances shall be irrevocable.
- (b) In this paragraph 4, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting shareholder. Notification by telex, email, facsimile transmissions or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to the Offeror or its agents to have been sent from, a Prohibited Territory will be treated as valid.
- (c) Any question as to the validity (including the time of receipt) of any notice of withdrawal will be determined by the Offeror whose determination will be final and binding. None of the Offeror or Capita or any other person will be under any duty to give notification of any defect in any notice of withdrawal or will incur any liability for failure to do so.

5. **Revised Offer**

- (a) Although no revision of the Offer is envisaged, if the Offer (in its original, current or any previously revised form(s)) is revised (either in its terms and conditions or in the value or form of the consideration offered or otherwise), which the Offeror reserves the right to do, and such revised Offer represents, on the date on which such revision is announced, an improvement or no diminution in the value of the Offer when compared with the consideration or terms previously offered or the overall value received and/or retained by shareholders, the benefit of the revised Offer will be made available to any shareholder that has validly accepted the Offer (in its original or previously revised form(s)) and who has not validly withdrawn such acceptance (a “**Previous Acceptor**”). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form(s) shall be deemed to be an acceptance of the Offer as so revised and shall also constitute the separate appointment of each of the Offeror and/or any of the Offeror’s directors as his attorney and/or agent with authority to accept any such revised Offer on behalf of such Previous Acceptor and if such revised Offer includes alternative forms of consideration, to make elections for and/or accept alternative forms of consideration on his behalf in the proportions as such attorney and/or agent in his absolute discretion thinks fit, and to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such things (if any) as may be required to give full effect to such acceptance and/or elections. The attorney and/or agent shall not be liable to any BSD Shareholder or Depository Interest Holder or any other person in making any such election and/or acceptance or in making any determination thereof.
- (b) The authorities and powers of attorney conferred by this paragraph 5 and any acceptance of a revised Offer and/or any election(s) pursuant thereto shall be irrevocable unless and until the Previous Acceptor is entitled to withdraw his acceptance under paragraph 4 above and duly does so.

- (c) The Offeror reserves the right to treat an executed Tender Form relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration as a valid acceptance of the revised Offer. Such acceptances shall constitute an authority and request in the terms of paragraph 5(a) of this Part B *mutatis mutandis* on behalf of the relevant shareholder.
- (d) The deemed acceptance and/or election referred to in paragraph 5(a) of this Part B shall not apply and the authorities conferred by that paragraph shall be ineffective to the extent that a Previous Acceptor lodges with Capita Asset Services, within 7 calendar days of the posting of the document containing the revised Offer and in any event by no later than 1:00 p.m. (London time) on the final date for acceptance of the Offer, a Tender Form (or other form validly issued by or on behalf of the Offeror) in which such shareholder validly elects to receive the consideration receivable by him under such revised Offer in some other manner.

6. General

- (a) The Offer will lapse unless all the conditions set out in Part A of this Part 2 have been satisfied or (if capable of waiver) waived by 1:00 p.m. (London time) on November 1, 2016 (or such later time(s) and/or date(s) as the Offeror may decide).
- (b) If the Offer lapses for any reason, the Offer will not be capable of further acceptance and the Offeror and the accepting shareholders will not be bound by any Tender Form submitted before the time the Offer lapses.
- (c) Settlement of the consideration to which any shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled as against such shareholder. The payment of any consideration due to any shareholder will be posted on the later to occur of (i) a date within 20 business days of the expiration of the Offer Period and (ii) a date within 20 business days after receipt from such shareholder of a valid and complete acceptance (including receipt of the relevant share certificate(s) and/or other document(s) of title or indemnity satisfactory to the Offeror). All payments will be made by cheque drawn on a branch of a UK clearing bank. No consideration will be sent to an address in a Prohibited Territory.

If the Offeror purchases less than all of the BSD Shares validly tendered by any shareholder, Capita Asset Services shall issue to such shareholder, in lieu of the certificates tendered by such shareholder hereunder, new certificates representing the number of BSD Shares held by such shareholder following the purchase by the Offeror from such shareholder pursuant to the Offer.

- (d) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Tender Form constitute part of the terms of the Offer. Words and expressions defined in this document shall have the same meanings when used in the Tender Form. The provisions of this Part 2 shall be deemed to be incorporated into the Tender Form.
- (e) Without prejudice to any other provision of this Part 2, the Offeror reserves the right to treat a Tender Form as valid even though not entirely in order or not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title, or if received by it or on its behalf at any place or places or in any manner determined by it otherwise than as specified in this document or in the Tender Form.
- (f) The Offer shall not become unconditional unless and until Capita Asset Services has issued a certificate to the Offeror (or its agent) which states the number of BSD Shares in respect of which acceptances have been received which comply with paragraph 7 of this Part B. Copies of such certificate will be sent to the Offeror as soon as possible after it has been issued.

- (g) All references in this document and in the Tender Form to November 1, 2016 shall, except where the context otherwise requires, be deemed, if the expiry date of the Offer has been extended, to refer to the expiry date of the Offer as so extended.
- (h) Any omission to despatch this document, the Tender Form, the Tax Declaration Form or any other document or notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is or should be made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Save as provided in paragraph 7 of this Part B, the Offer extends to any holder of BSD Shares to whom this document, the Tender Form, the Tax Declaration Form and/or any related documents may have not been despatched, and such persons may download copies of those documents via the links below:
- <https://www.dropbox.com/s/pq2e0kuysb2aj86/Tender%20Form-Sep%202020-Clean.pdf?dl=0>
- <https://www.dropbox.com/s/l19boe10kxpvno0/Tax%20Declaration%20Form.pdf?dl=0>
- (i) If the Offer lapses for any reason, completed Tender Forms and Tax Declaration Forms (together with any share certificate(s) and/or other document(s) of title or evidence thereof) will be returned by post within 14 business days of the Offer lapsing, at the risk of the person entitled thereto, to the person or agent whose name and address is set out in Box 5 on the Tender Form or, if none is set out there, to the sole or first-named holder at the address as set out in Box 1 on the Tender Form or, if none is set out there, to the sole or first-name registered holder at his registered address (in all cases outside the Prohibited Territories).
- (j) All powers of attorney, appointments as agents and authorities on the terms conferred by or referred to in this Part 2 or in the Tender Form are given by way of security for the performance of the obligations of the shareholder concerned and are irrevocable for so long as any obligations remain outstanding, unless and until the donor of such power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 4 above.
- (k) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from a shareholder will be delivered by or sent to or from him (or his designated agents) at his risk. No acknowledgement of receipt of any Tender Form, Tax Declaration Form, communication by notice, share certificate and/or other document of title will be given by or on behalf of the Offeror.
- (l) The Offer and all acceptances of it, this document and the Tender Form, and all contracts made pursuant to the Offer and all actions, taken or made or deemed to be taken or made under any of the foregoing, shall be governed by and construed in accordance with Israeli law and subject to the jurisdiction of the Israeli Courts.
- (m) The Offer is made on September 20, 2016 and is capable of acceptance from and after that time and until expiration of the Offer Period. Subject to paragraph 7(a) of this Part B, the Offer is being made solely by means of this document.
- (n) All references in this document to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (o) Neither the Offeror nor any of its agents or directors nor any of its advisers nor any person acting on the Offeror's behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances or otherwise in connection therewith.

7. Overseas shareholders

- (a) The Offeror reserves the right to notify any matter in this document, including the making of the Offer, to all or any BSD Shareholder(s) or Depository Interest Holder(s) with registered addresses outside the United Kingdom or whom the Offeror knows to be nominees, trustees or custodians of persons who are citizens, residents or nationals outside the United Kingdom by announcements, or by paid advertisements circulated in the United Kingdom, in which event such notice shall be deemed to have been sufficiently given, notwithstanding any failure by any such BSD Shareholder(s) or Depository Interest Holder(s) to receive such notice, and all references in this document to notice in writing by or on behalf of the Offeror and/or its agents shall be construed accordingly.
- (b) **IF YOU ARE AN OVERSEAS BSD SHAREHOLDER OR DEPOSITORY INTEREST HOLDER AND YOU ARE IN ANY DOUBT ABOUT YOUR POSITION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER IN THE RELEVANT JURISDICTION.** The making of the Offer in, or to persons resident in or nationals or citizens of, jurisdictions outside the United Kingdom or to persons who are, or are nominees of, or custodians or trustees for, citizens, residents or nationals of countries outside the United Kingdom (“**Overseas Shareholders**”) may be prohibited or affected by the laws of the relevant overseas jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. No person receiving a copy of this document, the Tender Form or the Tax Declaration Form, in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such documents, if in the relevant jurisdiction, such an invitation or offer cannot lawfully be made to him or such documents cannot lawfully be used without contravention of any relevant registration or other legal requirements. It is the responsibility of any such person receiving a copy of these documents and wishing to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such person will be responsible for payment of any issue, transfer or other taxes or duties due by whomsoever payable and shall fully indemnify and hold harmless the Offeror in relation thereto. No steps have been taken to register or qualify the Offer or authorise the extending of the Offer or the distribution of this document or any accompanying Tender Form, Tax Declaration Form and any related documents in any territory outside the United Kingdom.
- (c) The Offer is not being made, directly or indirectly, in or into or by use of the mails of, or by any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of any Prohibited Territory and the Offer cannot be accepted by any such use, means or instrumentality or otherwise from any Prohibited Territory. Such means or instrumentalities include, but are not limited to, email, facsimile transmission, telex, telephone and internet.
- (d) Copies of this document, the Tender Form, the Tax Declaration Form and any related documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from any Prohibited Territory, including (without limitation) to shareholders with registered addresses in Prohibited Territories or to custodians, nominees and trustees holding BSD Shares for any such persons. Persons receiving such documents (including, without limitation, custodians, trustees and nominees) must not distribute or send them in or into any Prohibited Territory or use mails in the Prohibited Territories or any such means or instrumentality for any purposes directly or indirectly in connection with the Offer and so doing may invalidate any purported acceptance of the Offer. Envelopes containing Tender Form(s), Tax Declaration Form(s) and any other accompanying documents should not be postmarked in any Prohibited Territory or otherwise despatched from any Prohibited Territory, and all acceptors must provide

addresses outside the Prohibited Territories for the return of Tender Form(s), Tax Declaration Form(s), share certificate(s) and/or other document(s) of title and remittance of cash.

- (e) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form, the Tax Declaration Form or any related documents in, into or from any Prohibited Territory or uses the mails of, or any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of any Prohibited Territory in connection with such forwarding, such person should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action will invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 7.
- (f) The provisions of this paragraph 7 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific BSD Shareholders or Depository Interest Holders or on a general basis at the absolute discretion of the Offeror. Subject thereto, the provisions of this paragraph 7 supersede any terms of the Offer inconsistent therewith.
- (g) The undertakings representations and warranties set out in paragraphs (d) and (e) of Part C of this Part 2 are deemed to be given by any shareholder who completes a Tender Form.
- (h) Without derogating from the foregoing, any shareholder will be deemed not to have validly accepted the Offer if:
 - (i) such shareholder is unable to give the relevant representations and warranties set out in paragraphs (d) and (e) of Part C of this Part 2 (as appropriate);
 - (ii) such shareholder completes Box 5 of the relevant Tender Form with an address in a Prohibited Territory or has a registered address in a Prohibited Territory and in either case such shareholder does not insert in Box 5 of the Tender Form the name and address of a person or agent outside the Prohibited Territories to whom such shareholder wishes the consideration to which such shareholder is entitled under the Offer to be sent, subject to the provisions of this paragraph (h) and any applicable laws; or
 - (iii) the Tender Form, received from such shareholder is in an envelope postmarked in, or otherwise appears to the Offeror or its agents to have been sent from a Prohibited Territory.

The Offeror reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the relevant representations and warranties set out in paragraphs (d) and (e) of Part C of this Part 2 given by the relevant shareholder are correct and to treat any acceptance as invalid if it believes such acceptance may violate applicable legal or regulatory requirements.

Part C – Tender Forms

Each shareholder by whom, or on whose behalf, a Tender Form is executed irrevocably, undertakes, represents, warrants and agrees to and with the Offeror (so as to bind such shareholder and the personal representatives, executors, heirs, successor and assigns thereof) to the following effect:

- (a) that the execution of a Tender Form shall constitute:
 - (i) an acceptance or deemed acceptance of the Offer in respect of the number of BSD Shares inserted or deemed to be inserted in Box 2 of the Tender Form;
 - (ii) if Box 2 of the Tender Form is left blank, or a number greater than such shareholder's registered holding appears in Box 2, an acceptance by such shareholder of the Offer in respect of the

number of BSD Shares represented by the share certificate(s) provided with the Tender Form;
and

- (iii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing.

in each case on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Part 2, each such acceptance shall be irrevocable;

- (b) that the Offeror or its agents are authorised to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any documents and/or give any such further assurances as may be required to enable the Offeror to obtain full benefit of the acceptance and/or to perfect any of the authorities expressed to be given hereunder, in each case on and subject to the terms and conditions set out or referred to in this document or the Tender Form;
- (c) that such shareholder is irrevocably and unconditionally entitled to transfer the BSD Shares in respect of which the Offer is accepted or deemed to be accepted and that the BSD Shares in respect of which the Offer is accepted or deemed to be accepted are sold fully paid, with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption, third party rights and other interests and together with all rights attaching thereto, including the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid after the date of this document;
- (d) that, unless "No" is indicated in Box 4 of the Tender Form, such shareholder has not received or sent copies or originals of this document, the Tender Form, the Tax Declaration Form or any related documents, in, into or from any Prohibited Territory and has not used in connection with the Offer or the execution or delivery of the Tender Form or Tax Declaration Form, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, email or telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Prohibited Territory, and that the Tender Form has not been signed in a Prohibited Territory and such shareholder is accepting the Offer from outside the Prohibited Territories;
- (e) that, unless "No" is indicated in Box 4 of the Tender Form, such shareholder is not a resident of a Prohibited Territory, does not hold any BSD Shares on behalf of a resident of a Prohibited Territory and is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such principal has given all instructions with respect to the Offer from outside the Prohibited Territories;
- (f) that the execution and delivery of a Tender Form constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of the Offeror and/or any director of the Offeror as such shareholder attorney and/or agent (attorney) and an irrevocable instruction to the attorney to:
- (i) complete and execute all or any form(s) of transfer (including a stock transfer form) and/or other document(s) at the attorney's discretion in relation to the BSD Shares referred to in paragraph (a) of this Part C in respect of which an accepting shareholder has not validly withdrawn his acceptance, in favour of the Offeror or as the Offeror may direct, and to deliver such form(s) of transfer (including a stock transfer form) and/or other document(s) at the attorney's discretion together with any certificate(s) and/or other document(s) relating to such BSD Shares, for registration within six months of the Offer becoming unconditional in all respects; and
- (ii) execute all such other documents and do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with, the acceptance or deemed acceptance of the Offer and to vest in the Offeror or its nominee the BSD Shares as aforesaid;

- (g) that the execution and delivery of the Tender Form constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the shareholder not having validly withdrawn his acceptance, a separate irrevocable instruction, authority and request:
- (i) to BSD or its agents to procure the registration of the transfer of the BSD Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to the Offeror or as it may direct;
 - (ii) to the Offeror or its agents to procure the despatch by post of a cheque drawn on the branch of a UK clearing bank in respect of the consideration to which such shareholder is entitled under the Offer, at the risk of such shareholder, to the person or agent whose name and address is set out in Box 5 on the Tender Form or, if none is set out there, to the sole or first-named registered holder at the address set out in Box 1 on the Tender Form or, if none is set out there, to the sole or first-name registered holder at his registered address (outside of the Prohibited Territories); and
 - (iii) to the Offeror, BSD or their respective agents, to record and act on any instruction with regard to payments or notices which have been entered in the records of BSD in respect of such shareholder's holding of BSD Shares;
- (h) that the execution of the Tender Form constitutes the irrevocable appointment of the Offeror and/or any director or agent of the Offeror as such shareholder's attorney and/or agent within the terms of paragraph 5 of Part B of this Part 2 and this Part C with authority to execute any further documents and give any further assurances which may be required in connection with the matters referred to in paragraph 5 of Part B of this Part 2 and this Part C;
- (i) that, after the Offer becomes unconditional in all respects (or, if the Offer would become unconditional in all respects or lapse immediately upon outcome of the resolution in question) and in such other circumstances as the Offeror may request, in respect of BSD Shares in respect of which the Offer has been accepted or is deemed to be accepted, which acceptance has not been validly withdrawn, and which have not registered in the name of the Offeror:
- (i) the Offeror or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisite the convening of any general meeting of BSD or of any class of its shareholders) attaching to any such BSD Shares;
 - (ii) the execution of a Tender Form with regard to such BSD Shares shall constitute:
 - A. an authority to the Offeror and/or its agents from such shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a shareholder to the Offeror at its registered office;
 - B. an authority to the Offeror and/or its agents from such shareholder to sign any consent to short notice of a general meeting or separate class meeting on such shareholder's behalf and/or to execute a form of proxy in respect of such BSD Shares appointing any person nominated by the Offeror to attend any general meetings and separate class meetings of BSD or its shareholders (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such BSD Shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - C. the agreement of such shareholder not to exercise any of such rights without the consent of the Offeror and the irrevocable undertaking of such shareholder not to appoint a proxy or corporate representative for or to attend any such general meeting or separate class meeting;
- (j) that such shareholder will deliver (or procure delivery) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, his share certificate(s) or other

document(s) of title in respect of all BSD Shares held by such shareholder in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to the Offeror instead thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;

- (k) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Tender Form, which shall be read and construed accordingly;
- (l) that, subject to the Offer becoming unconditional in all respects, such shareholder shall promptly following request by or on behalf of the Offeror do all such acts and things as shall be necessary or expedient to vest in the Offeror or its nominees the BSD Shares in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, and accordingly grants power(s) of attorney and authorities on the terms conferred by or referred to in this Part C which are given by way of security for the performance of the obligations of such person and which are irrevocable;
- (m) that such shareholder will ratify each and every act, or thing, which may be done or effected by the Offeror or any director of the Offeror and/or its agents or attorneys in the exercise of any of the powers and/or authorities hereunder and to indemnify each such person against losses arising therefrom;
- (n) that the execution of the Tender Form constitutes such shareholder's irrevocable submission, in relation to the Offer, the Tender Form or other matters arising in relation thereto, to the jurisdiction of the Courts of the State of Israel and such shareholder's agreement that nothing shall limit the right of the Offeror to bring any action, suit or proceeding arising out of or in connection with the Offer or the Tender Form in any other manner permitted by law or in any court of competent jurisdiction;
- (o) that the Tender Form shall take effect as a deed on the date of its execution; and
- (p) that if any provisions of the Tender Form and/or of Part B or Part C of this Part 2 shall be unenforceable or invalid or will not operate so as to afford the Offeror or any director or duly authorised representative of the Offeror (or nominees thereof) the benefit of the authorities and powers of attorney expressed to be given therein or herein, such shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required or desirable to enable those persons to secure the full benefits of the Tender Form and of Part B and Part C of this Part 2.

References in this Part 2 to a shareholder (including a BSD Shareholder and/or Depository Interest Holder) shall include references to the person or persons executing a Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this Part 2 shall apply to such persons jointly and severally.

Part 3

Additional Information

1. Responsibility

The Offeror accepts responsibility for the information contained in this document that relates to the terms of the Offer and to the Offeror, and to the best of the knowledge and belief of the Offeror such information is in accordance with the facts. The information about BSD or any member of the BSD Group (including all financial information about such members and their business and historical price information relating to the BSD shares) has been compiled by the Offeror from publicly available sources and the Offeror has ensured that such information has been correctly extracted and presented herein, but the Offeror does not assume any responsibility with respect to its accuracy or completeness.

2. Directors

For information on the directors of the Offeror, please see paragraph 4 of the Letter in Part 1 of this document.

3. Disclosure of interest and dealings

As at the date hereof, the Offeror holds approximately 2.5% of the Issued and Outstanding Share Capital of BSD, and its parent company, Y.M Dekel holds approximately 15% of the Issued and Outstanding Share Capital of BSD.

Joseph Williger, the sole director of each of the Offeror and Y.M Dekel, and also owner of 99.8% of Y.M Dekel, does not directly hold any of the Issued and Outstanding Share Capital of BSD.

4. Market quotations

The following table shows the Closing Quotations for the BSD Shares, as derived from the Daily Official List, on the first dealing day of each month from November 2, 2015 to April 1, 2016, inclusive, and on April 29, 2016 (being the last day of trading before trading in BSD Shares was suspended).

<i>Date</i>	<i>Price (pence)</i>
November 2, 2015	18
December 1, 2015	16.25
January 4, 2016	17.38
February 1, 2016	22
March 1, 2016	23.5
April 1, 2016	23.5
April 29, 2016	25.12

The highest and lowest Closing Quotations for the BSD Shares, as derived from the Daily Official List, during the 12-month period prior to the date of this document were 25.75 Pence (on April 15, 2016) and 14.5 Pence (on January 6, 2016).

5. United Kingdom taxation

The following statements are only intended as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of the Offer. They are based on current UK legislation and what is understood to be current Her Majesty's Revenue and Customs practice as at the date of this document, both of which are subject to change, possibly with retrospective effect. They apply only to BSD Shareholders or Depository Interest Holders who (a) are resident (and, in the case of individuals, domiciled) in (and only in) the UK for UK tax purposes (except in so far as express reference is made to the treatment of non-UK residents); (b) hold their BSD Shares and Depository Interests as an investment (other than under a self-invested personal pension plan or an individual savings account); and (c)

are the absolute beneficial owners of their BSD Shares or Depository Interests. The tax positions of certain types of BSD Shareholders or Depository Interest Holders (such as charities, persons holding their BSD Shares or Depository Interest in the course of a trade, persons who have or could be treated for tax purposes as having acquired their BSD Shares or Depository Interest by reason of their employment, persons who are exempt from tax, collective investment schemes and insurance companies) are not considered. **This paragraph is not intended to be and should not be construed to be legal or taxation advice. If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser without delay.**

(a) *UK taxation of chargeable gains*

The transfer of BSD Shares by a shareholder pursuant to the Offer will constitute a disposal for the purposes of UK taxation of chargeable gains (“UK CGT”) which may, depending on the shareholder’s particular circumstances (including the shareholder’s base cost in his holding of BSD Shares or Depository Interests), give rise to a chargeable gain or an allowable loss for UK CGT purposes.

(b) *Individual BSD Shareholders or Depository Interest Holders*

Subject to the availability of reliefs, exemptions or allowable losses, a gain arising on a disposal of BSD Shares by a shareholder who is an individual will be taxed at a rate of 10 per cent. to 20 per cent. (subject to the changes announced in the UK Budget on March 16, 2016 being implemented in the Finance Act 2016), depending on the shareholder’s individual circumstances.

No indexation allowance will be available to a shareholder who is an individual in respect of a disposal of BSD Shares. However, the capital gains tax annual exemption (which is £11,100 for individuals in the 2016/17 tax year) will be available to offset any chargeable gain, to the extent that it has not already been utilised.

Where a shareholder is an individual who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty (“Treaty non-resident”) for a period of five years or less (or, for departures before 6 April 2013, ceases to be resident or ordinarily resident or becomes Treaty non-resident for a period of less than five tax years) and the disposal of his BSD Shares pursuant to the Offer takes place during that period that shareholder may be liable to capital gains tax on his return to the UK, subject to any available exemptions or reliefs.

(c) *Corporate shareholders*

For shareholders within the charge to UK corporation tax, indexation allowance may be available to reduce any chargeable gain arising on the disposal of BSD Shares, but not to create or increase any allowable loss.

The substantial shareholding exemption may apply to exempt from UK corporation tax any gain or loss arising to a BSD Shareholder or Depository Interest Holder which is within the charge to UK corporation tax where a number of conditions are satisfied, including that the relevant BSD Shareholder or Depository Interest Holder has held not less than 10 per cent. of the ordinary share capital of BSD for a continuous period of at least one year beginning not more than two years before the date on which the disposal takes place. Any shareholder that considers that the substantial shareholding exemption may apply should obtain separate advice.

(d) *UK stamp duty and stamp duty reserve tax (“SDRT”)*

No stamp duty or SDRT will be payable by shareholders as a result of a transfer of the BSD Shares pursuant to the Offer.

6. Israeli Taxation

The following is a general summary of the material Israeli income tax consequences to BSD Shareholders and Depository Interest Holders as a result of accepting the Offer. The following summary is included for

general information purposes only, is based on current Israeli tax law, and should not be viewed as tax advice to any particular BSD Shareholder or Depository Interest Holder. No assurance can be given that the analysis made and the views contained in this summary, as well as the classification of the transaction for Israeli tax purposes as set forth below will be upheld by the tax authorities, nor that new or future legislation, regulations or interpretations will not significantly change the tax considerations described below, and any such change may apply retroactively. This summary does not discuss all material aspects of Israeli tax consequences that may apply to particular BSD Shareholders or Depository Interest Holders in light of their particular circumstances, such as investors subject to special tax rules (e.g., financial institutions, tax-exempt organizations, partnerships or other pass-through entities, insurance companies, or dealers or brokers in stocks and securities).

It is recommended that BSD Shareholders and Depository Interest Holders review the tax aspects associated with the Offer, acceptance thereof or acts which may follow the same, *inter alia*, by receiving specific professional advice on such matters, in accordance with the specific particulars and circumstances of each such BSD Shareholder or Depository Interest Holder. Notwithstanding the foregoing, BSD Shareholders and Depository Interest Holders should be advised of the following withholding tax implications:

(a) ***Withholding Tax – General***

In general, under the Israeli Income Tax Ordinance [New Version], 1961, and the rules and regulations promulgated thereunder (the “**Israeli Tax Ordinance**”), the disposition of shares of a company is deemed to be a sale of capital assets, unless such shares are held for the purpose of trading. The Israeli Tax Ordinance generally imposes a capital gains tax on the sale of capital assets located in Israel, including shares in a non-Israeli resident company whose main assets are, direct or indirect, rights in assets located in Israel, by both residents and non-residents of Israel for tax purposes, unless a specific exemption is available or unless a double taxation prevention treaty between Israel and the seller’s country of residence provides otherwise.

(b) ***Withholding Tax – Israeli Residents***

Without derogating from the generality of the aforesaid, the Offeror draws the attention of BSD Shareholders or Depository Interest Holders who are Israeli residents for tax purposes (“**Israeli Residents**”), to the fact that consideration received from the sale of BSD Shares pursuant to this Offer is subject to withholding tax at source at the rate of twenty five (25) per cent., with respect to individuals and companies (unless such BSD Shareholders or Depository Interest Holders deliver to Capita Asset Services, in the manner described below, an exemption from such withholding or instructions from the Israel Tax Authority (the “**ITA**”) as to a lower withholding tax rate).

(c) ***Withholding Tax – Non Israeli Residents***

According to the Israeli Tax Ordinance, non-Israeli Residents should be exempt from Israeli capital gains tax on any gains derived from the sale of their shares pursuant to the Offer, provided that (i) they purchased the BSD Shares or Depository Interests upon or after the admission thereof to the London Stock Exchange, (ii) such gains are not derived from a permanent establishment of such shareholders in Israel, and (iii) they obtained an exemption certificate from the ITA. However, a non-Israeli corporate shareholder will not be entitled to such exemption, if Israeli residents (a) have, directly or indirectly, a controlling interest of 25% or more in such non-Israeli corporation or (b) are the beneficiaries of or are entitled to 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly.

(d) ***Withholding Tax – Ruling***

The Offeror filed with the ITA an application for a withholding tax ruling. Based on similar offers previously consummated, the Offeror expects such ruling, if and when it is obtained, to provide, among other things, that:

- (1) payments to be made to shareholders who certify in the Tax Declaration Form that they (i) acquired their BSD Shares and/or Depository Interests upon or after the admission thereof to the alternative investment market of the London Stock Exchange in October 1996, and (ii) are non-Israeli Residents and are not “5% shareholders” (as defined below), and deliver such fully completed and signed Tax Declaration Form to Capita Asset Services, will not be subject to Israeli withholding tax;
- (2) payments to be made to eligible Israeli brokers or Israeli financial institutions on behalf of shareholders who certify in the Tax Declaration Form that they are eligible Israeli brokers or Israeli financial institutions and deliver such fully completed Tax Declaration Form to Capita Asset Services, will not be subject to Israeli withholding tax, and the relevant Israeli broker or Israeli financial institution will withhold Israeli tax, if any, as required by Israeli law; and
- (3) payments to be made to shareholders who are not described in clauses (1) and (2) above will be subject to Israeli withholding tax at the fixed rate of 25% of the gross proceeds payable to them pursuant to the Offer.

Notwithstanding the foregoing, should any shareholders present Capita Asset Services with a valid certificate of exemption or tax determination from the ITA applying withholding tax at a lesser rate than that described above or otherwise granting a specific exemption from Israeli withholding tax, the Offeror will act in accordance with such certificate or determination.

A “**5% shareholder**” is a shareholder who holds or is entitled to purchase, directly or indirectly, alone or together with a “relative” thereof, one or more of the following: (i) at least 5% of the issued and outstanding share capital of the company, (ii) at least 5% of the voting rights of the company, (iii) the right to receive at least 5% of the company’s profits or its assets upon liquidation, and (iv) the right to appoint a director/manager. A “**relative**” of a person means the spouse, brother, sister, parents, grandparents, descendants and the descendants of the spouse of such person, and the spouse of any of the foregoing.

The above is an un-official English translation of the Israeli Tax Ordinance in the Hebrew language, and is provided for convenience purposes only. Please consult your own tax advisors to determine the applicability of these definitions to you.

NOTE THAT THERE IS NO ASSURANCE THAT SUCH TAX RULING WILL BE OBTAINED FROM THE ITA PRIOR TO THE EXPIRATION OF THE OFFER PERIOD, NOR THAT, IF IT IS OBTAINED, IT WILL PROVIDE THE FOREGOING. IF SUCH TAX RULING IS NOT OBTAINED PRIOR TO SUCH TIME, THE OFFEROR SHALL DEDUCT FROM THE CONSIDERATION PAYABLE FOR EACH BSD SHARE WITHHOLDING TAX AT THE RATE OF TWENTY FIVE (25) PER CENT OR IN ACCORDANCE WITH OTHER INSTRUCTIONS PROVIDED BY THE ITA; IF SUCH TAX RULING IS OBTAINED PRIOR TO THE EXPIRATION OF THE OFFER PERIOD BUT PROVIDES OTHER INSTRUCTIONS THAN THOSE DESCRIBED ABOVE, THE OFFEROR SHALL COMPLY WITH SUCH TAX RULING.

The Offeror (in its sole discretion) reserves the right to reject any Tax Declaration Form, or certificate from the ITA received from shareholders which is incomplete, inconsistent, unclear or otherwise unusable.

7. Other information

- (a) Save as disclosed in this document, no agreement or understanding (including any compensation arrangement) having any connection with or dependence upon the Offer exists between the Offeror or, to the knowledge of the Offeror, any party acting in concert with the Offeror and any of the directors or recent directors, shareholders or recent shareholders of BSD.
- (b) Save as disclosed in this document, there is no current agreement, arrangement or understanding, whereby the beneficial ownership of any BSD Shares acquired by the Offeror in pursuance of the Offer will be transferred to any other person, save that the Offeror reserves the right to transfer any such shares to any of its subsidiaries or other group companies, and the

right to assign any such BSD Shares by way of security, or grant any other security interest over such BSD Shares.

- (c) DS&C has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

September 20, 2016

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Acceptance Period” or “Offer Period”	the period commencing on September 20, 2016 and ending on the latest of the following dates: <ul style="list-style-type: none"> (i) 1:00 p.m. (London time) on November 1, 2016; (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes unconditional in all respects.
“Acquisition Proposal”	a proposal for (i) a transaction or series of transactions pursuant to which any person or group of persons acquires or would acquire beneficial ownership of more than 25 per cent. of the outstanding voting power of BSD, whether from the BSD shareholders or from BSD, or pursuant to a tender offer, exchange offer or otherwise; (ii) a merger, consolidation, business combination, reorganization or share exchange pursuant to which any person or group of persons acquires or would acquire beneficial ownership of more than 25 per cent. of the outstanding voting power of BSD; or a recapitalization, liquidation, dissolution or similar transaction involving BSD; (iii) any transaction or series of transactions which would result in any third party, un-affiliated with BSD, acquiring more than 25 per cent. of the fair market value of the assets of BSD immediately prior to such transaction (whether by purchase of assets, acquisition of stock or otherwise); or (iv) any combination of the foregoing
“Australia”	the Commonwealth of Australia, its territories and possessions
“BSD” or “Company”	B.S.D Crown Ltd., Company No. 520042920
“BSD Group”	BSD and its subsidiaries
“BSD Share(s)”	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.01 New Israeli Shekels each in the share capital of BSD and any further shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) prior to the date on which the Offer closes including any such shares unconditionally allotted or issued pursuant to the exercise of options granted under the BSD Share Scheme
“BSD Shareholder”	a holder of BSD Shares in certificated form
“BSD Share Scheme”	the share option scheme adopted by BSD in 2001
“Canada”	Canada, its province and territories and all areas subject to its jurisdiction and any political subdivision thereof
“Capita” or “Capita Asset Services”	a trading division of Capita Registrars Limited
“Closing Quotation”	closing price as derived from the Daily Official List
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)
“Depository Interest” or “DI”	depository interest in BSD Shares

“Depository Interest Holder”	a holder of Depository Interests in CREST
“DS&C”	Daniel Stewart & Company plc
“Euroclear”	Euroclear UK & Ireland Limited., the operator of CREST
“Issued and Outstanding Share Capital”	the issued and outstanding share capital of BSD, being 109,990,252 BSD Shares as at the date of this document (which for the avoidance of doubt, excludes the Treasury Shares)
“Japan”	Japan, its cities and prefectures, territories and possessions
“Listing Rules”	in accordance with sections 73A(1) and 73A(2) of the Financial Services and Markets Act 2000 (as amended) the rules relating to admission to the Official List of the UK Financial Conduct Authority
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the main market of the London Stock Exchange
“Offer”	the cash offer being made by the Offeror to acquire up to twenty (20) per cent. of the Issued and Outstanding Share Capital of BSD, on the terms and subject to the conditions described in this document and the Tender Form, including (where the context permits) any subsequent revision, variation, renewal or extension thereof
“Offer Document”	this document addressed to BSD Shareholders and Depository Interest Holders
“Offeror”	Yossi Willi Management and Investments Ltd.
“Prohibited Territory” or “Prohibited Territories”	any or all of the United States, Canada, Australia, Japan, the Republic of South Africa and their respective territories and possessions and any other jurisdiction where making this Offer or forwarding or transmitting this Offer in or into such jurisdiction would constitute a violation of the relevant laws in such jurisdiction
“Regulations”	the Uncertified Securities Regulations 2001 (SI 2001 No, 3755) as amended, and any applicable rules made under these Regulations
“Superior Proposal”	any written Acquisition Proposal that, (i) provides to the shareholders of BSD a value that exceeds the cash amount to be paid under this Offer or (ii) would result in a transaction, if consummated, that would be more favourable to the shareholders (taking into account all facts and circumstances, including all legal, financial, regulatory and other aspects of the proposal and the identity of the offeror) than the consideration payable to the shareholders under this Offer
“Tax Declaration Form”	the tax declaration form relating to the Offer, accompanying the Offer document, which is to be completed by or on behalf of the beneficial holders of BSD Shares
“Tax Ordinance”	the Israeli Income Tax Ordinance (New Version) 1961
“Tender Form”	the tender form that accompanies this document

“Treasury Shares”	the 30,587,902 existing issued but not allotted ordinary shares of 0.01 New Israel Shekels each in the share capital of BSD held by BSD in its treasury
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“un-certificated” or “in un-certificated form”	recorded on the register of members of BSD as being held in un-certificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America (including the states of the United States of America and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used herein.

All references to times and dates in this document and the accompanying Tender Form are to London times and dates.

All references to legislation and statutes in this document and the accompanying Tender Form, unless otherwise noted, are to UK legislation and statutes.

