

**23 July 2012**

**Amiad Water Systems Ltd.  
("Amiad" or the "Company")**

**Notice of AGM**

Amiad, a leading global producer of water treatment and filtration solutions, gives notice that the Annual General Meeting of the Company is to be held at 11.00am BST on Tuesday 28 August 2012 at the offices of Speechly Bircham LLP, 6 New Street Square, London EC4A 3LX, England, to consider the following resolutions:

- to discuss the Company's financial statements and annual report for the year ended 31 December 2011.
- to re-appoint Kesselman & Kesselman as the Company's auditors and to authorise the directors of the Company to fix their remuneration.
- to re-elect the following directors of the Company who retire but who are offering themselves for re-election to hold office until the conclusion of the next AGM (and are eligible to do so):
  - Mr Tal Yeshua;
  - Mr Dan Falk;
  - Mr Zeev Holender;
  - Mr Harel Beit-On;
  - Dr Izhar Ben-Shlomo;
  - Ms Osnat Ronen;
  - Mr Arie Dayan;
  - Mr Amos Shalev; and
  - Mr Shmuel Dudai.
- to approve an increase in the monthly gross remuneration of the Chairman of the Board, Mr Tal Yeshua, from NIS 45,000 to NIS 47,500.
- to approve a bonus of NIS 110,000 for the Chairman of the Board, Mr Tal Yeshua, in respect of the year 2011.
- to approve an increase in the monthly gross remuneration (not including social benefits) of the CEO and director of the Company, Mr Arie Dayan, from NIS 75,000 to NIS 83,000 with effect as of 1 April 2012.
- to approve the participation of Mr Arie Dayan in the Company's staff bonus scheme (the "Company's Bonus Scheme").
- to approve the participation of Kibbutz Beit Zera in the Company's Bonus Scheme, and that such a bonus shall include the proportion of the bonus pool payable to employees of Kibbutz Beit Zera under the approved Company's Bonus Scheme and in accordance with the terms of the human resources services agreement by and between the Company and Kibbutz Beit Zera dated 28 April 2010.

- to increase the registered share capital of the Company from NIS 11,500,000 to NIS 12,000,000 divided into 24,000,000 ordinary shares of NIS 0.5 par value each in the capital of the Company and to approve the amendment of clause 6 of the Company's Articles of Association regarding the registered share capital of the Company.
- to approve the grant of 50,000 options exercisable into 50,000 ordinary shares of NIS 0.5 par value each in the capital of the Company to the Chairman of the Board, Mr Tal Yeshua.
- to approve the grant of 125,000 options exercisable into 125,000 ordinary shares of NIS 0.5 par value each in the capital of the Company to Mr Arie Dayan.
- to approve that the Company may satisfy the requirement under Rule 19 of the AIM Rules for Companies to send its annual audited accounts to its shareholders by sending such accounts to its shareholders by electronic communication, subject to the Company complying with the other rules in relation to electronic communications as set out in the Guidance to the AIM Rules for Companies, as well as the Company's constitution and any legal requirements in its jurisdiction of incorporation.
- to authorise the Company to extend its directors' and officers' liability insurance policy for a 12 month period ending on 31 July 2013 to USD 20,000,000 at an annual cost of up to USD 50,000.

Further information on the resolutions can be found in the Notice of AGM circular that has been posted to shareholders of the Company, along with forms of proxy and direction, and is available on Amiad's website at: [www.amiad.com](http://www.amiad.com).

#### **Enquiries:**

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