

**25 July 2011**

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

**Notice of AGM**

Amiad, the producer and global supplier of water filters and filtration systems for the industrial, municipal and irrigation markets, gives notice that the Annual General Meeting of the Company is to be held at 11.00am BST on Thursday 1 September 2011 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 2010.
- 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; and  
Mr Amos Shalev.

- to appoint Mr Shmuel Dudai as a director of the Company.
- to approve the terms of appointment and remuneration of Mr Shmuel Dudai as a director of the Company, as set out in his draft letter of appointment to be entered into by the Company and Mr Shmuel Dudai.
- to approve the entering into of an indemnification agreement between the Company and Mr Shmuel Dudai, in a form to be produced to the AGM (which shall be substantially in the form previously approved by the shareholders of the Company in respect of existing directors).
- to approve and ratify the sub-lease agreement by and between the Company and Kibbutz Amiad – Cooperative Agricultural Society ("Kibbutz Amiad") dated 30 June 1998, as amended by an addendum dated 24 November 2005 (the "Amiad Lease Agreement"), and to approve certain amendments to the Amiad Lease Agreement.
- to approve and ratify the services agreement by and between the Company and Kibbutz Amiad dated June 1998, as amended by an addendum dated 24

November 2005 (the “Amiad Services Agreement”), and to approve an amendment to the Amiad Services Agreement.

- to approve and ratify the sub-lease agreement by and between the Company’s subsidiary, Arkal Filtration Systems Cooperative Agricultural Society (“Arkal”), and subsidiaries of Kibbutz Beit Zera (“Beit Zera”) dated 28 April 2010 (the “Beit Zera Lease Agreement”), and to approve certain amendments to the Beit Zera Lease Agreement.
- to approve and ratify the services agreement by and between Arkal and Beit Zera dated 28 April 2010 (the “Beit Zera Services Agreement”), and to approve an amendment to the Beit Zera Services Agreement.
- to approve and ratify the human resources services agreement by and between Arkal and Beit Zera dated 28 April 2010 (the “Beit Zera HR Agreement”).
- to approve a bonus of NIS 169,000 for the Chairman of the Board, Mr Tal Yeshua, in respect of the year 2010.
- to approve the entering into of a service agreement between the Company and Mr Tal Yeshua through a company wholly owned by him, in a form to be produced to the AGM.
- to approve an increase, in the monthly gross remuneration (not including social benefits) of the CEO and a director of the Company, Mr Arie Dayan, from NIS 65,000 to NIS 75,000 with effect as of 1 April 2011, and to approve the entering into of a service agreement between the Company and Mr Arie Dayan through a company wholly owned by him, in a form to be produced to the AGM.
- to approve a bonus of NIS 231,000 for Mr Arie Dayan in respect of the year 2010.
- to approve the terms of Mr Arie Dayan’s bonus scheme for the year 2011.
- to approve a bonus of NIS 284,800 for Kibbutz Beit Zera, in respect of the year 2010, and such bonus shall include the proportion of the bonus pool payable to employees of Kibbutz Beit Zera under the approved Company’s staff bonus and in accordance with the terms of the Beit Zera HR Agreement.
- to approve the terms of the bonus scheme for Beit Zera for the year 2011. Such bonus shall include the proportion of the bonus pool payable to employees of Kibbutz Beit Zera under the approved Company’s staff bonus and in accordance with the terms of the Beit Zera HR Agreement.
- to change the Company's name from “Amiad Filtration Systems Ltd.” to “Amiad Water Systems Ltd.”.
- to authorise the Company to extend its directors’ and officers’ liability insurance policy for an additional 12 month period ending on 31 July 2012, in the current level of expenses.

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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