



To: The Shareholders of Pilat Technologies International Ltd.

Re: Pilat Technologies International Ltd. (the "Company")

NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY

Notice is hereby given of the Annual General Meeting of the Company, to be held on August 31, 2010 at 11.00 am, (Israel time) at the Company's offices at 9 Habarzel Street, Tel-Aviv 69710, Israel.

The Company gives notice in accordance with Section 182(b) of the Companies Law, 5759-1999 (hereinafter referred to as "the Companies Law") that anyone who is a shareholder of the Company as defined in Section 177 of the Companies Law, on July 22, 2010 (hereinafter referred to as "the determining date") shall be entitled to participate at the meeting and vote there in person or by a proxy. Proxy instruments in respect of shareholders participating in the meeting through a proxy must be deposited at the Company's offices at least 48 hours prior to the meeting.

If a quorum is not present within half an hour of the time fixed for the meeting, the meeting shall be adjourned for one week, and shall be held on 7th September 2010 at the same place and time. If a quorum is not present within half an hour of the time fixed for the adjourned meeting, two members present themselves or by proxy shall constitute a quorum. If the general meeting is adjourned as aforesaid, notice shall be published of the place and time for the adjourned meeting.

External Directors

The Israeli Companies Law, 5759-1999 (hereinafter referred to as "the Companies Law") requires that the shareholders of a quoted company appoint at least two independent, non executive "External Directors" to serve on its board. A candidate for an External Director may not have had any economical or commercial relationship with the company for two years prior, and two years after, the election and completion of service, respectively. All External Directors must serve on the Audit and Remuneration Committees. The Law regulates a host of other subjects concerning External Directors, including the remuneration payable to them, the term of appointment and causes for dismissal. An External Director must be appointed for a period of three years and is eligible for re-election for one additional three year term.

Section 4 of the Agenda of the meeting is to reappoint Mr. Amir Shomroni as an External Director, to serve for a period of three years, commencing on the date of appointment by the shareholders.

Mr. Amir Shomroni holds both a B.Sc. Degree from the "Technion", the Israeli Institution of Technology as well as an MBA from the Recanati School of Business Administration.

Among his many endeavours, Mr. Shomroni founded and managed Eshed Consultants Ltd. (Industrial, organizational, and business consultancy), headed the National Infrastructure Team (transportation, power, water etc) at the National Security Counsellor, the Prime-



Ministry, as well as World-Bank project of National Aviation Master-plan for the Government of Uganda . Currently, Mr. Shomroni is engaged in Israel-Czech Republic real-estate and industrial development.

During his 40-year professional career, Mr. Shomroni has been dealing with the issues concerning corporate and financial controls, engaging external auditors, analyzing corporate data as reflected in their financial reports, and funding investments and capital.

The Agenda of the meeting is as follows:

1. To receive and consider the audited financial statements of the Company for the period from 1 January 2009 to 31 December 2010, together with the Directors and the Auditors reports thereon.
2. To re-appoint the chartered accounting firm of Troyaner, Gelber, Aloni, and to authorise the Company's Board of Directors (hereinafter referred to as "the Board") to fix their remuneration.
3. To elect the following new seven directors to the Board: Chaim Zweig, Gil Shelly, Dr.Ziv Reich, Israel Efrat, Izhak Menachem, Yehuda Segev, and Shlomo Braun.
4. To elect Mr Amir Shomroni as an External Director, to serve for a period of three years, commencing on the date of appointment by the shareholders. In addition, Mrs. Miriam Mazar, will continue to serve as the Company's other External Director.
5. To re-elect directors now serving to the Board, by the re-election of Gabi Dish, Chaim Helfgott, Trevor Toolan and Michael Zuckerman.

Approval of the resolutions set forth in Sections 2 – 5 by the shareholders will require a majority of the shareholders participating at the meeting. Approval of the resolution set forth in Section 4 by the shareholders will also require a majority of the shareholders participating at the meeting, provided that either

- (i) such a majority includes at least a third of the participating shareholders other than those that have "control", as the term is defined in the Companies Law, or
- (ii) the opposing shareholders who do not have "control", represent not more than 1% of the total voting rights of the Company's shareholders.

By order of the Board,

Registered Office

Chaim Helfgott, Adv.
Secretary of the Company

9 Habarzel Street
Tel Aviv
Israel



FORM OF PROXY - PILAT TECHNOLOGIES INTERNATIONAL LIMITED

For use by the holders of Ordinary Shares at the Annual General Meeting on 31 August 2010 at 11.00 am (Israel time), and any adjournments or postponements thereof. Please use BLOCK CAPITALS.

I/We (name of member) _____ of (address of member) _____ the undersigned being a shareholder of Pilat Technologies International Ltd, do hereby appoint Chaim Helfgott, Secretary, with the full power of substitution, and hereby authorise him, to represent and to vote, as designated below, all Ordinary Shares, NIS 0.01 nominal value per share (the "Ordinary Shares"), of the Company held of record by the undersigned at the close of business on 22 July 2010 at the Annual Meeting of Shareholders of the Company to be held at the offices of the Company at 9 Habarzel Street, Tel Aviv 69710, Israel, on 31 August 2010, at 11.00 am, local time, and any adjournments or postponements thereof.

1. **Proposal 2** – To re-appoint the chartered accounting firm of Troyaner, Gelber, until the next Annual Meeting of Shareholders, and to authorise the Company's Board of Directors to fix their remuneration.

FOR **AGAINST** **ABSTAIN**

2. **Proposal 3** – To elect the following new seven directors.

To elect Chaim Zweig as a director.

FOR **AGAINST** **ABSTAIN**

To elect Gil Shelly as a director.

FOR **AGAINST** **ABSTAIN**

To elect Dr.Ziv Reich as a director

FOR **AGAINST** **ABSTAIN**

To elect Israel Efrat as a director

FOR **AGAINST** **ABSTAIN**

To elect Itzhak Menachem as a director

FOR **AGAINST** **ABSTAIN**



To elect Yehuda Segev as a director

FOR **AGAINST** **ABSTAIN**

To elect Shlomo Barun as a director

FOR **AGAINST** **ABSTAIN**

3. **Proposal 4** – Election of Mr Amir Shomroni as an External Director, to serve for a period of three years.

To elect Mr Amir Shomroni as an External Director.

FOR **AGAINST** **ABSTAIN**

4. **Proposal 5** – Re-election of Directors now serving on the Board as follows:

To re-elect Gabi Dishy as a director.

FOR **AGAINST** **ABSTAIN**

To re-elect Michael Zukerman as a director.

FOR **AGAINST** **ABSTAIN**

To re-elect Chaim Helfgott as a director.

FOR **AGAINST** **ABSTAIN**

To re-elect Trevor Toolan as a director

FOR **AGAINST** **ABSTAIN**

In their discretion, the Proxies are authorized to vote upon such matters as may properly come before the Annual Meeting and any adjournment or postponement thereof.

When properly executed, this proxy will be voted in the manner directed herein by the undersigned. If no direction is made, this proxy will be voted “for” proposals 2, 3, 4 and 5.



Please mark, date, sign and return the proxy card promptly to the registered office of the company.

(Signature)

Dated this ____ day of _____ 2010

Notes:

1. To be valid, this Form of Proxy, duly executed, must be lodged at the Company's Office, 9 Habarzel Street, Tel Aviv 69710 Israel, at least 48 hours before the time fixed for the Meeting.
2. A proxy may delegate his powers to any other person.
3. This Proxy and the termination of the appointment of the proxy shall be governed by Israeli law.