



Translation from Hebrew

**The National Library Law – 2007  
(the “Law”)**

Purpose of the Law: The purpose of the Law is to anchor the existence of a National Library (the “Library”) in Israel, to define its goals and roles, to regulate its activity, and to enable its development in order to achieve its goals.

Purpose of the National Library: The goals of the National Library are to collect, preserve, develop and endow collections of knowledge, heritage and culture in general and those of the Jewish people, the State and the Land of Israel, in particular.

Roles:

- (i) To collect, preserve and develop the collections of knowledge, heritage and culture and to expand and enrich the Library’s collections;
- (ii) To make the Library’s collections reasonably accessible to the general public, in Israel and abroad, also through advanced technologies;
- (iii) To serve as Israel’s main research library in its fields of specialty, in accordance with its goals, and to serve as the main research library of The Hebrew University of Jerusalem (the “Hebrew University”), in the Humanities and particularly in Jewish Studies and Studies of Middle-Eastern and Islamic Cultures;
- (iv) To present to the public permanent and temporary exhibitions from its collections, and from borrowed collections;
- (v) To conduct cultural, literary and educational activity, intended for the public, or certain parts of it, including those in the educational institutions;
- (vi) To offer, as it deems appropriate and in accordance with its goals, professional advice in its fields of specialization, including on the subject of the management of libraries at institutions of higher-education, public libraries of Israel and libraries of Jewish communities abroad;
- (vii) To maintain a professional relationship with national libraries, public libraries, archives and cultural and educational institutions abroad; and
- (viii) To perform any other role required of it in order to fulfill its goals.

Location: The Library shall be situated in Jerusalem.

The National Library Company: In order to achieve its goals and perform its roles, a National Library Company will be established which will operate the Library (the “Company”). The Company will be a company for the benefit of the public (non-profit).



*Independence:* The Company will operate in an independent manner and shall act as it deems fit within the limitations of its Articles (as defined below), its budget and this Law.

*Shareholdings in the Company:*

- (a) The shares of the Company shall be held as follows:
- (i) The State of Israel (the "State") – 50% of the initial registered share capital.
  - (ii) The Hebrew University – 25% of the initial registered share capital.
  - (iii) National institutions or other public entities mutually agreed upon by the State and the Hebrew University, so long as it is a shareholder in the Company – 25% of the initial registered share capital.
- (b) Any shareholder may transfer its shares to national institutions or other public bodies, and the Board of Directors may issue shares to them, provided that:
- (i) The State and the Hebrew University consent to such transfer or issuance;
  - (ii) Following such transfer or issuance, the State will maintain the largest holding in the Company;
  - (iii) In the event of an issuance – the General Meeting of the Company has resolved to increase the registered capital after being presented with the National Library's Council's (the "Council") position on the matter.

*Shareholders' Rights and Powers of the General Meeting:*

- (i) Shareholders shall not have the right to appoint a director or to vote in the General Meeting, except as to an increase in the registered share capital.
- (ii) The Council shall serve as the General Meeting of the Company, and shall appoint the directors of the Company.
- (iii) Members of the Council shall hold all of the voting rights in the General Meeting and all other rights conferred upon shareholders pursuant to the Companies Law. For the foregoing purposes, each member of the Council shall be deemed to hold 1/14<sup>th</sup> of the issued share capital of the Company and of the voting rights in the Company.

*The Council*

The Council shall be comprised of 14 members, including:

- (i) The Head of the Israel Academy of Sciences and Humanities (the "Academy"), who shall serve as chairman;
- (ii) The President of the Hebrew University;
- (iii) A civil servant in a senior position, who has expertise in one of the Library's fields of function, and who shall be appointed by the Minister of Education;



- (iv) A public figure who represents the Jews of the Diaspora and who shall be appointed by the Jewish Agency for Israel;
- (v) A senior staff member of the Hebrew University, who has expertise in Jewish Studies and who shall be appointed by the President of the Hebrew University;
- (vi) The other members include persons who specialize in field in which the Library fields operates, to be appointed by various Councils (e.g. the Council for Higher Education, Council for Public Libraries, Museum Council) and men or women of letters to be appointed by the Minister of Education, to include a new immigrant and an Arab, Druze or Circassian.

Council shall convene at least twice a year.

#### The Board of Directors

1. The Board of Directors shall be comprised of at least 11 members and no more than 15 members. The Board of Directors serving at the time of the completion of the Operational Phase shall continue its tenure for a period of one year thereafter and shall be deemed to be appointed by the first General Meeting.

#### The General Manager and Academic Director

The Board of Directors shall appoint the Company's General Manager and, at its discretion, may appoint an Academic Director and define his duties.

#### Access to the Library's Collections

- (a) The General Manager, upon consulting with the Academic Director, if appointed, and subject to the consent of the Board of Directors, will formulate rules to allow the public proper and reasonable access to the Library's collections, in accordance with general principles of equality.
- (b) While formulating such rules, the General Manager may determine that different rules shall apply to different users in accordance with their needs.
- (c) The aforementioned rules shall be formulated only once the bodies representing the different groups of users have voiced their positions to the General Manager.

#### The Operational Phase and the Subsidiary

- (a) The foregoing notwithstanding, during the three year period commencing on January 1, 2008 (the "Commencement Date") (the "Operational Phase"), the Library shall be operated by a subsidiary of the Hebrew University (the "Subsidiary").
- (b) The Subsidiary shall be incorporated within 6 months of the Commencement Date and shall be named the "National Library".
- (c) The method and terms of transfer of the ownership and/or the right of use of the collections and the assets from the Jewish National and University Library to the Subsidiary and to the Company shall be determined in an agreement to be entered



into between the Hebrew University and the Subsidiary in accordance with the provisions and objectives of this Law.

- (d) By the end of the Operation Period, the Hebrew University and the State shall agree on the terms of the Company's Articles of Association (the "Articles"). The Hebrew University shall take all necessary measures in order to ensure that the Articles will go into effect at the end of the Operational Phase.
- (e) Six months prior to the completion of the Operational Phase, the President of the Hebrew University, the Head of the Academy and the General Director of the Ministry of Education, will act in order to appoint the members of the Council by the respective appointers and to establish the first Council by the end of the Operational phase. The Council will assume its responsibilities at the end of the Operational phase, provided that by that time at least a third of the members of the Council have been appointed.
- (f) Following the Operational Phase, the Library will be operated by the Company.