

ELECTRONICS LINE 3000 LTD.
("Company")

ISIN: IL0010905052
2 Granit Street, Kiryat Arie, Petach Tikva, Israel
Telephone: +972-3- 9181333, Fax: +972-3-9212225
www.electronics-line.com

NOTICE OF TWO GENERAL MEETINGS OF SHAREHOLDERS

Petach Tikva, Israel
July 5, 2010

Dear Shareholder,

You are hereby invited to attend the Annual General Meeting of Shareholders ("the Annual Meeting") of Electronics Line 3000 Ltd. (the "Company") to be held at 14:30 on Tuesday, August 10, 2010, and a special General Meeting ("the Special Meeting") of the Company to be held at 14:30 on Thursday, August 12, 2010 (the Annual Meeting and the Special Meeting collectively - "Meetings"). The Meetings shall take place at the offices of Risco Ltd. at 14 Hachoma St., Rishon Lezion, Israel.

The purposes of the Meetings are set forth in the accompanying "Statement of the Company" for voting by means of Proxy. For the reasons set forth in the Statement of the Company, the Company's Board of Directors recommends that you vote "FOR" the proposals set forth and specified on the enclosed forms for voting by means of Proxy (Attachments B and C).

Copies of the Proxies are also available on the Company's web site:
www.electronics-line.com

The determining date with regard to the eligibility of shareholders to vote at the Meetings, as stated in Section 182 of the Israeli *Companies Law, 1999*, is the end of the day of trading in Frankfurt, Germany, the exchange on which the shares of the Company are traded, on July 26, 2010. If no trading of the Company's shares takes place on such date the determining date shall be the last day of trading preceding such date ("**Record Date**").


Shareholders, whose shares are securitized by a global share certificate deposited at Clearstream Banking AG, and who wish to exercise their voting rights, may choose one of the following two alternative voting procedures approved by a recognized financial institution:

1. To send their Ownership Certificate in the form attached hereto as Attachment A ("Ownership Certificate") confirming their ownership of shares of the Company on the Record Date approved by a recognized financial institution together with the notices of appointment and instructions for voting by means of Proxy in the forms attached hereto as Attachment B and C (each "Proxy" and together "Proxies") directly to the Company. The Ownership Certificate and the Proxies must be received by the Company at its offices by no later than 15:00 on Friday, August 6, 2010, via the Company's fax number, +972-3-9212225 or mail as an alternative, or
2. To send their Ownership Certificate approved by a recognized financial institution together with the notices of appointment and instructions for voting by means of Proxy via their depository bank to BANKHAUS NEELMEYER AG, Am Markt 14-16, 28195 Bremen, GERMANY, fax number +49-(0) 421-3603-153, by no later than 15:00 on Friday, August 6, 2010. BANKHAUS

NEELMEYER AG will forward the shareholders' Proxies together with the Ownership Certificate to the Company.

Shareholders who wish to vote in person shall arrive the Meetings at the said times and place with their original Ownership Certificate, provided that they have delivered their Ownership Certificate approved by a recognized financial institution directly to the Company and that their Ownership Certificate was received by the Company at its offices by no later than 15:00 on Friday, August 6, 2010, via the said Company's fax number or mail as an alternative.

By Order of the Board,



Mr. Moshe Alkelai
Chairman of the Board

ELECTRONICS LINE 3000 LTD.

STATEMENT OF THE COMPANY

The enclosed Statement is solicited on behalf of the Board of Directors (the "Board") of Electronics Line 3000 Ltd. (the "Company") for use at the Company's Annual General Meeting of Shareholders (the "Annual Meeting") to be held at 14:30 on Tuesday, August 10, 2010, and at the Company's Special General Meeting (the "Special Meeting") to be held at 14:30 on Thursday, August 12, 2010 (the Annual Meeting and the Special Meeting collectively - "the Meetings"). The Meetings shall take place at the offices of Risco Ltd. at 14 Hachoma St., Rishon Lezion, Israel or at any adjournment or postponement thereof, for the purposes set forth herein.

I It is proposed that at the Annual Meeting, the shareholders of the Company ("Shareholders") approve the following resolutions:

- (1) To appoint Mr. Moshe Alkelai, Mrs. Mazal Alkelai, Mr. Lior Meidan and Mr. Yigal Fatran to serve as directors of the Company until the next Annual General Meeting.
- (2) To appoint Mr. Dan Elnathan as an external director of the Company with accounting and financial expertise commencing as of the date of the Meeting, in addition to Mr. Rafi Durst who shall continue to serve as an external director of the Company with accounting and financial expertise;
- (3) To re-appoint the accounting firm of Kost, Forer, Gabbay & Kasierer (Ernst & Young Group), as the Company's auditor until the next Annual Meeting, and to authorize the Board to determine the auditor's fees.
- (4) To discuss the Company's 2009 financial statements and the Board's report on the annual business affairs of the Company for 2009.

The Board decided, after due consideration, for the benefit of the Company's growth, that for the fiscal year 2009, no dividends will be paid.

II. It is proposed that at the Special Meeting, the Shareholders approve the following resolutions:

To enter into certain services agreements between the Company and Risco Ltd. and its Subsidiaries ("Risco") for the provision of certain services from Risco to the Company (the "Services Agreements") the details of which and the mechanisms for remuneration therefor are set forth below. Risco is the largest and controlling shareholder in the Company. Risco is an Israeli based Security Company; creating IP based integrated security solutions for the commercial security market worldwide. Mr Moshe Alkelai, is also the Chairman of the board and controlling shareholder of Risco.

(5) **Management Services Agreement ("MSA"):**

For the provision of management services including the following:

- a. Sales administration services.
- b. IT and computerized systems.
- c. Finance management and accounting.
- d. Human resources.

- e. Directors and consulting services.
- f. Legal and company secretarial services.

- For these management services Risco will be entitled to an annual amount of US\$300,000 + VAT ("the Base Amount"). The annual amount shall be adjusted on a yearly basis in accordance with the change in the Company's revenues from sales compared to the revenue from sales of the preceding year, but in any event shall not be less than the Base Amount.
- The MSA shall be in effect for a term of 5 years and unless terminated earlier shall be automatically renewed for additional 5 years. After the lapse of 2 years from its effectuation date, either party may terminate it on a 6 month advance notice.

(6) **Production Services Agreement ("PSA"):**

Pursuant to this PSA, the Company, in its sole discretion shall have the right to receive from Risco services for the purpose of manufacturing (turnkey) for products and samples, including any and all services related thereto. Prices will be in accordance with arm's length basis.

- For non-ongoing and non-stable products (samples) prices will be based on Risco's direct and indirect production costs plus 10% plus VAT.
- Terms of payment will be current plus 90 days.
- Tooling and fixture will be charged based on cost.
- The PSA shall be in effect for a term of 5 years and unless terminated earlier shall be automatically renewed for additional 5 years. After the lapse of 2 years from its effectuation date, either party may terminate it on a 6 month notice.
- The execution of the PSA shall be reviewed by the Company's Audit Committee periodically and no less than every 12 months.

(7) **Non exclusive Distribution Services Agreement ("DSA")**

Pursuant to this DSA, the Company, in its sole discretion shall have the right to receive from Risco distribution services for the following Territories:

- a. UK.
- b. USA + Latin America.
- c. Far East and Asia Pacific.
- d. The Company in its sole discretion shall have the right to request to receive Distribution Services from Risco for other Territories.

- Purchase prices will be in accordance with arm's length basis.

Sales Commission to Risco for introduction of new customers to Company in non-Western European markets.

- For sales to new customers in non-Western European countries, which will be introduced to the Company by Risco, the Company will pay Risco a sales commission of 3.5% + VAT of the annual turnover with such customers for a period of 5 years.

- This DSA shall be in effect for a term of 5 years and unless terminated earlier shall be automatically renewed for additional 5 years. After the lapse of 2 years from its effectuation date, either party may terminate it on a 6 month notice.

(8) **A Line of Credit Facility**

To receive from Risco a line of credit pursuant to the following terms:

- The line of credit will be up to an aggregated amount of \$6.5 Million.
- Any amount taken by the Company from the line of credit shall bear an interest of Libor + 2.5% annually, charged on a quarterly basis, plus VAT (the principal amount + the interest + VAT "the Debt").
- The line of Credit shall be provided for a period of 12 months (the "Initial Term"), and may be extended by Risco, in its sole discretion, for additional consecutive periods of 12 months each (each such period "Additional Term") (the Initial Term and the Additional Terms "the Term"). At the end of the Initial Term or any of the Additional Terms, as applicable, the Debt shall be due for payment.
- During the Term, the Company shall have the right to repay the Debt in accordance with its available cash flow.
- In case of change of control in the Company, the Debt shall become due for immediate payment.

- (9) (a) To grant Advanced Indemnification and issue letters of indemnification to all qualified Directors and Officers of the company as shall serve from time to time (except for Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company).

(b) To grant Advanced Indemnification and issue a letter of indemnification to Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company.

- (10) (a) To grant advanced exemptions, and issue letters of exemption to all qualified Directors and Officers of the company as shall serve from time to time (except Mr. Moshe Alkelai and Mrs. Mazal Alkelai the controlling shareholders of the Company).

(b) To grant Advanced Exemptions, and issue letters of exemption to Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company.

- (11) (a) To approve, the purchase of directors and officers liability insurance policies (except for Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company).

(b) To approve, the purchase of directors and officers liability insurance policies for Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company, on the same terms as the insurance policy to be purchased for the remaining directors and officers.

The approval of proposals 1, 3, 9(a), 10(a) and 11(a) requires the affirmative vote of at least a majority of the votes of shareholders present and voting at the Meeting in person or by proxy.

The approval of proposals 2 requires the affirmative vote of at least a majority of the votes of shareholders who participate in the voting at the Meeting in person or by proxy. In addition, such majority must include one of the following:

- (a) At least one third (1/3) of shareholders present at the time of voting, who are not holders of control in the Company or representatives of such persons; in counting the total votes of such shareholders, abstentions shall not be taken into account;
- (b) The total number of votes of the shareholders mentioned in clause (a) above that vote against such proposal does not exceed one percent (1%) of the total voting rights in the Company.

The approval of proposals 5, 6, 7, 8, 9(b), 10(b) and 11(b) requires the affirmative vote of at least a majority of the votes of shareholders who participate in the voting at the Meeting in person or by proxy. In addition, such majority must include one of the following:

- (a) At least one third (1/3) of shareholders present at the time of voting, who do not have "Personal Interest"¹ in approving such proposals; in counting the total votes of such shareholders, abstentions shall not be taken into account;
- (b) The total number of votes of the shareholders mentioned in clause (a) above that vote against such proposal does not exceed one percent (1%) of the total voting rights in the Company.

In addition, proposals, 5, 6, 7, 8, 9(b), 10(b) and 11(b) require the approval thereof by the Company's Audit Committee and the Board thereafter, prior to the approval thereof at the Special Meeting.

Only shareholders of record at the close of business on the Record Date will be entitled to a notice of and to vote at each of the Meetings, provided that such shareholders sent their Ownership Certificate and Proxy to the offices of the Company, no later than 15:00 on Friday, August 6, 2010, as detailed in the notice.

Shareholders may revoke the authority granted by their execution of proxies at any time before the effective exercise thereof, by filing with the Company a written notice of revocation or a duly executed proxy bearing a later date, or by voting in person at the Meetings.

In order for there to be a legal quorum at the Meetings, there must be present, in person or by proxy, no less than two (2) shareholders holding or representing at least one-quarter (1/4) of the voting rights in the Company. If after half an hour of the commencement of the Meeting no legal quorum is present, the Meeting will automatically be adjourned for one week and shall reconvene at the same time and

¹ "Personal Interest"- a personal interest of any person in an act or transaction of a company, including a personal interest of his relative or of a corporate body in which such person or a relative of such person has a personal interest, but excluding a personal interest stemming from the fact of a shareholding in the company.

location, unless notified otherwise by the Board. At such adjourned Meeting the same agenda will be applicable and the legal quorum will be two (2) shareholders.

The share capital of the Company at the point of time of the notice of the Annual General Meeting of Shareholders is NIS (New Israeli Shekel) 50,814,240 and is divided into 10,162,848 ordinary shares. The total number of voting rights at the point of time of notice of the Annual Meeting and of the Special Meeting is 10,162,848.

The letters of indemnification and exemption, and the declarations of all nominated directors are available for review at the Company's offices.

The financial statements for the financial year 2009 can be downloaded from the web site of the Company (www.electronics-line.com). The financial statements are also available during business hours in the office of the Company at 2 Granit Street, Kiryat Arie, Petach Tikva, Israel and can be reviewed by the shareholders during the annual general meeting. Copies of the financial statements will be made available to the shareholders on demand free of charge.

ITEM 1 – APPOINTMENT OF DIRECTORS

The Board has recommended appointing Mr. Moshe Alkelai, Mrs. Mazal Alkelai, Mr. Lior Meidan and Mr. Yigal Fatran, as Directors on the Company's Board.

Proxies (other than those directing the proxy holders not to vote for all or certain of the listed nominees) will be voted for the election of each of the four (4) nominees, to hold office until the next Annual Meeting and until its successor shall have duly taken office, or such earlier time as it shall resign or be removed from the Board pursuant to the terms of the Articles of Association of the Company or the Companies Law. The Company is unaware of any reason why any of the nominees, if elected, should not be able to serve as a Director.

It is proposed that at the Annual Meeting, the following resolution be adopted:

1 “RESOLVED, that Mr. Moshe Alkelai, Mrs. Mazal Alkelai, Mr. Lior Meidan and Mr. Yigal Fatran, be and hereby are, appointed as Directors on the Company's Board of Directors.”

The Board recommends a vote FOR the approval of this proposed resolution.

The statement of the proposed directors, as required by the *Companies Law, 1999*, is available for review at the Company's offices.

Mr. Yigal Fatran, the director, shall be entitled to fees in the fixed amount for qualified external director as set forth in the *Companies Regulations (Rules regarding Fees and Expenditures for External Directors), 2000*; the remainder of the Directors shall not receive any fees from the Company, as their services are included in the Management Services Agreement with Risco.

ITEM 2 – APPOINTMENT OF EXTERNAL DIRECTOR WITH ACCOUNTING AND FINANCIAL EXPERTISE

The Board has recommended appointing Mr. Dan Elnathan as an external director of the Company with accounting and financial expertise, commencing as of the date of the Meeting for a three-year-term in accordance with the provision of the *Companies Law, 1999*.

It is proposed that at the Annual Meeting, the following Resolution be adopted:

2 “RESOLVED, that Mr. Dan Elnathan is appointed as an external director of the Company with accounting and financial expertise, commencing as of the date of the Meeting for a three-year-term in accordance with the provision of the *Companies Law, 1999*.”

The Board recommends a vote FOR the approval of this proposed resolution.

The statement of the external director, as required by the *Companies Law, 1999*, is available for review at the Company's offices.

Mr. Dan Elnathan, the external director, shall be entitled to his fees in the fixed amount for external director with accounting and financial expertise as set forth in the

ITEM 3 - APPROVAL OF REAPPOINTMENT OF AN AUDITOR

The Board has recommended to reappoint Kost, Forer Gabbay & Kasierer as the auditor of the Company until the next Annual General Meeting and to authorize the Board to determine the auditor's fees.

It is proposed that at the Meeting, the following resolution be adopted:

3 "RESOLVED, to reappoint Kost Forer Gabbay & Kasierer as the auditor of the Company until the next Annual General Meeting, and that the Board of Directors, hereby is, authorized to determine the fees of the said auditor."

The Board recommends a vote FOR the approval of this proposed resolution.

ITEM 5 - APPROVAL OF MANAGEMENT SERVICES AGREEMENTS WITH RISCO LTD.

The Board has recommended to enter into management services agreement with Risco Ltd., pursuant to which, Risco shall provide the Company management services, the details of which and the remuneration mechanism therefor are set forth hereinabove.

It is proposed that at the Special Meeting, the following resolution be adopted:

5 "RESOLVED, to enter into management Services Agreement with Risco Ltd., the details of which are as set forth in section 5 to the Statement of the Company and to authorize the Company's management to execute this management Services Agreement."

The Board recommends a vote FOR the approval of this proposed resolution.

ITEM 6 - APPROVAL OF PRODUCTION SERVICES AGREEMENT WITH RISCO LTD.

The Board has recommended to enter into production services agreement with Risco Ltd., pursuant to which, Risco shall provide the Company production services, the details of which and the remuneration mechanism therefor are set forth hereinabove.

It is proposed that at the Special Meeting, the following resolution be adopted:

6 "RESOLVED, to enter into production Services Agreement with Risco Ltd., the details of which are as set forth in section 6 to the Statement of the Company and to authorize the Company's management to execute this production Services Agreement."

The Board recommends a vote FOR the approval of this proposed resolution.

**ITEM 7 - APPROVAL OF NON EXCLUSIVE DISTRIBUTION SERVICES
AGREEMENT WITH RISCO LTD.**

The Board has recommended to enter into non exclusive distribution services agreement with Risco Ltd., pursuant to which, Risco shall provide the Company distribution services, the details of which and the remuneration mechanism therefor are set forth hereinabove.

It is proposed that at the Special Meeting, the following resolution be adopted:

7 “**RESOLVED**, to enter into non exclusive distribution Services Agreement with Risco Ltd., the details of which are as set forth in section 7 to the Statement of the Company and to authorize the Company's management to execute this production Services Agreement.”

The Board recommends a vote FOR the approval of this proposed resolution.

**ITEM 8 - APPROVAL OF LINE OF CREDIT FROM RISCO LTD. TO THE
COMPANY**

The Board has recommended that the Company receives a line of credit from Risco Ltd. the terms of which are set forth hereinabove and to authorize the Company's management to enter into and to execute a Line of Credit Agreement.

It is proposed that at the Special Meeting, the following resolution be adopted:

8 “**RESOLVED**, to receive a line of credit from Risco Ltd., the details of which are as set forth in section 8 to the Statement of the Company and to authorize the Company's management to execute a line of credit agreement with Risco Ltd. for this purpose.”

The Board recommends a vote FOR the approval of this proposed resolution.

**ITEM 9 - APPROVAL OF COMPANY INDEMNIFICATION LETTERS FOR
ALL DIRECTORS**

The Board of Directors recommends to grant to its qualified officers and directors, to the fullest extent permitted by virtue of the Article of association and under the Israeli *companies Law 1999*, advanced indemnification and issue letters of indemnification, to all past, present and future qualified directors and officers of the company, of the companies held by the company and the companies in which the company has an interest ("Held companies")(serving in such position on behalf of the Company), who have served in the past, who currently serve or will serve in the future in the Company or in the companies held by the Company or in another Company in which the Company has an interest, effective from each director's date of initial appointment to office.

It is proposed that at the Special Meeting, the following resolution be adopted:

9(a) “**RESOLVED**, to grant advanced indemnification and issue letters of indemnification to all qualified directors and officers of the Company as set forth in section 9(a) to the Statement of the Company.

9(b) "RESOLVED, to grant advanced indemnification and issue letters of indemnification to Mr. Moshe Alkelai and Mrs. Mazal Alkelai the controlling shareholders of the Company as set forth in section 9(b) to the Statement of the Company.

The Board recommends a vote FOR the approval of this proposed resolution.

ITEM 10 - APPROVAL OF COMPANY EXEMPTION LETTERS FOR ALL DIRECTORS

The Board of Directors recommends to grant to its qualified officers and directors, an advanced exemption, from time to time, to the fullest extent permitted under the Israeli *Companies Law, 1999* and pursuant to the Article of Association, as amended, from any liability, for any damage caused to the Company arising from a breach of the duty of care to the Company and to the Held Companies, and to issue, effective from each director's date of initial appointment to office such letters of exemption to all such qualified directors and officers, including, controlling shareholders.

It is proposed that at the Special Meeting, the following resolution be adopted:

10(a) "RESOLVED, to grant advanced exemptions, and issue letters of exemption to all qualified directors and officers, as set forth in section 10(a) to the Statement of the Company."

10(b) "RESOLVED, to grant advanced exemptions, and issue letters of exemption to Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company, as set forth in section 10(b) to the Statement of the Company."

The Board recommends a vote FOR the approval of this proposed resolution.

ITEM 11 – DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Board of Directors recommends to approve the purchase of D&O insurance for directors and officers. The terms of the proposed Resolution are as follows:

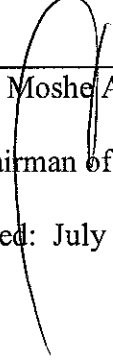
- (1) The period covered by this Resolution will be for five (5) years.
- (2) Such policy covers a total liability of US\$20Million, for an annual premium of up to US\$27,001 (the "Basis Premium")
- (3) Annual insurance premium may either increase up to the higher of: 25% over the Basis Premium or the previous year's paid premium.

It is proposed that at the Special Meeting, the following resolution be adopted:

11(a) "RESOLVED, that the terms of this Resolution as described in this Proxy Statement, regarding directors and officers liability insurance coverage for directors and officers of the Company, are hereby approved."

11(b) "RESOLVED, that the terms of this Resolution as described in this Proxy Statement, regarding directors and officers liability insurance coverage for Mr. Moshe Alkelai and Mrs. Mazal Alkelai, are hereby approved."

By Order of the Board of Directors,



Mr. Moshe Alkelai

Chairman of the Board

Dated: July 5, 2010

Attachment A

Electronics Line 3000 Ltd.

Ownership Certificate

Company Name: Electronics Line 3000 Ltd.

Company Registration Number: 51-3342535

We, the undersigned, hereby certify, as of July 26, 2010, as follows:

Details of Shareholder:

(If there are several joint owners of the shares, their details should all be included)

(1) Name of shareholder _____

(2) Nationality of shareholder _____

(3) I.D. No. _____

If shareholder does not hold an Israeli I.D. –

Passport No. _____ The Country of issuance _____

If shareholder is a corporation –

Corporate identity number _____

Country of incorporation _____

Details on the Shares:

(4) Name of the security – Ordinary Share;

Par value – N.I.S 5.00;

ISIN code – IL0010905052

(5) Number of Shares - _____

(6) Type of Shares: Ordinary

Approval by the recognized financial institution:

By: _____

Date: _____

Attachment B

ELECTRONICS LINE 3000 LTD.

**THIS NOTICE OF APPOINTMENT AND INSTRUCTIONS FOR VOTING BY
MEANS OF PROXY ("PROXY") IS SOLICITED BY THE BOARD OF
DIRECTORS
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 10, 2010**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned hereby constitutes Adv. Motty Schiff and Adv. Yaron Herman, each of them, the true and lawful attorneys at law, agents and proxies of the undersigned, with full power of substitution, to vote with respect to all the Ordinary Shares of ELECTRONICS LINE 3000 LTD. (the "**Company**"), standing in the name of the undersigned at the close of trading on Monday, July 26, 2010, at the Annual General meeting of Shareholders of the Company to be held at 14:30 on Tuesday, August 10, 2010, at the offices of Risco Ltd. at 14 Hachoma St., Rishon Lezion, Israel and any and all adjournments thereof, with all power that the undersigned would possess if personally present and especially (but without limiting the general authorization and power hereby given) to vote as follows:

1. To appoint Mr. Moshe Alkelai, Mrs. Mazal Alkelai, Mr. Lior Meidan and Mr. Yigal Fatran as Directors on the Company's Board of Directors.

FOR **AGAINST** **ABSTAIN**

2. To appoint Mr. Dan Elnathan to serve as an external director of the Company with accounting and financial expertise for a three-year-term commencing as of the date of the Meeting.

FOR **AGAINST** **ABSTAIN**

a controlling shareholder interest in the approval of proposal 2

YES **NO** |

3. To reappoint Kost Forer Gabbay & Kasierer as the auditor of the Company until the next Annual General Meeting, and that the Board of Directors, hereby is, authorized to determine the fees of the said auditor.

FOR **AGAINST** **ABSTAIN**

The shares represented by the Proxy will be voted in the manner directed, and if no instructions to the contrary are indicated, will be voted "FOR" in all Proposals listed above.

Dated: _____

Name _____

Signature

Please sign exactly as name appears at the Ownership Certificate. Each joint owner should sign. Executors, administrators, trustees, etc. should indicate the capacity in which they sign.

Attachment C

ELECTRONICS LINE 3000 LTD.

**THIS NOTICE OF APPOINTMENT AND INSTRUCTIONS FOR VOTING BY
MEANS OF PROXY ("PROXY") IS SOLICITED BY THE BOARD OF
DIRECTORS**

**FOR THE SPECIAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 12, 2010**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned hereby constitutes Adv. Motty Schiff and Adv. Yaron Herman, each of them, the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution, to vote with respect to all the Ordinary Shares of ELECTRONICS LINE 3000 LTD. (the "**Company**"), standing in the name of the undersigned at the close of trading on Monday, July 26, 2010, at the Annual General meeting of Shareholders of the Company to be held at 14:30 on Thursday, August 12, 2010, at the offices of Risco Ltd. at 14 Hachoma St., Rishon Lezion, Israel and any and all adjournments thereof, with all power that the undersigned would possess if personally present and especially (but without limiting the general authorization and power hereby given) to vote as follows:

1. To enter into Management Services Agreement with Risco Ltd., the details of which are as set forth in section 5 of the Statement of the Company and to authorize the Company's management to execute this management Services Agreement.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 1
 YES **NO** |

2. To enter into Production Services Agreement with Risco Ltd., the details of which are as set forth in section 6 of the Statement of the Company and to authorize the Company's management to execute this production Services Agreement.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 2
 YES **NO** |

3. To enter into non exclusive Distribution Services Agreement with Risco Ltd., the details of which are as set forth in section 7 of the Statement of the Company and to authorize the Company's management to execute this non exclusive distribution Services Agreement.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 3
 YES **NO** |

4. To receive a line of credit from Risco Ltd., the details of which are as set forth in section 8 of the Statement of the Company and to authorize the Company's management to execute a line of credit agreement with Risco Ltd. for this purpose.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 4
 YES **NO** |

5. To grant advanced indemnification and issue letters of indemnification to all qualified directors and officers of the company, except for Mr. Moshe Alkelai and Mrs. Mazal Alkelai, the controlling shareholders of the Company.

FOR **AGAINST** **ABSTAIN**

6. To grant advanced indemnification and issue letters of indemnification to Mr. Moshe Alkelai and Mrs. Mazal Alkelai.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 6
 YES **NO**

7. To grant advanced exemptions, and issue letters of exemption to all qualified directors and officers, except for Mr. Moshe Alkelai and Mrs. Mazal Alkelai the controlling shareholders of the Company.

FOR **AGAINST** **ABSTAIN**

8. To grant advanced exemptions, and issue letters of exemption to Mr. Moshe Alkelai and Mrs. Mazal Alkelai.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 8
 YES **NO**

9. To approve the purchase of D&O insurance for all directors and officers of the company, except for Mr. Moshe Alkelai and Mrs. Mazal Alkelai the controlling shareholders of the Company. .

FOR **AGAINST** **ABSTAIN**

10. To approve the purchase of D&O insurance for Mr. Moshe Alkelai and Mrs. Mazal Alkelai.

FOR **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 10
 YES **NO**

The shares represented by the Proxy will be voted in the manner directed, and if no instructions to the contrary are indicated, will be voted "FOR" in all Proposals listed above.

Dated: _____

Name _____

Signature

Please sign exactly as name appears at the Ownership Certificate. Each joint owner should sign. Executors, administrators, trustees, etc. should indicate the capacity in which they sign.