

The National Library Law, 5768-2007

Complete and updated version

The National Library Law*

Chapter One: Interpretation

- Purpose of Law 1. The purpose of this Law is to provide for the establishment of the National Library in Israel, to determine its objects and functions, to regulate its activities and to allow for its development for the achievement of its objects.
- Definitions 2. In this Law –
- “collection” means a book or collection of books, as well as other items, the collection, preservation or cultivation of which is one of the objects of the National Library;
- “the Library’s collections” means collections held by the National Library, or in which it has other rights;
- “the Library headquarters building” means the building serving to house the Library collections, or for the achievement of its objects;
- “public entity” means a not for profit entity operating for purposes of culture, education, science or higher education, or representing Jewish communities outside Israel;
- “the general meeting” means the Council, however, with respect to resolutions concerning an increase in the registered share capital, it means a meeting of the shareholders holding shares according to section 8;
- “the company” means the National Library company established under section 6;
- “the Companies Law” means the Companies Law, 5759-1999;
- “the Government Companies Law” means the Government Companies Law, 5735-1975;

* Published in *Sefer HaChukkim* 5768 No. 2120 of November 29, 2007, page 50 (*Hatzaot Chok HaKnesset* 5766 No. 108, page 102).

“the Council for Higher Education Law” means the Council for Higher Education Law, 5718-1958;

“the Libraries Law” means the Public Libraries Law, 5735-1975;

“the Books Law” means the Books (Duty of Delivery and Notation of Details) Law, 5761-2000;

“institution of higher education” means an institution recognized under section 9 of the Council for Higher Education Law;

“national institution” means each of the following:

(1) the World Zionist Organization;

(2) the Jewish Agency for Israel;

(3) the Jewish National Fund;

(4) Keren Hayesod – The United Israel Appeal;

“the Council” means the National Library Council, as stated in section 10;

“asset” is inclusive of any right in an asset, including a book or any other item in the possession of the National Library or in which it was vested with any other right;

“book” is as defined in the Books Law, including a manuscript;

“public library” is as defined in the Books Law;

“the Committee” means the Education, Culture and Sports Committee of the Knesset;

“the Minister” means the Minister of Education.

Chapter Two: The National Library – Objects and Functions

Objects of
National Library

3. The objects of the National Library are to collect, preserve, cultivate and endow the treasures of knowledge, heritage and culture in general, with an emphasis on the Land of Israel, the State of Israel and the Jewish people in particular.

Functions of

4. The following are the functions of the National Library, for

National Library

the achievement of its objects –

(1) To collect, preserve and cultivate the treasures of knowledge, heritage and culture, and including to expand and enrich the Library's collections;

(2) To allow the public in Israel and abroad proper and reasonable access to the Library's collections, and *inter alia* by means of advanced technologies;

(3) To serve as a central research library in Israel in the fields of its expertise, in accordance with its objects, as well as to serve as a research library for the Hebrew University of Jerusalem, in the fields of the humanities, and in particular Jewish studies, Middle Eastern and Islamic Cultures;

(4) To display to the public permanent and temporary exhibitions of collections, including borrowed collections;

(5) To hold cultural, literary and educational activities for all or part of the public, including pupils at educational institutions;

(6) To provide, should it see fit, professional consulting in the areas of its expertise, in accordance with its objects, including with respect to the administration of libraries of institutions of higher education, public libraries in Israel and also libraries of Jewish communities abroad;

(7) To maintain professional contact with national libraries, public libraries, archives and cultural and educational institutions abroad;

(8) To carry out any other function required to achieve its objects.

National Library
headquarters

5. The National Library's headquarters is in Jerusalem.

Chapter Three: The National Library Company and its Institutions

Article One: The National Library Company

The National
Library company

6. The National Library company shall be established for the realization of the objects of the National Library, as stated in section 3, and for the implementation of its functions under section 4, which shall operate the National Library. The company shall be established as a public benefit company under the Companies Law, and the provisions of any law applying to such a company shall apply to it,

subject to the provisions of this Law.

- Independence
7. The company shall act independently in the fulfillment of its functions and it shall be at liberty to conduct itself independently in its affairs, within the framework of its articles of association and its budget, as it may see fit, and subject to the provisions of this Law.
- Company shares
8. (a) The company shares shall be owned by those entities enumerated in paragraphs (1) to (3) below, at the rates set forth in these paragraphs:
- (1) The State – 50 percent of the initial registered share capital;
 - (2) The Hebrew University of Jerusalem – 25 percent of the initial registered share capital;
 - (3) The national institutions or public entities that the State and the Hebrew University of Jerusalem agreed upon, as long as they are still shareholders of the company – 25 percent of the capital.
- (b) Notwithstanding that stated in subsection (a), a shareholder of the company may transfer its shares to the national institutions or public entities, and the board of directors of the company may allot shares to such institutions or entities, provided that all the following are satisfied:
- (1) The State and the Hebrew University of Jerusalem, as long as it is still a shareholder of the company, agreed to the transfer or allotment, as the case may be;
 - (2) After the transfer or the allotment the State continues to hold the highest amount of shares;
 - (3) Upon the allotment of shares – the general meeting decided on an increase in the initial registered share capital or the registered share capital and prior to such decision, the Council's position on this matter was presented to it.
- (c) The State and the Hebrew University of Jerusalem shall not agree to a transfer or allotment of shares to a public entity, under subsections (a) or (b), except after having been convinced that the public entity is suitable to be a shareholder of the company and that it is able to meet the undertakings assumed as a shareholder; the State's

aforesaid consent shall be given in a government decision, after the company's position was presented to it.

(d) Subject to the provisions of any law, the provisions of this section shall not prevent a transfer or allotment of shares under this section for consideration, including under section 345O of the Companies Law, subject to the provisions of section 36.

(e) No transfer or allotment of shares of the company shall be effective unless they are in accordance with the provisions of this section.

(f) In this section, "initial registered share capital" means the registered share capital to be determined in the articles of association of the company on the date of commencement of its operation.

Rights of
shareholders and
powers of general
meeting

9. (a) (1) Holding shares in the company shall not vest any right to appoint a director or a voting right at the general meeting, except with respect to any increase in the registered share capital of the company;

(2) The Council shall be the general meeting of the company, and as part of this shall appoint the board of directors of the company, although it shall not be a general meeting with respect to any increase in the registered share capital of the company;

(3) The members of the Council shall be granted voting rights at the general meeting, except with respect to an increase in the registered share capital of the company, and they shall also be granted the other rights granted to shareholders under the Companies Law. For the purpose of exercising these rights, each member of the Council shall be deemed to have 1/14 of the issued share capital of the company and of the voting rights at its general meeting;

(4) In this subsection, "general meeting" is within the meaning in the Companies Law.

(b) Without derogating from the rights granted to the members of the Council under subsection (a), the shareholders of the company shall be granted the following rights only:

- (1) A right to demand the convening of a general meeting under sections 63 to 65 of the Companies Law, *mutatis mutandis*, and with the following modifications:
 - (a) The right under section 63 of the Companies Law shall be granted to one or more shareholders of the company holding at least ten percent of the shares of the company;
 - (b) The right under section 64 of the Companies Law shall be granted to each of the shareholders that demanded the convening of a general meeting under section 63 of the Companies Law;
- (2) A right to request to include an item on the agenda of the general meeting, under section 66 of the Companies Law, *mutatis mutandis* and with the following modification: such right shall be granted to each of the shareholders of the company;
- (3) A right to inspect the documents of the company and to demand information under sections 184 to 187 of the Companies Law;
- (4) Rights under Chapter Three of Part Five of the Companies Law;
- (5) Rights of a contributor under the Companies Ordinance [New Version], 5743-1983, subject to the provisions under this Law;
- (6) Voting rights at the general meeting with respect to an increase in the registered share capital;
- (7) Other rights granted to a shareholder under the provisions of any law, to be determined by the Minister of Justice with the approval of the committee.

Article Two: Institutions

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| National Library Council | <ol style="list-style-type: none"> 10. (a) The National Library Council shall be comprised of 14 members, including the following: <ol style="list-style-type: none"> (1) The President of the Israel Academy of Sciences and Humanities, who shall serve as chairman; |
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- (2) The President of the Hebrew University of Jerusalem;
- (3) A high ranking civil servant with expertise in any of the fields of the National Library's functions, to be appointed by the Minister;
- (4) A public figure representing Diaspora Jewry, to be appointed by the Jewish Agency for Israel;
- (5) A member of the senior academic staff of the Hebrew University, with expertise in Jewish studies, to be appointed by the President of the University;
- (6) A member of the senior academic staff of an institution of higher education which is not the Hebrew University, with expertise in the humanities, to be appointed by the Council for Higher Education;
- (7) A member of the Israeli Council for Culture and Arts, within the meaning of the Culture and Arts Law, 5763-2002, with expertise and standing in any of the fields of the National Library's functions, to be appointed by the aforesaid Council;
- (8) A member of the Council of Public Libraries, within the meaning in the Libraries Law, with expertise and standing in any of the fields of the National Library's functions, to be appointed by the aforesaid Council;
- (9) A member of the Council of Museums, within the meaning in the Museums Law, 5743-1983, with expertise and standing in any of the fields of the National Library's functions, to be appointed by the aforesaid Council;
- (10) A member of the Higher Archives Council, within the meaning in the Archives Law, 5715-1955, with expertise and standing in any of the fields of the National Library's functions, to be appointed by the aforesaid Council;
- (11) An expert in the field of the economy, administration or economics, to be appointed by the Governor of the Bank of Israel;

(12) Three intellectuals and authors, at least one of whom shall be from the Arab, Druze or Circassian sectors, and at least one of whom shall be appointed from one of the immigrant groups and be familiar with its culture, to be appointed by the Minister, upon consultation with entities engaged in any of the fields of the National Library's functions, including entities representing the interest of the National Library's user public.

(b) Where the chairman is absent from a meeting of the Council, the Council shall select one from among its members to conduct such meeting.

Loyalty and independence of Council member

11. A member of the Council shall act loyally and exercise independent and autonomous discretion in the fulfillment of his position on the Council, all in a manner to ensure the professional, independent and autonomous functioning of the National Library. A member of the Council shall not represent the shareholders of the Company, the person who appointed him as a Council member or the entity by virtue of whose position thereon he is a Council member, and he shall not be an agent of any of the aforesaid.

Conflict of interest

12. (a) A person likely to be, directly or indirectly, in a conflict of interest between his position as a Council member and a personal interest he has, or another position he has, shall not be appointed and shall not serve as a Council member.

(b) A Council member shall refrain from participating in a deliberation or vote at meetings of the Council if the item under deliberation therein is likely to cause him to be in a conflict of interest between his position as Council member and a personal interest he has or another position he has. The Council member shall not handle such matter within his function on the Council, and also outside the meetings of the Council.

(c) If it becomes apparent to a member of the Council that a matter deliberated at a meeting of the Council or handled by him is likely to cause him to be in a conflict of interest as stated in subsections (a) or (b), he shall notify the chairman of the Council thereof and shall refrain from participating in the meetings of the Council on such matter or the handling of such matter.

(d) In this section –

“personal interest” – includes a personal interest of a relative or an interest of an entity that the Council member

or his relative are administering or are responsible employees therein, or an interest of an entity in which they have part of its share capital, a right to receive profits, a right to appoint a director or a voting right;

“relative” means a spouse, parent, child, sister or brother, or any other person financially dependent on the Council member.

Term of office

13. (a) The term of office of a Council member shall be four years, and he may be reappointed for further terms of office, provided that a Council member from among those persons enumerated in section 10(a)(4) to (12) shall not be appointed for more than two consecutive terms of office.

(b) Notwithstanding that stated in subsection (a), the office of the Council members stipulated in section 10(a)(1) and (2) shall be for as long as they serve in the position by virtue of which they are serving in office as Council members.

Termination of office

14. (a) A Council member shall cease to serve in office before the expiration of his term of office upon the fulfillment of one of the following:

(1) He resigned by the submission of a letter of resignation to the chairman of the Council;

(2) He ceased to be a member of the entity that by virtue of his position therein he was appointed as Council member;

(3) He was convicted of an offense that by virtue of its nature, severity or circumstances, the Council believed, after consultation with the Attorney General, that he was unsuitable to continue in his office;

(4) The person that appointed the Council member decided to terminate his office, provided that he did not decide as aforesaid except after the Council approached him with a request to do so, upon the fulfillment of one of the following:

(a) The Council member was unable to perform his function;

(b) The Council member is not properly performing his function;

(c) The Council member was absent from three consecutive meetings of the Council and in the chairman of the Council's opinion there was no reasonable cause for his absence;

(d) An indictment was filed against the Council member for an offense as stated in paragraph (3).

(b) Without derogating from the provisions of subsection (a), the Attorney General may determine that cause for the termination of office of the Council member enumerated in subsection (a)(3) has been satisfied, or demand from the entity that appointed the Council member to terminate his office due to the cause stated in subsection (a)(4), even if the Council did not do so.

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| Appointment of Council member who has ceased to serve in office | 15. (a) Where the President of the Israel Academy of Sciences and Humanities or the President of the Hebrew University of Jerusalem has ceased to serve in office as a Council member, another member from among the members of the Israel Academy of Sciences and Humanities to be appointed by the Academy or the President of the Hebrew University of Jerusalem, as the case may be, shall serve in office in his place, all as long as the impediment to the office of the Council member has not been removed or another person has not been appointed to such position.

(b) Where any member of the Council not stipulated in subsection (a) has ceased to serve in office or is unable to serve in office thereon, the entity appointing the member of the Council shall act to appoint another Council member in his place. |
| Reimbursement of expenses to Council members | 16. A Council member shall be entitled to a reimbursement of expenses that the company shall pay him according to the number of meetings he participated in, in accordance with the expenses paid to an outside director under the Government Companies Law, <i>mutatis mutandis</i> , provided that he does not receive a reimbursement of expenses from any other source. |
| Working arrangements of Council | 17. The Council shall convene at least twice a year, and it may determine its working arrangements, to the extent they are not determined under this Law. |
| Validity of acts | 18. The Council's establishment, powers and the validity of its decisions and acts shall not be prejudiced by the fact that the place of any member thereof has become vacant or on account of any defect in his appointment or his continued |

office.

The board of directors of the company

19. (a) The board of directors of the Company shall be comprised of at least 11 members and no more than 15 members, as set forth below:

- (1) Six members who are members of the academic staff at recognized institutions of higher education, including: as long as the Hebrew University of Jerusalem is a shareholder of the company, three members of the academic staff of the Hebrew University of Jerusalem, and at least one of which is in the field of Jewish studies, and if the Hebrew University of Jerusalem is not such a shareholder – one member of the academic staff of the Hebrew University of Jerusalem;
- (2) Three members with standing and experience in the fields of the economy, administration or economics;
- (3) One member who is an expert in librarianship;
- (4) One member with standing and experience in the field of education and culture;
- (5) In addition to that stated in paragraphs (1) to (4), up to four additional members may be appointed from the fields stipulated in paragraphs (2) to (4), provided that no more than two members are appointed under this paragraph in accordance with each of these paragraphs.

(b) The directors shall be appointed upon consultation with the Appointments Review Committee under section 60A of the Government Companies Law, which shall examine the eligibility and suitability of the candidates for office as director, pursuant to the provisions of this Law. Where the Appointments Review Committee decided not to recommend a candidate due to his ineligibility, the candidate shall not be appointed to such position.

(c) The Board of Directors shall select the chairman of the board of directors from among its members; the appointment requires the approval of the general meeting.

(d) Subject to the provisions of any law, provisions shall be determined in the articles of association of the company with respect to the office of a director, including provisions with respect to the avoidance of a conflict of

interest and provisions with respect to the term of office and lapse of office, provided that the term of office does not exceed three years, although a director whose term of office has ended may be reappointed for further terms of office, unless determined otherwise in the articles of association of the company.

The Director
General and the
Academic Director

20. (a) The board of directors of the company shall appoint the Director General of the company.

(b) The board of directors may decide that the company shall also have an academic director. Where the board of directors has decided as aforesaid, it shall appoint an Academic Director and determine his functions.

Honorary
Fellowship Board

21. (a) The general meeting may decide on the appointment of an Honorary Fellowship Board to include persons of public standing in the academic world and in the field of thought as well as persons of standing in public activities or in business in Israel or abroad. Where the general meeting has decided on the appointment of an Honorary Fellowship Board, it shall appoint its members.

(b) In the articles of association of the company, provisions shall be determined with respect to the appointment, composition and function of the Honorary Fellowship Board, in so far as the general meeting has decided on its appointment, and comprising provisions on the term of appointment of its members and their removal from office.

(c) The general meeting and the board of directors of the company may consult with the Honorary Fellowship Board on any matter within the scope of its functions, provided that it does not remove it from its functions under the provisions of any law.

(d) The company may submit to the Honorary Fellowship Board its financial statements and its annual and multi-annual work plan.

Chapter Four: Access to the Library's Collections

Access to the
Library's
collections

22. (a) The Director General of the company, upon consultation with the Academic Director, where one has been appointed, and with the approval of the board of directors, shall formulate rules with the purpose of allowing the public, as far as possible, reasonable and appropriate access to the Library's collections, in accordance with principles of equality.

(b) The Director General may enact different provisions in the rules as stated under subsection (a) for different categories of Library users, paying attention *inter alia* to their requirements.

(c) The rules as referred to under subsection (a) shall be formulated after a reasonable opportunity has been afforded to the entities representing the interests of Library users to present their positions before the Director General.

Permitted uses of
the National
Library

23. (a) Notwithstanding the provisions of any law, an act as set forth below shall be permitted to the National Library for the following purposes:

(1) The making of two copies of a work to which the Books Law applies, and copies thereof have not been delivered to the National Library for any reason whatsoever; the Library shall be permitted to make such copies upon approaching the person who is subject to a duty of delivery in accordance with the Books Law, in as much as his identity is known, and he failed to perform his duty;

(2) Replacement of a copy of a work that was in the possession of the National Library after it was delivered under the Books Law, and it was lost, destroyed or became unusable;

(3) Copying for the purpose of preservation, in any manner whatsoever, of a work, a copy of which is in the possession of the National Library, or the Library has access to, provided that such copy for preservation shall not be used as an additional copy to other copies already in the Library, and with respect to a work the Library has access to – as long as the Library has such option of access;

(4) Copying for the purposes of preservation of websites or of works found thereon; public access to copies made in accordance with this paragraph shall be performed in accordance with the conditions and limitations to be determined by the Minister of Justice, with the consent of the Minister; such provisions shall be enacted taking into consideration, *inter alia*, the effect thereof on the copyright proprietors of the works.

(b) The provisions of subsection (a) shall not derogate from the provisions of any other law permitting the

National Library to make a copy of works.

Chapter Five: Assets and Winding Up

Article One: Assets

Restrictions on performance of transactions with Assets

24. (a) The board of directors of the company shall classify the books and other items in the Library's collections (in this section, "Library items") and it may determine a different classification for the purpose of different transactions.

(b) Such classification as stated in subsection (a) shall include, *inter alia*, Library items that no transaction shall be performed with respect thereto, Library items that there is no restriction whatsoever on the performance of a transaction with respect thereto and Library items that there is a restriction on performance of a transaction with respect thereto, including a requirement of prior approval of the transaction by any entity whatsoever, including of the general meeting, the board of directors or the Director General.

(c) The general meeting may classify all or part of the Library items according to the provisions of subsections (a) and (b), *mutatis mutandis*. Where the general meeting has made such a classification, the classification determined by the board of directors according to the aforesaid subsections shall apply, subject to the classification determined by the general meeting.

(d) (1) The company shall allow the receipt of information about the classification of the Library items and the restrictions deriving from such classification on the performance of transactions with respect thereto;

(2) When performing a transaction with a specific Library item, the company shall submit information about its classification and the restrictions deriving from this classification;

(3) Without derogating from the provisions of this subsection, an entity wishing to enter into a transaction with the company with respect to a specific Library item may request information with respect to its classification and the company shall submit the full information it requested as aforesaid within 14 days of the date of having received its request.

(e) A transaction with a Library item contrary to the restrictions deriving from its classification under this section shall not be effective unless the transaction required approval and the approval required was received retroactively.

(f) In this section, “transaction” means the sale, rental or loan of a Library item or the transfer of a right therein in any other manner whatsoever.

Prohibition on encumbrance

25. (a) The assets of the National Library cannot be encumbered.

(b) Notwithstanding that stated in subsection (a), the company may encumber a specific asset that is not essential for ensuring the Library’s proper operation, provided that it is not a book or other item in the Library’s collections or that it is not the Library headquarters building.

(c) Such encumbrance as stated in subsection (b) requires the prior approval of the board of directors. The approval shall be granted on the fact that the asset is not essential to ensure the Library’s proper operation and that it may be encumbered, and the board of directors may grant such an approval for a specific asset or class of assets.

Attachment and right of lien

26. The assets enumerated below cannot be subject to an attachment and there shall be no right of lien with respect to such assets:

(1) Books and other items in the Library’s collections;

(2) The Library headquarters building;

(3) Any other asset unique to the Library, essential for its proper operation, according to the provisions determined by the Minister, with the consent of the Minister of Justice.

Article Two: Winding Up

Winding Up of company

27. (a) The company shall be wound up by the court solely in accordance with the provisions of Chapter Twelve of the Companies Law, provided that no winding up petition is filed by the company or by a shareholder, except with the consent of the State, to be given in a government decision.

(b) In addition to the grounds for winding up determined under the provisions of any law, and in accordance with a government decision, the State may file a petition with the court for the winding up of the company if it was convinced that the company is not achieving its objects or there is no longer any need for its existence. If the Hebrew University of Jerusalem is a shareholder, the petition shall be filed with its consent.

(c) The company may not bring about its dissolution in any manner, including by way of merger, settlement or arrangement, except in accordance with the provisions of this Law with respect to the winding up of the company.

Assets upon winding up

28. (a) The rights of the company in the books and other items in the Library's collections, as well as the rights of the company in the Library headquarters building shall not form part of the company's assets available for distribution upon winding up. Such rights shall be transferred, upon the winding up of the company, according to the instruction of the court, to another corporation that the court is convinced will be able to operate the Library in accordance with the provisions of this Law or, if there is no such corporation, to a subsidiary of the Hebrew University of Jerusalem, all as to be determined by the court, after having given the Attorney General and the Hebrew University of Jerusalem an opportunity to present their position. Where such assets have been transferred to such corporation or subsidiary, the provisions of this Law shall apply, *mutatis mutandis*, as to be determined by the court.

(b) After the debts of the company to its creditors have been fully paid up, the balance of the company's assets available for distribution upon winding up shall be transferred to such corporation or subsidiary as stated in subsection (a). The provisions of this subsection shall not apply with respect to an asset that it was determined on the date of its transfer to the company, in an agreement or the articles of association of the company that it will be transferred after winding up to the person who transferred it to the company (hereinafter, the "transferor") or to another person determined by the transferor.

Chapter Six: Term of Operation and Subsidiary

Term of operation and subsidiary

29. (a) Notwithstanding the provisions of this Law, in the three years after the date of commencement or for the duration of any other term if determined under subsection (c), the National Library shall be operated by a subsidiary of the

Hebrew University of Jerusalem (in this Law, the “term of operation”).

(b) The subsidiary shall be established within six months of the date of commencement and shall be called “the National Library” (in this Law, the “subsidiary”).

(c) The Minister may prescribe by order, at the request of the President of the Hebrew University of Jerusalem, or the chairman of the public board of the Jewish National & University Library or the chairman of the board of directors of the subsidiary, as the case may be, and with the approval of the Committee, another date for the establishment of the subsidiary or another term of operation for the National Library by the subsidiary.

(d) The provisions of this Law shall apply to the subsidiary, *mutatis mutandis*, except for the provisions of sections 8 to 18 and 19(b), provided that the shares of the subsidiary are fully held by the Hebrew University of Jerusalem and it is not possible to transfer shares or any rights whatsoever in the shares, or to allot shares in the subsidiary until the expiration of the term of operation.

(e) The transfer of ownership, possession or of a right of use of the collections or the assets from the Jewish National & University Library at the Hebrew University of Jerusalem to the subsidiary and the company shall be regulated in an agreement between the Hebrew University of Jerusalem and the subsidiary in full and proper realization of the objects and provisions of this Law.

(f) The subsidiary shall do its utmost to allow for the commencement of operation of the company in accordance with the provisions of this Law.

(g) By the expiration of the term of operation, the State and the Hebrew University of Jerusalem shall agree between themselves the terms of the articles of association of the company and shall determine which provisions of the articles of association are unalterable, except with the consent of the State and the University. The University shall perform those acts required for the entry into effect of the provisions of the articles of association upon the expiration of the term of operation.

(h) Six months prior to the expiration of the term of operation, the President of the Hebrew University of Jerusalem, the President of the Israel Academy of Sciences and Humanities and the Director General of the Ministry

of Education shall act for the appointment of the members of the Council by the appointing entities, and for the establishment of the first Council, by the expiration of the term of operation. Upon the expiration of the term of operation the Council shall commence performance of its functions under this Law, even if the appointment of any of its members is not yet complete, or a defect has occurred in his appointment or his place has become vacant, provided that at least a third of its members were appointed.

(i) Upon the expiration of the term of operation the National Library shall be operated by the company.

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| Exemption from taxes and other payments | 30. The transfer of assets from the Hebrew University of Jerusalem to the subsidiary and from the subsidiary to the company, under the provisions of this Law, shall be exempt from any fee, tax, levy or other compulsory payment to be paid under the provisions of any law on account of such transfer, and for this purpose the company or the subsidiary shall replace the University for all intents and purposes, including with respect to depreciation, original price and date of acquisition. |
| Assurance of operation of National Library upon expiration of term of operation and amendment of Schedule | 31. (a) The State, the Hebrew University of Jerusalem, the company and the subsidiary shall act in accordance with the provisions determined in this Chapter and in the Schedule, to assure that upon the expiration of the term of operation, the National Library shall be operated under this Law.

(b) The State and the Hebrew University of Jerusalem may agree between themselves on any other manner than that determined in the Schedule for commencement of operation of the company under the provisions of this Law, provided that after the expiration of the term of operation the National Library shall not be operated other than in the framework of a public benefit company in compliance with the provisions of this Law. Where the State and the University have agreed as aforesaid, the Minister may amend the Schedule, by order, with the approval of the Committee, in accordance with such agreement. |
| Reporting to the Knesset | 32. Upon the expiration of 18 months after the date of commencement, the subsidiary shall report to the Committee on its activities, including acts taken to implement the provisions of this Law and for the operation of the National Library by means of the company upon the expiration of the term of operation. |

Chapter Seven: Miscellaneous Provisions

- Saving of rights
33. (a) (1) Nothing in the provisions of this Law shall derogate from the Hebrew University of Jerusalem's ownership of the Library's collections or the National Library's assets, including the building serving the National Library (in this section, the "Library's assets") or from other rights granted to it therein; the vesting of rights in the Library's assets and the manner of possession and administration thereof shall be regulated in the agreement as stated in section 29(e), and the rights of the University and the company in such assets shall be in accordance with the aforesaid agreement.
- (2) Nothing in the provisions of this Law shall derogate from any right granted to any other entity in the Library's assets.
- (b) Nothing in the provisions of this Law, including the provisions of subsection (a), shall prejudice the provisions of the Antiquities Law, 5738-1978.
- Donations and other revenues
34. Nothing in the provisions of this Law shall prevent the company from fundraising, receiving estates or other revenues, as well as from collecting payments for its services. Provisions on this matter shall be determined with the approval of the board of directors.
- Application of laws to the company, its corporate officers and employees
35. The provisions of the Laws set forth below shall apply to the company, its corporate officers and employees, as the case may be, as if it were a government company, as defined in the Government Companies Law:
- (1) The Equal Rights for Women Law, 5711-1951;
- (2) The Youth Labor Law, 5713-1953;
- (3) The Penal Law, 5737-1977 – the provisions applying to public employees;
- (4) The Public Service (Gifts) Law, 5740-1979, however if the provisions of the aforesaid Law were applied to corporate officers and positions in the company by order under section 4(b) of the aforesaid Law – with the following amendments: in section 2 of the aforesaid Law, the words "property of the State" wherever occurring, shall

be replaced by the words, “property of the company”, the words “the Treasury” shall be replaced by the words, “to the Company”, the words “for the State” shall be replaced by the words “for the Company” and the words “from the Treasury” shall be replaced by the words “from the Company”;

(5) The Restriction on Publications (Public Bodies) Law, 5756-1996;

(6) The Protection of Employees (Exposure of Offenses of Unethical Conduct and of Improper Administration) Law, 5757-1997;

(7) The Equal Rights for Persons with Disabilities Law, 5758-1998;

(8) The Freedom of Information Law, 5758-1998;

(9) The Use of the Hebrew Date Law, 5758-1998;

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| Limitations on the application of the Companies Law | 36. The Minister of Justice may, upon consultation with the Minister of Education and with the approval of the Committee, determine by order that part of the provisions of Chapter One of Part Nine of the Companies Law shall not apply to the Company, or it shall apply with the amendments he shall determine, all generally or for the period he shall determine, however, he shall not determine as aforesaid with respect to sections 345A to 345I, 345M, 345N, 345P to 345R, 345U(a) to 345Z and 345BB of the Companies Law. |
| Application of Government Companies Law | 37. The provisions of the Government Companies Law and any provision under the provisions of any law applying to a government company or a mixed company shall not apply to the Company unless stated otherwise in this Law. |
| The Company – an audited body | 38. The Company is an audited body within the meaning in the State Comptroller Law, 5718-1958 [Consolidated Version]. |
| Amendment of Press Ordinance – No. 3 | 39. In section 8(1) of the Press Ordinance, the words “to the Jewish National & University Library” shall be replaced by the words “to the National Library”. |
| Amendment of Books Law – No. 2 | 40. In the Books Law –

(1) In section 2, the words “Jewish National & |

University Library” shall be replaced by the words “National Library”;

- (2) In section 7, the words “to the Jewish National & University Library” wherever occurring, shall be replaced by the words “to the National Library” and the words “Jewish National & University Library” shall be replaced by the words “National Library”.

- Implementation 41. The Minister is charged with the implementation of this Law.
- Commencement 42. This Law shall come into effect on 23 Tevet, 5768 (January 1, 2008) (in this Law, the “commencement”).

Schedule

(Section 31)

1. Upon the expiration of the term of operation, the company shall perform an allotment of shares, free of charge, to the State, to assure the fulfillment of the provisions of section 8(a).
2. Upon the expiration of the term of operation, the company shall have all rights in the agreement transferred to the subsidiary, as stated in section 29(e), and any other right vested in the subsidiary in the term of operation.
3. The board of directors serving in the subsidiary immediately prior to the expiration of the term of operation shall continue to serve in office, and it shall be deemed a board of directors appointed by the first general meeting of the company, and it shall serve in office for a term of one year from the expiration of the term of operation. The general meeting may remove the aforesaid board of directors or any of its members from their position.

Ehud Olmert
Prime Minister

Yuli Tamir
Minister of Education

Shimon Peres
President of the State

Dalia Itzik
Speaker of the Knesset