



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

IN RE AROTECH CORP. SECURITIES
LITIGATION

07-cv-1838-RJD-VVP

PROOF OF CLAIM AND RELEASE

DEADLINE FOR SUBMISSION: JUNE 1, 2010.

IF YOU PURCHASED THE COMMON STOCK OF AROTECH CORPORATION (“AROTECH”) ON THE OPEN MARKET DURING THE PERIOD FROM NOVEMBER 9, 2004 THROUGH NOVEMBER 14, 2005, INCLUSIVE (“CLASS PERIOD”), YOU ARE A “CLASS MEMBER” AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

EXCLUDED ARE THE DEFENDANTS IN THIS ACTION, MEMBERS OF THE IMMEDIATE FAMILIES (PARENTS, SPOUSES, SIBLINGS, AND CHILDREN) OF EACH OF THE INDIVIDUAL DEFENDANTS, ALL DIRECTORS, OFFICERS, PARENTS, SUBSIDIARIES AND AFFILIATES OF Arotech, ANY PERSON, FIRM, TRUST, CORPORATION OR ENTITY IN WHICH ANY EXCLUDED PERSON DURING THE CLASS PERIOD HAD OR HAS A CONTROLLING INTEREST OR WHICH IS RELATED TO OR AFFILIATED WITH ANY EXCLUDED PERSON, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS IN INTEREST, OR ASSIGNS OF ANY EXCLUDED PERSON.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED *NO LATER THAN JUNE 1, 2010* TO THE CLAIMS ADMINISTRATOR AT:

Arotech Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

YOUR FAILURE TO SUBMIT YOUR CLAIM BY JUNE 1, 2010 MAY SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.



I. GENERAL INSTRUCTIONS

A. It is important that you completely read and understand the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice") and this Proof of Claim and Release ("Proof of Claim" or "claim form"). The Notice describes the proposed Settlement, how Class Members are affected by it, and the manner in which the Settlement Fund will be distributed, if the Settlement is approved by the Court. By signing and submitting this Proof of Claim, you will be certifying that you have read and understood the Notice.

B. "Class Member" means any person who is included in the definition of the Class, and did not timely submit proper request for exclusion in accordance with the requirements set forth in the Notice.

C. If you are not a Class Member, or if you, or someone acting on your behalf, files a request for exclusion from the Class, do NOT submit a claim form.

D. Submission of this Proof of Claim does not ensure that you will share in the proceeds of the Settlement Fund. Distributions from the Settlement Fund are governed by the Plan of Allocation as approved by the Court. The proposed Plan, which is subject to the Court's approval, is included in the Notice.

E. If you have questions or need assistance in filling out this claim form, please contact the Claims Administrator at the above address, by toll-free phone at (800) 766-3330, or email by visiting the Claims Administrator's website at www.berdonclaims.com and clicking on "Contact Us."

II. INSTRUCTIONS FOR COMPLETING THIS CLAIM FORM

A. You must file a separate claim form for each differently named account or ownership (individual account, IRA account, joint account, etc.) However, joint tenants, co-owners or UGMA custodians should file a single claim.

B. All joint purchasers must **each** sign this Proof of Claim.

C. Agents, executors, administrators, guardians, conservators, custodians and trustees may complete and sign the Proof of Claim on behalf of persons and entities represented by them, but they must identify such persons and entities by name, address, telephone number, Social Security or Tax Identification Number, expressly state the capacity in which they are acting, and provide proof of their authority (*e.g.*, powers of attorney, a copy of trust documents, currently effective letters testamentary, letters of administration, etc.) to do so.

D. The date of a purchase or sale of Arotech common stock is the "trade" date and not the "settlement" date.

E. The first-in-first-out basis ("FIFO") will be applied to both purchases and sales.

F. The date of covering a "short sale" is deemed to be the date of purchase of Arotech common stock; and the date of a "short sale" is deemed to be the date of sale of Arotech common stock. There will be no Recognized Claim attributed to the shares that were originally sold short.

G. The receipt of an *inter vivos* gift, distribution from an estate, or an inter-account transfer of Arotech common stock during the Class Period shall not be deemed to be a purchase of Arotech common stock. However, the recipient of a gift, or a distribution from an estate, or an inter-account transfer of Arotech common stock shall be eligible to file a Proof of Claim and participate in the Settlement to the extent the particular donor as the actual purchaser of such Arotech common stock would have been eligible, and based upon the circumstances of such purchase within the Class Period. However, donor and donee may not both claim with regard to the same Arotech common stock. If both donor and donee make such a claim, only the claim filed by the donee will be honored.



H. No cash payment will be made on a claim where the potential distribution amount is \$10 or less.

I. You are required to attach **copies only** of genuine and sufficient supporting documentation for all your transactions in Arotech common stock during the Class Period from November 9, 2004 through and including November 14, 2005. Documentation may be photocopies of brokerage confirmation slips or monthly statements. If such documents are not in your possession, please obtain copies or equivalent contemporaneous documents from your broker or financial advisor. A complete list of acceptable supporting documentation can be found on the Claims Administrator's website at www.berdonclaims.com (click on "Supporting documentation" under Questions and Procedures). Failure to supply this documentation could delay verification or may result in rejection of your claim.

J. If your trading activity during the Class Period exceeds 50 transactions, you must provide all purchase and sale information required in the Schedule of Transactions in an electronic file. For a copy of instructions and the parameters concerning electronic submissions, contact the Claims Administrator by toll-free phone at (800) 766-3330, by fax at (516) 931-0810, or via the website www.berdonclaims.com and click on "Efiling of claims" under Electronic Submissions).



AROTECH

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

In Re Arotech Corp. Securities Litigation

PROOF OF CLAIM

Must be postmarked no later than June 1, 2010

III. CLAIMANT IDENTIFICATION

Please Type or Print

Beneficial Owner's Name *(as it appears on your brokerage statement)*

Joint Beneficial Owner's Name *(as it appears on your brokerage statement)*

Street Address

City

State

Zip Code

Foreign Province

Foreign Country

Social Security Number

or

Taxpayer Identification Number

(used only to verify claim, and failure to provide could delay same or result in rejection of claim)

Specify one of the following:

- Individual(s) Corporation UGMA Custodian IRA, Keogh *(specify)* _____
- Partnership Estate Trust Other: *(specify)* _____

Area Code Telephone Number (Day) _____ _____ (Evening)
Area Code Telephone Number

Facsimile Number

E-Mail Address

Record Owner's Name and Address *(if different from beneficial owner listed above)*

DETACH HERE





IV. SCHEDULE OF TRANSACTIONS IN AROTECH COMMON STOCK

- A. State the total number of shares of Arotech common stock owned at the close of trading on November 8, 2004, long or short (*if none, enter "0"; if other than zero, must be documented*): _____
- B. Separately list each and every **purchase** of Arotech common stock during the period November 9, 2004 **through** November 14, 2005 and provide the following information (*must be documented*):

Trade Date <i>(list chronologically)</i> Month/Day/Year	Number of Shares Purchased	Documentation Provided <i>(Yes / No)</i>

- C. Separately list each and every **sale** of Arotech common stock during the period November 9, 2004 **through** November 14, 2005 and provide the following information (*must be documented*):

Trade Date <i>(list chronologically)</i> Month/Day/Year	Number of Shares Sold	Documentation Provided <i>(Yes / No)</i>

- D. State the total number of shares of Arotech common stock owned at the close of trading on November 14, 2005, long or short (*if none, enter "0"; if other than zero, must be documented*): _____

If you need additional space, attach the required information on separate, numbered sheets in the same format as above and print your name and Social Security or Taxpayer Identification number at the top of each additional sheet.

YOU MUST READ THE FOLLOWING ACKNOWLEDGMENT AND RELEASE AND SIGN ON PAGE 19

DETACH HERE





V. ACKNOWLEDGMENTS AND RELEASE

A. I/We purchased Arotech common stock on the open market during the period from November 9, 2004 through November 14, 2005, inclusive.

B. By submitting this Proof of Claim, I/we state that I/we believe in good faith that I am/we are (a) Class Member(s) as defined above and in the Notice or am/are acting for such person; that I am/we are not a Defendant in the Action or anyone excluded from the Class; that I/we have read and understand the Notice; that I/we believe that I am/we are entitled to receive a share of the Net Settlement Fund; that I/we elect to participate in the proposed Settlement described in the Notice; and that I/we have not filed a request for exclusion.

C. I/We consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I/We understand and agree that my/our claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my/our status as a Class Member and the validity and amount of my/our claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with the processing of this Proof of Claim.

D. I/We have set forth, where requested below, all relevant information with respect to each purchase, sale and holding position of Arotech common stock as applicable to this litigation. I/We agree to furnish additional information (including transactions in other Arotech securities) to the Claims Administrator to support this claim if requested to do so.

E. I/We have enclosed **photocopies** of the stockbroker’s confirmation slips, stockbroker’s statements, or other documents evidencing each purchase, sale or retention of Arotech common stock listed below in support of my claim.

F. I/We understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I/we agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Claim. In some cases, the Claims Administrator may condition acceptance of the Claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities, such as options.)

G. Upon the occurrence of the Effective Date, my/our signature(s) hereto will constitute a full and complete release, remise and discharge by me/us and my/our heirs, executors, administrators, predecessors, successors, and assigns (or, if I am/we are submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the “Released Parties” of all “Settled Claims,” as defined in the Notice.

VI. CERTIFICATION

A. I/We certify that I am/we are NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the word “NOT” in the certification above.

B. I/We certify under penalty of perjury under the laws of the United States of America, that the foregoing information supplied by the undersigned and the supporting documents attached hereto, are true, correct and complete to the best of my/our knowledge, information and belief, and that this Proof of Claim and Release form was executed this _____ day of _____, 2008 in _____ (City), _____ (State/Country).

DETACH HERE





Signature of Claimant

(Print your name here)

Signature of Joint Claimant, if any

(Print your name here)

Signature of person signing on behalf of Claimant

(Print your name here)

Capacity of person signing on behalf of Claimant, if other than an individual (e.g., Executor, President, Custodian, etc.)

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN JUNE 1, 2010, AND MUST BE MAILED TO:

Arotech Securities Litigation Settlement Fund
c/o Berdon Claims Administration, P.O. Box 9014
Jericho, NY 11753-8914

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by June 1, 2010, and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

1. Please sign the Release and Certification above.
2. If this claim is being made on behalf of joint claimants, then both must sign.
3. Please do not send original stock certificates. Remember to attach only **copies** of supporting documents. Do **not** send any stock certificates.
4. If your address changes in the future, or if these documents were sent to an old or incorrect address, please send us **written** notification of your new address.
5. Keep copies of your completed claim form and of all documentation submitted.
6. You will **not** receive confirmation that your Proof of Claim and Release have been received. Therefore, you send it via Certified Mail, Return Receipt Requested or by some other means which provide you with proof of receipt. **You will bear all risks of delay or non-delivery of your claim.**
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at:

Arotech Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Phone: (800) 766-3330
Fax: (516) 931-0810
Website: www.berdonclaims.com

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