

**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY OR FORM OF DIRECTION (AS APPLICABLE) ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, please seek personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or transfer or have sold or transferred all of your ordinary shares of NIS 0.01 in the capital of Adgorithms Ltd. (“**Ordinary Shares**”) or depositary interests representing Ordinary Shares (“**Depositary Interests**”), please forward this document, together with the accompanying Form of Proxy or Form of Direction (as applicable), as soon as possible to the purchaser or the transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or transfer or have sold or transferred only part of your holding of Ordinary Shares or Depositary Interests, you should retain this document and the accompanying Form of Proxy or Form of Direction (as applicable).



## **Notice of Extraordinary General Meeting**

To be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, United Kingdom at 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Monday, 7 September 2015.

Whether or not you intend to attend the Extraordinary General Meeting, please complete and submit the enclosed Form of Proxy or Form of Direction (as applicable) in accordance with the instructions printed on it.

The Form of Proxy must be received by *Capita Asset Services* no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Sunday, 6 September 2015. The Form of Direction must be received by *Capita Asset Services* no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Friday, 4 September 2015.

### **ADGORITHMS LTD.**

Incorporated under the laws of Israel with registered number 514497601

Registered Office:  
20 Lincoln St.  
Tel Aviv 6713412  
Israel

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## **ADGORITHMS LTD.**

(incorporated under the laws of Israel with registered number 514497601)

*Registered Office*  
20 Lincoln St.  
Tel Aviv 6713412  
Israel

13 August 2015

Dear Shareholder or Depositary Interest holder,

### **Notice of Extraordinary General Meeting**

I am pleased to be writing to you with details of the upcoming extraordinary general meeting of the shareholders of Adgorithms Ltd. (“**Adgorithms**” or the “**Company**”) to be held at 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Monday, 7 September 2015 at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, United Kingdom (the “**Meeting**”).

The formal notice of the Meeting is set out on pages 7 to 9 of this document. The explanatory notes on pages 5 to 6 outline the business to be considered at the Meeting. Voting on all resolutions at the Meeting will be by show of hands.

### **Actions to be taken in respect of the Meeting**

The action to be taken in respect of the Meeting depends on whether you hold your Ordinary Shares in certificated form or as Depositary Interests.

#### ***Certificated Shareholders***

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

Whether or not you propose to attend the Meeting, you are strongly encouraged to complete, sign and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom or, during normal business hours, by hand, in each case by no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Sunday, 6 September 2015.

This will enable your vote to be counted at the Meeting in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting, or any adjournment of the Meeting, in person should you wish to do so.

#### ***Depositary Interest holders***

Please check that you have received the following with this document:

- a Form of Direction for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Direction (in the UK only).

Whether or not you propose to attend the Meeting, you are strongly encouraged to complete, sign and return the Form of Direction in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom or, during normal business hours by hand, to the same address, in each case by no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Friday, 4 September 2015.

This will enable your vote to be counted at the Meeting. If you would like to attend the Meeting in person as a Depositary Interest holder, please contact the Depositary (the “**Depositary**”) Capita IRG Trustees Limited to request a Letter of Representation to be issued to you.

**Recommendation**

The directors of the Company believe that all of the proposals to be considered at the Meeting are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions.

Yours faithfully,

**John Allwood**  
Chairman

## EXPLANATORY NOTES

### Appointment of external directors

As described in the Company's admission document dated 5 June 2015 ("**Admission Document**"), in accordance with the Israeli Companies Law, 5759-1999, and the rules and regulations promulgated thereunder (the "**Companies Law**") the Company is required to appoint at least two external directors within three months of the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies ("**Admission**"). Admission occurred on 11 June 2015.

An "external director" is a director who meets certain independence criteria prescribed by the Companies Law. External directors are also subject to certain duties and responsibilities prescribed by the Companies Law, details of which are set out in paragraph 17.4 of Part 1 of the Admission Document.

Following a thorough selection process, the nomination committee has identified Barak Salomon and Ofir Gomeh as suitable external directors and has recommended their appointment to the Company's board of directors (the "**Board**"). Each of Barak Salomon and Ofir Gomeh (each a "**Nominee**" and collectively the "**Nominees**") has agreed to be appointed as an independent non-executive director and an external director of the Company, subject to shareholder approval. The Company is required to hold a general meeting to approve the appointment of such external directors.

If appointed, each of the Nominees shall, subject to the provisions of the Companies Law, serve as a member of the Board for an initial period of three years. Subject to the Companies Law, in consideration for serving as an external director, each of the Nominees shall be entitled to be paid (i) an aggregate gross amount of NIS 80,500 or £13,685\* per annum (or the *pro rata* portion of such amount for any period less than a year) and (ii) a gross amount of NIS 1,300 or £221\* for each meeting of the Board and/or a committee of the Board attended by the Nominee.

As required under the Companies Law, each of the Nominees has executed a declaration confirming that he is qualified to serve as an external director (the "**Declarations**").

### Changes to composition of board committees

On Admission, the Company established an audit committee, a remuneration committee and a nomination committee.

#### *Audit committee*

The audit committee is currently comprised of John Allwood and Lisa Gordon and is chaired by John Allwood.

If each of Barak Salomon and Ofir Gomeh are elected as external directors at the Meeting, the composition of the audit committee will change. John Allwood will resign from the audit committee and Barak Salomon and Ofir Gomeh will be appointed to the audit committee. Lisa Gordon will remain a member of the audit committee. The audit committee will be chaired by Ofir Gomeh.

It is a requirement of the Companies Law that all external directors of the Company must be members of the audit committee. Following the appointment of Barak Salomon and Ofir Gomeh, the audit committee will be considered a formal audit committee for the purposes of the Companies Law. John Allwood will be required to resign, because it is a requirement of the Companies Law that the Company's chairman may not serve as a member of the audit committee.

#### *Remuneration committee*

The remuneration committee is currently comprised of John Allwood and Lisa Gordon and is chaired by Lisa Gordon.

If each of Barak Salomon and Ofir Gomeh are elected as external directors at the Meeting, the composition of the remuneration committee will change. John Allwood will resign from the remuneration committee and Barak Salomon and Ofir Gomeh will be appointed to the remuneration committee. The remuneration committee will be chaired by Barak Saloman.

It is a requirement of the Companies Law that all external directors of the Company must be members of the remuneration committee. Following the appointment of Barak Salomon and Ofir

\* Based on currency exchange rate as at close of business on 11 August 2015.

Gomeh, the remuneration committee will be considered a formal remuneration committee for the purposes of the Companies Law. John Allwood will be required to resign because it is a requirement of the Companies Law that the Company's chairman may not serve as a member of the remuneration committee.

#### *Nomination committee*

There will be no changes to the composition of the nomination committee following the appointment of Barak Salomon and Ofir Gomeh.

## **BIOGRAPHIES OF PROPOSED EXTERNAL DIRECTORS**

### **Barak Salomon**

Barak Salomon has extensive experience in private equity investments in the technology and industrial sectors. Barak is a Partner at Q3P, an investment group focusing in industrial investments, and serves as board member at Friedrich Plastic Industries Ltd. Previously, Barak was with Viola Private Equity, a technology growth capital and buyout fund, managing the investment team and executing investments in the technology and industrial sectors. Prior to Viola, Barak worked in the Technology group of Apax Partners in Israel. Barak holds an MBA from the MIT Sloan School of Management and a Bachelor's degree in mathematics and computer science (cum laude) from Bar Ilan University in Israel.

### **Ofir Gomeh**

Ofir Gomeh has been a certified public accountant in Israel for the past 15 years. Ofir currently serves as the CEO of Clal Sun (the renewable energy arm of Clal Industries), leading major solar projects from development through to financing, construction and operation. Previously, Ofir was the CFO of Clal Sun. Prior to Clal Sun, Ofir was the CFO of Rafael Development Company (RDC), a subsidiary of the renowned Israeli defence company, Rafael, focused on leveraging its technologies for civilian use. In his role, Ofir co-led the process of incubating a dozen start-up companies in various fields, from healthcare to communications. He was concurrently the CFO of RDC's subsidiary, Medingo, which was sold to Roche for \$200m. Previously, Ofir worked in the finance department of NASDAQ-listed Elron Electronic Industries, as well as at KPMG. Ofir holds a BA in Economics and Accounting from the Hebrew University of Jerusalem and is also a graduate of the Tel-Aviv University, where he attained his MBA in Finance and Accounting.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Adgorithms Ltd. (the “**Company**”) will be held at 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Monday, 7 September 2015 at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, United Kingdom, to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions.

1. As required by the Israeli Companies Law, 5759-1999 and any regulations promulgated thereunder (the “**Israeli Companies Law**”), to:
  - (a) elect Barak Salomon as an independent non-executive director and an external director for a term of three years; and
  - (b) approve the payment to Barak Salomon, in consideration for him serving as an independent non-executive director and external director, of:
    - (i) an aggregate gross amount of NIS 80,500 per annum (or the *pro rata* portion of such amount for any period less than a year); and
    - (ii) a gross amount of NIS 1,300 for each meeting of the board of directors of the Company (the “**Board**”) and/or a committee of the Board that he attends.
2. As required by the Israeli Companies Law, to:
  - (a) elect Ofir Gomeh as an independent non-executive director and an external director for a term of three years; and
  - (b) approve the payment to Ofir Gomeh, in consideration for him serving as an independent non-executive director and external director, of:
    - (i) an aggregate gross amount of NIS 80,500 per annum (or the *pro rata* portion of such amount for any period less than a year); and
    - (ii) a gross amount of NIS 1,300 for each meeting of the board of directors of the Company and/or a committee of the Board that he attends.

The resolutions will be proposed as ordinary resolutions and will require a majority of the votes cast at the meeting to be in favour of a resolution to be passed. Such majority must include at least a majority of the votes cast by persons who are neither controlling shareholders of the Company nor who are shareholders who have a personal interest in the appointment of such external directors (excluding a personal interest that is not related to a relationship with the controlling shareholders).

Voting on each resolution will be by show of hands.

By order of the Board

**Ron Stern**  
Company Secretary

20 Lincoln St.  
Tel Aviv 6713412  
Israel

Incorporated under the laws of Israel with registered number 514497601

13 August 2015

### Notes to the Notice of Extraordinary General Meeting:

1. Enclosed with this document is either a Form of Proxy for shareholders (the “**Form of Proxy**”) or a Form of Direction for Depositary Interest holders (the “**Form of Direction**”).
2. Only those shareholders registered in the Company’s register of members as of 6.00 p.m. (London time) / 8.00 p.m. (Tel Aviv time) on Wednesday, 12 August 2015 (the “**Original Cut-off**”) shall be entitled to attend and/or vote at the Meeting, and each only in respect of such number of shares registered in his or its name at that time. If the Meeting is adjourned to a time not more than 48 hours after the original Meeting time, the Original Cut-off will continue to apply. Any changes to the Company’s register of members made after the Original Cut-off shall be disregarded for these purposes.
3. If you are a shareholder of the Company, whether or not you intend to be present at the Meeting, please complete and return the Form of Proxy (in accordance with the instructions set out in that document) to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, as soon as possible and in any event so as to be received by no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Sunday, 6 September 2015 or 24 hours before any meeting following adjournment thereof (in accordance with the Uncertified Securities Regulations 2001, and any other provisions notwithstanding). Completion and return of a signed Form of Proxy will not prevent you from attending the Meeting and voting in person, if you so wish.
4. If you are a holder of Depositary Interests, please complete and return the Form of Direction (in accordance with the instructions set out in that document) to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom, as soon as possible and in any event so as to be received by no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Friday, 4 September 2015 or 72 hours before any meeting following adjournment thereof.
5. In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy, or Form of Direction (as applicable) but the vote of the first named on the register of members or register of Depositary Interests (as applicable) will be accepted to the exclusions of the other joint holders.
6. According to the Companies Law, each of the proposals to appoint Barak Salomon and Ofir Gomeh as “external directors” as set forth in Resolutions 1 and 2 of the Notice of Extraordinary General Meeting requires the affirmative vote of the holders of a majority of the voting power represented and voting on this proposal in person or by proxy. In addition, the shareholders’ approval must either (i) include at least a majority of the votes cast by persons who are neither controlling shareholders of the Company nor who are shareholders who have a personal interest in the appointment of such “external directors” (excluding a personal interest that is not related to a relationship with the controlling shareholders), or (ii) the total votes cast by non-controlling shareholders and non-interested shareholders voting against such proposal must not represent more than two per cent of the aggregate voting power. For this purpose, you are asked to indicate in the Form of Proxy or Form of Direction (as applicable) whether you are a controlling shareholder or have a personal interest in any of these proposals.
7. Depositary Interest holders wishing to attend the meeting should contact the Depositary at Capita IRG Trustees Limited, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom or by email to [custodymgt@capita.co.uk](mailto:custodymgt@capita.co.uk) in order to request a Letter of Representation no later than 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Friday, 4 September 2015. However, Depositary Interest holders will not be able to vote at the Meeting.
8. Depositary Interest holders who are CREST members and who wish to issue an Instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
9. In order for an instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited specifications, and must contain the information required for such Instruction, as described in the CREST Manual (available via [www.euroclear.co.uk](http://www.euroclear.co.uk)). The



message, regardless of whether it constitutes an Instruction or is an amendment to a previously made Instruction must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. (London time) / 12.00 p.m. (Tel Aviv time) on Friday, 4 September 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of Instructions made through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. A corporation which is a member may by resolution of its directors or other governing body authorise a person to act as its representative who may exercise, on its behalf, all its powers as a member, provided they do not do so in relation to the same shares.
12. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders and Depositary Interest holders subject all messages to virus checking procedures before use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
13. As at 6.00 p.m. on Wednesday, 12 August 2015, the Company's issued share capital comprised 61,698,853 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on Wednesday, 12 August is 61,698,853.
14. Voting on all resolutions will be by way of a show of hands.
15. The forms of the offer letters of Barak Salomon and Ofir Gomeh and their Declarations, will be available for inspection at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, United Kingdom during normal business hours from the date of this Notice for at least 15 minutes prior to the Meeting and during the Meeting.

