

**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 Annual 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 7 July 2016.

Whether or not you intend to attend the Annual 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 6 July 2016. 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 4 July 2016.

### **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 June 2016

Dear Shareholder or Depositary Interest holder,

### **Notice of Annual General Meeting**

I am pleased to be writing to you with details of the upcoming annual 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 7 July 2016 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 9 to 10 of this document. The explanatory notes on pages 5 to 7 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 with this document a Form of Proxy for use in respect of the Meeting.

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 6 July 2016.

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 with this document a Form of Direction for use in respect of the Meeting.

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 4 July 2016.

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.

### **Options**

The notice of the Meeting includes special majority resolutions to approve the grant of options over, in aggregate, 2,083,977 Ordinary Shares pursuant to the Adgorithms Ltd. 2013 Israeli Share Option Plan. All of the options will be exercisable at a price equal to 16 pence, based on the average closing price of the Company's shares for the 30 trading days preceding the date of the notice, and will be subject to performance and vesting conditions. In addition, Mr. Or Shani has waived his rights with respect to all of his existing options over 2,012,999 Ordinary Shares.

Following the grant of the options and waiver of rights to options by Mr. Shani, there will be outstanding options of 6,049,362 Ordinary Shares representing approximately 9.8% of the current issued share capital of the Company.

### **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**

### **Resolution 1 – financial statements and reports**

The Directors are required to present to the Meeting the Company's financial statements for the year ended 31 December 2015 and the reports of the Directors and the auditors on such financial statements. These are all contained in the 2015 Annual Report.

### **Resolutions 2, 3, 4 and 5 – re-election of directors**

The Company's articles of association (the "**Articles**") require the Directors (other than External Directors as defined in the Articles) to retire and if wishing to serve again, to offer themselves for re-election by the shareholders at each Annual General Meeting.

The biographies of the Directors seeking re-election are set out on page 7 of this document.

The Board considers that the performance of each of the Directors seeking re-election continues to be effective, that each of such Directors demonstrates the commitment required to continue in his or her present role, and accordingly supports each such Director's re-election.

### **Resolution 6 – re-appointment of auditors and auditors' remuneration**

Resolution 6 proposes the re-appointment of Kost Forer Gabbay & Kasierer (a Member of Ernst & Young Global) as the auditor to the Company and gives the Directors authority to fix their remuneration.

### **Resolution 7 – US Taxpayers Appendix to the 2013 Israeli Option Plan**

Resolution 7 proposes the adoption of a U.S. Taxpayers Appendix to the Company's 2013 Israeli Option Plan to allow the Company to grant equity awards to employees, consultants and officers of the Company who are subject to U.S. federal income tax, details of which are set out in Appendix 1 to this document.

### **Resolution 8 – Purchase of own shares**

This resolution seeks authority for the Company to make market purchases of its own Ordinary Shares. If passed, the resolution gives authority for the Company to purchase up to 6,169,885 Ordinary Shares, representing just under 10% of the Company's issued Ordinary Shares as calculated at 10 June 2016 (being the latest practicable date prior to publication of this document).

The resolution specifies the minimum and maximum prices which may be paid for any Ordinary Shares purchased under this authority. The power conferred by this resolution will expire at the conclusion of the next annual general meeting of the Company or, if sooner, 15 months after the date of the passing of this resolution. The directors have no immediate plans to make use of this authority.

*Resolutions 1 to 8 will be proposed as ordinary resolutions. An ordinary resolution requires a majority of the votes cast at the Meeting to be in favour of the resolution for the resolution to be passed.*

### **Resolution 9 – the remuneration of John Allwood**

John Allwood will continue to serve as the non-executive chairman of the Company and will continue to receive an annual fee of £60,000.

**Resolution 10 – the remuneration of Lisa Gordon**

Lisa Gordon will continue to serve as a non-executive director of the Company and will continue to receive an annual fee of £40,000.

**Resolution 11 – the remuneration and terms of employment of the new Adgorithms Chief Revenue Officer, Geoff Farris**

The proposed resolution is to approve the terms of employment of Geoff Farris, which includes an annual salary of US\$265,000 and other benefits commensurate with his position.

**Resolution 12 – grant of options to the new Adgorithms Chief Revenue Officer, Geoff Farris**

The proposed resolution is to grant to Geoff Farris options to purchase up to 1,233,977 Ordinary Shares at an exercise price equal to 16 pence, based on the average closing price of the Ordinary Shares during the 30 trading day period prior to the date of the notice. The options have certain vesting criteria and performance conditions.

**Resolution 13 – grant of options to Adgorithms Chief Financial Officer, Ron Stern**

The proposed resolution is to grant to Ron Stern options to purchase up to 500,000 Ordinary Shares at an exercise price equal to 16 pence, based on the average closing price of the Ordinary Shares during the 30 trading day period prior to the date of the notice. The options have certain vesting criteria and performance conditions.

**Resolution 14 - remuneration and terms of employment of new Adgorithms Chief Marketing Officer, Amy Tisler**

The proposed resolution is to approve the terms of employment of Amy Tisler, which includes an annual salary of US\$220,000 and other benefits commensurate with her position.

**Resolution 15– grant of options to the new Adgorithms Chief Marketing Officer, Amy Tisler**

The proposed resolution is to grant to Amy Tisler options to purchase up to 350,000 Ordinary Shares at an exercise price equal to 16 pence, based on the average closing price of the Ordinary Shares during the 30 trading day period prior to the date of the notice. The options have certain vesting criteria and performance conditions.

**Resolution 16 - remuneration and terms of employment of Adgorithms Chief Technology Officer, Tomer Naveh**

The proposed resolution is to approve, subject to the Tomer Naveh’s relocation to the US, an annual salary of US\$300,000 and an annual reimbursement of expenses in the amount of \$10,000 for Tomer Naveh, as well as one-time relocation expenses payment in the amount of \$50,000.

*Resolutions 9 to 16 will be proposed as special majority resolutions. In order for a special majority resolution to be passed, either (i) at least a majority of the votes cast in favour of the resolution at the Meeting must be cast by persons who are neither controlling shareholders of the Company nor shareholders who have a personal interest in the approval of such a resolution, or (ii) the total votes cast by non-controlling*

*shareholders and non-interested shareholders against such a resolution must not represent more than two per cent of the aggregate voting power.*

#### **Resolution 17 – disapplication of pre-emption rights**

Under article 10 of the Articles, if the Directors wish to allot any shares or grant rights over shares (other than pursuant to an employee share scheme) for cash they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares for cash without a pre-emptive offer to existing shareholders. This cannot be done under the Articles unless the shareholders have first waived their pre-emption rights. Resolution 17 asks shareholders to do this, and provides for non-pre-emptive allotments of up to 6,169,885 Ordinary Shares, representing 10 per cent. of the Company's issued ordinary share capital as at 10 June 2016 (being the latest practicable date prior to publication of this document) until the 2017 Annual General Meeting.

#### **Resolution 18 – electronic documents**

The Company is interested to distribute information to its shareholders in electronic means (email) as opposed to physical means. This will allow shareholders to receive information in a more expedited fashion and will save unnecessary costs to the company. The shareholders are requested to approve such distribution of company reports and information including but not limited to the Company's Annual Report and any other information that the company needs to communicate to its shareholders.

*Resolutions 17 and 18 will be proposed as special resolutions. A special resolution requires a majority of not less than three-fourths of the votes cast at the Meeting to be in favour of the resolution for the resolution to be passed.*

## **BIOGRAPHIES OF DIRECTORS SEEKING RE-ELECTION**

### **John Allwood, Independent Non-Executive Chairman**

John Allwood is a non executive director of TalkTalk plc and Chairman of IMI mobile plc. He has spent his career in media and telecoms holding a number of senior executive positions including Chief Executive of Orange UK and Chief Executive and Finance Director at Mirror Group plc. He also worked at News International plc, Mecom plc and Telegraph Media Group. He was appointed Independent non executive Chairman of Adgorithms in June 2015.

### **Or Shani, Chief Executive Officer**

Or Shani founded Adgorithms in 2010. He has significant leadership experience from the online advertising industry, previously serving as the Head of Online Marketing at Online365 (now WebForce), Director of Trading Business Development at SupersonicAds and Head of Affiliates and Media Team at ValueNet. Previously, he worked at Mansion Group, an online gaming operator, in a Media Buying capacity. Or also served as an officer in the Israeli Air-Force for 8 years.

### **Ron Stern, Chief Financial Officer**

Ron Stern has over 12 years of M&A, Private Equity and Venture Capital experience. He was previously Senior Advisor to the Pritzker Group, Chicago-based investment firm, where he was responsible for deal sourcing in

Israel. Previously, he assisted Kleiner Perkins Caufield & Byers in identifying and evaluating investment opportunities in Israel. Prior to his work with KPCB, Ron was a partner at Shamrock Capital Advisors, the investment arm of the Disney family. At Shamrock he was responsible for executing ten transactions and served as Executive Chairman of a U.S. technology company, where he led a successful turnaround of the business. Prior to Shamrock, he was a Senior Associate at Cap Gemini Ernst & Young in New York and worked at the purchasing department of Intel in Israel. Additionally, he is the founder of Value Israel Ltd., a private investment advisory firm focused on the high tech and clean energy sectors in Israel. Ron is a graduate of the Hebrew University of Jerusalem and Columbia Business School, where he attained his MBA in Finance and Entrepreneurship. He was appointed as CFO of Adgorithms in January 2015.

**Lisa Gordon, Independent Non-Executive Director**

Lisa Gordon brings over 21 years of industry experience to Adgorithms. She was a founder Director and Corporate Development Director at Local World, a large media network focussed on regional news via online and print titles in the UK which was acquired by Trinity Mirror Plc in November 2015. She previously served on the board of Chrysalis Group plc, and at the time was the youngest female director of a listed UK company, in addition to roles as Corporate Development Director and latterly CEO of Chrysalis New Media. Lisa has also served as a board member of Future plc, a specialist magazine publisher. She started her career in the City as a research analyst and part of the No 1 Extel rated Media and Leisure team for County Natwest. She was appointed as Independent Non-Executive Director of Adgorithms in June 2015.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual 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 7 July 2016 at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, United Kingdom, for the following purposes:

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the financial statements of the Company for the year ended 31 December 2015 together with the reports of the directors and the auditors thereon.
2. To re-elect John Allwood, who retires by rotation pursuant to Article 45 of the Company’s Articles of Association, as a director (if re-elected, Mr. Allwood shall continue to serve as Chairman of the Company’s Board of Directors following the Annual General Meeting).
3. To re-elect Lisa Gordon, who retires by rotation pursuant to Article 45 of the Company’s Articles of Association, as a director.
4. To re-elect Or Shani, who retires by rotation pursuant to Article 45 of the Company’s Articles of Association, as a director.
5. To re-elect Ron Stern, who retires by rotation pursuant to Article 45 of the Company’s Articles of Association, as a director.
6. To re-appoint the Company’s auditors, Kost Forer Gabbay & Kasierer (a Member of Ernst & Young Global) (the “**Auditors**”) and authorise the Board of Directors of the Company to fix the Auditors’ remuneration.
7. To approve the US Taxpayers Appendix to the Company’s 2013 Israeli Option Plan (the “**Appendix**” and the “**Plan**”, respectively) in the form set out in Appendix 1 to this Notice and in connection therewith to approve the reservation of 2,000,000 Ordinary Shares out of the Company’s authorised but unissued share capital for the purpose of granting equity awards under the Plan and the Appendix to US taxpayers, such that the maximum number of Ordinary Shares that may be issued under the Plan and the Appendix to US taxpayers shall be 2,000,000 Ordinary Shares.
8. To generally and unconditionally authorise the Company to make market purchases (within the meaning of section 693(4) of the UK Companies Act 2006) of ordinary shares of NIS 0.01 each in the capital of the Company (“**Ordinary Shares**”), provided that:
  - (a) the maximum aggregate number of Ordinary Shares that may be purchased is 6,169,885;
  - (b) the minimum price, exclusive of any expenses, which may be paid for each Ordinary Share is NIS 0.01;
  - (c) the maximum price, exclusive of any expenses, which may be paid for each Ordinary Share is an amount equal to the higher of: (a) 105 per cent of the average of the middle market quotations for an Ordinary Share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the Ordinary Share is purchased; and (b) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share as stipulated by the Buy-back and Stabilisation Regulations (EC 2273/2003); and
  - (d) the authority conferred by this resolution shall expire (unless previously renewed, varied or revoked) on the date being 15 months after the passing of this resolution or, if earlier, at the conclusion of the Company’s next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

To consider and, if thought fit, pass the following resolutions which will be proposed as special majority resolutions:

9. To approve the remuneration terms of John Allwood for his service as a director of the Company.
10. To approve the remuneration terms of Lisa Gordon for her service as a director of the Company.
11. To ratify and approve the remuneration and terms of employment of the new Adgorithms Chief Revenue Officer, Geoff Farris (the “**CRO**”).
12. To approve the grant of options to the CRO to purchase up to 1,233,977 Ordinary Shares at an exercise price equal to 16 pence, based on the average closing price of the Ordinary Shares for the 30 trading days preceding the date of this Notice, and subject to the terms of the CRO’s option letter.
13. To approve the grant of options to the Adgorithms Chief Financial Officer, Ron Stern, to purchase up to 500,000 Ordinary Shares at an exercise price equal to 16 pence, based on the average closing price of the Ordinary Shares for the 30 trading days preceding the date of this Notice, and subject to the terms of his option letter.
14. To ratify and approve the remuneration and terms of employment of the new Adgorithms Chief Marketing Officer, Amy Tisler (the “**CMO**”).
15. To approve the grant of options to the CMO to purchase up to 350,000 Ordinary Shares at an exercise price equal to 16 pence, based on the average closing price of the Ordinary Shares for the 30 trading days preceding the date of this Notice, and subject to the terms of the CMO’s option letter.
16. To approve the new remuneration and terms of employment of the Adgorithms Chief Technology Officer, Tomer Naveh (the “**CTO**”), as an employee of Adgorithms Inc., a subsidiary of the Company, subject to receipt of all required permits by the US authorities and other applicable authorities required for the CTO’s relocation to the US.

To consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions:

17. To authorise the Directors pursuant to Article 10.2 of the Company’s Articles of Association to allot and issue up to 6,169,885 Ordinary Shares (representing 10 per cent. of the Company’s issued share capital) for cash as if Article 10.2 of the Articles of Association did not apply to such allotment and issue, provided that this power shall expire on the conclusion of the Company’s 2017 Annual General Meeting or, if sooner, 15 months after the date of the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance of such an offer or agreement as if the power had not expired.
18. To approve the submission of electronic documents by the company, in lieu of printed documents to shareholders, including but not limited to the financial reports of the Company.

Voting on each resolution will be by show of hands.

By order of the Board

**Hadar Harosh Fabian**  
Company Secretary

20 Lincoln St.  
Tel Aviv 6713412

Israel

Incorporated under the laws of Israel with registered number 514497601

13 June 2016

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

1. Enclosed with this Notice of Annual General Meeting is 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 the close of business (London time) on 10 June 2016 (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 6 July 2016 or 24 hours before any meeting following adjournment thereof (in accordance with the Uncertificated 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 4 July 2016 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 Israeli Companies Law, 5759-1999 (the “**Israeli Companies Law**”) the proposed resolutions of the Notice of Annual 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, with respect to proposed resolutions No. 9 through 16 of the Notice of Annual General Meeting, either (i) the shareholders’ approval 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 approval of such a resolution, or (ii) the total votes cast by non-controlling shareholders and non-interested shareholders against such a resolution 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 [custodymgmt@capita.co.uk](mailto:custodymgmt@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 4 July 2016. However, Depositary Interest holders will not be able to vote at the Meeting.

8. Depository 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 4 July 2016. 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 Depository 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 close of business on 10 June 2016, 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 close of business on 10 June 2016 is 61,698,853.
14. Voting on all resolutions will be by way of a show of hands.
15. The US Taxpayers Appendix to the 2013 Israeli Option Plan, the directors’ declarations required pursuant to Section 224(b) of the Israeli Companies Law, the service agreements and letters of appointment of the directors, the form of employment agreement of the CRO and options letter, Ron Stern’s options letter, the form of employment agreement of the CMO and options letter and the form of the CTO’s new employment agreement, 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 of Annual General Meeting for at least 15 minutes prior to the Meeting and during the Meeting.

## APPENDIX 1

### US Taxpayers Appendix to the 2013 Israeli Option Plan

#### 1. Special Provisions for Persons who are U.S. Taxpayers.

**1.1.** This Appendix (the “**Appendix**”) to the Adgorithms Ltd. 2013 Israeli Share Option Plan (the “**Plan**”) was approved by the Board of Directors (the “**Board**”) on 10 June 2016 (the “**Effective Date**”). Capitalized terms not defined in Section 2 hereof or otherwise defined herein shall have the meaning assigned to them in the Plan.

**1.2.** The provisions specified hereunder apply only to persons who are subject to U.S. federal income tax (any such person, a “**U.S. Taxpayer**”). This Appendix provides both for the grant of options to purchase Shares and of Restricted Shares. Options granted under this Appendix may include Non-Qualified Stock Options as well as Incentive Stock Options intended to qualify under Section 422 of the Code.

**1.3.** This Appendix applies with respect to Awards granted under the Plan. The purpose of this Appendix is to establish certain rules and limitations applicable to Awards that may be granted or issued under the Plan from time to time, in compliance with applicable tax, securities and other applicable laws currently in force. Except as otherwise provided by this Appendix, all grants made pursuant to this Appendix shall be governed by the terms of the Plan (including, without limitation, its provisions regarding adjustments). This Appendix is applicable only to Awards granted after the Effective Date and is applicable to all Awards granted to U.S. Taxpayers under the Plan.

**1.4.** The Plan and this Appendix shall be read together. In any case of an irreconcilable contradiction (as determined by the Administrator) between the provisions of this Appendix and the Plan, the provisions of the Appendix shall govern unless expressly stated otherwise in the Plan.

**1.5.** This Appendix shall be submitted to the Company’s shareholders for approval within twelve (12) months of the Effective Date. As of the Effective Date, the Board of Directors may grant Awards pursuant to this Appendix; provided, however, that: (a) no Incentive Stock Option may be exercised under this Appendix prior to initial shareholder approval of the Plan and this Appendix; (b) if such approval has not been obtained at the end of said twelve-month period, all Incentive Stock Options previously granted or awarded under the Plan and this Appendix shall thereupon be canceled and become null and void; and (c) no Incentive Stock Option granted pursuant to an increase in the number of Shares reserved for the purpose of the Plan and this Appendix approved by the Board of Directors shall be exercised prior to the time such increase has been approved by the shareholders of the Company .

#### 2. Definitions.

The following definitions will apply to grants made pursuant to this Appendix:

**“Award”** shall mean a grant of Options or grant of Restricted Shares to a U.S. Taxpayer under the Plan and this Appendix.

**“Award Agreement”** shall mean a written instrument setting forth the terms applicable to a particular Award.

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended. Any reference to any section of the Code shall also be a reference to any successor provision and any Treasury Regulation promulgated thereunder.

**“Disability”** means, with respect to Incentive Stock Options, a “permanent and total disability” within the meaning of Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

**“Fair Market Value”** means, for purposes of this Appendix, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, as of any date and except as provided below, (a) if the Shares are listed on any established securities exchange, the closing sales price for such Shares (or the closing bid, if no sales were reported) as traded on such exchange for such date, or if no bids or sales were reported for such date, then the closing sales price (or the closing bid, if no sales were reported) on the trading date immediately prior to such date during which a bid or sale occurred, in each case, as reported in a recognized daily business newspaper or such other source as the Board deems reliable; or (b) in the absence of an established market for the Shares, the Fair Market Value shall be determined in good faith by the Board, taking into account such factors as it considers advisable in a manner consistent with the principles of Code Section 409A or, with respect to Incentive Stock Options, Code Section 422.

**“Incentive Stock Option”** means any Option awarded under the Plan and this Appendix intended to be and designated in the Award Agreement as an “incentive stock option” within the meaning of Section 422 of the Code to an eligible Participant who is an employee of the Company, Parent or any Subsidiary.

**“Non-Qualified Stock Option”** shall mean an Option not described in Section 422(b) or 423(b) of the Code, or, which, by its terms, does not qualify or is not intended to qualify as an Incentive Stock Option.

**“Options”** shall mean options to purchase Shares awarded under the Plan and this Appendix.

**“Parent”** means any parent corporation of the Company within the meaning of Section 424(e) of the Code.

**“Participant”** means an employee, director or consultant of the Company or any Subsidiary who receives an Award hereunder.

**“Restricted Shares”** means Shares that are subject to a vesting schedule as set forth in an Award Agreement.

**“Section 83(b) Election”** means an election by a Participant to include the Fair Market Value of a Share (less any amount paid for the Share) at the time of grant as part of the Participant’s income in accordance with Section 83(b) of the Code. A Section 83(b) Election must be filed in writing with the Internal Revenue Service within thirty (30) days of the date of the Award, with a copy to the Company or Affiliate with whom the Participant is employed.

**“Securities Act”** means the U.S. Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder. Any reference to any section of the Securities Act shall also be a reference to any successor provision.

“**Service Provider**” shall mean an employee, director, office holder or consultant of the Company or a Subsidiary.

“**Subsidiary**” means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.

“**Ten Percent Shareholder**” means a person possessing more than 10% of the total combined voting power of all classes of shares of the Company, its Subsidiaries or its Parent determined pursuant to the attribution rules set forth in Section 424(d) of the Code.

### **3. Shares Reserved under Appendix for Incentive Stock Options.**

The Company has reserved 2,000,000 authorized but unissued Shares, for the purpose of issuing Awards to U.S. Taxpayers pursuant to the terms of the Plan and this Appendix, all of which may be issued as Incentive Stock Options and as such number may be adjusted in accordance with the Plan. Notwithstanding the foregoing, all adjustments shall only be made in a manner that does not result in taxation under Code Section 409A and will be made only if and to the extent that such adjustment would not cause any Option intended to qualify as an Incentive Stock Option to fail to so qualify. Shares for grants of Incentive Stock Options shall not be increased without the approval of the shareholders of the Company as required pursuant to Section 421 et seq. of the Code.

### **4. Grants of Options.**

**4.1. *Generally.*** The Board (or an authorized Committee thereof) shall have full authority to grant Options to Participants pursuant to the terms of this Appendix, the Plan and the applicable Award Agreement. All Options shall be granted by, confirmed by, and subject to the terms of, an Award Agreement to be executed by the Company and the Participant. In particular, the Administrator shall have the authority to determine whether an Option is intended to qualify as an Incentive Stock Option or is a Non-Qualified Stock Option.

**4.2. *Eligibility.*** All Service Providers are eligible to be granted Non-Qualified Stock Options under this Appendix, and only employees of the Company, a Subsidiary or a Parent are eligible to be granted Incentive Stock Options under the Plan and this Appendix, if so employed on the grant date of such Incentive Stock Option. Although it is anticipated that grants hereunder will be granted solely or primarily to U.S. Taxpayers, eligibility for the grant of an Option and actual participation in this Appendix and the Plan shall be determined by the Administrator in its sole discretion.

**4.3. *Exercise Price.*** Each Award Agreement shall state the exercise price per share of the Shares covered by each Option, which option price shall be determined by the Administrator and shall be at least equal to the Fair Market Value per Share on the date of grant of the Option; provided that if the exercise price of an Option is less than Fair Market Value, the terms of such Option shall be structured in a manner that is intended to comply with the requirements of Section 409A of the Code. In addition, the terms of Section 6 shall apply to the grant of Incentive Stock Options.

### **5. Special Terms for Incentive Stock Options.**

**5.1. *Disqualification.*** To the extent that any Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Option or the portion thereof that does not qualify shall constitute a separate Non-Qualified Stock Option.

**5.2. *Exercise Price.*** The exercise price per Share subject to an Incentive Stock Option shall be determined by the Administrator at the time of grant of such Incentive Stock Option; provided that the per share exercise price of an Incentive Stock Option shall not be less than 100% of the Fair Market Value of the Share at the time of grant of such Incentive Stock Option; and provided, further, that if an Incentive Stock Option is granted to a Ten Percent Shareholder, the exercise price per Share shall be no less than 110% of the Fair Market Value of the Share at the time of the grant of such Incentive Stock Option.

**5.3.** *Option Term.* The term of each Incentive Stock Option shall be fixed by the Administrator; provided, however, that no Incentive Stock Option shall be exercisable more than 10 years after the date such Incentive Stock Option is granted; and further provided that the term of an Incentive Stock Option granted to a Ten Percent Shareholder shall not exceed five years.

**5.4.** *Incentive Stock Option Limitations.*

**5.4.1.** To the extent that the aggregate Fair Market Value (determined as of the time of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by an employee during any calendar year under this Plan and/or any other stock option plan of the Company, any Subsidiary or any Parent exceeds \$100,000, such Incentive Stock Options shall be treated as Non-Qualified Stock Options. For purposes of this Section 5.4(a) Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder.

**5.4.2.** If an employee does not remain employed by the Company, any Subsidiary or any Parent at all times from the time an Incentive Stock Option is granted until three months prior to the date of exercise thereof (or such other period as required by Section 422 of the Code), such Incentive Stock Option shall be treated as a Non-Qualified Stock Option.

**5.4.3.** Should any provision of this Appendix not be necessary in order for the Options to qualify as Incentive Stock Options, or should any additional provisions be required, the Administrator may amend this Appendix accordingly, without the necessity of obtaining the approval of the shareholders of the Company, unless required by applicable law.

**5.5.** *Effect of Termination.* Notwithstanding anything to the contrary in the Plan or this Appendix, and in the absence of a provision specifying otherwise in the relevant Award Agreement, then with respect to Incentive Stock Options, the following provisions must be met in order for the Award to qualify as an Incentive Stock Option under the Code:

**5.5.1.** in the event that the Participant ceases to be an employee of the Company or any Subsidiary or Parent for any reason other than the Participant's death or Disability, the vested Options must be exercised within three (3) months from the effective date of termination of the Participant's employment with the Company or any Subsidiary or Parent;

**5.5.2.** in the event that the Participant's employment with the Company, a Subsidiary or Parent terminates as a result of the Participant's death or Disability, the Option must be exercised within twelve (12) months following the Participant's Date of Termination for death or Disability.

To avoid doubt, the provisions of Section 10 of the Plan shall remain in full force and effect and apply to Options granted as Incentive Stock Options. The restrictions set forth above represent special additional limitations that apply to qualify as Incentive Stock Options under the provisions of the Code. To avoid doubt, to the extent different than the terms under this Section 5.5, a Participant may choose to exercise Options in accordance with the terms of Section 10 of the Plan and the relevant Award Agreement, and not in compliance with the provisions of the Code relating to "incentive stock options". In that case such Option will not qualify as an Incentive Stock Option and will be treated as a Non-Qualified Stock Option.

**5.6.** *Notice of Disposition.* The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Stock Option within (i) two years from the date of grant of such Incentive Stock Option or (ii) one year after the transfer of such Shares to the Participant.

**5.7.** *Right to Exercise.* During a Participant's lifetime, an Incentive Stock Option may be exercised only by the Participant.



**6. Restricted Shares.**

All Service Providers are eligible to be granted Restricted Shares which shall be evidenced by an Award Agreement between the Participant and the Company and shall be subject to all applicable terms and conditions of the Plan and this Appendix and may be subject to any other terms and conditions which are not inconsistent with the Plan and this Appendix and which the Administrator deems appropriate for inclusion in an Award Agreement. A grant of Restricted Shares as provided for in the Plan may, but is not required to, have a purchase price which may be set at the discretion of the Administrator. In the case of a grant of Restricted Shares for which a purchase price is required, such grant shall not be made until arrangements for payment of the purchase price have been established that are satisfactory to the Administrator. In accordance with the terms of the Code, a Participant shall be responsible for payment of all taxes incurred in connection with the grant of Restricted Stock. Accordingly, upon the vesting of Restricted Stock, or upon making a Section 83(b) Election, a Participant shall make provision for the payment of all required withholding to the Company in accordance with Section 17 of the Plan.

**7. Amendment of Appendix and Individual Grants.**

**7.1.** This Appendix may be amended or terminated in accordance with the terms governing the amendment or termination of the Plan; provided, however, that without the approval of the shareholders of the Company entitled to vote in accordance with applicable law, no amendment may be made that would: (i) increase the aggregate number of Shares that may be issued under this Appendix as Incentive Stock Options; (ii) change the classification of individuals eligible to receive Incentive Stock Options under this Appendix; (iii) extend the term of the Plan; or (iv) require shareholder approval in order for the Appendix to continue to comply with Section 422 of the Code to the extent applicable to Incentive Stock Options or require shareholder approval to the extent necessary and desirable to comply with applicable law, regulations or under the rules of any exchange or system on which the Company's securities are listed or traded at the request of the Company.

**7.2.** The Administrator may, to the extent permitted by the Plan and this Appendix, amend the terms of any Award theretofore granted, prospectively or retroactively, but, subject to the Plan or as otherwise specifically provided herein, no such amendment or other action by the Administrator shall materially impair the previously accrued rights of any holder of such grant without the holder's consent.

**7.3.** Notwithstanding any other provisions of the Plan or this Appendix to the contrary, the Administrator may amend the Plan, this Appendix or any Award without the consent of the holder thereof if the Administrator determines that such amendment is required or advisable for the Company, the Plan, this Appendix or any Award to satisfy, comply with or meet the requirements of any law, regulation, rule or accounting standard, provided, however, that the Administrator may not materially amend the Plan and/or this Appendix with respect to Participants without obtaining the shareholders approval. For this purpose, the following shall be considered material amendments requiring shareholder approval: (i) increasing the benefits accruing to Participants, (ii) increasing the number of Shares that may be issued under the Plan and this Appendix (other than in accordance with Section 4 of the Plan), and (iii) as otherwise may be required by applicable laws.

**8. Compliance with Code Section 409A.**

Although the Company does not guarantee to a Participant any particular tax treatment of Awards, Awards will be designed and operated in such a manner that is intended to be exempt from the application, or in compliance with the requirements, of Code Section 409A. Each Award granted pursuant to the Plan, this Appendix and the applicable Award Agreement is intended to comply with (or be exempt from) the requirements of Code Section 409A and any ambiguities or ambiguous terms herein will be construed and interpreted in accordance with such intent. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or for any damages for failing to comply with Section 409A of the Code.

**9. Adjustments upon Merger Transactions**

In the event of a Merger Transaction, the provisions of Section 4 of the Plan will apply; provided however, a transaction will not be deemed a Merger Transaction unless the transaction qualifies as a change in control event (within the meaning of Code Section 409A), as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

**10.**           Limits on Transfer.

No Award shall be assigned, transferred or otherwise disposed of by any Participant otherwise than by will or by the laws of descent and distribution, and all Options shall be exercisable, during the Participant's lifetime, only by the Participant. Any Shares acquired upon the exercise of an Award by a permissible transferee of an Award or a permissible transferee pursuant to a transfer after the exercise of, or issuance of Shares under, an Award shall be subject to the terms of the Plan, the Appendix and the applicable Award Agreement.

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