



Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting of Plus500 Ltd. (the "Company") will be held at Regus offices, Level 9, CityPoint, 1 Ropemaker Street, London EC2Y 9HT, on 1 June 2017, at 4.30 p.m. for the following purposes:

To receive and discuss the directors and the financial statements of the Company for the year ended 31 December 2016 together with the report of the auditors thereon.

As ordinary business to consider, and, if thought fit, pass Resolutions 1 to 6 inclusive below:

1. To re-elect Penelope Judd, who retires by rotation pursuant to Article 42 of the Company's Articles of Association, as a director (if re-elected, Ms. Judd shall serve as Chairman of the Company's Board of Directors following the Annual General Meeting).
2. To re-elect Gal Haber, who retires by rotation pursuant to Article 42 of the Company's Articles of Association, as a director.
3. To re-elect Asaf Elimelech, who retires by rotation pursuant to Article 42 of the Company's Articles of Association, as a director.
4. To re-elect Elad Even-Chen, who retires by rotation pursuant to Article 42 of the Company's Articles of Association, as a director.
5. To elect Steven Baldwin as a director.
6. To re-appoint Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, as the Company's independent external auditor for 2017 and to authorize the Company's Board of Directors (or, the Audit Committee, if authorized by the Board of Directors) to fix their remuneration.

As special business to consider, and, if thought fit, pass Resolutions 7 to 11 inclusive below:

7. To approve the fees payable to Ms. Penelope Judd for her services as the Chairman of the Company's Board of Directors of £90,000 gross per annum effective 1 June 2017.
8. To approve an increase to the fees payable to Mr. Charles Fairbairn for his services as senior Non-Executive Director from £54,450 gross per annum to £75,000 gross per annum effective 1 June 2017.
9. To approve the fees payable to Mr. Steven Baldwin for his services as a Non-Executive Director of £54,450 gross per annum effective 1 June 2017.
10. As required by Israeli law, to re-adopt the Company's Remuneration Policy for Directors and Executives.
11. To renew the authority of the Directors pursuant to Article 10(c) of the Company's Articles of Association to allot and issue up to 11,488,838 Ordinary Shares (representing approximately 10 per cent. of the Company's issued share capital) for cash as if Article 10(b) of the Articles of Association did not apply to such allotment and issue, provided that this authority shall expire on 11 August 2018 or, if earlier, the conclusion of the next annual general meeting of the Company (save that the Company may before such expiry make an offer or agreement which would or might require ordinary shares to be issued after such expiry and the Directors may issue ordinary shares in pursuance of such an offer or agreement as if the power had not expired).

By order of the Board of Directors

Alastair Gordon

Chairman of the Board

Dana Comber

Company Secretary

26 April 2017

Registered Office:

Matam, Building 25

Haifa 31905

Israel

Registered in Israel number 514142140

Notes:

1. Holders of depositary interests in respect of ordinary shares (“DI holder”) may only appoint Capita IRG Trustees Limited as their proxy. Should a DI holder wish to attend, speak and vote on their number of shares held under the Trustee they must submit a request to the Trustee and ask for a Letter of Representation and this instruction is covered off in the notes on the Form of Direction – point 8.

If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0 871 664 0300 or if calling from outside the United Kingdom on +44 (0) 371 664 0300. Calls cost 12p per minute plus your phone company’s access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. All forms must be signed and should be returned together in the same envelope.

2. To be valid, any Form of Proxy or other instrument appointing a proxy and any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must be received by post or (during normal business hours only) by hand at Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 4.30 p.m. on 30 May 2017.
3. In the case of Depositary Interests holders, a Form of Direction must be completed in order to appoint Capita IRG Trustees Limited whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, the Custodian, to vote on the holder’s behalf at the meeting. To be effective, a completed and signed Form of Direction must be deposited at Capita no later than 4.30 p.m. on 26 May 2017.
4. The return of a completed Form of Proxy, Form of Direction, or other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder or DI holder attending the Annual General Meeting and voting in person if he/she wishes to do so.
5. Pursuant to Israel’s Companies Law, 5759-1999 (the “Companies Law”), to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of the Company at close of business on 2 May 2017. Changes to the Company’s register after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
6. The quorum for the Annual General Meeting shall be two or more shareholders present in person or by proxy and holding shares conferring in the aggregate 25 per cent of the voting power of the Company. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine.
7. Any shareholder attending the Annual General Meeting is entitled pursuant to the Companies Law to ask any question relating to the business being dealt with at the meeting. The Company will answer any such questions unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of any answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
8. As at 25 April 2017 (being the last business day prior to the publication of this Notice) the Company’s issued share capital consisted of 114,888,377 ordinary shares of which none were held as treasury shares. Therefore, the total voting rights in the Company as at 25 April 2017 were 114,888,377.
9. The Directors recommend voting in favour of all items in the Notice.
10. CREST members who wish to appoint a proxy or proxies 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.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with CRESTCo’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent ID (RA10) by 4.30 p.m. on 30 May 2017. 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 Application 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 to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo 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.
13. 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.

14. Under the Companies Law, the proposal to re-adopt the Company's Remuneration Policy for Directors and Executives, as set forth in Item 10 of the Notice, requires the affirmative vote of the holders of a majority of the voting power represented and voting on each of these proposals in person or by proxy. In addition, the shareholders' approval must either include at least a majority of the ordinary shares voted by DI holders who are not controlling shareholders of the Company nor are they shareholders who have a personal interest in the re-adoption of the Company's Remuneration Policy for Directors and Executives, or the total ordinary shares of non-controlling shareholders and non-interested shareholders voted against this proposal must not represent more than two per cent of the outstanding ordinary shares. For this purpose, you are asked to indicate in the Form of Proxy card whether you are a controlling shareholder or have a personal interest in this proposal.
15. The proposal of disapplication of pre-emptive right, as set forth in Resolution 11, requires the affirmative vote of the holders of 75% of the voting power represented and voting on each of the resolution in person or by proxy.
16. The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the AGM from 3.30 p.m. on the day of the AGM until the conclusion of the AGM:
 - (i) copies of the letters of appointment (and other related documents) of the Non-Executive Directors; and
 - (ii) the Company's Remuneration Policy for Directors and Executives.

Explanatory Notes:

Resolution 1. Mr. Gordon, the Chairman of the Company's Board of Directors since its admission to the AIM Market in 2013, has notified the Board of his interest to step down from the position of Chairman following the Annual General Meeting in order to devote more time to his personal interests.

The Nomination Committee of the Board of Directors, in consultation and coordination with Mr. Gordon and the Executive Directors, has conducted a search for a new Chairman. Following the completion of such search, the Nomination Committee recommended that the Board appoint Ms. Penelope Judd, the Company's Non-Executive Director and Chairman of the Regulatory and Risk Committee, as the new Chairman of the Company's Board of Directors. The Board of Directors subsequently adopted the recommendation of the Nomination Committee and appointed Ms. Judd, in accordance with the Company's Articles of Association (the "Articles"), as the new Chairman of the Board of Directors, effective upon, and subject to, her re-election as a director at the Annual General Meeting. Ms. Judd has agreed to accept such appointment and serve as the Chairman of the Board of Directors. Information on Ms. Judd's background and extensive experience in compliance, regulation, corporate finance and audit is available in the Company's Annual Report.

Resolutions 1-4. 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.

Resolution 5. Resolution proposes to approve the election of Steven Baldwin as a new Non-Executive Director. Information on Mr. Baldwin's background and extensive experience is set forth in the Company's announcement, dated the date hereof.

Resolution 6. Resolution proposes the re-appointment of Kessleman & Kessleman, a member firm of PricewaterhouseCoopers International Limited, as Auditor of the Company and authorises the Directors to set their remuneration.

Resolution 7. Resolution 7 proposes to set the remuneration of Ms. Penelope Judd, the new Chairman of the Company's Board of Directors, with effect from 1 June 2017.

Resolution 8. Resolution 8 proposes that the remuneration of Mr. Charles Fairbairn, the senior Non-Executive Director, increase with effect from 1 June 2017.

Resolution 9. Resolution 9 proposes to approve the remuneration of Mr. Steven Baldwin, a new Non-Executive Director, with effect from 1 June 2017.

Resolutions 10. Pursuant to Companies Law, all public Israeli companies, including companies whose shares are only publicly-traded outside of Israel, such as the Company, are required to adopt a written compensation policy for their executives and directors, which addresses certain items prescribed by the Companies Law. The adoption, amendment and restatement of the policy is to be recommended by the Remuneration Committee and approved by the Board of Directors and shareholders every three years. In 2014, such policy was originally adopted, and in accordance with the Israeli law requirement, the Remuneration Committee reviewed and re-adopted such policy. The Board of Directors subsequently approved the policy and recommended that it be re-adopted by the shareholders at the Annual General Meeting.

Resolution 11. 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) 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 11 asks shareholders to do this, and provides for non-pre-emptive allotments of up to 11,488,838 Ordinary Shares, representing 10% of the Company's issued ordinary share capital as at 25 April 2017 (being the latest practicable date prior to publication of this notice) until 11 August 2018 or, if earlier, the conclusion of the next annual general meeting of the Company.