



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Plus500 Ltd. (the "Company" or "Plus500") will be held at Regus offices, Level 9, CityPoint, 1 Ropemaker Street, London EC2Y 9HT, on 16 January 2018, at 11.00 am for the following purposes:

As special business to consider, and, if thought fit, pass Resolutions 1 to 3 inclusive below:

1. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board of Directors, to approve the following 2018 remuneration terms for Mr. Asaf Elimelech, the Chief Executive Officer and an Executive Director of the Company:
 - a. The payment to Mr. Elimelech of an annual bonus for the year ending 31 December 2018, as set forth in the explanatory notes.
 - b. The grant to Mr. Elimelech of a share appreciation right in the amount of NIS 2,000,000 (approx. USD 570,000) vesting after two years from the date of grant, with a maximum payout amount of NIS 8,000,000 (approx. USD 2,280,000). Subject to the approval of this Resolution by the Company's shareholders at the Extraordinary General Meeting, the effective grant date of the share appreciation right shall be 31 December 2017.
2. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board of Directors, to approve the following 2018 remuneration terms for Mr. Elad Even-Chen, the Chief Financial Officer and an Executive Director of the Company:
 - a. The payment to Mr. Even-Chen of an annual bonus for the year ending 31 December 2018, as set forth in the explanatory notes.
 - b. The grant to Mr. Even-Chen of a share appreciation right in the amount of NIS 2,000,000 (approx. USD 570,000) vesting after two years from the date of grant, with a maximum payout amount of NIS 8,000,000 (approx. USD 2,280,000). Subject to the approval of this Resolution by the Company's shareholders at the Extraordinary General Meeting, the effective grant date of the share appreciation right shall be 31 December 2017.
3. As required by Israeli law, to amend the Company's Remuneration Policy for Directors and Executives.

By order of the Board of Directors

Penelope Judd
Chairman of the Board

Dana Comber
Company Secretary

12 December 2017

Registered Office:
Matam, Building 25
Haifa 3190500
Israel
Registered in Israel number 514142140

Explanatory Notes:

Resolutions 1 and 2. Resolutions 1 and 2 propose to adopt 2018 remuneration terms for Mr. Asaf Elimelech, the Company's Chief Executive Officer and an Executive Director, and Mr. Elad Even-Chen, the Company's Chief Financial Officer and an Executive Director.

1. In accordance with the Israel Companies Law, 5759-1999 (the "Companies Law"), the remuneration of a Director (such as Mr. Elimelech and Mr. Even-Chen) requires the approval of the Remuneration Committee, the Board of Directors of the Company (the "Board") and the Company's shareholders. The Remuneration Committee and the Board have approved, and recommended that the Company's shareholders approve, the 2018 remuneration terms for Mr. Elimelech and Mr. Even-Chen as set forth in Resolutions 1 and 2.
2. The 2018 remuneration terms are comprised of service contract fees, an annual cash bonus and the grant of a share appreciation right.
3. The payment to Mr. Elimelech and Mr. Even-Chen of an annual bonus for the year ending 31 December 2018 as determined by the Remuneration Committee is based on the following criteria: (i) the size of increase in the Company's consolidated Net Profit in 2018 as compared to the Net Profit Threshold (which shall equal 75 per cent of the Company's consolidated Net Profit in 2017); (ii) the scope of regulatory licence-related activity pursued by the Company and its subsidiaries; and (iii) the discretion of the Remuneration Committee.
4. Each of Mr. Elimelech and Mr. Even-Chen shall be granted a share appreciation right in the amount of NIS 2,000,000 (approx. USD 570,000) (the "Base Amount").
 - a. Subject to the approval of the Resolutions by the Company's shareholders at the Extraordinary General Meeting, the effective grant date of the share appreciation rights shall be 31 December 2017 (the "Grant Date").
 - b. The vesting date of the share appreciation rights shall be 31 December 2019 (two years after the Grant Date) (the "Vesting Date"). In order to be entitled to the payout of the share appreciation right, Mr. Elimelech or Mr. Even-Chen, as applicable, is required to remain engaged by the Company from the Grant Date through the Vesting Date.
 - c. Subject to remaining engaged by the Company on the Vesting Date, each of Mr. Elimelech or Mr. Even-Chen, as applicable, shall be entitled on the Vesting Date to a cash payment equal to the product of (i) the Base Amount and (ii) the quotient obtained by dividing (x) the average closing price of the Company's Ordinary Shares on AIM (or other market on which the Ordinary Shares trade or are quoted at such time) during the 60 trading days immediately preceding the Vesting Date (*the numerator*) by (y) the average closing price of the Company's Ordinary Shares on AIM during the 60 trading days immediately preceding the Grant Date (*the denominator*).
 - d. The calculation above shall be adjusted upward for cash dividends that holders of Ordinary Shares between the Grant Date and the Vesting Date are entitled to receive, and the vesting of the share appreciation rights shall be accelerated in the event of a change in control of the Company.
 - e. Regardless of the actual appreciation in the price of the Ordinary Share between the Grant Date and the Vesting Date, in no event shall the payout amount pursuant to the share appreciation right to each of Mr. Elimelech or Mr. Even-Chen, as applicable, exceed NIS 8,000,000 (approx. USD 2,280,000).
5. The current service contract fees of Mr. Elimelech and Mr. Even-Chen, which are NIS 1,100,000 (plus VAT) (approx. USD 313,500) per annum, are not being amended and will remain the same as the fees paid in 2017 and previously approved by the Company's shareholders in December 2016.
6. The Remuneration Committee and the Board believe that it is in the best interest of the Company to allocate a significant portion of the annual remuneration of the executive directors as annual and long-term variable compensation, notwithstanding the Company's executive remuneration policy under the Companies Law.
7. Shareholders are being asked to approve the 2018 remuneration terms for Mr. Elimelech and Mr. Even-Chen as set forth in Resolutions 1 and 2. The proposed 2018 remuneration terms of the two Executive Directors are identical.
8. The NIS amounts have been translated to USD with the exchange of NIS/USD 0.285.

Resolution 3. Pursuant to the 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 remuneration 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 and shareholders.

In light of the significant growth in the Company's global activities and financial results in 2017, and the Company's increasing need to continue to appropriately incentivize, attract and retain qualified executives, the Remuneration Committee reviewed and proposed amendments to certain remuneration parameter guidelines in the policy, including to increase the parameters for annual variable remuneration and special bonuses and to increase the coverage for directors and officers' liability insurance. The Board subsequently approved the policy amendments and recommended that such amendments be adopted by the shareholders at the Extraordinary General Meeting.

Notes:

1. Holders of Depositary Interests in respect of ordinary shares ("DI holders") may only appoint Link Market Services Trustees Limited (the "Depositary") as their proxy. DI holders wishing to attend, speak and vote at the meeting should contact the Depositary to request a Letter of Representation and this instruction is covered off in the notes on the Form of Direction.
2. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Link Market Services Limited on +44 (0) 871 664 0300. All forms must be signed and should be returned together in the same envelope.
3. 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 Link Market Services Limited, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 11.00 am on 12 January 2018.
4. In the case of DI holders, a Form of Direction must be completed in order to appoint the Depositary whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to vote on the holder's behalf at the meeting. To be effective, a completed and signed Form of Direction must be deposited at Link Market Services Limited no later than 11.00 a.m. on 11 January 2018.
5. The return of a completed Form of Proxy, Form of Direction, or other such instrument or any CREST Proxy Instruction (as described in paragraph 12 below) will not prevent a shareholder or DI holder attending the Extraordinary General Meeting and voting in person if he/she wishes to do so.
6. Pursuant to the Companies Law, to be entitled to attend and vote at the Extraordinary 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 18 December 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 Extraordinary General Meeting.
7. The quorum for the Extraordinary 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.
8. Any shareholder attending the Extraordinary 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.
9. As at 11 December 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 942,146 were held as treasury shares. Therefore, the total voting rights in the Company as at 11 December 2017 were 113,946,231.
10. The Board recommends that shareholders vote in favour of all resolutions in the Notice.
11. CREST members who wish to appoint a proxy 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.
12. 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 11.00 am on 11 January 2018. 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.

13. 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.

14. 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.

15. Under the Companies Law, the approval of each of the proposals, as set forth in Resolutions 1, 2 and 3 of the Notice, requires the affirmative vote of the holders of a majority of the voting power represented and voting on the proposal 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 relevant proposal, 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 any of the proposals.

16. The following documents, which are available for inspection during normal business hours at the registered office of the Company and at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London United Kingdom EC4R 9HA, on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the Extraordinary General Meeting from 10.00am on the day of the Extraordinary General Meeting until the conclusion of the Extraordinary General Meeting:

- (i) copies of the proposed share appreciation right agreements to be granted to Mr. Elimelech and Mr. Even-Chen, as set forth in Resolutions 1 and 2; and
- (ii) a copy of the Company's Remuneration Policy for Directors and Executives, as set forth in Resolution 3.

A copy of this notice can be found on the Company's website (<http://www.plus500.com/Investors/AIM26.aspx>).