



Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Taptica International Ltd. (the “**Company**”) will be held at the office of Huntsworth plc, 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, on 4 December 2017, at 8:00 am for the following purposes:

To receive and discuss with the directors 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 7 inclusive below:

1. To re-elect Timothy Grainger Weller, who retires by rotation pursuant to Article 42 of the Company’s Articles of Association, as a director (if re-elected, Mr. Weller shall continue to serve as Chairman of the Company’s Board of Directors following the Annual General Meeting).
2. To re-elect Hagai Tal, who retires by rotation pursuant to Article 42 of the Company’s Articles of Association, as a director.
3. To re-elect Yaniv Carmi, who retires by rotation pursuant to Article 42 of the Company’s Articles of Association, as a director.
4. To re-elect Ronni Zehavi, who retires by rotation pursuant to Article 42 of the Company’s Articles of Association, as a director.
5. To re-elect Neil Jones as an External Director of the Company for a three-year term in accordance with Israeli law.
6. To re-elect Joanna Parnell as an External Director of the Company for a three-year term in accordance with Israeli law.
7. To re-appoint Somekh Chaikin, a member firm of KPMG International, as the Company’s independent external auditor for 2017 and to authorise the Company’s Board of Directors (or, the Audit Committee, if authorised by the Board of Directors) to fix its remuneration.

As special business to consider, and, if thought fit, pass Resolutions 8 to 16 inclusive below:

8. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve an increase to the fees payable to Timothy Grainger Weller for his services as the Chairman of the Company’s Board of Directors from £75,000 gross per annum to £90,000 gross per annum effective 1 June 2017.
9. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve an increase to the fees payable to Neil Jones for his services as an External Director and Chairman of the Audit Committee from £35,000 gross per annum to £40,000 gross per annum effective 1 June 2017.

10. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve an increase to the fees payable to Joanna Parnell for her services as an External Director and Chair of the Remuneration Committee from £25,000 gross per annum to £40,000 gross per annum effective 1 June 2017.
11. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve and ratify the fees payable to Ronni Zehavi for his services as a Non-Executive Director in the amount of £25,000 gross per annum, and the payment of such fees in the form of Ordinary Shares of the Company calculated based on the average closing Ordinary Share price on AIM during the 30 day period ending on each quarterly payment date.
12. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve, (i) an increase to the base salary payable to Hagai Tal for his services as Chief Executive Officer and Executive Director to \$400,000 per annum, effective 1 December 2017; (ii) a maximum annual bonus target for Mr. Tal of \$400,000 (100% of the annual base salary), as set forth in the explanatory notes; and (iii) the grant to Mr. Tal of options to purchase Ordinary Shares of the Company pursuant to the Company's Global Share Incentive Plan (2011) vesting over a three year period with a value of \$600,000, subject to the terms and conditions as set forth in the explanatory notes and in the Option Agreement to be entered in connection therewith.
13. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve, (i) an increase to the base salary payable to Yaniv Carmi for his services as Chief Financial Officer and Executive Director to \$325,000 per annum, effective 1 December 2017; (ii) a maximum annual bonus target for Mr. Carmi of \$406,250 (125% of the annual base salary), as set forth in the explanatory notes; and (iii) the grant to Mr. Carmi of options to purchase 250,000 Ordinary Shares of the Company pursuant to the Company's Global Share Incentive Plan (2011) vesting over a three year period, subject to the terms and conditions as set forth in the explanatory notes and in the Option Agreement to be entered in connection therewith.
14. To adopt the Company's new 2017 Equity Incentive Plan to provide for the grant of equity incentive awards to the newly-joined executive officers and employees of Tremor Video DSP and other U.S.-based employees of the Taptica Group.
15. As required by Israeli law and in accordance with the recommendation of the Remuneration Committee and the Board, to approve the remuneration terms of Ofer Druker, the future Executive Chairman of Taptica's video business (currently operated as Tremor Video DSP) (the "**Business**"), consisting of (i) an annual base salary of \$500,000; (ii) an annual performance-based bonus equal to 3% of the annual EBITDA of the Business; and (iii) the grant to Mr. Druker of (x) 600,000 restricted shares and (y) options to purchase 1,200,000 Ordinary Shares of the Company pursuant to the Company's 2017 Equity Incentive Plan (proposed to be adopted in Resolution 14 above), vesting over a three year period, subject to the terms and conditions as set forth in the explanatory notes and in the Award Agreement and Option Agreement to be entered in connection therewith. Mr. Druker is supposed to join the Company during 2018.

16. To approve that the Company may satisfy the requirement under Rule 19 of the AIM Rules for Companies to send its annual audited accounts to its shareholders by sending such accounts to its shareholders by electronic communication, subject to the Company complying with the other rules in relation to electronic communications as set out in the Guidance to the AIM Rules for Companies, as well as the Company's Articles of Association and any other Israeli law requirement.

By order of the Board of Directors

Timothy Grainger Weller
Chairman of the Board

Yaniv Carmi
Company Secretary

31 October 2017

Registered Office
121 Hahashmonaim Street
Tel Aviv
Israel
Registered in Israel number 513956060

Explanatory Notes:

Resolutions 1-4. 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 "**AGM**").

Resolutions 5-6. The Israel's Companies Law, 5759-1999 (the "**Companies Law**"), requires each External Director to be re-appointed by the shareholders every three years.

Resolution 7. Resolution proposes the re-appointment of Somekh Chaikin, a member firm of KPMG International, as Auditor of the Company and authorises the Directors to set their remuneration.

Resolutions 8-11. Resolutions 8 to 11 propose that the remuneration of certain non-executive directors increase with effect from 1 June 2017.

Resolutions 12-13. Resolutions 12 and 13 propose to approve (i) increases to the base salaries of Hagai Tal, the Company's Chief Executive Officer and an Executive Director, and Yaniv Carmi, the Company's Chief Financial Officer and an Executive Director, (ii) increases to their maximum annual bonus targets and (iii) to grant Mr. Tal and Mr. Carmi options to purchase Ordinary Shares of the Company, as set forth below.

- (i) In accordance with the Companies Law, the remuneration of a Director (such as Mr. Tal and Mr. Carmi) requires the approval of the Remuneration Committee, the Board and the Company's shareholders.
- (ii) Mr. Tal's base salary has not increased since the Company's floatation on AIM in May 2014 and Mr. Carmi's base salary has not increased since August 2015.
- (iii) Following a review of the remuneration terms of Mr. Tal and Mr. Carmi, in consultation with an executive remuneration consulting firm, the Remuneration Committee and the Board have approved, and recommended that the Company's shareholders approve, increases to the base salary of each of Mr. Tal and Mr. Carmi, and corresponding increases to their maximum annual bonus targets, as set forth below, in light of their significant contribution in their executive roles to the Company's outstanding growth.
- (iv) Subject to compliance with annual performance criteria to be determined by the Remuneration Committee each year, Mr. Tal will be entitled to an annual bonus of up to 100% of his annual base salary and Mr. Carmi will be entitled to an annual bonus of up to 125% of his annual base salary. As approved by the Company's shareholders in 2015, Mr. Carmi is also entitled to a special bonus of £300,000 upon the sale of the Company (or a pro rata portion in the case of a partial sale).
- (v) In addition, in order to further align the interests of the executives with the promotion of the long-term growth of the Company, the Remuneration Committee and the Board have approved and recommended that the shareholders approve at the AGM, to grant to Mr. Tal and to Mr. Carmi options to purchase Ordinary Shares of the Company pursuant to the Company's Global Share Incentive Plan (2011). The options will have a nominal exercise price equal to the par value of the Ordinary Shares (NIS 0.01).
- (vi) Mr. Carmi will be granted options to purchase 250,000 Ordinary Shares. Mr. Tal will be granted options with a value of \$600,000. The exact amount of options granted to Mr. Tal will be calculated based on the average closing Ordinary Share price on AIM during the 30-day period immediately preceding the AGM.
- (vii) The options granted to each executive will have a nominal exercise price equal to the par value of the Ordinary Shares (NIS 0.01).
- (viii) The options granted to each executive will be divided into three equal tranches, which shall vest on the first, second and third anniversary of the grant date of the options at the AGM.

- (ix) The vesting of the options shall accelerate in full automatically upon the consummation of a Change in Control of the Company. A “*Change in Control*” shall mean (i) the merger or consolidation of the Company (except any such merger or consolidation involving the Parent in which the shares of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares that represent, immediately following such merger or consolidation at least a majority, by voting power, of the shares of the surviving or resulting corporation), (ii) a sale of all or substantially all of the assets or a material business division of the Company or (iii) a transaction or series of related transactions in which a person, or a group of related persons, acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company.
- (x) The Remuneration Committee and the Board believe that it is in the best interest of the Company to allocate a significant portion of the executive’s annual remuneration as annual and long-term variable compensation (cash and equity), notwithstanding the Company’s executive remuneration policy under the Companies Law.
- (xi) Mr. Tal and Mr. Carmi are also entitled to fringe and social benefits as are customary in Israel for similarly situated executives.

Resolution 14. In connection with the recent acquisition of Tremor Video’s demand-side platform business and significant increase in the Company’s U.S.-based business and employees, as announced on 7 August 2017, the Remuneration Committee and the Board believe that it is in the best interest of the Company to adopt a new 2017 Equity Incentive Plan to provide for the grant of equity incentive awards to the newly-joined executive officers and employees of Tremor Video DSP and other U.S.-based employees of the Taptica Group. Resolution 14 proposes to adopt the new 2017 Equity Incentive Plan.

- (i) The 2017 Equity Incentive Plan will be administered by the Board, or a committee of the Board that is delegated authority to act as the administrator. The administrator will have broad discretion, subject to certain limitations, to determine the persons entitled to receive awards, the terms and conditions on which awards are granted and the number of ordinary Shares subject to each award granted. Under the 2017 Equity Incentive Plan, the Company may grant incentive stock options (ISOs that comply with U.S. tax requirements), nonstatutory stock options, restricted shares, restricted share units (RSUs), performance bonus awards, performance units and performance shared.
- (ii) The maximum number of Ordinary Shares of the Company that may be granted under the 2017 Equity Incentive Plan is 7,700,000.
- (iii) Following the adoption of the 2017 Equity Incentive Plan at the AGM it is anticipated that the Board will grant equity incentive awards to the newly-joined executive officers and employees of Tremor Video DSP and other U.S.-based employees of the Taptica Group, which shall be exercisable and/or vesting into approximately 5,300,000 Company Ordinary Shares (including the 1,800,000 Ordinary Shares subject to awards proposed to be granted to Mr. Druker, the future Executive Chairman of Taptica’s video business (currently operated as Tremor Video DSP), as described in Resolution 15 above).
- (iv) In addition to the 2017 Equity Incentive Plan, as of 23 October 2017, the Company has outstanding options to purchase 5,848,058 Ordinary Shares with a weighted average exercise price of £1.55 under the Company’s Global Share Incentive Plan (2011) and the Company’s 2015 U.S. Equity Incentive Plan.
- (v) Following the equity incentive award grants proposed to be approved at the AGM and other grants anticipated to be approved by the Board through the end of 2017 to the newly-joined U.S. executive officers and employees and other Israeli-based management (including the proposed grants to Mr. Tal, Mr. Carmi and Mr. Druker as set forth in Resolutions 12, 13 and 15), it is anticipated that an aggregate of approximately 12,450,000 Ordinary Shares will be subject to outstanding equity

incentive awards as of 31 December 2017. Of such amount, options to exercise 87,074 Ordinary Shares are currently vested or scheduled to vest through 31 December 2017, and may be exercised prior to such date.

Resolution 15. Resolution 15 proposes to approve the remuneration package of Ofer Druker, the future Executive Chairman of Taptica's video business (currently operated as Tremor Video DSP) (the "**Business**"), who is supposed to join the Company during 2018 and be based in New York, as announced by the Company.

- (i) In accordance with the Companies Law, the proposed remuneration of Mr. Druker requires the approval of the Remuneration Committee, the Board and the Company's shareholders.
- (ii) Following a review of the proposed remuneration terms of Mr. Druker, the Remuneration Committee and the Board have approved, and recommended that the Company's shareholders approve, an annual base salary of \$500,000, and an annual performance-based salary equal to 3% of the annual EBITDA of the Business.
- (iii) In addition, in order to further align the interests of Mr. Druker with the promotion of the long-term growth of the Company, the Remuneration Committee and the Board have approved and recommended that the shareholders approve at the AGM, to grant to Mr. Druker, on the date of commencement of employment (the "**Grant Date**"), (x) 600,000 restricted shares (the "**Restricted Shares**") and (y) options to purchase 1,200,000 Ordinary Shares of the Company pursuant to the Company's 2017 Equity Incentive Plan (proposed to be adopted in Resolution 14 above), with an exercise price for each option equal to the closing share price of the Ordinary Shares on the AIM on the date of the Grant Date. The options granted to Mr. Druker shall consist of two tranches: 120,000 options subject to continuous service vesting (the "**First Tranche Options**"), and 1,080,000 options subject to performance and continuous service vesting (the "**Second Tranche Options**"), which shall be subject to the following vesting schedule and terms:

a. **Restricted Shares:**

Vesting Dates: 200,000 Restricted Shares shall vest on the first anniversary of the Grant Date, and an additional 400,000 Restricted Shares shall vest in eight equal quarterly instalments of 50,000 Restricted Shares each, commencing 15 months after the Grant Date, in each case subject to Mr. Druker's continuous service through the applicable vesting date.

Change in Control: In the event a Change in Control of the Company occurs after the first anniversary of the Grant Date, then, subject to Mr. Druker's continuous service through the date of the Change in Control, all Restricted Shares that remain unvested on the date of the Change in Control shall immediately vest on the date of the Change in Control. If a Change in Control occurs prior to the first anniversary of the Grant Date, then, (A) subject to Mr. Druker's continuous service through the date of the Change in Control, 200,000 Restricted Shares that are scheduled to vest on the first anniversary of the Grant Date, shall immediately vest on the date of the Change in Control, and (B) subject to Mr. Druker's continuous service (including with any successor to the Company or affiliate of such successor, as applicable) through the first anniversary of the Grant Date, all Restricted Shares (or substituted securities of the acquirer, as applicable) that remain unvested on the first anniversary of the Grant Date shall immediately vest on the earlier of (i) the first anniversary of the Grant Date and (ii) the date the Company or affiliate thereof (or the successor thereof), as applicable, terminates Mr. Druker's employment after the date of the Change in Control other than for cause.

b. **First Tranche Options:**

Exercise Price: The closing share price of the Ordinary Shares on the AIM on the Grant Date.

Vesting Dates: Options to Purchase 40,000 ordinary Shares shall vest on the first anniversary of the Grant Date, and options to purchase an additional 80,000 Ordinary Shares shall vest in eight equal quarterly instalments of 10,000 Ordinary Shares each, commencing 15 months after the Grant Date, in each case subject to Mr. Druker's continuous service through the applicable vesting date.

Change in Control: In the event a Change in Control occurs after the first anniversary of the Grant Date, then, subject to Mr. Druker's continuous service through the date of the Change in Control, one-third (1/3) of the First Tranche Options that remain unvested on the date of the Change in Control shall immediately vest on the date of the Change in Control.

c. ***Second Tranche Options:***

Exercise Price: The closing share price of the Ordinary Shares on the AIM on the Grant Date.

Vesting Dates:

- Options to purchase 360,000 Ordinary Shares shall vest on the date the Company releases its audited financial statements for the year ended 31 December 2018;
- Options to purchase 360,000 Ordinary Shares shall vest on the date the Company releases its audited financial statements for the year ended 31 December 2019; and
- Options to purchase 360,000 Ordinary Shares shall vest on the date the Company releases its audited financial statements for the year ended 31 December 2020;

in each case, subject to (i) Mr. Druker's continuous service through the applicable vesting date and (ii) the annual EBITDA of the Business for the applicable fiscal year exceeding 75% of the target annual EBITDA of the Business for such year.

Change in Control: In the event a Change in Control occurs after the first anniversary of the Grant Date, then, subject to Mr. Druker's continuous service through the date of the Change in Control, one-third (1/3) of the Second Tranche Options that remain unvested on the date of the Change in Control shall immediately vest on the date of the Change in Control.

- (iv) The Remuneration Committee and the Board believe that it is in the best interest of the Company to allocate a significant portion of Mr. Druker's annual remuneration as annual and long-term variable compensation (cash and equity), notwithstanding the Company's executive remuneration policy under the Companies Law.
- (v) Mr. Druker will also be entitled to fringe and social benefits as are customary in New York for similarly situated executives.

Resolution 16. This resolution enables the Company to satisfy the requirement under Rule 19 of the AIM Rules for Companies to send its annual audited accounts to its shareholders by sending such accounts to its shareholders by electronic communication, subject to the Company complying with the other rules in relation to electronic communications as set out in the Guidance to the AIM Rules for Companies, as well as the Company's Articles and any Israeli law requirement. The other rules in relation to electronic communications as set out in the Guidance to the AIM Rules for Companies are as follows:

- (i) appropriate identification arrangements have been put in place so that shareholders are effectively informed; and
- (ii) shareholders individually:
 - a. have been contacted in writing to request their consent to receive accounts by means of electronic communication and if they do not object within 28 days, their consent can be considered to have been given;
 - b. are able to request at any time in the future that accounts be communicated to them in writing; and

- c. are contacted alerting them to the publication of the accounts on the Company's website.

Following the passing of this resolution, the Company will be in contact with its shareholders in relation to ensuring compliance with the requirements set out in (i) and (ii) above.

Notes

1. Holders of depositary interests in respect of ordinary shares (“**DI holder**”) may only appoint Capita IRG Trustees Limited (the “**Depository**”) as their proxy. Should a DI holder wish to attend, speak and vote at the meeting, they must submit a request to the Depository and ask for 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 Capita Asset Services on (44) 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 Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 8:00 am on 30 November 2017.
4. In the case of Depository Interests holders, a Form of Direction must be completed in order to appoint the Depository 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 Capita no later than 8:00 am on 29 November 2017.
5. The return of a completed Form of Proxy, or other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a DI holder attending the AGM 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 AGM (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 by close of business on 6 November 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 AGM.
7. The quorum for the AGM 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 AGM 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 23 October 2017 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 62,261,526 Ordinary Shares each with one vote and 8,088,337 shares reclassified as dormant shares under the Companies Law (without any rights attached thereon). Therefore, the total number of Ordinary Shares with voting rights as of 23 October 2017 is 62,261,526.
10. The Directors recommend voting in favour of all items in the Notice.
11. 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.

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 8:00 am on 29 November 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.
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 Resolutions 5, 6, 9, 10, 12, 13 and 15 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 for each resolution 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 such resolution, or the total ordinary shares of non-controlling shareholders and non-interested shareholders voted against the resolution 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 such resolutions.
16. Copies of the Company’s 2017 Equity Incentive Plan and amended employment agreements and letters of appointment of the Executive Directors and the Non-Executive Directors, 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 on the day of the AGM.