

**BackWeb Technologies Ltd.
(in voluntary liquidation)
Shareholder Mailing**

Frequently Asked Questions (FAQs)

An updated version of these FAQs may be available from a link on the BackWeb web site at www.backwebtech.com.

This document refers to BackWeb Technologies Ltd. (in voluntary liquidation) as "BackWeb" or the "Company."

This document refers to VAR Management Ltd. (the company managing the liquidation of BackWeb) as "VAR."

This document refers to Yoav Kfir, the shareholder-approved liquidator of BackWeb, as the "Liquidator."

Why am I receiving this mailing?

Company records or shareholder registrar records indicated you may be a shareholder of BackWeb Technologies Ltd. and therefore eligible to receive a cash distribution from BackWeb.

What if I did not receive a mailing but instead saw or downloaded the mailing documents from the BackWeb web site?

You may still prepare a Package from the online documents as if you had received a physical mailing.

How much money could I receive in a cash distribution?

The total amount of cash expected to be distributed to shareholders in the final distribution is estimated by the Company to be approximately \$0.014 per share. If the aggregate gross amount so calculated for all shares held by a shareholder would otherwise result in the shareholder being entitled to a fraction of a cent, before any applicable withholding tax and fees, the amount shall be rounded up to the next higher whole cent if the fraction is 0.5 or greater, and rounded down to the next lower whole cent if the fraction is less than 0.5.

The expenses to be incurred in a liquidation process are unpredictable and the final amount to be distributed in the final distribution may vary from the estimate above.

What do I have to do to receive my money?

Shareholders should review the documents in the Mailing which shareholders should have received in the mail or which are also available for download in the “News” section of the BackWeb web site at www.backwebtech.com. Shareholders must review the documents in the Mailing and return a package to the Company according to the instructions in those documents.

When will I receive my money?

VAR will distribute cash to shareholders in the final distribution following the settlement of all financial obligations and the legal dissolution of the company’s U.S. and Israeli entities.

If your package is received by VAR by July 1, 2018, your payment will be processed by VAR by September 30, 2018 as part of the final distribution.

What if I fill out the forms in my Package incorrectly?

If VAR Management identifies an error in a form, it will resend the forms to the shareholder to fill out again. Failure to fill out the forms properly may result in missing a deadline for proceeds distribution. It is important, therefore, for shareholders to verify correct completion of the forms.

What if I do not send a Package to VAR?

VAR will attempt to process a payment for shareholders who do not send a Package according to their pro rata share ownership, based on the shareholder records as of the record date, with the maximum tax rate of 30% withheld from their proceeds, provided the Company has sufficient shareholder information to enable VAR to process a payment. However, since these records may not be up-to-date, and in order to benefit from any reduced tax withholding rate that may be available, shareholders should send a Package if at all possible.

What is the paperwork that needs to be included in my Package to VAR?

1. a filled-out and signed Letter of Transmittal (LOT);
2. a U.S. IRS substitute Form W-9 for U.S. citizens or the appropriate version of Form W-8 for non-U.S. citizens or other tax forms as specified in the LOT;
3. a Tax Declaration Regarding Israeli Withholding Tax (Tax Declaration);
4. a Declaration of TASE member (only for Tel Aviv Stock Exchange-TASE Members);
5. a filled-out and signed Shareholders Consent Letter;

What if I have questions, can I still contact BackWeb Management?

No, in March 2014 BackWeb held a shareholder meeting at which shareholders approved the start of the Company’s liquidation process and the appointment

of the Liquidator. This decision started a legal process in Israel where the Liquidator took over responsibility for managing the affairs of the Company through the liquidation process. Former BackWeb management and directors turned over control of the Company to the Liquidator at that time. You can now contact the Liquidator for any questions by contacting VAR using the VAR contact information on the first page of the Letter of Transmittal in the Mailing.

Will tax be withheld from my cash distribution from BackWeb?

This depends on your particular circumstances. The Israel Tax Authority (ITA) has issued a tax ruling on BackWeb's cash distribution. This ruling specifies that:

- Certain types of shareholders are eligible for exemption or reduction from Israeli withholding tax. The types of shareholders who are exempt from Israeli withholding taxes are explained in the Letter of Transmittal in the section entitled "Important Tax Information." Please see that document for more details.
 - For example, under the ITA ruling, all registered shareholders who are not Israeli residents, who purchased the shares after 1999 (i.e. after the IPO) and who own less than 5% of BackWeb outstanding shares are exempt from Israeli withholding tax.
- Unless shareholders are eligible for an exemption or reduction from withholding tax, Israeli tax will be withheld from BackWeb cash distributions up to 30%.

All taxes withheld from Distribution proceeds will be sent to the tax authorities via our tax trustee, Altshuler Shaham Benefits (formerly Meitav Dash Trusts Ltd.), which has the sole responsibility for those withholding taxes, and a relevant notice will be issued.

If I am exempt, do I have to do anything to avoid having Israeli taxes withheld from my cash distribution?

Yes, you must declare your tax status by following the instructions in the Letter of Transmittal, including those for the Declaration Regarding Israeli Withholding Tax. If you do not declare an eligible tax exemption status, Israeli withholding tax of 30% will be withheld from your cash distribution.

If Israeli taxes are withheld, will that satisfy my tax obligation in my country if my country is not Israel?

Israeli withholding taxes very likely do not satisfy tax obligations in any country outside of Israel. All shareholders are strongly urged to consult with a tax expert in their local tax jurisdiction when preparing their Package and tax declaration, and in determining their tax obligations resulting from the BackWeb cash distribution.

Does the same ITA tax ruling apply to the final distribution as applied to the first distribution I received?

Yes. However, even if you filled out and submitted relevant tax forms at the time of the first distribution, you still need to fill out and submit the relevant tax forms again in connection with the final distribution.

What expenses does the Company expect to incur during the liquidation process?

The Company's anticipated expenses include taxes, professional services, direct liquidation expenses, other expenses and open balances from previously incurred expenses which have not been paid yet. Professional service providers are generally being compensated per specific open tasks so overall expenses are kept as low as possible.

How does Backweb plan to continue to communicate with shareholders and when should we expect the next update?

Further communication will be through the Company website at www.backwebtech.com/news. If a shareholder wishes to contact the Liquidator or VAR representatives directly, he or she can do that via phone, mail or email using the VAR contact information in the Letter of Transmittal.

What should a shareholder do if he or she changes their address before the final distribution?

It is the shareholder's responsibility to notify VAR Management of a change of address in order to receive the final distribution.