

## **LETTER OF TRANSMITTAL**

**BACKWEB TECHNOLOGIES LTD. (in voluntary liquidation)**

**(the “Company”)**

Mail or deliver this Letter of Transmittal to :

Backweb Technologies Ltd.  
(in voluntary liquidation)  
At Var Management LTD  
Attn: Carmit Elmaliach  
26 Givat Yeshayahoo  
D.N. Ella Valley 9982500 Israel

*By Hand, Email, Mail, Overnight Courier or  
other expedited service*

**Please use the following email for sending your documents:**

**[general@var-management.com](mailto:general@var-management.com)**

For assistance contact Carmit Elmaliach via email at [carmit@var-management.com](mailto:carmit@var-management.com) or call VAR  
Management office in Israel at +972-2-9955666

Office Hours in Israel are:  
Sunday through Thursday  
9:00am to 5:00pm Israel Time  
2:00am to 10:00am Eastern Standard Time

IMPORTANT - PLEASE READ THE INSTRUCTIONS CONTAINED WITHIN THIS

LETTER OF TRANSMITTAL CAREFULLY BEFORE SIGNING

Ladies and Gentlemen:

This letter of transmittal is being delivered in connection with the upcoming final distribution in voluntary liquidation, being made by the liquidator of BackWeb Technologies Ltd. (in voluntary liquidation) (the "Company"). On March 6, 2014, the Company entered into voluntary liquidation. As the Company advised in its Press Release dated March 7, 2014: "At the Extraordinary General Meeting of Shareholders (EGM) held yesterday, shareholders overwhelmingly approved the Board's recommendation to liquidate the Company, cease operations and appoint Mr. Yoav Kfir as the liquidator who will wind up the Company and return all remaining cash, after expenses, to shareholders."

Each ordinary share of the Company, nominal value NIS 0.03 per share (the "Company Ordinary Shares"), has the right to receive its pro rata share of the upcoming final distributions in voluntary liquidation, in cash, without interest and less any applicable withholding tax and fees. If a check or a payment is not cashed within six months after final distribution, it will be cancelled and the funds will be transferred to the Official Receiver of the State of Israel. Thereafter, the shareholder can request the funds only from the Official Receiver of the State of Israel.

The undersigned understands that the total amount per share to be distributed in the final distribution in voluntary liquidation is currently expected approximately to be \$0.014 per share, before any applicable withholding tax and fees. 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 aggregate amount to which the undersigned is entitled in the final distribution in voluntary liquidation for the Company Ordinary Shares surrendered herewith, after deduction of any applicable withholding tax and fees, is referred to herein as the "Final Distribution Funds."

Unless otherwise requested below under Special Payment and Delivery Instructions, the undersigned requests that the check/wire for the Final Distribution Funds be issued in the name(s) and mailed to the name and address as appear in the registrar's records of November 7, 2014.

All authority herein conferred or agreed to be conferred is irrevocable and shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, estates, successors and assigns of the undersigned. The undersigned hereby represents and warrants that the undersigned has full power and authority to submit, sell, assign and transfer the Company Ordinary Shares and that the undersigned had good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

The undersigned agrees that the sole residual right that the undersigned has in respect of the undersigned's ownership interest in the Company Ordinary Shares held by the undersigned set forth below, if any, shall be the undersigned's right to receive the upcoming Final Distribution Funds. By delivery of this Letter of Transmittal, the undersigned accepts the upcoming Final Distribution Funds and, subject to payment thereof, forever withdraws any claim with respect to the Company Ordinary Shares owned by the undersigned.

**SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS**

Please Complete your name, address and bank account information. Issue to:

Beneficiary Acct Name: \_\_\_\_\_

Beneficiary Address: \_\_\_\_\_

Bank: \_\_\_\_\_

Bank Address (City/State/Country): \_\_\_\_\_

Bank branch #: \_\_\_\_\_

Beneficiary Acct#: \_\_\_\_\_

Routing/ ABA #: \_\_\_\_\_

IBAN #: \_\_\_\_\_

SWIFT: \_\_\_\_\_

(Please see instructions regarding signature guarantee. *See Instruction 1*)

**SIGNATURE(S) REQUIRED**

Signature(s) of Registered Holder(s) or Agent

Must be signed by the registered holder(s) If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer for a corporation acting in a fiduciary or representative capacity, or other person, please set forth full title.

\_\_\_\_\_  
Registered Holder Name

\_\_\_\_\_  
Registered Holder Signature

\_\_\_\_\_  
Title, if any

Date: \_\_\_\_\_

Broker name (if relevant) \_\_\_\_\_

Phone No.: \_\_\_\_\_

Email: \_\_\_\_\_



**Important Tax Information**

The Company will withhold Israeli tax at the maximum applicable rate under Israeli law from the Final Distribution Funds to be received by you unless you do one of the following:

(i) Complete and return the enclosed "Declaration Regarding Israeli Withholding" certifying that you (1) are not an Israeli resident, (2) acquired all the Company Ordinary Shares held by you on or after June 1999 (the date of the initial public offering of the Company) and (3) hold less than 5% of the company shares; or

(ii) Complete and return the enclosed "Declaration Regarding Israeli Withholding" certifying that you are an Israeli bank, broker or financial institution that is a member of the Tel Aviv Stock Exchange and that you (i) hold the shares solely on behalf of beneficial shareholders, and (ii) are subject to the provisions of the Israeli Tax Ordinance with respect to withholding and will be responsible for the withholding of Israeli tax; or

(iii) Provide a valid certificate from the Israeli Tax Authority providing full exemption from such withholding tax (or the right to a lower rate of withholding) that is reasonably satisfactory to Altshuler Shaham Benefits, the tax withholding agent approved by the Israel Tax Authority for this purpose. (See Instruction 5, "Important Israeli Tax Withholding Information")

If you are a U.S. Person (as defined in Instruction 5, "Important U.S. Tax Information for Shareholders"), you must also complete a Substitute Form W-9. If you are not a U.S. Person, you must provide an appropriate version of Form W-8. (See Instruction 5, "Important U.S. Tax Information for Shareholders)."

(\* For Direct Shareholders (Not via brokers):

**Please check this box to indicate that you are a US resident**

We require submittal of a W-9 form for every US resident

(\*\*)

**Please check this box to indicate that you hold directly and/ or indirectly less than 10% of the 43.4 million outstanding Backweb Technologies Ltd. Shares**

## **INSTRUCTIONS**

*(Please read carefully the instructions below)*

1. **Method and Timing of Delivery:** Your Letter of Transmittal and relevant documents must arrive to the Company by July 1, 2018. The method of delivery at the address set forth on the front of this Letter of Transmittal is at the option and risk of the shareholder. Delivery will be deemed effective only when received. If the Letter of Transmittal is sent by email, mail, registered mail with return receipt requested is recommended. In any case of not receiving all the necessary and relevant forms on time or not properly, there will be full withholding by law at the maximum rate defined by the Israel Tax Authority (30%).
2. **Payment in the Same Name:** If the check/wire is to be issued in the same name as appears in the Registrar's records, the Letter of Transmittal should be completed accordingly. If any of the shares are represented by a book-entry statement, then the owner must sign this Letter of Transmittal exactly as such person's name appears on a security position listing as the owner of the shares. If any of the shares are owned by two or more joint owners, all such owners must sign this Letter of Transmittal. Letters of Transmittal executed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary capacity who are not identified as such in the registration must be accompanied by proper evidence of the signer's authority to act.
3. **Special Payment and Delivery Instructions:** Indicate the name in which and address to which the check is to be sent as well as bank account details (Including Beneficiary Account Name, Beneficiary Address, Bank, Bank Address (City/State/Country), Bank branch (if relevant), Beneficiary Account number, Routing/ ABA number, IBAN number or SWIFT) to which wire is to be transferred if different from the name and/or address of the person(s) signing this Letter of Transmittal. Relevant W-9 or W-8 must also be completed for the person named therein, and that person will be considered the record owner. Any Registered Holder who does not provide the bank information specified above will receive a check to the mailing address provided.
4. All questions as to the validity and eligibility of shareowners will be determined by the Company upon confirmation from the registrar and such determination shall be final and binding.
5. **Important U.S. Tax Information for Shareholders:**

**To ensure compliance with Treasury Department Circular 230, you are hereby notified that any discussion of tax matters set forth in this Letter of Transmittal was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any person, for the purpose of avoiding tax-related penalties under U.S. federal, state, or local tax law. You should seek advice based on your particular circumstances from an independent tax advisor.**

To prevent backup withholding on any payment of cash made to a shareholder (or person acting on behalf of a shareholder), you are required, if you are a U.S. Person (as defined below), (i) to notify the Company of your current U.S. taxpayer identification number, or TIN, (or the TIN of the person on whose behalf you are acting) by completing the Substitute Form W-9 as described more fully below, or (ii) to otherwise establish a basis for exemption from backup withholding.

If backup withholding applies, the Company is required to withhold any necessary amount from any payments of cash made. Backup withholding is not an additional tax. Amounts withheld are creditable against the shareholder's regular United States federal income tax liability, and any amount over-withheld generally will be refundable to the shareholder if the shareholder properly files a United States federal income tax return.

Certain shareholders are exempt from backup withholding. If you are an exempt U.S. shareholder, you should furnish your TIN, check the "Exempt" box and otherwise comply with the instructions on the Substitute Form W-9.

**Each shareholder is urged to consult his or her own tax advisor to determine whether such shareholder is required to furnish the Substitute Form W-9, is exempt from backup withholding and information reporting, or is required to furnish the appropriate IRS Form W-8 (an IRS Form W-8BEN, an IRS Form W-8BEN-E, an IRS Form W-8ECI, an IRS Form W-8EXP or an IRS Form W-8IMY, as applicable).**

You are a U.S. person ("U.S. Person") if you are, for U.S. federal income tax purposes, (1) an individual citizen or a resident of the United States (including a U.S. resident alien), (2) a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or any state thereof or the District of Columbia, (3) an estate whose income is subject to U.S. federal income tax regardless of its source, or (4) a trust if (i) such trust has validly elected to be treated as a U.S. Person for United States federal income tax purposes or (ii) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. Persons are authorized to control all substantial decisions of the trust.

Each U.S. Person that is not exempt from backup withholding is required to provide the Company with a correct TIN and with certain other information on the Substitute Form W-9, which is attached below, and to certify that the TIN provided is correct (or that such U.S. Person is awaiting a TIN) and that the U.S. Person is not subject to backup withholding.

The TIN is generally the U.S. Person's U.S. Social Security number or the U.S. federal employer identification number. The U.S. Person is required to furnish the TIN of the registered holder of the Company Ordinary Shares. The Substitute Form W-9 explains the proper certification to use if the Company Ordinary Shares are registered in more than one name or are not registered in the name of the actual owner. The U.S. shareholder may write "Applied For" on the Substitute Form W-9 if the tendering U.S. Person has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the U.S. shareholder writes "Applied For" on the TIN line of the Substitute Form W-9 and the Company is not provided with a TIN by the time of payment, the Company will backup withhold a portion of such payments. Certain U.S. Persons are not subject to these backup withholding and reporting requirements. See the enclosed Substitute Form W-9 for additional instructions.

Failure to provide the required information on the Substitute Form W-9 may subject a U.S. Person to a penalty imposed by the Internal Revenue Service and backup withholding on any payment of upcoming Distribution Funds. More serious penalties may be imposed for providing false information which, if willfully done, may result in fines and/or imprisonment.

In general, in order for a foreign shareholder to qualify as an exempt recipient that shareholder must submit an appropriate and properly completed Form W-8, signed under penalties of perjury, attesting to that shareholder's foreign status. Such Form W-8 is available from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS website at <http://www.irs.gov>.

The tax information set forth above is for informational purposes only, shareholders are not entitled to (and should not) rely on such information and each shareholder should consult its, his or her tax advisor and/or consultant as such shareholder deems necessary. None of the Liquidator, the Company or any of their respective affiliates, subsidiaries, directors, officers, equity holders, members, managers, partners, employees and representatives shall have any liability to a shareholder with respect to any of the foregoing tax information.

#### **6. *Important Israeli Tax Withholding Information***

According to Israeli law, any shareholder, including a shareholder who is not a resident of the State of Israel, is subject to withholding at source of Israeli tax in accordance with the rates prescribed by Israeli law from the payment of the Final Distribution Funds. Said shareholder will be exempt from Israeli tax withholding if he or she provides the Company, prior to or concurrently with submitting this Letter of Transmittal in accordance with the terms hereof, with a valid certificate issued by the Israel Tax Authority exempting such shareholder from Israeli withholding tax on the payments of Final Distribution Funds or entitling such shareholder to a reduced rate of Israeli withholding tax on such payment in form (a "Valid Certificate") and the "Declaration Regarding Israeli Withholding."

Please note that the withholding of tax at source, as relevant, shall be made in NIS and that Altshuler Shaham Benefits, acting as withholding agent, shall convert the relevant portion of US dollars according to the applicable USD/NIS exchange rate at the time of such conversion. The Israel Tax Authority issued a tax ruling providing that non-Israeli shareholders who purchased their Company Ordinary Shares on or after June 1999 (the date on which the Company first listed its shares on NASDAQ) and hold less than 5% of the Company shares will also be exempt from withholding taxes to the extent that such shareholders will provide the Company with the enclosed "Declaration Regarding Israeli Withholding."

Withholding of taxes are under the full responsibility of the tax trustee (Altshuler Shaham Benefits) as per the tax ruling.