

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY OR FORM OF DIRECTION (AS APPLICABLE) ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, please seek personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or transfer or have sold or transferred all of your ordinary shares of NIS 0.001 nominal value in the capital of Eternity Networks Ltd. ("**Ordinary Shares**") or depositary interests representing Ordinary Shares ("**Depositary Interests**"), please forward this document, together with the accompanying Form of Proxy or Form of Direction (as applicable), as soon as possible to the purchaser or the transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or transfer or have sold or transferred only part of your holding of Ordinary Shares or Depositary Interests, you should retain this document and the accompanying Form of Proxy or Form of Direction (as applicable).



Notice of Annual General Meeting

To be held at the offices of Howard Kennedy LLP, at No.1 London Bridge, London, SE1 9BG at **10.00 a.m. UK time (12.00 p.m. Israel time) on 23 July 2018.**

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 and 5 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Annual General Meeting.

Whether or not you intend to attend the Annual General Meeting, please complete and submit the enclosed Form of Proxy or Form of Direction (as applicable) in accordance with the instructions printed on it.

The Form of Proxy must be received by Link Asset Services no later than **10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 19 July 2018.** The Form of Direction must be received by Link Asset Services no later than **10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 18 July 2018.**

ETERNITY NETWORKS LTD.

Incorporated and registered in Israel with registered no. 51-347834-7

Registered Office:

13A Hamelacha St
Lod Industrial Park
7152001
Israel

CONTENTS

	<i>Page</i>
Definitions	3
Letter from the Chairman	4
Explanatory Notes	6
Notice of Annual General Meeting	7

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

"AIM"	the AIM market operated by the London Stock Exchange
"Board" or "Directors"	the board of directors of the Company
"CREST"	the computerised settlement system to facilitate transfer of title to or interests in securities in uncertificated form operated by Euroclear UK & Ireland Limited
Depository	Link Market Services Trustees Limited, incorporated in England (No.2729260) whose registered office is at 34 Beckenham Road, Beckenham, Kent BR3 4TU
Depository Interest or DI	dematerialised interests representing underlying Ordinary Shares in the ratio of 1:1 that can be settled electronically through and held in CREST, as issued by the Depository who holds the underlying securities on trust
Depository Interest Holder(s)	holder(s) of Depository Interests
"Form of Proxy"	the form of proxy for use by Shareholders at the General Meeting which accompanies this document
"Form of Direction"	the form of direction for use by Depository Interest Holder(s) at the General Meeting which accompanies this document
"Notice of General Meeting"	the notice of the Annual General Meeting, which is set out at the end of this document
"Ordinary Shares"	ordinary shares of NIS 0.001 nominal value each in the share capital of the Company
"Resolutions"	the resolution(s) to be proposed at the General Meeting, as set out in the Notice of General Meeting
"Shareholder(s)"	holder(s) of Ordinary Shares

LETTER FROM THE CHAIRMAN
ETHERNITY NETWORKS LTD.

(Incorporated and registered in the State of Israel with registered no. 51-347834-7)

Registered Office:
13A Hamelacha St
Lod Industrial Park
7152001
Israel

29 June 2018

Dear Shareholder or Depositary Interest Holder,

Notice of Annual General Meeting

I am pleased to be writing to you with details of the forthcoming annual general meeting of the shareholders of Ethernity Networks Ltd. (the "**Company**") to be held at the offices of Howard Kennedy LLP, at No.1 London Bridge, London SE1 9BG, at **10.00 a.m. UK time (12.00 p.m. Israel time) on 23 July 2018** (the "**Meeting**" or "**General Meeting**").

The formal notice of the Meeting is set out on page 7 of this document. The explanatory notes on page 6 outline the business to be considered at the Meeting.

Actions to be taken in respect of the Meeting

The action to be taken in respect of the Meeting depends on whether you hold your Ordinary Shares in certificated form or as Depositary Interests.

Certificated Shareholders

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

Whether or not you propose to attend the Meeting, you are strongly encouraged to complete, sign and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF, United Kingdom or, during normal business hours, by hand to Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, in each case by no later than **10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 19 July 2018**.

This will enable your vote to be counted at the Meeting in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting, or any adjournment of the Meeting, in person, should you wish to do so.

Depositary Interest Holders

Please check that you have received the following with this document:

- a Form of Direction for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Direction (in the UK only).

Whether or not you propose to attend the Meeting, you are strongly encouraged to complete, sign and return the Form of Direction in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF, United Kingdom or, during normal business hours by hand, to Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, in each case by no later than **10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 18 July 2018**.

This will enable your vote to be counted at the Meeting. You will not be able to vote at the meeting, but if you would like to attend the Meeting in person as a Depository Interest Holder, please contact the Depository (the "**Depository**") Link Market Services Trustees Limited to request a Letter of Representation to be issued to you.

Recommendation

The Directors of the Company believe that all of the proposal(s) to be considered at the Meeting are in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of all the proposed resolution(s).

Yours faithfully,

Graham Woolfman

Chairman

EXPLANATORY NOTES

Presentation of Audited Financial Statements

The audited financial statements of the Company for the fiscal year ended 31 December 2017 will be presented for discussion at the Meeting pursuant to the provisions of the Israeli Companies Law, 5759-1999 (the "**Companies Law**"). These financial statements are available on the Company's website at <http://www.ethernitynet.com/> and on the London Stock Exchange's website at <http://www.londonstockexchange.com>. None of the financial statements, the accompanying auditors' report, the contents of the Company's website, or the information that can be accessed through the Company's website, form part of the voting solicitation materials.

Reappointment of the Independent External Auditor

Pursuant to the Companies Law, it is proposed to approve and ratify the reappointment of Fahn Kanne & Co., a member firm of Grant Thornton International Limited, as the Company's independent external auditor for the year ending 31 December 2018 and to serve as the Company's independent external auditor until the next annual general meeting of the Company's shareholders and to authorise the Company's board of directors to determine its remuneration upon recommendation of the Audit Committee of the Company.

Information about Compensation of Certain Executive Officers and Directors

For information about the compensation, on an individual basis, of our five most highly compensated "office holders" (as such term is defined in the Companies Law) for the year ended 31 December, 2017, as required by regulations promulgated under the Companies Law, please see Note 28 C in our annual report for the year ended 31 December 2017, which is available on the Company's website at <http://www.ethernitynet.com/> and on the London Stock Exchange's website at <http://www.londonstockexchange.com>.

The Company's Directors

As described in the Company's AIM Admission Document dated 23 June 2017, and in accordance with the Company's Articles of Association, the Company's directors serve for a period of three years. The term of David Levi and Shavit Baruch, in their capacity as directors, extends until 22 June 2020, the term of Graham Woolfman, Mark Reichenberg and Neil Rafferty, in their capacity as directors, extends until 28 June 2020, and the term of Chen Saft-Feiglin and Zohar Yinon, in their capacity as external directors, extends until 14 November 2020. Accordingly, the re-election of directors is not being proposed at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Ethernity Networks Ltd. (the "**Company**") will be held at the offices of Howard Kennedy LLP, at No.1 London Bridge , London, SE1 9BG **at 10.00 a.m. (UK time) on 23 July 2018** for the following purposes:

1. To receive and discuss the audited financial statements of the Company for the year ended 31 December 2017.
2. To approve and ratify the reappointment of Fahn Kanne & Co., a member firm of Grant Thornton International Limited, as the Company's independent external auditor for the year ending 31 December 2018 and to serve as the Company's independent external auditor until the next annual general meeting of the Company's shareholders and to authorise the Company's board of directors to determine their remuneration upon recommendation of the Audit Committee of the Company.

The approval of Resolution 2 requires the affirmative vote of the majority of the Ordinary Shares present in person or represented by proxy and voting at the General Meeting on such Resolution

By order of the Board

Mark Reichenberg

Company Secretary

13A Hamelacha St.
Lod Industrial Park, 7152001
Israel

Incorporated and registered in Israel with registered no. 51-347834-7

29 June 2018

Notes to the Notice of Annual General Meeting:

1. Enclosed with this document is either a Form of Proxy for shareholders (the "**Form of Proxy**") or a Form of Direction for Depository Interest holders (the "**Form of Direction**").
2. Only those shareholders registered in the Company's register of shareholders as of close of business (London time) on 18 July 2018 (the "**Original Cut-off**") are entitled to attend and/or vote at the Meeting, and each only in respect of such number of Ordinary Shares registered in his or its name at that time. If the Meeting is adjourned to a time not more than 48 hours after the original Meeting time (other than an adjournment due to a lack of a quorum), the Original Cut-off will continue to apply. Any changes to the Company's register of shareholders made after the Original Cut-off shall be disregarded for these purposes.
3. The quorum for the Meeting shall be two or more shareholders present in person or by proxy and holding Ordinary Shares conferring in the aggregate 25 per cent. or more 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 and the Original Cut-off shall apply. Two or more shareholders who attend an adjourned meeting in person or by proxy will constitute a quorum, regardless of the number of Ordinary Shares they hold or represent.
4. If you are a shareholder of the Company, whether or not you intend to be present at the Meeting, please complete and return the Form of Proxy (in accordance with the instructions set out in that document) to Link Asset Services, as soon as possible and in any event so as to be received by no later than 10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 19 July 2018 or 48 hours before any meeting following adjournment thereof (in accordance with the Uncertified Securities Regulations 2001, and any other provisions notwithstanding). Completion and return of a signed Form of Proxy will not prevent you from attending the Meeting and voting in person, if you so wish.
5. If you are a holder of Depository Interests, please complete and return the Form of Direction (in accordance with the instructions set out in that document) to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF, United Kingdom, as soon as possible and in any event so as to be received by no later than 10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 18 July 2018 or 72 hours before any meeting following adjournment thereof. Holders of DIs must be registered in the Company's depository interest register at 10.00 a.m./p.m. on 18 July 2018 (or at 10.00 a.m. three days before the date of any adjourned Meeting).
6. In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy, or Form of Direction (as applicable), but the vote of the first named on the register of shareholders or register of Depository Interests (as applicable) will be accepted to the exclusion of the other joint holders.
7. The approval of [Resolution 2](#) requires the affirmative vote of the majority of the Ordinary Shares present in person or represented by proxy and voting at the General Meeting on such Resolution.
8. Depository Interest holders wishing to attend the meeting should contact the Depository at Link Market Services Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by email by using custodymgt@linkwork.co.uk in order to request a Letter of Representation no later than 10.00 a.m. (London time)/12.00 p.m. (Tel Aviv time) on 18 July 2018. However, Depository Interest holders will not be able to vote at the Meeting.
9. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited 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. 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.
10. A corporation which is a shareholder may by resolution of its directors or other governing body authorise a person to act as its representative who may exercise, on its behalf, all its powers as a shareholder, provided the corporation does not do so in relation to the same shares.
11. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders and Depository Interest holders subject all messages to virus checking procedures before use. Any electronic communication received by the Company, including the lodgment of an electronic proxy form, that is found to contain any virus will not be accepted.
12. As at 6.00 p.m. on 28 June 2018, being the date immediately prior to the date of this Notice, the Company's issued share capital comprised of 32,518,186 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 28 June 2018 is 32,518,186.