

OPTIBASE LTD
Form 6-K
January 09, 2019

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

Date of Report: January 9, 2019
Commission File No.: 000-29992

OPTIBASE LTD.
(Translation of registrant's name into English)

8 Hamenofim Street
Herzliya 4672559, Israel
+972-73-7073700
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Attached hereto and incorporated by reference herein are the following documents:

1. The Registrant's Notice of a Special General Meeting of Shareholders and Proxy Statement for its Special General Meeting of Shareholders.
2. Proxy card for use in connection with the Registrant's Special General Meeting of Shareholders.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OPTIBASE LTD.
(the “Registrant”)

By: /s/ Amir Philips

Amir Philips
Chief Executive Officer

Date: January 9, 2019

OPTIBASE LTD.
8 Hamanofim Street
Herzliya, Israel
972-73-7073700

Dear Shareholder,

You are cordially invited to attend the Special General Meeting of Shareholders of Optibase Ltd. (the “Company”) to be held at 6:00 p.m., Israel time, on Thursday, February 14, 2019, at the Company’s offices at 8 Hamanofim Street, Herzliya, Israel.

The purpose of this meeting is set forth in the accompanying Notice of Meeting and Proxy Statement.

For the reasons set forth in the accompanying Proxy Statement, the Company’s board of directors recommends that you vote “FOR” Proposals No. 1 through 3, as specified on the enclosed form of proxy.

We look forward to greeting personally those shareholders who are able to be present at the meeting. However, whether or not you plan to attend the meeting, it is important that your shares be represented. Accordingly, you are kindly requested to sign, date and mail the enclosed proxy in the envelope provided at your earliest convenience so that it will be received not later than two business days before the meeting.

Thank you for your continued cooperation.

Very truly yours,

Alex Hilman,
Executive Chairman of the Board of Directors

Herzliya, Israel
January 9, 2019

AS A FOREIGN PRIVATE ISSUER, WE ARE EXEMPT FROM THE RULES UNDER THE SECURITIES EXCHANGE ACT RELATED TO THE FURNISHING AND CONTENT OF PROXY STATEMENTS. THE CIRCULATION OF THIS PROXY STATEMENT SHOULD NOT BE TAKEN AS AN ADMISSION THAT WE ARE SUBJECT TO THOSE PROXY RULES.

OPTIBASE LTD.
8 Hamanofim Street
Herzliya, Israel
972-73-7073700

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a Special General Meeting of Shareholders (the “Meeting”) of Optibase Ltd. (the “Company”) will be held at 6:00 p.m., Israel time, on Thursday, February 14, 2019, at the Company’s offices at 8 Hamanofim Street, Herzliya, Israel, for the following purposes:

1. To approve a new compensation policy for the Company's directors and officers, in accordance with the requirements of the Israeli Companies Law of 1999;

To approve an extension of the Company's engagement with Mr. Shlomo (Tom) Wyler, who is affiliated with the
2. Company's controlling shareholder, as the Chief Executive Officer of Optibase Inc., the Company's subsidiary, including an adjustment to his compensation, for a three-year term; and

3. To approve an extension of the Company's engagement with Mr. Amir Philips, the Company’s Chief Executive Officer.

Finally, the shareholders may consider and act upon such other business as may properly come before the Meeting and any adjournment thereof.

Only shareholders of record at the close of the trading day of January 14, 2019, are entitled to notice of, and to vote at, the Meeting and any adjournment thereof. All shareholders are cordially invited to attend the Meeting in person. Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it promptly in the pre-addressed envelope provided.

Your proxy may be revoked at any time before it is voted by you returning a later-dated proxy card or by voting your shares in person at the Meeting. Shareholders who hold their shares in “street name”, meaning in the name of a bank, broker or other record holder, must either direct the record holder of their shares on how to vote their shares or obtain a legal proxy from the record holder to vote the shares at the Meeting on behalf of the record holder together with a proof of such record holder with respect to the holding of the shares on the record date. You should follow the directions provided by your broker or nominee regarding how to instruct them to vote your shares.

Joint holders of shares should note that, pursuant to the articles of association of the Company, the vote of the senior of joint holders of any share who votes such share, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other registered holder(s) of such share, and for this purpose seniority will be determined by the order in which the names of the joint holders appear in the Company’s register of shareholders. The appointment of a proxy to vote shares held by joint holders shall be executed by the signature of the senior of the joint holders on the proxy card.

By Order of the Board of Directors,

Alex hilman,
Executive Chairman of the Board of Directors

Herzliya, Israel
January 9, 2019

OPTIBASE LTD.
8 Hamanofim Street
Herzliya, Israel
972-73-7073700

PROXY STATEMENT

This Proxy Statement is being furnished to the holders of Ordinary Shares, New Israeli Shekels 0.65 nominal value (the “Shares”), of Optibase Ltd. (the “Company”) in connection with the solicitation of proxies by the management and board of directors of the Company (the “Board of Directors”) for use at the Special General Meeting of Shareholders (the “Meeting”) to be held at 6:00 p.m., Israel time, on Thursday, February 14, 2019, at the Company’s offices at 8 Hamanofim Street, Herzliya, Israel, or at any adjournment thereof, pursuant to the accompanying notice of meeting (the “Notice”).

At the Meeting, the shareholders will be asked to consider and vote on the following matters:

1. To approve a new compensation policy for the Company's directors and officers, in accordance with the requirements of the Israeli Companies Law of 1999;
2. To approve an extension of the Company's engagement with Mr. Shlomo (Tom) Wyler, who is affiliated with the Company's controlling shareholder, as the Chief Executive Officer of Optibase Inc., the Company's subsidiary, including an adjustment to his compensation, for a three-year term; and
3. To approve an extension of the Company's engagement with Mr. Amir Philips, the Company’s Chief Executive Officer.

Finally, the shareholders may consider and act upon such other business as may properly come before the Meeting and any adjournment thereof.

The approval of each of Proposals No. 1 and No. 3 requires the affirmative vote of shareholders participating in the voting at the Meeting in person or by proxy; provided, that (i) such majority vote at the Meeting shall include a majority of the total votes of shareholders participating in the voting at the Meeting in person or by proxy who (a) are not controlling shareholders of the Company or (b) do not have a personal interest in the approval of the proposal (votes abstaining shall not be taken into account in counting the above-referenced shareholders' votes); or (ii) the total number of Shares of the shareholders mentioned in clause (i) above that are voted against such proposal does not exceed two percent (2%) of the total voting rights in the Company.

The approval of Proposal No. 2 requires the affirmative vote of shareholders participating in the voting at the Meeting in person or by proxy; provided, that (i) such majority vote at the Meeting shall include a majority of the total votes of shareholders participating in the voting at the Meeting in person or by proxy who do not have a personal interest in the approval of the proposal (votes abstaining shall not be taken into account in counting the above-referenced shareholders' votes); or (ii) the total number of Shares of the shareholders mentioned in clause (i) above that are voted against such proposal does not exceed two percent (2%) of the total voting rights in the Company.

Under the Companies Law, each shareholder that attends the Meeting in person shall, prior to exercising such shareholder's voting rights at the Meeting, advise the Company whether or not that shareholder is a controlling shareholder of the Company or someone on its behalf with respect to the approval of Proposals No. 1 and No. 3 and whether or not that shareholder has a personal interest (as defined herein) with respect to the approval of each of Proposals No. 1 through 3. Each shareholder that delivers a signed proxy to the Company must indicate on the proxy whether or not that shareholder is a controlling shareholder of the Company or someone on its behalf with respect to the approval of each of Proposals No. 1 and No. 3 and whether or not that shareholder has a personal interest (as defined herein) with respect to the approval of each of proposals No. 1 through 3. Shareholders who do not so indicate will not be eligible to vote their Shares as to such proposals.

The Companies Law defines a "personal interest" as a personal interest of a person in an act or transaction of a company, including:

- (i) a personal interest of that person's relative (i.e. spouse, sibling, parent, grandparent, child, child sibling and parent of such person's spouse or the spouse of any of the above); or
- (ii) a personal interest of another entity in which that person or his or her relative (as defined above) holds 5% or more of such entity's issued shares or voting rights, has the right to appoint a director or the chief executive officer of such entity, or serves as director or chief executive officer of such entity.

A personal interest resulting merely from holding a company's shares will not be deemed a personal interest.

The term "controlling shareholder" shall carry the meaning ascribed to it in the Companies Law.

Each Share is entitled to one vote upon each matter to be voted on at the Meeting. No less than two shareholders present in person or by proxy, or who have sent the Company a voting instrument indicating the way in which they are voting, and holding or representing at least thirty three and one third percent (33.33%) of the voting rights in the Company, shall constitute a quorum. If no quorum is present within half an hour of the time fixed for the Meeting, the Meeting shall stand adjourned for seven days, to the same day of the week at the same time and place, without further notice being given thereof, or to such other date, time and place as prescribed by the Board of Directors in notice to the shareholders, and the adjourned Meeting shall discuss those matters for which the first meeting was called. If no quorum is present at the adjourned Meeting, two shareholders, at least, present in person or by proxy, shall constitute a quorum, subject to the provisions of section 79(b) of the Companies Law.

VOTING PROCEDURES; EXPRESSING POSITIONS

Registered Shareholders

Shareholders registered in the Company's shareholders register ("Registered Shareholders") may vote their Shares by attending the Meeting and voting their Shares in person, or by completing the enclosed proxy card, signing and dating it and mailing it either in the enclosed postage prepaid envelop or to the Company's offices. Registered Shareholders who vote their Shares by proxy must also provide the Company with a copy of their identity card, passport or certificate of incorporation, as the case may be.

Shareholders in "Street Name" whose Shares are held through CEDE & Co.

Shareholders who hold their Shares in "street name" meaning in the name of a bank, broker or other record holder, through CEDE & Co., must either direct the record holder of their Shares how to vote their Shares or obtain a legal proxy from the record holder to vote at the Meeting on behalf of the record holder together with a proof of such record holder with respect to the holding of the Shares on the record date. You should follow the directions provided by your

broker or nominee regarding how to instruct them to vote your shares.

Shareholders in “Street Name” whose Shares are held through Members of the Tel Aviv Stock Exchange (“TASE”)

Shareholders who hold their Shares in “street name” meaning in the name of a bank, broker or other record holder, through members of the TASE, may vote their Shares either (i) in person or by proxy delivered to the Company together with an ownership certificate confirming their ownership of the Company’s Shares on the record date, which certificate must be approved by a recognized financial institution, as required by the Israeli Companies Regulations (Proof of Ownership of Shares for Voting at General Meeting) of 2000, as amended; or (ii) electronically via the electronic voting system of the Israel Securities Authority which vote shall be cast no later than February 14, 2019 at 12:00 p.m. Israeli time. You may receive guidance on the use of the electronic voting system from the TASE member through which you hold your Shares.

Note for Shareholders Voting via Proxy Card

Shareholders who vote their Shares via proxy card may use the form of proxy and the return envelope enclosed. Shares represented by executed and unrevoked proxies will be voted at the Meeting. If a shareholder instructs in a proxy to abstain from voting on a specific proposal, the Shares represented by such proxy will be deemed not to have been cast for the purpose of that particular proposal and, accordingly, such Shares shall not be counted in calculating the percentage of affirmative votes required for approval of such proposal, but they will be counted for the purpose of determining a quorum.

Shareholders may revoke their proxies at any time before the effective exercise thereof by returning a later-dated proxy card or by voting their Shares in person at the Meeting if the Shareholders are the record holder of the Shares and can provide evidence of such (i.e., a copy of certificate(s) evidencing their Shares). If a shareholder’s proxy is not received by the Company no later than February 14, 2019 at 2:00 p.m. Israel time, it shall not be valid at the Meeting. Notwithstanding the aforesaid, the chairman of the Meeting may, at his or her discretion, accept proxies after such time if he or she so deems fit.

Position Statements

Shareholders are permitted to express their position on the proposal on the agenda of the Meeting by submitting a written statement, through the Company, to the other shareholders (the “Position Statement”). Position Statements should be submitted to the Company at its registered offices, at 8 Hamanofim Street, Herzliya, Israel, to the attention of Mr. Amir Philips, Chief Executive Officer of the Company, no later than February 4, 2019. Reasonable costs incurred by the Company in dealing with a Position Statement shall be borne by the submitting shareholder.

Management and the Board of Directors are soliciting proxies for use at the Meeting. Proxies will be mailed to shareholders on or about January 15, 2019 and will be solicited primarily by mail; however, additional solicitations may be made by telephone, facsimile or other means of contact by certain directors, officers, employees or agents of the Company, none of whom will receive additional compensation therefore. The entire expense of solicitation, including the cost of preparing, printing, assembling and mailing the proxy materials will be borne by the Company. The Company will also reimburse the reasonable expenses of brokerage firms and others for forwarding materials to beneficial owners of Shares.

OUTSTANDING SHARES AND VOTING RIGHTS

The Company had 5,198,361 Shares outstanding as of January 3, 2019 (Such number excludes: 17,895 ordinary shares held by us or for our benefit that have no voting or equity rights as of January 3, 2019 or within 60 days thereafter). Each Share is entitled to one vote upon each proposal to be presented at the Meeting.

BENEFICIAL OWNERSHIP OF SECURITIES BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of January 3, 2019 the number of Shares owned by (i) all shareholders known to the Company to own 5% or more of the Shares and (ii) all current directors and officers of the Company as a group:

Name of Beneficial Owner	No. of Ordinary Shares Beneficially Owned ⁽¹⁾	Percentage of Ordinary Shares Beneficially Owned	
The Capri Family Foundation ⁽²⁾	3,796,284	73.03	%
Shareholding of all directors and officers as a group (7 persons) ⁽³⁾	242,240	4.63	%

(1) Number of shares and percentage ownership is based on 5,198,361 ordinary shares outstanding as of December 31, 2018. Such number excludes: (i) 17,895 ordinary shares held by us or for our benefit. Beneficial ownership is determined in accordance with rules of the SEC and includes voting and investment power with respect to such shares. Shares subject to options that are currently exercisable or exercisable within 60 days of January 3, 2019 are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of such person, but are not deemed to be outstanding and to be beneficially owned for the purpose of computing the percentage ownership of any other person. All information with respect to the beneficial ownership of any principal shareholder has been furnished by such shareholder and, unless otherwise indicated below, we believe that persons named in the table have sole voting and sole investment power with respect to all the shares shown as beneficially owned, subject to community property laws, where applicable. The shares beneficially owned by the directors include the ordinary shares owned by their family members to which such directors disclaim beneficial ownership.

The information is accurate as of March 18, 2015, and based on Amendment No. 6 to Schedule 13D filed with the SEC on March 18, 2015, by The Capri Family Foundation. According to such Amendment No. 6 to Schedule 13D, (2) Capri directly owns 3,796,284 of our ordinary shares. The core activity of Capri is the holding of investments. In addition, the beneficiaries of Capri are the children of Mr. Tom Wyler, the Chief Executive Officer of our subsidiary, Optibase Inc.

(3) Includes 159,225 ordinary shares, 46,640 ordinary shares held by a trustee for the benefit of our directors and executive officers under our 2006 Plan, which have vested on January 3, 2019 or within 60 days thereafter and 36,375 ordinary shares issuable upon exercise of options exercisable within 60 days of January 3, 2019. Other than Shlomo (Tom) Wyler, all of our directors or executive officers hold less than 1% of our shares.

Proposal No. 1

APPROVAL OF A NEW COMPENSATION POLICY FOR THE COMPANY'S DIRECTORS
AND OFFICERS, IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES LAW

Under Amendment No. 20 to the Companies Law (the "Amendment"), the employment terms of officers and directors of public companies, including the Company, are required to be determined in accordance with a directors and officers compensation policy. The Company's shareholders approved the Company's current compensation policy on December 29, 2016.

Following the recommendation and approval by the Compensation Committee and the Board of Directors, respectively, it is proposed to approve a new compensation policy, for a period of 3 years, in the form attached as Annex A to this Proxy Statement, marked to show changes against the current compensation policy of the Company (the "New Compensation Policy").

The considerations which guided the Compensation Committee and Board of Directors in approving the New Compensation Policy were: promoting the Company's interests, its work plan and policy from a long-term perspective considering, inter alia, the Company's risk management policy, size and nature of its operations and - with regard to terms of office and employment which include variable components - the officer's contribution to achieving the Company's objectives and to maximizing its earnings, all from the long-term perspective and in accordance with the officer's role.

The principles of the New Compensation Policy were established after internal discussions by the Compensation Committee and by the Board of Directors, as well as the review of a benchmark study prepared by an external advisor. In designing the principles of the Compensation Policy, the Compensation Committee and the Board of Directors took into consideration, inter alia: (a) the education, qualifications, expertise, professional experience and achievements of each officer; (b) the role of the officer, areas of responsibility and previous compensation agreements entered into with him; (c) the ratio between the terms of compensation of the officers as may be provided under the Compensation Policy and the terms of compensation of other employees of the Company, considering also the average and median annual cost of the fixed component payable to all Company full time team members; and (d) regarding terms of compensation that include variable components - the possibility of reducing the variable components at the discretion of the Board of Directors and the possibility to limit the exercise value of any equity based variable component.

The New Compensation Policy shall be reviewed from time to time by the Company's Compensation Committee and Board of Directors in order to ensure its adequacy and its fitness to the Company's financial position and results of operation.

It is proposed that the following resolution be adopted at the Meeting:

"RESOLVED, that the New Compensation Policy for the Company's directors and officers, in accordance with the requirements of the Companies Law, in the form attached hereto as Annex A, having been recommended and approved by the Compensation Committee and Board of Directors, respectively, and as presented to the shareholders, be, and the same hereby is, approved. "

The Board of Directors recommends a vote FOR approval of this proposed resolution.

Proposal No. 2

APPROVAL OF AN EXTENSION OF THE COMPANY'S ENGAGEMENT WITH MR. SHLOMO (TOM) WYLER, WHO IS AFFILIATED WITH THE COMPANY'S CONTROLLING SHAREHOLDER, AS THE CHIEF EXECUTIVE OFFICER OF OPTIBASE INC., THE COMPANY'S SUBSIDIARY, INCLUDING AN ADJUSTMENT TO HIS COMPENSATION, FOR A THREE YEAR TERM

Following the approval by the Compensation Committee, the Audit Committee and the Board of Directors, it is proposed to approve an extension of the Company's engagement with Mr. Shlomo (Tom) Wyler, as Chief Executive Officer of Optibase Inc., the Company's subsidiary, including an adjustment to his compensation, for a three year term commencing on January 1, 2019 and ending on December 31, 2021. Mr. Wyler is also affiliated with the Company's controlling shareholder.¹

Mr. Wyler's proposed compensation shall consist of an annual gross base salary of \$220,000 for a full time position as well as reimbursement of health insurance expenses of up to \$24,000 per year, and reimbursement of reasonable work-related expenses incurred as part of his activities as Chief Executive Officer of Optibase Inc., of up to \$50,000 per year. The above compensation reflects an increase of \$20,000 to Mr. Wyler's current annual gross base salary.

Summary of the Compensation Committee, the Audit Committee and the Board of Directors' Reasons for the Approval of This Proposal

The Compensation Committee, the Audit Committee and the Board of Directors stated in their approval of this proposal that Mr. Wyler has served as CEO of Optibase Inc., since January 2014 and fulfilled his role to the full satisfaction of the members of the Committees and Board of Directors. Mr. Wyler has extensive knowledge of and vast experience in the U.S. real estate market which greatly contributed to the Company's business.

The members of the Audit Committee further acknowledged Mr. Wyler's rich experience, familiarity with the Company's business and long term and deep acquaintance with the Company's operations during his service in various senior roles at the Company and therefore, determined that no competitive process should be undertaken for the continued engagement of Mr. Wyler as Chief Executive Officer of Optibase Inc., and elected instead to receive an external analysis of the compensation paid in similar roles as detailed below.

The compensation terms of Mr. Wyler are fair and reasonable, taking into consideration, among other things, Mr. Wyler's skills, qualifications and experience as well as comparative compensation paid for similar positions in companies of similar size and type of the Company (based on an external analysis conducted by an independent consultant). The Compensation Committee and Board of Directors noted that Mr. Wyler's compensation did not change during the last 3 years and that a 10% increase to Mr. Wyler's annual gross base salary is appropriate under the circumstances.

The proposed compensation for Mr. Wyler is in accordance with the Company's current compensation policy as well as the New Compensation Policy which is brought for approval of the Company's shareholders, as detailed in Proposal No. 1 of this Proxy Statement.

In light of all of the above, the Audit Committee, the Compensation Committee and Board of Directors concluded that the proposed compensation of Mr. Wyler is to the benefit of the Company.

It is proposed that the following resolution be adopted at the Meeting:

"RESOLVED, that the extension of the Company's engagement with Mr. Shlomo (Tom) Wyler, who is affiliated with the Company's controlling shareholder, as the Chief Executive Officer of Optibase Inc., the Company's subsidiary, including an adjustment to his compensation for a three-year term, having been approved by the Audit Committee, the Compensation Committee and the Board of Directors, and as presented to the shareholders, be, and same hereby is, approved."

The Board of Directors recommends a vote FOR approval of this proposed resolution.

¹See note 3 to "Beneficial Ownership of Securities by Certain Beneficial Owners and Management" above.

Proposal No. 3

APPROVAL OF AN EXTENSION OF THE COMPANY'S ENGAGEMENT WITH MR. AMIR PHILIPS AS THE COMPANY'S CHIEF EXECUTIVE OFFICER

Following the approval by the Compensation Committee and the Board of Directors, it is proposed to approve an extension of the Company's engagement with Mr. Amir Philips as the Company's Chief Executive Officer for an unlimited duration.

The compensation terms of Mr. Philips as Chief Executive Officer of the Company remain unchanged. As such Mr. Philips' monthly base gross salary shall be of ILS 75,000 (approximately \$20,800), and he will be entitled to 24 vacation days, convalescence pay of 10 days and sick days in accordance with market practice and applicable law, monthly remuneration for a study fund, contribution by us to an insurance policy and pension fund, and additional benefits, including communication expenses. In addition, Mr. Philips will be entitled to reimbursement of car-related expenses from us (including tax gross-up). Mr. Philips' employment terms shall include an advance notice period of 6 months. During such advance notice period, Mr. Philips will be entitled to all of the compensation elements, and to the continuation of vesting of any options or restricted shares granted to him. Mr. Philips will also be entitled to bonus payments in accordance with the Company's current and New Compensation Policy for directors and officers which is brought before the shareholders for their approval as Proposal No. 1 of this Meeting.

Summary of the Compensation Committee and the Board of Directors' Reasons for the Approval of This Proposal

The Compensation Committee and Board of Directors stated in their approval of this proposal that Mr. Philips has served as the Company's Chief Executive Officer since June 2011 and fulfilled his role to the full satisfaction of the members of the Committees and Board of Directors. Mr. Philips has the skills, the knowledge and the experience in the U.S. real estate market which greatly contributed to the Company's business. The proposed extension of Mr. Philip's engagement is made under the same terms and conditions.

The overall compensation Mr. Philips will be entitled to, is fair and reasonable taking into consideration, among other things, Mr. Philips' knowledge and skills, qualifications and experience, as well as comparative compensation of chief executive officers of similar size and type of the Company (based on an external analysis conducted by an independent consultant).

The Compensation Committee and Board of Directors have further stated that the current employment terms of Mr. Philips are in accordance with the Company's current and New Compensation Policy for directors and officers which is brought before the shareholders for their approval as Proposal No. 1 of this Meeting.

In light of all of the above, the Compensation Committee and the Board of Directors concluded that the proposed employment terms is to the benefit of the Company.

It is proposed that the following resolution be adopted at the Meeting:

“RESOLVED, that the extension of the Company's engagement with Mr. Amir Philips, the Company's Chief Executive Officer, having been approved by the Compensation Committee and the Board of Directors, and as presented to the shareholders, be, and the same hereby is, approved.”

The Board of Directors recommends a vote FOR approval of this proposed resolution.

OTHER BUSINESS

Management knows of no other business to be acted upon at the Meeting. However, if any other business properly comes before the Meeting, the persons named in the enclosed proxy will vote upon such matters in accordance with their best judgment.

The prompt return of your proxy will be appreciated and helpful in obtaining the necessary vote. Therefore, whether or not you expect to attend the Meeting, please sign the form of proxy provided herewith and return it in the enclosed envelope, so that it is received by the Company not later than February 14, 2019 at 2:00 p.m. Israel time.

By Order of the Board of Directors,

Alex hilman,
Executive Chairman of the Board of Directors

January 9, 2019

Annex A

COMPENSATION POLICY

OPTIBASE LTD.

Compensation Policy for Executive Officers and Directors

(As Adopted by the Shareholders on ~~December~~February xx, ~~2016~~2019)

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A. Overview and Objectives

1. Introduction

This document sets forth the Compensation Policy for Executive Officers and Directors (this "Compensation Policy" or "Policy") of Optibase Ltd. ("Optibase" or the "Company"), in accordance with the requirements of the Companies Law of 1999 (the "Companies Law").

Compensation is a key component of Optibase's overall human capital strategy to attract, retain, reward, and motivate highly skilled individuals that will enhance Optibase's value and otherwise assist Optibase to reach its business and financial long term goals. Accordingly, the structure of this Policy was established to tie the compensation of each officer to Optibase's goals and performance.

For purposes of this Policy, "Executive Officers" shall mean "Office Holders" as such term is defined in Section 1 of the Companies Law, excluding, unless otherwise expressly indicated herein, Optibase's directors; and "Directors" shall mean the Optibase's directors, as shall be from time to time, including the Executive Chairperson, unless otherwise expressly indicated herein.

~~This Compensation Policy shall apply to compensation agreements and arrangements which will be approved after the date on which this Compensation Policy is approved by the shareholders of Optibase and~~ This Compensation Policy shall serve as Optibase's Compensation Policy for three (3) years, commencing as of its adoption.

The Compensation Committee and the Board of Directors of Optibase (the "Compensation Committee" and "Board" respectively) shall review and reassess the adequacy of this Policy from time to time, as required by the Companies Law.

2. Objectives

Optibase's objectives and goals in setting this Compensation Policy are to attract, motivate and retain highly experienced personnel who will provide leadership for Optibase's success and enhance shareholder value, while supporting a performance culture that is based on merit, and rewards excellent performance in the long term, while recognizing Optibase's core values. To that end, this Policy is designed, among others:

2.1. To closely align the interests of the Executive Officers with those of Optibase's shareholders in order to enhance shareholder value;

2.2. To provide the Executive Officers with a structured compensation package, putting the emphasis on a proper balance between the fixed components, i.e., the base salaries and benefits, ~~rather than~~ and on the variable compensation, such as bonuses and equity-based compensation in order to minimize potential conflicts between the interests of Executive Officers and those of Optibase;

2.3. To strengthen the retention and the motivation of Executive Officers in the long term.

3. Compensation structure and instruments

Compensation instruments under this Compensation Policy may include the following:

- Base salary;
- Benefits;

- Cash bonuses;
- Equity based compensation; and
- Retirement and termination of service arrangements.

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4. Overall Compensation - Ratio Between Fixed and Variable Compensation

This Policy aims to balance the mix of "Fixed Compensation" (comprised of base salary and benefits) and "Variable Compensation" (comprised of cash bonuses and equity based compensation) in order to, among other things, appropriately incentivize Executive Officers to meet Optibase's short and long term goals while taking into consideration the Company's need to manage a variety of business risks.

The total Variable Compensation of each Executive Officer (as ~~well~~well as the Executive Chairman of the Board ("Executive Chairman")) shall not exceed 60% of the total compensation package of such Executive Officer (and the Executive Chairman) on an annual basis. The Compensation Committee and Board believe that such range expresses the appropriate compensation mix in the event that all performance objectives are achieved and assumes that all compensation elements are granted with respect to a given year.

5. Intra-Company Compensation Ratio

In the process of drafting this Policy, Optibase's Board and Compensation Committee have examined the ratio between employer cost, as such term is defined in the Companies Law, associated with the engagement of the Executive Officers (as well as the Executive Chairman) and the average and median employer cost associated with the engagement of the other employees of Optibase (the "Ratio"). The Compensation Committee and Board believe that the current Ratio does not adversely impact the work environment in Optibase.

B. Base Salary and Benefits

6. Base Salary

The base salary varies between Executive Officers (among themselves) and the Executive Chairman of the Board, and is individually determined by the Compensation Committee and the Board (unless other approvals are

6.1. required under any applicable law) according to the educational background, prior vocational experience, qualifications, role, business responsibilities, past performance and previous compensation arrangements of such Executive Officer and Executive Chairman of the Board.

6.2. The maximum monthly base salary for each of the following roles shall be as follows:

(i) Chief Executive Officer ("CEO") – up to NIS 100,000 for a full time position

(ii) CEO of the Company's subsidiary ("Subsidiary CEO") – up to NIS 90,000 for a full time position;

(iii) Executive Officer who is not a director, CEO or ~~Subsidiary~~Subsidiary CEO (~~"EVP"~~) – up to NIS 50,000 for a full time position

Such amounts may be linked to increases in the Israeli Consumer Price Index ("Israeli CPI") or to the representative rate of exchange of the US dollar, as the case may be.

6.3. The Executive Chairman may be paid ~~management~~management fee in amount that shall not exceed NIS 50,000 per month.

7. Benefits

7.1. In addition to the base salary, the following benefits may be granted to the Executive Officers in order, among other things, to comply with legal requirements:

- Vacation days in accordance with market practice and applicable law;
- Sick days in accordance with market practice and applicable law;

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· Convalescence pay according to applicable law;

· Monthly remuneration for a study fund, as allowed by applicable tax law and with reference to Optibase's practice and common market practice;

· Contribution by Optibase on behalf of the Executive Officer to an insurance policy or a pension fund, as allowed by applicable tax law and with reference to Optibase's policies and procedures and common market practice; and

· Contribution by Optibase on behalf of the Executive Officer towards work disability insurance, as allowed by applicable tax law and with reference to Optibase's policies and procedures and common market practice.

Optibase may offer additional benefits to its Executive Officers, including but not limited to: communication, 7.2. company car and travel benefits, insurances, other benefits (such as newspaper subscriptions, academic and professional studies), etc., including their gross up.

Optibase may reimburse its Executive Officers and its Executive Chairman for reasonable work-related expenses incurred as part of their activities, including without limitations, meeting participation expenses, reimbursement of 7.3. business travel including a daily stipend when traveling and accommodation expenses. Optibase may provide advance payments to its Executive Officers in connection with work-related expenses.

7.4. Non-Israeli Executive Officers may receive other similar, comparable or customary benefits as applicable in the relevant jurisdiction in which they are employed.

8. Signing Bonus

At the Compensation Committee's and Board's discretion, Optibase may grant a newly recruited Executive Officer a signing bonus. The signing bonus ~~will~~shall not exceed two (2) monthly base salaries of such Executive Officer.

C. Cash Bonuses

9. Annual Bonuses

The payment of annual bonuses to the Executive Chairman and any Executive Officer for any particular fiscal year shall be subject to the fulfillment (in addition to the fulfillment of the applicable objectives set forth below as the case may be) of any one of the two following criteria: (a) that ~~Optibase will complete transactions in an~~ 9.1. aggregate amount of Optibase's EBITDA was at least USD \$10 million (taking into account capital gains resulting from appreciation of real estate assets on a consolidated basis) during such fiscal year; and/or (b) that Optibase's net profit for such fiscal year was at least USD \$500,000, net of equity gains or losses, and net of non-recurring expenses related to the purchase or disposal of real estate investments.

The Compensation Committee and Board may decide, at their sole discretion, to grant annual bonuses to the Executive Chairman and the Executive Officers, subject to the fulfillment of the pre-conditions for payment of 9.2. bonuses as detailed in section 9.1 above. ~~The annual bonus will be based on the measurable results of the Company which will be approved annually by the Compensation Committee and the Board on the basis of, but not limited to, financial, business, operational and personal objectives.~~

9.3. The annual bonus to the Executive Chairman and the ~~Executive Officers~~ CEO will be based ~~mainly (at least 80%) on measurable criteria, as detailed above. The measurable criteria and, with respect to its less significant part (up to 20%) their relative weight shall be determined at by the~~ Compensation ~~Committee's~~ Committee and ~~Board~~ the Board in respect of each calendar year. These measurable

criteria may include, inter alia, objectives relating to the annual income, annual profit (net profit, pre tax profit), budget, annual EBITDA, acquisition and/or disposal of assets, financing, re-financing and fundraising.

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9.4. In addition, the Company may grant the CEO a bonus of up to three (3) monthly base salaries, at the sole discretion of the Compensation Committee and Board, based on the CEO's contribution to the Company.

9.3.9.5. The Company may also grant, subject to ~~any additional~~ the approval ~~as of~~ of the Compensation Committee and the Board, an annual bonus to its Executive Officers (other than the CEO) for their contribution to the Company. Such grants may be ~~required by the Companies Law~~ based in whole or in part on discretion, provided that they do not exceed the ceiling specified in section 9.6 below.

9.4.9.6. The annual bonus that may be paid to the Executive Officers for any fiscal year shall not exceed six (6) monthly base salaries to the CEO, and three (3) monthly base salaries to any other Executive Officer (excluding the CEO). The annual bonus that may be paid to the Executive Chairman for any fiscal year shall not exceed two (2) monthly payments of management fee.

9.7. The Board, following the recommendation of the Compensation Committee, shall be entitled to decrease the annual bonus to be paid to the Executive Chairman and/or Executive Officers based on measurable criteria (if such criteria were determined) or cancel such grant of bonuses altogether in its sole discretion, even in the event measurable criteria were determined and met.

10. Special Bonuses

In addition to the annual bonus, Optibase may grant its Executive Chairman and Executive Officers (other than the CEO) a special bonus as an award for special achievements (such as in connection with mergers and acquisitions, offerings, achieving target budget or business plan under exceptional circumstances or, regarding the Executive Officers, special recognition in case of retirement) at the discretion of the Compensation Committee and Board which shall not exceed ~~six (6) monthly base salaries for any fiscal year for the CEO;~~ three (3) monthly base salaries for any Executive Officer (other than the CEO); and two (2) monthly payments of ~~management~~ management fee for the Executive Chairman ~~(the "Special Bonus")~~.

11. Pro Rata Payment

Should the employment or service of the Executive Chairman or any Executive Officer terminate prior to the end of a fiscal year, Optibase may pay the Executive Chairman or the Executive Officer his or her pro rata share of that fiscal year's bonus, based on the period the Executive Chairman or such Executive Officer was employed by the Company or has served in the ~~Company~~ Company.

12. Compensation Recovery ("Clawback")

12.1. In the event of an accounting restatement, Optibase shall be entitled to recover from its Executive Chairman or Executive Officers the bonus compensation in the amount in which such bonus exceeded what would have been paid under the financial statements, as restated, provided that a claim is made by Optibase prior to the third anniversary of fiscal year end of the restated financial statements.

12.2. Notwithstanding the aforesaid, the compensation recovery will not be triggered in the following events:

· The financial restatement is required due to changes in the applicable financial reporting standards; or

· The Compensation Committee has determined that clawback proceedings in the specific case would be impossible, impractical or not commercially or legally efficient; or

· The amount to be paid under the clawback proceedings is less than 10% of the relevant bonus received by the Executive Chairman or Executive Officer.

12.3. Nothing in this Section 12 derogates from any other "clawback" or similar provisions regarding disgorging of profits imposed on the Executive Chairman and Executive Officers by virtue of applicable securities laws.

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D. Equity-Based Compensation

13. General and Objectives

The Compensation Committee and Board may grant from time to time equity-based compensation which will be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role and the personal responsibilities of the Executive Officer. Equity-based compensation may also be awarded to the ~~Company's directors, including for the avoidance of doubt the Executive Chairman (the "Directors")~~, subject to the provisions of the Companies Law and the regulations thereunder and the receipt of all additional approvals that may be required under the Companies Law.

The main objectives of the equity-based compensation is to enhance the alignment between the Executive Officers' and Directors' interests with the long term interests of Optibase and its shareholders, and to strengthen the retention and the motivation of Executive Officers in the long term. In addition, since equity-based awards are structured to vest over several years, their incentive value to recipients is aligned with longer-term strategic plans.

The equity based compensation offered by Optibase is intended to be in a form of share options, restricted shares and/or other equity based awards, such as RSUs, in accordance with the Company's incentive plan in place as may be updated from time to time.

14. Fair Market Value

The fair market value of the equity-based compensation for each Executive Officer and each Director shall not exceed USD \$200,000, as shall be determined according to acceptable valuation practices at the time of grant.

15. Additional Terms

Subject to any applicable law, Optibase may determine, at the Compensation Committee and the Board's discretion, the tax regime under which equity-based compensation may be granted, including a tax regime which will maximize the benefit to the Executive Officers and Directors.

All equity-based incentives granted to Executive Officers and Directors shall be subject to vesting periods in order to promote long-term retention of such recipients. Unless otherwise determined in a specific award agreement approved by the Compensation Committee and the Board, grants to Executive Officers shall vest gradually over a period of at least two years.

All other terms of the equity awards shall be in accordance with Optibase's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, extend the period of time for which an award is to remain exercisable and make provisions with respect to the acceleration of the vesting period of any Executive Officer's or Director's awards, including, without limitation, in connection with a corporate transaction involving a change of control, subject to any additional approval as may be required by the Companies Law.

E. Retirement and Termination of Service Arrangements

16. Advanced Notice Period

Optibase may provide each Executive Officer, according to his or her seniority in the Company, his or her contribution to the Company's goals and achievements and the circumstances of retirement, a prior notice of termination of up to three (3) months, except for the CEO whose prior notice may be of up to six (6) months. During such advance notice period, the Executive Officer may be entitled to all of the compensation elements, and to the continuation of vesting of his or her options, ~~Restricted~~ restricted shares or RSUs.

Optibase may waive the Executive Officer's services to the Company during the advance notice period and pay the amount payable in lieu of notice, plus the value of benefits.

17. Adjustment Period/Retirement Bonus

In addition to the advance notice period, the Compensation Committee and Board may provide an additional adjustment period/retirement bonus that will be determined, among other things, taking into consideration the Executive Officer's seniority in the Company, performance during employment, contribution to Optibase achieving its goals and the circumstances of retirement or termination. The maximum adjustment period/retirement bonus that may be paid to each Executive Officer is as follows:

CEO – for seniority of up to 5 years – the CEO will not be entitled to any Adjustment Period; seniority between 5 to 10 years – up to 4 monthly base salaries; and seniority of 10 years or more – up to 8 monthly base salaries.

Executive Officer (except the CEO) – for seniority of up to 5 years – such Executive Officer will not be entitled to any Adjustment Period; seniority between 5 to 10 years – up to 2 monthly base salary; and seniority of 10 years or more – up to 4 monthly base salaries.

The amounts for the adjustment period and the retirement bonus to be granted to an Executive Officer shall be calculated on the Executive Officer's gross base salary without benefits, bonuses or grants which were granted to him or her during the Executive Officer's employment.

18. Additional Retirement and Termination Benefits

Optibase may provide additional retirement and terminations benefits and payments as may be required by applicable law (e.g., mandatory severance pay under Israeli labor laws), or which will be comparable to customary market practices.

19. Non-Compete Grant

Upon termination of employment and subject to applicable law, Optibase may grant to its Executive Officers a non-compete grant as an incentive to refrain from competing with Optibase for a defined period of time. The terms and conditions of the Non-Compete grant shall be decided by the Board and shall not exceed such Executive Officer's monthly base salary multiplied by six (6).

F. Exemption, Indemnification and Insurance

20. Exemption

Optibase may exempt in advance and retroactively its directors and Executive Officers, from any liability to the Company, in whole or in part, for damages in consequence of his or her duty of care vis-a-vis the Company, to the fullest extent permitted by law and subject to the provisions of the Company's articles.

21. Indemnification

Optibase may indemnify its directors and Executive Officers to the fullest extent permitted by applicable law, for any liability and expense that may be imposed on the director or the Executive Officer, as provided in the Indemnity Agreement between such individuals and Optibase, all subject to applicable law and the Company's articles of association.

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22. Insurance

- 22.1. Optibase will provide "Directors' and Officers' Liability Insurance" (the "Insurance Policy") for its directors and Executive Officers as follows:

The annual premium to be paid by the Optibase shall not exceed 1.5% of the aggregate coverage of the Insurance Policy;

The limit of liability of the insurer shall not exceed the greater of \$2025 million or 25% of the Company's shareholders equity (based on the most recent financial statements of the Company at the time of approval by the Compensation Committee) per incident and insurance period (for a one-year period) in addition to reasonable litigation expenses;

~~The purchase of each Insurance Policy, as well as the limit of liability and the premium for each extension or renewal shall be approved by the Compensation Committee (and, if required by law, by the Board) which shall determine that the sums are reasonable considering Optibase's exposures, the scope of coverage and the market conditions and that the Insurance Policy reflects the current market conditions, and it shall not materially affect the Company's profitability, assets or liabilities.~~

- Upon circumstances to be approved by the Compensation Committee (and, if required by law, by the Board),
22.2. Optibase shall be entitled to enter into a "run off" Insurance Policy of up to seven (7) years, with the same insurer or any other ~~insurance~~insurer, as follows:

The limit of liability of the insurer shall not exceed the greater of \$2025 million or 25% of the Company's shareholders equity (based on the most recent financial statements of the Company at the time of approval by the Compensation Committee) per incident and insurance period (for a one-year period) in addition to reasonable litigation expenses;

~~The annual premium shall not exceed 500% of the last paid annual premium; and~~

~~The purchase of such Insurance Policy, as well as the limit of liability and the premium for each extension or renewal shall be approved by the Compensation Committee (and, if required by law, by the Board) which shall determine that the sums are reasonable considering the Company's exposures covered under such policy, the scope of cover and the market conditions, and that the Insurance Policy reflects the current market conditions, and that it shall not materially affect the Company's profitability, assets or liabilities.~~

- 22.3. Optibase may extend the Insurance Policy in place to include cover for liability pursuant to a future public offering of securities as follows:

The additional premium for such extension of liability coverage shall not exceed 50% of the last paid annual premium; and

~~The purchase of such Insurance Policy, as well as the additional premium shall be approved by the Compensation Committee (and if required by law, by the Board) which shall determine that the sums are reasonable considering the exposures pursuant to such public offering of securities, the scope of cover and the market conditions and that the Insurance Policy reflects the current market conditions, and it does not materially affect the Company's profitability, assets or liabilities.~~

G. Arrangements upon Change of Control

The following benefits may be granted to the Directors and/or Executive Officers in addition to the benefits
23. applicable in the case of any retirement or termination of service upon a "Change of Control" following of which
the employment of the Executive Officer is terminated or adversely adjusted in a material way:

23.1. Vesting acceleration of outstanding options or restricted shares.

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- 23.2. Extension of the exercising period of options or restricted shares for Optibase's Executive Officers for a period of up to one (1) year and two (2) years, respectively, following the date of termination of employment.

~~Up~~For Executive Officers only - up to an additional six (6) months of continued base salary and benefits following the date of employment termination (the "Additional Adjustment Period"). For avoidance of doubt, 23.3. such additional Adjustment Period shall be in addition to the advance notice and adjustment periods pursuant to Sections 14 and 15 of this Compensation Policy.

- 23.4. ~~A~~For Executive Officers only - a cash bonus not to exceed together with the annual cash bonus, up to eighteen (18) monthly base salaries, in the case of the CEO, and nine (9) monthly base salaries, in the case of other Executive Officers (excluding the CEO).

H. Board of Directors Compensation

24. All the Directors, excluding the Executive Chairman, shall be entitled to an equal annual and per-meeting compensation.

The compensation of the Directors (including external directors and independent directors, but excluding the Executive Chairman) shall not exceed the maximum amounts provided in the Companies Regulations (Rules 25. Regarding the Compensation and Expenses of an External Director) of 2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel) of 2000, as such regulations may be amended from time to time ("Compensation of Directors Regulations").

26. Directors may be granted equity-based compensation in accordance with the principles detailed in this Policy, and subject to the provisions of the Companies Law and the regulations thereunder.

Optibase's external and independent Directors may be entitled to reimbursement of expenses in accordance with the Compensation of Directors Regulations. Optibase's Directors, excluding external and independent Directors, 27. may be entitled to reimbursement of work-related expenses, including meeting participation expenses, reimbursement of business travel including a daily stipend when traveling and accommodation expenses. Optibase may provide advance payments to its Directors in connection with work-related expenses.

I. Miscellaneous

28. This Policy is designed solely for the benefit of Optibase. Nothing in this Compensation Policy shall be deemed to grant any of Optibase's Executive Officers, Directors or employees or any third party any right or privilege in connection with their employment by the Company. Such rights and privileges shall be governed by the respective personal employment agreements.

This Policy is subject to applicable law and is not intended, and should not be interpreted as limiting or derogating 29. from, provisions of applicable law to the extent not permitted, nor should it be interpreted as limiting or derogating from the Company's articles of association.

This Policy is not intended to affect current agreements nor affect obligating customs (if applicable) between the 30. Company and its Executive Officers or Directors as such may exist prior to the approval of this Compensation Policy.

31. In the event of amendments made to the Companies Law or any regulations promulgated thereunder providing relief in connection with Optibase's compensation to its Executive Officers and Directors, Optibase may elect to act

pursuant to such relief without regard to any contradiction with this Policy.

32. The Compensation Committee and Board may determine that none or only part of the payments, benefits and perquisites shall be granted, and is authorized to cancel or suspend a compensation package or part of it.

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OPTIBASE LTD.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS FOR THE SPECIAL
GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 14, 2019

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Amir Philips and Yakir Ben-Naim, and each of them, as agent and proxy for the undersigned, with full power of substitution, to vote with respect to all of the Ordinary Shares of Optibase Ltd. (the "Company"), standing in the name of the undersigned at the close of business on January 14, 2019, at the Special General Meeting of Shareholders of the Company to be held at the Company's offices, 8 Hamenofim Street, Herzliya, Israel, on Thursday, February 14, 2019, at 6:00 p.m. (Israel time) and at any and all adjournments thereof, with all power that the undersigned would possess if personally present and especially (but without limiting the general authorization and power hereby given) to vote as follows (the "Meeting").

A shareholder's proxy card must be received by the Company no later than February 14, 2019 at 2:00 p.m. Israel time, otherwise it shall not be valid at the Meeting.

The proxies are authorized to vote in their discretion on such other matters as may properly come before the Meeting.

The shares represented by this proxy card will be voted in the manner directed. To the extent permitted by law and applicable stock exchange requirements, if no instructions to the contrary are indicated, the shares will be voted "FOR" all the proposals and in accordance with the discretion of the proxies on such other matters as may properly come before the Meeting.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

Please mark your votes as in this example.

Proposal 1:

Approval of a new compensation policy for the Company's directors and officers, in accordance with the requirement of the Companies Law.

FOR AGAINST ABSTAIN

Do you have a personal interest in the approval of Proposal 1 or are you a controlling shareholder of the Company or someone on behalf of a controlling shareholder of the Company (Please note: If you do not mark either Yes or No, your shares will not be voted for Proposal 1)?

YESNO

Proposal 2:

Approval of an extension of the Company's engagement with Mr. Shlomo (Tom) Wyler, who is affiliated with the Company's controlling shareholder, as the Chief Executive Officer of Optibase Inc., the Company's subsidiary, including an adjustment to his compensation, for a three-year term.

FOR AGAINST ABSTAIN

Do you have a personal interest in the approval of Proposal 2 (Please note: If you do not mark either Yes or No, your shares will not be voted for Proposal 2)?

YESNO

Proposal 3:

Approval of an extension of the Company's engagement with Mr. Amir Philips, the Company's Chief Executive Officer.

FOR AGAINST ABSTAIN

Do you have a personal interest in the approval of Proposal 3 or are you a controlling shareholder of the Company or someone on behalf of a controlling shareholder of the Company (Please note: If you do not mark either Yes or No, your shares will not be voted for Proposal 3)?

YESNO

PLEASE DATE, SIGN AND RETURN THIS PROXY PROMPTLY USING THE ENCLOSED ENVELOPE.

Dated: _____, 2019

(Signature of Stockholder)

(Signature of Stockholder)

Please sign exactly as your name(s) appears on your stock certificate. If signing as attorney, executor, administrator, trustee or guardian, please indicate the capacity in which signing. When signing as joint tenants, all parties to the joint tenancy must sign. When the proxy is given by a corporation, it should be signed by an authorized officer.
