

FORMULA SYSTEMS (1985) LTD.

PROXY FOR THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 21, 2018

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby constitutes and appoints Guy Bernstein and Asaf Berenstin and each of them, the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution to each of them, to represent and to vote, on behalf of the undersigned, all of the Ordinary Shares of Formula Systems (1985) Ltd. (the “**Company**”), held of record in the name of the undersigned at the close of business on April 16, 2018, at the 2018 Annual General Meeting of Shareholders of the Company (the “**Meeting**”) to be held at the offices of the Company, 5 HaPlada Street, Or Yehuda 60218, Israel, on Monday, May 21, 2018 at 2:00 p.m. (local time), and at any and all adjournments or postponements thereof on the matters listed on the reverse side, which are more fully described in the Notice of 2018 Annual General Meeting of Shareholders and Proxy Statement relating to the Meeting.

The undersigned acknowledges the availability to him, her or it of the Notice of 2018 Annual General Meeting of Shareholders and Proxy Statement of the Company relating to the Meeting.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTIONS ARE INDICATED WITH RESPECT TO ANY OR ALL OF THE PROPOSALS, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED AS RECOMMENDED BY THE COMPANY’S BOARD OF DIRECTORS.

Any and all proxies heretofore given by the undersigned are hereby revoked.

(Continued and to be signed on the reverse side)

**2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
FORMULA SYSTEMS (1985) LTD.**

MAY 21, 2018

**Please date, sign and mail
your proxy card in the
envelope provided as soon
as possible.**

↓Please detach along perforated line before mailing.↓

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” EACH
OF THE PROPOSALS BELOW**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE
MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE**

To change the address on your account, please check the box at right and indicate your new address in the space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

PROPOSAL	FOR	AGAINST	ABSTAIN
<input type="checkbox"/> 1. To re-elect Mr. Marek Panek to our Company’s Board of Directors, to hold office until our next annual general meeting of shareholders and until his successor is dully elected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. Rafal Kozlowski to our Company’s Board of Directors, to hold office until our next annual general meeting of shareholders and until his successor is dully elected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Ms. Dafna Cohen to our Company’s Board of Directors, to hold office until our next annual general meeting of shareholders and until her successor is dully elected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve the renewal of our directors’ and officers’ insurance policy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To ratify and approve the re-appointment of Kost Forer Gabbay & Kasierer, registered public accounting firm, a member firm of EY Global, as our independent registered public accounting firm for the year ended December 31, 2017, and to ratify and approve such accounting firm’s annual compensation for the year ended December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To approve the re-appointment of Kost Forer Gabbay & Kasierer, registered public accounting firm, a member firm of EY Global, as our independent registered public accounting firm for the year ending December 31, 2018 and until our next annual general meeting of shareholders, and to authorize our Company’s Board of Directors and/or its Audit Committee to fix such accounting firm’s annual compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature of Shareholder Date Signature of Shareholder Date

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each owner should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by a duly authorized officer, giving full title as such. If the signer is a partnership, please sign in partnership name by authorized person.