

CAMTEK LTD
Form 6-K
August 16, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the Month of August 2018

CAMTEK LTD.
(Translation of Registrant's Name into English)

Ramat Gavriel Industrial Zone
P.O. Box 544
Migdal Haemek 23150
ISRAEL
(Address of Principal Corporate Offices)

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

Form 20-F Form 40-F

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

Yes No

SIGNATURE

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.

CAMTEK LTD.

(Registrant)

By: /s/ Moshe Eisenberg

Moshe Eisenberg,
Chief Financial Officer
Dated: August 16, 2018

CAMTEK LTD.

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 20, 2018

You are cordially invited to attend, and notice is hereby given of, a Special General Meeting of the shareholders (the "Meeting") of Camtek Ltd. (the "Company") to be held at the Company's offices at Ramat Gavriel Industrial Zone, Migdal Ha'Emek, Israel, on Thursday, September 20, 2018 at 16:00 PM (Israel time) for the following purposes:

- (A) To approve an amendment to the Company's Articles of Association;
- (B) To elect Prof. Chezy Ofir to serve on the Board of Directors of the Company until the conclusion of the 2019 annual general meeting of shareholders;
- (C) To elect Ms. Yael Andorn and Prof. Yossi Shacham-Diamand to serve on the Board of Directors of the Company as external directors, for a term of three years each; and
- (D) To approve equity grants to our directors who are not controlling shareholders.

Only shareholders of record at the close of business day on Monday, August 27, 2018, the record date for determining those shareholders eligible to vote at the Meeting, are entitled to vote at the Meeting and any postponements or adjournments thereof. All such shareholders are cordially invited to attend the Meeting in person.

Whether or not you plan to attend the Meeting, you are urged to promptly complete, date and sign the enclosed proxy and to mail it in the enclosed envelope, which requires no postage if mailed in the United States. A shareholder, whose shares are registered with a member of the Tel-Aviv Stock Exchange Ltd. ("TASE"), should deliver or mail (via registered mail) their completed proxy to the Company's offices, attention: CFO, together with an ownership certificate confirming his or her ownership of the Company's shares as of the record date, which certificate must be approved by a recognized financial institution (i.e. that TASE member through which he or she hold their shares, as required by the Israeli Companies Regulations (Proof of Ownership of Shares for Voting at General Meeting) of 2000). Such shareholder is entitled to receive the ownership certificate in a branch of the relevant TASE member or by mail to his or her address, if the shareholder has so requested. Such a request must be made for a particular securities account, in advance. Alternatively, shareholders who hold shares through members of TASE may vote electronically via the electronic voting system of the Israel Securities Authority, up to six (6) hours before the time fixed for the Meeting (i.e. 10:00 AM Israel time on Thursday, September 20, 2018). If applicable, you should request instructions about electronic voting from the TASE member through which you hold your shares.

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Execution of your proxy will not deprive you of your right to attend the Meeting and vote in person, and any person giving a proxy has the right to revoke it any time before it is exercised.

Joint owners of shares should take note that, pursuant to Article 18.10(a)(3) of the Articles of Association of the Company (the "Articles"), the joint owner whose name appears first in the Company's Shareholders Register will be entitled to vote at the Meeting. If such joint owner does not vote, the joint owner whose name appears thereafter may vote, and so forth.

A proxy will be effective only if it is received at the Company's offices no later than twenty four (24) hours prior to the time of the Meeting (i.e. 16:00 PM Israel time on Wednesday, September 19, 2018), or – in the case of shareholders voting electronically (as described above) – no later than six (6) hours prior to the time of the Meeting.

By Order of the Board of Directors,

Moty Ben-Arie
Chairman of the Board

August 16, 2018

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PROXY STATEMENT

CAMTEK LTD.

SPECIAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 20, 2018

This Proxy Statement is being furnished to the holders of ordinary shares, New Israeli Shekels ("NIS") 0.01 nominal (par) value per share (the "Ordinary Shares" or "Shares"), of Camtek Ltd. ("we", "Camtek" or the "Company") in connection with the solicitation by the Board of Directors of the Company (the "Board") of proxies for use at the Company's Special General Meeting of Shareholders, or at any postponement or adjournment thereof (the "Meeting").

PURPOSE OF THE SPECIAL GENERAL MEETING

The Meeting will be held on Thursday, September 20, 2018, at 16:00 PM (Israel time), at the Company's offices, Ramat Gavriel Industrial Zone, Migdal Ha'Emek, Israel for the following purposes:

- (A) To approve an amendment to the Company's Articles of Association;
- (B) To elect Prof. Chezy Ofir to serve on the Board of Directors of the Company until the conclusion of the 2019 annual general meeting of shareholders;
- (C) To elect Ms. Yael Andorn and Prof. Yossi Shacham-Diamand to serve on the Board of Directors of the Company as external directors, for a term of three years each; and
- (D) To approve equity grants to our directors who are not controlling shareholders.

RECORD DATE AND VOTING RIGHTS

Only holders of record of Ordinary Shares at the close of business on Monday, August 27, 2018, the record date for determining those shareholders eligible to vote at the Meeting, will be entitled to notice of and to vote at the Meeting and any adjournment or postponement thereof. At such time, each issued and outstanding Ordinary Share will be entitled to one vote upon the matter to be presented at the Meeting.

PROXY PROCEDURE

A form of proxy for use at the Meeting and a return envelope for the proxy are also enclosed.

If specified by a shareholder on the form of proxy, the Shares represented thereby will be voted in accordance with such specification. If a choice is not specified by a shareholder, the form of proxy will be voted "FOR" the proposal and in the discretion of the proxies with respect to all other matters which may properly come before the Meeting and any and all adjournments thereof. On all matters considered at the Meeting, abstentions and broker non-votes will be treated as neither a vote "FOR" nor "AGAINST" the matter, although they will be counted in determining if a quorum is present. Broker non-votes are votes that brokers holding shares of record for their clients are, pursuant to applicable stock exchange or other rules, precluded from casting in respect of certain non-routine proposals because such brokers have not received specific instructions from their clients as to the manner in which such shares should be voted on those proposals and as to which the brokers have advised the Company that, accordingly, they lack voting authority.

Shareholders whose shares are registered with a member of TASE, should deliver or mail (via registered mail) their completed proxy to the Company's offices, attention: CFO, together with ownership certificate confirming his or her share ownership as of the record date, which certificate must be approved by a recognized financial institution, i.e. that TASE member through which he or she hold their shares, as required by the Israeli Companies Regulations (Proof of Ownership of Shares for Voting at General Meeting) of 2000. Such shareholder is entitled to receive the ownership certificate in a branch of the relevant TASE member or by mail to his or her address, if the shareholder so requested. Such a request must be made for a particular securities account, in advance. Alternatively, shareholders who hold shares through members of TASE may vote electronically via the electronic voting system of the Israel Securities Authority, up to six (6) hours before the time set for the Meeting (i.e., 10:00 AM Israel time on Thursday, September 20, 2018). If applicable, you should request instructions about electronic voting from the TASE member through which you hold your shares.

A proxy will be effective only if it is received at the Company's Office no later than twenty four (24) hours prior to the time of the Meeting (i.e. 16:00 PM Israel time on Wednesday, September 19, 2018), or – in the case of shareholders voting electronically (as described above) - no later than six (6) hours prior to the time of the Meeting.

Shareholders may revoke the authority granted by their execution of proxies at any time before the effective exercise thereof by: (i) filing with the Company a written notice of revocation or duly executed proxy bearing a later date; (ii) electronically voting at a later date; or (iii) voting in person at the Meeting. However, if a shareholder attends the Meeting and does not elect to vote in person, his or her proxy or electronic voting will not be revoked.

Proxies for use at the Meeting are being solicited by the Board chiefly by mail; however, certain officers, directors, employees and agents of the Company, none of whom will receive additional compensation for such solicitation, may solicit proxies by telephone, email or other personal contact. The Company will bear the cost for the solicitation of the proxies, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of Shares.

Should changes be made to any item on the agenda for the Meeting after the publication of this Proxy Statement, we will communicate the changes to our shareholders through the publication of a press release, a copy of which will be filed with the Securities and Exchange Commission (the "SEC") on Form 6-K and the Israel Securities Authority.

QUORUM

The presence of two (2) or more shareholders, present in person, by proxy, by proxy card or by electronic voting, entitled to vote and holding together Ordinary Shares conferring in the aggregate at least twenty five percent (25%) of the voting rights of the Company, shall constitute a quorum at the Meeting. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting shall stand adjourned to September 27, 2018, at the same time and place. At such adjourned meeting, if a quorum is not present within half an hour from the time appointed for the Meeting, the Meeting will take place regardless of whether a quorum is present.

BENEFICIAL OWNERSHIP OF SECURITIES BY PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The following table sets forth certain information, as of August 8, 2018, regarding: (i) persons or entities known to the Company to beneficially own more than five percent (5%) of the Company's issued and outstanding Ordinary Shares; (ii) each "office holder"¹, as such term is defined in the Israeli Companies Law, 5759-1999 (the "Companies Law") of the Company (the "Office Holders") known to the Company to beneficially own more than one percent (1%) of the Company's issued and outstanding Ordinary Shares; and (iii) all Office Holders of the Company as a group.

The information contained in the table below has been obtained from the Company's records or from information furnished by the individual or entity to the Company or disclosed in public filings with the SEC.

Except where otherwise indicated, and except pursuant to community property laws, we believe, based on information furnished by such owners, that the beneficial owners of the Ordinary Shares listed below have sole investment and voting power with respect to such Shares.

The shareholders listed below do not have voting rights that are different from any of our other shareholders.

¹ The term "Office Holder" as defined in the Companies Law includes a director, the chief executive officer, an executive vice president, a vice president, any other person fulfilling or assuming any of the foregoing positions without regard to such person's title and any manager who is directly subordinated to the chief executive officer.

Total "Number of Ordinary Shares Beneficially Owned" in the table below include Shares that may be acquired by an entity, individual or group upon the exercise of options that are either currently exercisable or will become exercisable within sixty (60) days as of August 8, 2018. The Shares that may be issued under these options are deemed to be outstanding for purpose of determining the percentage of ownership of such individual or group, but are not deemed to be outstanding for the purpose of determining the percentage of ownership of any other individual or group shown in the table.

| Name of Beneficial Owner | Number of Shares Beneficially Owned ⁽¹⁾ | Percent of Shares Beneficially Owned ⁽²⁾ | |
|---|---|--|---|
| Prioritech Ltd. ("Prioritech") ⁽³⁾ | 15,667,695 | 43.29 | % |
| Rafi Amit ⁽⁴⁾ | 112,281 | 0.31 | % |
| Yotam Stern ⁽⁵⁾ | 138,200 | 0.38 | % |
| Yelin Lapidot Holdings Management Ltd. ("Yelin Lapidot") ⁽⁶⁾ | 2,823,478 | 7.80 | % |
| Office Holders as a group (9 persons) ⁽⁷⁾ | 320,596 | 0.89 | % |

(1) The total number of options held by the persons included in the above table that are currently exercisable or exercisable within 60 days as of August 8, 2018, is 187,596.

(2) Based upon 36,196,187 Shares issued and outstanding as of August 8 , 2018

(3) Prioritech, our controlling shareholder, is an Israeli public company traded on TASE. As of August 8, 2018, 2018, Mr. Rafi Amit, our Chief Executive Officer and director, holds 10.25% of Prioritech issued and outstanding share capital, and Mr. Yotam Stern, our director, holds 9.33% of Prioritech's issued and outstanding share capital. As a result of a voting agreement relating to approximately 35% of Prioritech's voting equity, governing inter-alia joint voting at Prioritech's general meetings of shareholders and the right of first refusal among themselves, Mr. Amit and Mr. Stern may be deemed to control Prioritech.

Mr. Amit directly owns 24,560 of our Shares. In addition, as Mr. Amit may be deemed to control Priortech (see (4) footnote 3), he may also be deemed to beneficially own the Shares of the Company held by Priortech. Mr. Amit disclaims such beneficial ownership of such Shares.

Mr. Stern directly owns 108,200 of our Shares. In addition, as Mr. Stern may be deemed to control Priortech (see (5) footnote 3), he may also be deemed to beneficially own the Shares of the Company held by Priortech. Mr. Stern disclaims such beneficial ownership of such Shares.

Based on the Schedule 13G filed by Yelin Lapidot, Yair Lapidot and Dov Yelin on January 29, 2018, which presented ownership as of December 31, 2017. The 2,823,478 Ordinary Shares reported under such Schedule 13G by Yelin Lapidot are beneficially owned by provident funds managed by Yelin Lapidot Provident Funds Management Ltd. (606,152 Ordinary Shares) and mutual funds managed by Yelin Lapidot Mutual Funds Management Ltd. (2,217,326 Ordinary Shares), each a wholly owned subsidiary of Yelin Lapidot (the "Yelin Lapidot Subsidiaries"). Messrs. Yelin and Lapidot each own 24.38% of the share capital and 25% of the voting (6) rights of Yelin Lapidot, and are responsible for the day-to-day management of Yelin Lapidot. The Yelin Lapidot Subsidiaries operate under independent management and make their own independent voting and investment decisions. Any economic interest or beneficial ownership in any of the Company's Ordinary Shares is held for the benefit of the members of the provident funds or mutual funds, as the case may be. Each of Messrs. Yelin and Lapidot, Yelin Lapidot, and the Yelin Lapidot Subsidiaries disclaims beneficial ownership of the Ordinary Shares covered by the abovementioned Schedule 13G. Yelin Lapidot's principle address is 50 Dizengoff St., Dizengoff Center, Gate 3, Top Tower, 13th floor, Tel Aviv 64332, Israel.

Our office holders as a group directly own 133,000 of our Shares (and 187,596 options which have vested or will vest within 60 days as of August 8, 2018). Each of our office holders, other than Messrs. Amit and Stern (7) (including their beneficial interest in Shares owned by Priortech), beneficially owns less than 1% of our outstanding Shares (including options held by each such person which have vested or will vest within 60 days as of August 8, 2018) and have therefore not been listed separately.

ITEM A

AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION

Background

The Company's existing Articles of Association (the "Articles") contain a provision relating to the appointment of directors who are not external directors. It is proposed to revise this provision, as detailed below.

General

The one proposed amendment to the Articles of Association is in Section 19.3(a), relating to appointment of directors, and it is marked in the revised version of the Articles attached to this Proxy Statement as Exhibit A (the "Amended Articles"); according to this Section, a director, who is not an external director in the meaning of the Companies Law, will be appointed by the annual general meeting of shareholders and will serve until the conclusion of the next annual meeting. In order to provide for a procedure that is better aligned with the practical needs of the Company, and as permitted under the Companies Law, it is proposed to revise this section so that directors will be appointed by the general meeting – which includes annual and special meetings of shareholders, and not just annual meetings; provided that in any event such appointment of a director, who is not an external director, shall be for a term that will end at the conclusion of the next annual general meeting.

Required Vote

The affirmative vote of the holders of Shares representing a majority of the voting power present at the Meeting, in person, by proxy, by proxy card or by electronic voting, and voting thereon, is required for the approval of the Amended Articles.

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

“RESOLVED, that the Amended Articles, in the form attached as Exhibit A to the Proxy Statement for the 2018 Special General Meeting of Shareholders, be approved and the Company's Articles of Association be reinstated and replaced by such Amended Articles”.

The Board recommends a vote “FOR” approval of the proposed resolution.

ITEM B

ELECTION OF A DIRECTOR

Background

Under the Company's Articles, our Board is to consist of not less than five (5) and not more than ten (10) directors. The Board is currently comprised of six (6) members, two (2) of them are serving as external directors under the provisions of the Companies Law.

Under the Amended Articles, if approved by our shareholders as provided for in Item A above, the appointment of directors (including directors who are not external directors) may be voted upon at either a special or annual general meeting of the Company's shareholders, for a term that commences upon their appointment by our shareholders and ends at the conclusion of the next annual general meeting of shareholders.

General

Election

Pursuant to the recommendation of our Nomination Committee, and subject to the adoption of the Amended Articles by our shareholders as provided for in Item A above, it is proposed that Prof. Chezy Ofir be elected to serve on the Company's Board of Directors, such that, if elected, the Company's Board will consist of seven (7) members.

Considering Prof. Ofir's business experience and technological expertise, the members of our Nomination Committee, as well as the full Board, believe that his appointment as a Board member will significantly enhance and contribute to the work of the Board and to the management of the Company, by providing, among others, an additional outlook on the Company's business from a broad perspective – both technological and business - and will therefore be beneficial to the Company.

In accordance with the Companies Law, a nominee for service as a director must submit a declaration to the Company prior to his or her election, specifying that he or she has the requisite qualifications to serve as a director and the ability to devote the appropriate time to performing his or her duties as such. The Company has received a declaration from Prof. Ofir, confirming that he possess the requisite skills and expertise, as well as sufficient time, to perform his duties as a director of the Company. The Company is not aware of any reason why Prof. Ofir, if elected, would be unable to serve as a director. The Company does not have any understanding or agreement with respect to the future election of the proposed nominee.

The following is a brief biography of Prof. Ofir, based on the information furnished by him:

Chezy Ofir has over 25 years of business consulting experience and served as a director at various companies, including as an external director of Adama Agricultural Solutions Ltd. from 2012 until 2015, a director at Shufersal Ltd. (TASE: SAE) from 2004 to 2010, acting Chairman nominated by the board of directors of the Israeli Postal Bank Company Ltd. from 2014 to 2017. As of 2016, Prof. Ofir serves as a director in Soda Stream (Nasdaq: Soda) and at Hadassah Medical Centers (Ein-Karem, Jerusalem) and as of 2013 – as a director at Micronet and at MICT Technologies, Inc. (Nasdaq: MICT). Prof. Ofir is a Professor and faculty member at the School of Business Administration, The Hebrew University of Jerusalem. Prof. Ofir holds a B.Sc. and M.Sc. in Engineering from Ben-Gurion University, M.Phil. and Ph.D. in Business Administration from Columbia University.

Compensation

Cash

On August 9, 2018 our Board resolved that, if elected, Prof. Chezy Ofir will receive cash remuneration in sums which are identical to the remuneration paid by us to our four directors who are not controlling shareholders –these sums are set in accordance with regulations promulgated under the Companies Law in connection with compensation to external directors (the "Remuneration Regulations"), are based on the amount of the Company's capital, and are currently in the following amounts: NIS 70,000 (approximately \$19,009) as annual fee, NIS 2,600 (approximately \$706) as in-person participation fee, NIS 1,560 (approximately \$423) for conference call participation and NIS 1,300 (approximately \$353) for written resolutions.

As these amounts are in the range between the fixed amounts of the annual and participation fees, as set forth in the Remuneration Regulations, and the maximum amounts of such fees as set forth in the Companies Regulations (Alleviation for Public Companies whose shares are Traded on the Stock Exchange Outside of Israel), 2000 (the "Alleviation Regulations"), they are exempt from shareholder approval, in accordance with the Israeli Companies Regulations (Relief from Related Party Transactions) – 2000 (the "Relief Regulations").

The above-mentioned cash remuneration is in line with the Company's Executives & Directors Compensation Policy (the "Compensation Policy"), according to which each of the Company's non-executive (and non-controlling) directors is entitled to receive cash fees which include annual and participation fees.

Equity

In addition to the cash remuneration, and subject to the approval of the Company's shareholders, it is proposed that Prof. Ofir shall be entitled to receive an equity grant equal to that proposed to the other directors, who are not controlling shareholders; all as detailed under Item D below.

As of the date hereof, Prof. Ofir does not beneficially own any of our Shares or hold equity convertible into shares.

Required Vote

The affirmative vote of the holders of the Shares representing a majority of the voting power present at the Meeting, in person, by proxy, by proxy card or by electronic voting, and voting thereon, is required for the election of Prof. Ofir to serve as a member of our Board.

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

"RESOLVED, that Prof. Ofir be, and he hereby is, elected to serve as a director for a term of approximately one year, until the conclusion of the 2019 annual general meeting of the Company's shareholders".

The Board recommends a vote FOR approval of the proposed resolution.

ITEM C

ELECTION OF TWO (2) EXTERNAL DIRECTORS

Background

Under the Companies Law, companies incorporated under the laws of Israel are generally required to appoint at least two external directors. Each committee of a company's board of directors empowered to exercise the board of directors authorities is required to include at least one external director, except for the audit committee and the compensation committee, which must be comprised of at least three directors, including all of the external directors, and the external directors must comprise the majority of the members of the compensation committee.

General

Qualification

A person may not be appointed as an external director if he or she or his or her relative, partner, employer, any person to whom such person is directly or indirectly subject to, or any entity under his or her control has, as of the date of the person's appointment to serve as an external director, or had, during the two (2) years preceding that date, any affiliation (as such term is defined in the Companies Law) with the company; any controlling shareholder of the company at the date of such person's appointment; a relative of a controlling shareholder; or any entity controlled, at the date of such person's appointment or during the two (2) years preceding that date, by the company or by a controlling shareholder of the company.

A "relative" is defined in the Companies Law as spouse, sibling, parent, grandparent, descendant, spouse's descendant, sibling or parent and the spouse of any of the foregoing. The term "affiliation" includes an employment relationship; a business or professional relationship maintained on a regular basis; control; and service as an office holder.

In addition, no person can serve as an external director if the person's position or other business creates, or may create, conflicts of interest with the person's responsibilities as an external director, or may otherwise interfere with his ability to serve as an external director.

The Companies Law provides that prior to a shareholders meeting in which the appointment of an external director is to be considered, the nominee must declare that he or she complies with the qualifications necessary for appointment as such. The Company has received such declarations from each of Ms. Yael Andorn and Prof. Yosi Shacham-Diamand, who are now nominated for service as external directors of the Company, confirming their qualifications under the Companies Law to be elected as external directors of the Company.

Term

In general, external directors serve a three (3) year term, which may then be extended for two (2) additional three (3) year periods, provided that such external director was nominated by the Board of Directors for such additional term, and such additional term was approved in accordance with the approvals required under the Companies Law for election of external directors. Thereafter, in accordance with the Relief Regulations, an external director may be appointed for additional terms of service of not more than three years each, provided that: (a) a company's audit committee, followed by the board of directors, have approved that, considering the expertise and special contribution of the external director to the work of the board of directors and its committees, the appointment of such external director for an additional term of service is beneficial to the company; (b) the appointment of such external director for an additional term of service is approved in accordance with the requirements of the Companies Law; and (c) the prior periods of service of such external director, as well as the reasoning of the audit committee and board of directors for the approval of the extension of the term of service, were presented to the shareholders prior to their

approval.

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The terms of service of the Company's current external directors, Ms. Gabi Heller and Mr. Koriat, are due to expire on September 12, 2018.

In light of the upcoming expiration of the terms of service of our current external directors, our Nomination Committee has conducted a comprehensive process for selection of appropriate candidates to fulfill the positions of external directors once the terms of service of Ms. Heller and Mr. Koriat expire.

In the framework of such process, our Nomination Committee reviewed applications and resumes received from various candidates for service as external directors, few of which, which the Nomination Committee considered most suitable for the position, were invited for a face-to-face interview with the Committee members. Among others, the Committee conducted the appropriate and necessary inquiries into the backgrounds and qualifications of these candidates, including their experience, skills, expertise and/or familiarity with the Company's field of business, personal and professional integrity, independent judgment and industry reputation, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that it considered appropriate in the context of the needs of the Board.

Pursuant to the aforementioned process, and also taking into account, inter alia, the composition and structure of the Board and the aspiration that it reflects the appropriate balance of knowledge, experience, skills, expertise and diversity, our Nomination Committee has recommended that each of Ms. Yael Andorn and Prof. Yosi Shacham-Diamand be elected as external directors of the Company.

In making its recommendation, our Nomination Committee took into account (i) with respect to Ms. Andorn, her considerable experience in the field of finance and in depth financial expertise; and (ii) with respect to Prof. Shacham-Diamand, his extensive experience in the field of electronic engineering and exceptional expertise in the field of semiconductors.

Taking into account the aforementioned considerations, the Nomination Committee is of the opinion that the appointment of each of Ms. Andorn and Prof. Shacham-Diamand as external directors of the Company will significantly contribute to the work of the Company's Board of Directors and its committees, both from a technological and business perspective, and will therefore be beneficial to the Company.

If elected, pursuant to the provisions of the Companies Law, Ms. Andorn and Prof. Shacham-Diamand will serve as our external directors for a term of three (3) years each, beginning on the date of the Meeting and ending three (3) years thereafter, after which they may be re-elected to serve in this capacity for additional terms, in accordance with and subject to the approvals required under the Companies Law.

Financial and Accounting Expertise

Under the Companies Law, generally at least one of the external directors must have "accounting and financial expertise" and each external director must have either "accounting and financial expertise" or "professional qualifications" (as such terms are defined in regulations promulgated under the Companies Law); The Board of Directors is required to determine (based on criteria set forth in regulations promulgated under the Companies Law) whether the external directors have "accounting and financial expertise" or "professional qualifications". The Board of Directors of the Company has determined that Ms. Yael Andorn has the requisite "accounting and financial expertise" and that Prof. Yossi Shacham-Diamand has the requisite "professional qualifications" to serve as external directors.

The following are brief biographies of Ms. Andorn and Prof. Shacham-Diamand, based upon the records of the Company and information furnished to it by each of them:

Yael Andorn has extensive financial experience. Yael Andorn is the founder and CEO of CapitalA, provider of customized solutions for global and local investments. Ms. Andorn serves on the Boards of Directors of public companies: El-Al Airlines, Castro and Elron Electronic Industries and has served in the past on private and public boards including Midroog-Moody's Rating, Oil Refineries (Bazan), Retalix, The National Lottery, Clal Health Insurance and Clal Credit Insurance, and as head of the Investment Committee of the Teacher's Saving Fund. Yael Andorn served as director general of Israel's Ministry of Finance between 2013 and 2015 and as Partner at Viola Credit, a tech-oriented Credit Fund between 2012 and 2013. Between 2005 and 2011 Yael Andorn served as CEO at Amitim, an institutional long-term savings entity, where she devised and executed local and foreign investment strategy for \$50BN AUM. Furthermore, she served on the investment committee. In 2009 she was appointed by the commissioner of capital markets to plan and execute reconstruction of H'aal, a distressed pension fund. Earlier in her career, Yael Andorn held several positions at Israel's Ministry of Finance Budget Department, as well as positions with Bank of Israel and IDF 8200 Intelligence Unit. Yael Andorn holds a Bachelor of Economics as well as a Master in Business Administration from the Hebrew University of Jerusalem, and completed the JFK School of Government Program for Local Authorities and Government Officials at Harvard Kennedy School.

Yossi Shacham-Diamand has broad experience as a faculty member and as a consultant in the semiconductor industry. Since 2001, Prof. Shacham-Diamand serves as The Bernard L. Schwartz Academic Chair for nano scale information technologies in the Department of Electrical Engineering - Physical Electronics, and in the Department of Material Science and Technology, Faculty of Engineering, Tel Aviv University. Prof. Shacham-Diamand currently serves on the advisory board of CartaSense Ltd. and SolChip Ltd., and previously served as consultant to numerous manufacturing companies such as: Zoran Inc., Intel Inc., Applied Materials Inc., Nova Instruments Inc., as well as to numerous investment and holding companies in Israel and abroad. Prof. Shacham-Diamand previously served on the board of directors of PCB Ltd. (today, Priortech Ltd.) and "RAMOT" by Tel Aviv University. In addition, in 2012 Prof. Shacham-Diamand was the head of the industrial affiliation program, Faculty of Engineering, from 2008 to 2012 Prof. Shacham-Diamand served on the university Board of Governors, from 2007 to 2011 served as the Head of the Department of Physical Electronics, faculty of Engineering and from 2009 to 2011 served as the Vice-dean of the faculty of engineering. Prof. Shacham-Diamand served on the University patent committee from 2006 to 2010, as the director of Tel-Aviv University research institute for Nano-Science and nano-technologies from 2001 to 2004 and as the Academic Director of the Micro Technologies Laboratory, Faculty of Engineering, Tel-Aviv University, from 2000 to 2001. Since 2018, Prof. Shacham-Diamand serves as a visiting professor at the Department of Electronics and Telecommunication, The Politecnico di Torino, Torino, Italy, and since 2012, serves as a distinguished international Chair Professor in Feng Chia University, Taichung, Taiwan. Between 2012 to 2013 Prof Shacham-Diamand served as a Visiting Professor in CNR-IMM, Rome, Italy and between 2004 to 2005, Prof. Shacham-Diamand served as a Visiting Professor in Waseda University, Tokyo, Japan. From 2001 Prof. Shacham-Diamand is a full Professor at Tel Aviv University, and previously, from 1997 to 2001 served as an associate Professor in the Tel Aviv University, from 1989 to 1996 served as an assistant Professor in Cornell university, Ithaca NY, USA and from 1987 to 1989 served as a senior lecturer in the Technion Institution. Since 2014 Prof Shacham-Diamand serves as a member of the MAGNET committee, Ministry of trade and Industry. Prof. Shacham-Diamand holds D.Sc. EE, M.Sc. EE, and B.Sc.

EE (Summa-cum Laude), all from the Technion- Israel Institute of Technology, Haifa, Israel, and also completed a postdoctoral research at U.C. Berkeley, CA, USA.

Each of Ms. Andorn and Prof. Shacham-Diamand qualify as an independent director as defined by the rules and regulations of the NASDAQ Stock Market, and also in accordance with the Companies Law.

The Company is not aware of any reason why any of the two (2) nominees, if elected, would be unable or unwilling to serve as external director. If elected, the external directors will receive cash remuneration as described below.

Compensation to our External Directors

According to the Remuneration Regulations, external directors are generally entitled to an annual fee, a participation fee for each meeting of the board of directors or any committee of the board on which he or she serves as a member, and reimbursement of travel expenses for participation in a meeting which is held outside of the external director's place of residence. The minimum, fixed and maximum amounts of the annual and participation fees are set forth in the Remuneration Regulations and the Alleviation Regulations, based on the classification of a company according to the amount of its capital. In addition, a company may compensate an external director in shares or rights to purchase shares, other than convertible debentures which may be converted into shares, subject to certain limitations, referred to under the Remuneration Regulations.

The compensation of external directors must be made known to the candidate for such office prior to his/her appointment and, subject to certain exceptions, will not be amended throughout the three (3)-year period during which he or she is in office.

Cash

On August 9, 2018, following approval by our Compensation Committee, our Board of Directors resolved that during their term of service (assuming that they will be elected as our external directors as set forth above), Ms. Yael Andorn and Prof. Shacham-Diamand shall receive cash remuneration in the same amounts as received by our other directors, who are not controlling shareholders, which is currently in the following sums: NIS 70,000 (approximately \$19,009) as annual fee, NIS 2,600 (approximately \$706) as in-person participation fee, NIS 1,560 (approximately \$423) for conference call participation and NIS 1,300 (approximately \$353) for written resolutions.

As these amounts are included in the range between the fixed amounts of the annual and participation fees as set forth in the Remuneration Regulations, and the maximum amounts of such fees as set forth in the Alleviation Regulations, they are exempt from shareholder approval, in accordance with the Relief Regulations.

The above-mentioned cash remuneration is in line with the Compensation Policy, according to which each of our non-executive (and non-controlling) directors is entitled to receive cash fees that include annual and participation fees.

Equity

In addition to the cash remuneration, and subject to the approval of the Company's shareholders, it is proposed that each of Ms. Yael Andorn and Prof. Shacham-Diamand shall be entitled to receive an equity grant equal to that proposed to the other directors, who are not controlling shareholders, as detailed under Item D below.

As of the date hereof, Ms. Andorn and Prof. Shacham-Diamand do not beneficially own any of our Shares or hold equity convertible into shares.

Required Vote

The affirmative vote of the holders of a majority of the voting power represented and voting on this proposal, in person, by proxy or by electronic voting, is necessary for the approval of the election of Prof. Yossi Shacham-Diamand and Ms. Yael Andorn as external directors. In addition, the shareholders' approval must either include at least a majority of the Shares voted by shareholders who are not controlling shareholders nor are they shareholders who have a personal interest in the approval of the proposal, or the total Shares of non-controlling shareholders and non-interested shareholders voted against this proposal must not represent more than two percent (2%) of the outstanding Shares.

Under the Companies Law, in general, a person will be deemed to be a controlling shareholder if that person has the power to direct the activities of the company, otherwise than by reason of being a director or other office holder of the company, and a person is deemed to have a personal interest if any member of the shareholder's immediate family, or the immediate family of a shareholder's spouse, has a personal interest in the adoption of the proposal. In addition, you are deemed to have a personal interest if a company, other than Camtek, which is affiliated with you, has a personal interest in the adoption of the proposal. Such company is a company in which you or a member of your immediate family serves as a director or CEO, has the right to appoint a director or the CEO, or owns five percent (5%) or more of the outstanding shares. However, you are not deemed to have a personal interest in the adoption of the proposal if your interest in such proposal arises solely from your ownership of our shares, or to a matter that is not related to a relationship with a controlling shareholder.

Please note that we consider it highly unlikely that any of our shareholders (other than Priortech and Messrs. Amit and Stern, who are deemed to control Priortech) is a controlling shareholder, or has a personal interest in this proposal. However, as required under Israeli law, the enclosed form of proxy requires that you specifically indicate whether you are, or are not, a controlling shareholder or have a personal interest in this proposal. Without indicating to this effect – we will not be able to count your vote with respect to this proposal.

The election of each of the two (2) nominees shall be voted upon separately at the Meeting.

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

"RESOLVED, that Ms. Yael Andorn be, and she hereby is, elected to serve as external director of the Company, for a term of three years, to commence on September 20, 2018 and that will end on September 19, 2021"; and

"FURTHER RESOLVED, that Prof. Yossi Shacham-Diamand be, and he hereby is, elected to serve as external director of the Company, for a term of three years, to commence on September 20, 2018 and that will end on September 19, 2021".

The Board of Directors recommends a vote FOR approval of the proposed resolutions.

ITEM D

EQUITY GRANTS TO OUR DIRECTORS WHO ARE NOT CONTROLLING SHAREHOLDERS

Background

Pursuant to Israeli law, any arrangement between the Company and a director regarding such director's terms of office and employment (as a director or in other capacities in which he is engaged with the Company) must generally be consistent with the company's compensation policy, and generally requires the approval of the company's compensation committee, board of directors and shareholders.

General

On August 9, 2018, following approval by our Compensation Committee, our Board of Directors resolved that, subject to the approval by our shareholders of the election of each of Prof. Ofir, Ms. Andorn and Prof. Shacham-Diamand as directors of the Company, and to shareholders' approval of the equity grants to our directors proposed herein, each of the Company's directors, except for directors who are controlling shareholders - i.e., each of Mr. Ben-Arie, Mr. Bendoly, Prof. Ofir, Ms. Andorn, and Prof. Shacham-Diamand - shall be entitled to receive an equity grant comprised of three thousand two hundred and twenty nine (3,229) Restricted Share Units (the "Directors' RSUs").

If approved by our shareholders, the Directors' RSUs shall be granted on the date of the Meeting (the "Grant Date"). The Directors' RSUs shall vest over a period of three (3) years, on a quarterly basis, with one twelfth (1/12) of the total amount granted vested each calendar quarter, beginning three (3) months following the Grant Date, and then on each of the following calendar quarters. The Directors' RSUs will be granted under the Company's 2018 Share Incentive Plan and under the Capital Gains Route of Section 102(b)(2) of the Israeli Income Tax Ordinance.

The annualized value of the proposed equity grant for each of Mr. Ben-Arie, Mr. Bendoly, Prof. Ofir, Ms. Andorn and Prof. Shacham-Diamand, using the fair value as of the date of its approval by the Board (August 9, 2018), is approximately ten thousand (10,000) USD.

Our Compensation Committee and Board believe that the proposed grant of Directors' RSUs is in the Company's best interests and is appropriate and suitable, considering, among others, the importance of motivating and incentivizing our directors (who do not have controlling interest) through the grant of equity, while taking into account the interests of the Company's investors and the effect of such equity grant on the dilution of our shareholders.

When reaching their conclusion, our Compensation Committee and Board of Directors analyzed all factors and considerations detailed in our Compensation Policy, including: comparable industry data; data of peer companies in our industry; the responsibilities and duties performed by our non-controlling directors; their current and expected contribution to the work of the Company's Board of Directors and its committees; and the anticipated importance of each of them to the future growth of the Company. In addition, in analyzing the information concerning the equity compensation received by directors (with no controlling interest) of peer-group companies, the members of our Compensation Committee and Board noted that the annualized fair value of the proposed grant of Directors' RSUs is in line with the levels of equity grants made to non-controlling directors of such peer-group companies.

Also, the proposed Directors' RSUs are in line with the Compensation Policy, according to which each of the Company's non-executive (and non-controlling) directors may be entitled to receive equity based compensation, the annual value of which shall not exceed thirty thousand (30,000) USD, and which shall vest in quarterly installments.

In accordance with the resolutions made by our Compensation Committee and Board of Directors, it is the Company's intention that all directors with no controlling interest, currently serving or elected to serve at the Meeting, receive the Director's RSUs, and therefore the approval of the Directors' RSUs for all such directors shall be voted upon together at the Meeting.

In addition, in accordance with applicable law, to the extent that the election of the external directors proposed under Item C is not approved by our shareholders, then the grant of the Directors' RSUs to all directors (with no controlling interest) shall be deemed revoked.

As of the date hereof, Mr. Bendoly holds two hundred and forty (240) of our Ordinary Shares. Except for said ownership by Mr. Bendoly, as of the date hereof, neither Ms. Andorn nor any of Messrs. Ben-Arie, Bendoly, Shacham-Diamand and Ofir beneficially own any of our Shares or hold equity convertible into shares.

Required Vote

The affirmative vote of the holders of the Shares representing a majority of the voting power present at the Meeting, in person, by proxy, by proxy card or by electronic voting, and voting thereon, is required for the grant of the Director's RSUs to each of Mr. Ben-Arie, Mr. Bendoly, Prof. Ofir, Ms. Andorn and Prof. Shacham-Diamand.

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

"RESOLVED, to approve the grant of 3,229 Restricted Share Units to each of Mr. Ben-Arie, Mr. Bendoly, Prof. Ofir, Ms. Andorn and Prof. Shacham-Diamand, all upon terms described in Item D of the Proxy Statement for the 2018 Special General Meeting of the Company's shareholders".

The Board recommends a vote FOR approval of the proposed resolution.