

**ANNUAL GENERAL MEETING OF SHAREHOLDERS OF  
BLUEPHOENIX SOLUTIONS LTD.**

**December 31, 2008**

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

↓ Please detach along perforated line and mail in the envelope provided. ↓

00033333033333332000 1

123108

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

- |   | FOR                      | AGAINST                  | ABSTAIN                  |
|---|--------------------------|--------------------------|--------------------------|
| 1. Election of Directors:<br>Arik Kilman  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gur Shomron   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Election of Outside Directors:<br>Michael Chill  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sam Somech  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Reappointment of the Company's auditor, Ziv Haft, as the Company's independent auditor for the period beginning on the Annual General Meeting and ending on the next annual general meeting. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Amendment of Article 28 of the Company's Articles of Association.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5A. Approval of the cash compensation to the Company's outside directors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5B. Approval of the grant of restricted share units to the Company's outside directors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Approval of the grant of restricted share units to the Company's non-employee directors.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Approval of the amendment of terms of employment and compensation of Mr. Arik Kilman.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Approval of an increase of the Company's authorized share capital and an amendment of the Company's Memorandum of Association.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Amendment of Article 21.1 of the Company's Articles of Association.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|   | YES                      | NO                       |                          |
| 10. Are you a controlling shareholder?  | <input type="checkbox"/> | <input type="checkbox"/> |                          |

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

IN ADDITION, UNLESS THE UNDERSIGNED HAS MARKED YES NEXT TO ITEM 10, THE UNDERSIGNED CONFIRMS THAT THE UNDERSIGNED IS NOT A CONTROLLING SHAREHOLDER OF BLUEPHOENIX SOLUTIONS LTD. (A SHAREHOLDER WILL BE DEEMED A CONTROLLING SHAREHOLDER IF HE/SHE/HIT HAS THE POWER TO DIRECT THE ACTIVITIES OF BLUEPHOENIX SOLUTIONS LTD, OTHERWISE THAN BY REASON OF BEING A DIRECTOR OR OTHER OFFICE HOLDER OF BLUEPHOENIX SOLUTIONS LTD).

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 holder 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 duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

□ ■

ANNUAL GENERAL MEETING OF SHAREHOLDERS

**BLUEPHOENIX SOLUTIONS LTD.**

**PROXY**

**THIS PROXY IS BEING SOLICITED ON BEHALF OF BLUEPHOENIX SOLUTIONS LTD. BOARD OF DIRECTORS FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 31, 2008 FOR SHAREHOLDERS OF RECORD ON DECEMBER 2, 2008.**

The undersigned shareholder of BluePhoenix Solutions Ltd. (the "Company") hereby appoints Mr. Arik Kilman and Mr. Yaron Tchwelli, and each of them, the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution, to vote, as designated on the reverse, all of the Ordinary Shares which the undersigned is entitled to vote at the Annual General Meeting of Shareholders of the Company to be held at the offices of the Company at 8 Maskit Street, Herzlia, Israel on Wednesday, December 31, 2008, at 10:00 A.M. (Israel time), and any postponement or adjournment thereof.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER(S). THE FAILURE TO FILL IN THE CHOICES INDICATED ON THE REVERSE WILL AUTHORIZE THE PROXIES TO VOTE FOR THE PROPOSALS TO BE BROUGHT BEFORE THE MEETING.**

The undersigned hereby acknowledges receipt of the Notice of the Annual General Meeting of Shareholders and the Proxy Statement accompanying such Notice, revokes any proxy or proxies heretofore given to vote upon or act with respect to the same shares and hereby ratifies and confirms all that said proxies, their substitutes, or any of them, may lawfully do by virtue hereof.

**(Continued and to be signed on the reverse side)**