

SOL-GEL TECHNOLOGIES LTD.

POLICY STATEMENT GUIDELINES FOR CORPORATE DISCLOSURE

I. INTRODUCTION

The United States Securities and Exchange Commission (the “**SEC**”) adopted Regulation FD with the intention of limiting the selective disclosure of material nonpublic information to securities analysts and others. We intend to comply with the requirements of Regulation FD and, accordingly, are adopting this Policy Statement containing Guidelines for Corporate Disclosure (the “**Guidelines**”). In this Policy Statement, “we,” “us,” “our” and “the Company” refer to Sol-Gel Technologies Ltd. and any subsidiaries, unless the context otherwise requires.

II. DEFINITIONS

A. Categories of People Covered by Regulation FD

Regulation FD places special responsibilities on certain categories of individuals or otherwise treats them specially. For convenience, this Policy Statement will use certain defined terms to refer to these categories, as follows:

1. *Market Professionals or Stockholders*

Regulation FD applies special rules to communications with certain categories of individuals referred to in these Guidelines as “**Market Professionals or Stockholders**.” These include:

- broker/dealers and their associated persons, including sell-side analysts;
- investment advisors, institutional investment managers, hedge funds, and their associated persons, including buy-side analysts;
- investment companies (*e.g.*, mutual funds) and their affiliated persons; and
- any stockholder or other holder of the issuer’s securities (other than our directors, officers, employees and certain third-party service providers designated by the chief financial officer of the Company (“**Service Providers**”) who are subject to fiduciary duties and other confidentiality obligations owed to us).

2. *Senior Officials*

Regulation FD defines “**Senior Official**” to mean any director, executive officer, investor relations or public relations officer or other person with similar functions. The individuals who

currently are our Senior Officials are listed on **Exhibit 1** to this Policy Statement. The definition of Senior Official is important principally because all Senior Officials are deemed to be “FD Persons” (as defined below).

3. *FD Persons*

Regulation FD imposes special responsibilities on any “person acting on behalf of an issuer.” Regulation FD defines “person acting on behalf of an issuer” to mean any Senior Official or any other officer, employee or agent of the issuer who regularly communicates with Market Professionals or Stockholders. Such persons may include individuals at an outside public relations or investor relations firm. This Policy Statement refers to anyone who falls within this definition as an “***FD Person***.” The individuals who currently are FD Persons (in addition to our Senior Officials) are listed on **Exhibit 1** to this Policy Statement. No person who is not an FD Person is authorized to perform the functions of an FD Person. FD Persons may not communicate with security analysts, institutional investors or representatives of the media unless they are Spokespersons or approved as Spokespersons in accordance with this Policy Statement.

4. *Spokespersons*

Ordinarily, not all FD Persons will be called upon to communicate with security analysts, institutional investors or representatives of the media. The individuals who ordinarily will be called upon to perform these functions are listed on **Exhibit 1**. In this Policy Statement, we refer to these individuals as our “***Spokespersons***.”

B. Material Information

The focus of Regulation FD is on the disclosure of material information. For purposes of these Guidelines, we use the same definition of “material information” the SEC used in its adopting release for Regulation FD. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision, or if it would significantly alter the total mix of information available to investors. In its adopting release for Regulation FD, the SEC provided a nonexclusive list illustrating the types of information or events that the SEC believes must be reviewed carefully to determine whether they are material, including:

- financial information;
- mergers, acquisitions, tender offers, joint ventures or changes in assets;
- new products and discoveries;
- developments regarding regulatory approvals (*e.g.*, FDA or other regulatory bodies) to market any products under development;
- developments regarding licensors, collaborators, customers or suppliers (such as the acquisition or loss of a contract);

- developments regarding the Company’s intellectual property portfolio;
- changes in control or in management;
- changes in the outside auditor or notification by the auditor that the issuer may no longer rely on an auditor’s report;
- events regarding the issuer’s securities, for example, defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders and public or private sales of additional securities; and
- bankruptcies or receiverships.

The SEC has made clear in another release that there are no numerical thresholds that may be used to determine whether information is material. For example, there is no “rule of thumb” that a development that has less than a five percent (5%) effect on net income is immaterial *per se*. Materiality must be evaluated by reference to all the relevant circumstances. In this regard, potential market sensitivity to the information is a key consideration.

III. ADMINISTRATION OF THE GUIDELINES

A. Disclosure Committee

We have formed a Disclosure Committee to implement these Guidelines and to address disclosure issues that may arise from time to time. In particular, the Disclosure Committee will administer the Disclosure Guidelines discussed in Section IV below. The Disclosure Committee will meet periodically to review the Guidelines or as needed for modification or updating.

The Disclosure Committee shall initially consist of our Chief Executive Officer, Chief Financial Officer, and such other officers and employees of the Company who have an interest in serving on, and the expertise to serve on, the Disclosure Committee, including the principal accounting officer (or the controller), and, to the extent applicable, the general counsel or other senior legal official with responsibility for disclosure matters, the principal risk management officer, the chief investor relations officer (or an officer with equivalent responsibilities) and any other officers or employees as deemed appropriate from time to time by the Chief Executive Officer and the Chief Financial Officer. The current members are listed on **Exhibit 2** to these Guidelines.

B. Materiality Determinations by Disclosure Committee

Whenever questions arise about whether information constitutes material non-public information, our FD Persons will confer with one or more members of the Disclosure Committee. The Disclosure Committee member, in turn, may elect to confer with other members of the Disclosure Committee or to call a meeting of the Disclosure Committee if he or she believes it is appropriate. Committee members also may elect to consult with outside counsel, if necessary.

C. Updating Lists of Senior Officials, FD People, and Spokespersons

The Chief Financial Officer (or his or her designee) will be responsible for periodically updating the lists of individuals, such as Senior Officials, FD Persons and Spokespersons appearing on **Exhibit 1** without the need for any additional action or approval by the Board.

D. Periodic Regulation FD Compliance Training

The Chief Financial Officer (or his or her designee) will facilitate periodic training of Senior Officials and FD Persons on compliance with Regulation FD.

IV. DISCLOSURE GUIDELINES

A. Earnings Announcements and Conference Calls

1. *Earnings Announcements and Quarterly Outlook*

Following the end of each quarter, we will issue a press release to report our results of operations for the applicable quarter and to provide period-to-period comparisons.

2. *Quarterly Conference Calls/Webcasts*

Shortly after we issue our earnings release, we will make a presentation about the results of operations for the relevant period on a conference call and/or webcast. Absent unusual circumstances, each conference call or webcast will begin with prepared remarks by Spokespersons, including a reference to filed risk factor disclosure, followed by a question and answer period.

Absent unusual circumstances, each call will be open to securities analysts, stockholders, the media and other interested parties. We will announce the date and time of the call on our website and in a press release inviting anyone who may be interested to listen to the call or have access to the call via the Internet (or otherwise provide at least two (2) business days advance notice to the public of the time and date of the call, with instructions as to how to access the call). The release or notice will provide dial-in instructions and/or a web site address for the call. Although we will permit anyone who may be interested to listen to the call, we may choose to permit only securities analysts or other designated individuals to ask questions during the question and answer period.

3. *Blackout Periods*

Except as may be approved by the Disclosure Committee, we will not discuss with Market Professionals or Stockholders or otherwise comment on our financial or business performance or prospects during the period beginning two (2) weeks before the end of each quarter and ending after the earnings conference call for such quarter or during any other trading suspension declared by us. If circumstances are such that the members of the Disclosure Committee feel it is desirable to comment on such matters during this period, we will do so only by way of a press release, as contemplated below.

4. *Pre-Release*

In some circumstances, it may be desirable for us to provide information regarding our expected financial or business performance (such as regarding our expectations for revenues and net income for a quarter) before we are prepared to issue our quarterly earnings release. For example, such a release might be appropriate when there is a concern that materially positive or negative news may have leaked, or for other reasons. The determination whether to pre-release information and what information to include in such a release must be made on a case-by-case basis and will be made by members of the Disclosure Committee, subject to approval by the Audit Committee of the Board of Directors.

B. Dealing with Market Professionals, Stockholders and Other Inquiries

1. *Guidance*

To promote compliance with Regulation FD, it is our policy not to provide formal or informal guidance, whether direct or indirect, to Market Professionals or Stockholders with respect to earnings or other material financial projections except as part of our regular earnings press releases and subsequent conference calls.

2. *Meetings, Telephone Calls or Other Communications with Market Professionals or Stockholders*

FD Persons will seek never to disclose material non-public information in meetings, telephone calls or other communications with Market Professionals or Stockholders. Participants in such meetings or telephone calls will include one or more of our Spokespersons, whenever possible. During these conferences, our representatives may present historical information in an organized manner, such as in graphical form, to illustrate trends in our business or in the industry in general. Our representatives also may provide immaterial background information to help Market Professionals or Stockholders fill in elements of a “mosaic” of information, but they should seek never to provide material non-public forward-looking information, particularly financial projections, during any such meeting or other communication. Absent unusual circumstances, any written materials that will be provided to Market Professionals or Stockholders must be approved by the Chief Financial Officer (or his or her designee) in advance. While these Guidelines do not prohibit exchanges of e-mail correspondence with

Market Professionals or Stockholders and do not consider e-mail correspondence to be written materials that have to be approved by the Chief Financial Officer, FD Persons should exercise particular caution in interacting with Market Professionals or Stockholders through e-mail.

3. *Analyst Models and Reports*

Upon request by a Market Professional or Stockholder, a Spokesperson may elect to review drafts of analysts' models or reports. It is our policy, however, not to comment on analysts' projections or their statements and conclusions about us, other than to correct factual errors by reference to information already in the public domain. Absent unusual circumstances, we do not distribute copies of analyst reports to stockholders or others as part of investor relations kits. If the Disclosure Committee should determine to make an exception to this policy, care should be taken to include a full spectrum of opinions from a broad range of analysts and appropriate disclaimers of the content of the analysts' reports.

4. *Site Visits*

While our officers may from time-to-time make "road show"-style presentations to Market Professionals or Stockholders, it is our policy to seek never to disclose material non-public information during these meetings. Officers may elect to include directors or other representatives in these meetings, provided that such directors or other representatives are briefed on their responsibilities under this disclosure policy prior to meetings and a Senior Official accompanies them during the meetings.

C. Investor Conferences, Road Shows, Scientific Conferences, Medical Conferences and the Press

1. *Investor Conferences, Road Shows, Scientific Conferences and Medical Conferences*

As with one-on-one meetings with Market Professionals or Stockholders, FD Persons must proceed with great caution at investor conferences, such as those sponsored by investment banks, on road shows, and at scientific conferences and medical conferences. Participants in such meetings/conferences and road shows should include one or more of our Spokespersons, whenever possible. Such representatives should apply the same disclosure guidelines to these meetings that they would to one-on-one meetings with Market Professionals or Stockholders.

2. *The Press*

Although statements made to members of the press do not fall within the scope of Regulation FD, absent a determination by members of the Disclosure Committee to the contrary based on the circumstances in question, we have a policy of not disclosing material non-public information to individual representatives of the press without first issuing a press release or otherwise making a broadly disseminated announcement. However, it is permissible to disclose material information to members of the press who have agreed (orally or in writing) to keep the

information confidential while they are preparing an article and until such time as the information can be broadly publicized. Contacts with the news media should be only by one or more Spokespersons, whenever possible.

D. Disclosure in SEC Filings

Our policy is to include detailed disclosure in our Form 20-Fs filed with the SEC that generally covers all material facts and other historical topics that we have covered in our earnings conference calls, or that we expect to cover in private discussions with investors and analysts. We also endeavor to include in our Form 20-F a detailed discussion of known trends and uncertainties affecting our business (subject to risk factor disclosure). In addition to providing our investors with additional historical and, as applicable, forward-looking information regarding our business, this approach will increase our flexibility in communicating with Market Professionals or Stockholders in accordance with the Guidelines in Section B above.

E. Use of Social Networks

Use of social networks, including corporate blogs, chat boards, Facebook, Twitter and the like, to disclose material, nonpublic information is considered selective disclosure and would violate the Guidelines.

F. Rumors: No Comment Policy

We will not comment on market rumors in the normal course of business. When it is learned that rumors about the Company are circulating, Spokespersons should state only that it is the policy of the Company to not comment on rumors. If the source of the rumor is found to be internal, the Chief Financial Officer or other senior executive with responsibility for disclosure matters should be consulted to determine the appropriate response.

G. Inadvertent Disclosures

We recognize the possibility of inadvertent disclosure of material non-public information, such as in an informal meeting with a Market Professional or Stockholder. It is our policy to promptly disclose through a press release or through a Form 6-K any material non-public information inadvertently disclosed by an FD Person to a Market Professional or Stockholder. Accordingly, when a Senior Official becomes aware of a potential inadvertent disclosure of non-public information that may be material, he or she should confer with a member of the Disclosure Committee to determine whether the information is material. The Disclosure Committee member, in turn, may, in his or her discretion, consult with other members of the Disclosure Committee and/or seek the advice of outside counsel. If the Disclosure Committee members determine that the information is material, they also will determine the appropriate manner of disclosing the information and also may elect to confer with outside counsel in making this determination. Regardless of the means we elect to make the disclosure, we will disseminate the material information before the later of (a) twenty-four (24) hours from the Senior Official becoming aware of the disclosure or (b) the next opening of trading on the Nasdaq Global Market following the Senior Official's becoming aware of the disclosure. The

Chairman of the Audit Committee shall be informed of any such inadvertent disclosure of material non-public information.

H. Responding to Disclosures Not in Compliance with Regulation FD

We take compliance with Regulation FD seriously and it is our policy to respond to any disclosures that we believe are not in compliance with Regulation FD with the utmost earnestness and concern. If a Senior Official or FD Person becomes aware of an intentional disclosure of material non-public information that may not be in compliance with Regulation FD, he or she should confer with a member of the Disclosure Committee to determine whether Regulation FD has not been followed. The Disclosure Committee member, in turn, may, in his or her discretion, consult with other members of the Disclosure Committee and/or seek the advice of outside counsel in making the determination. If the Disclosure Committee members determine that Regulation FD has not been followed, we will promptly disclose the information through a Form 6-K and/or through a press release. The Disclosure Committee members will conduct a review of the circumstances of the noncompliance and may adopt remedial measures to address the noncompliance and prevent such noncompliance from reoccurring. The Chairman of the Audit Committee shall be informed of the conclusions regarding any such review.

V. SECURITIES OFFERINGS

Regulation FD contains limited exemptions for registered, but not unregistered, securities offerings made by companies subject to the regulation. These exemptions are beyond the scope of these Guidelines. Accordingly, it is our policy to confer with outside counsel regarding the Regulation FD implications of registered and unregistered offerings of our securities before engaging in such activities.

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Exhibit 1

Senior Officials, FD Persons and Spokespersons

Senior Officials

Moshe Arkin
Alon Seri-Levy
Gilad Mamlok
Haim Barsimantov
Ofer Toledano
Ofra Levy-Hacham
Karine Neimann
Itzik Yosef
Dov Zamir
Itai Arkin
Ran Gottfried
Jerrold S. Gattegno

FD Persons

The Senior Officials listed above
Westwicke Partners

Spokespersons

Alon Seri-Levy
Gilad Mamlok

Exhibit 2
Disclosure Committee

Alon Seri-Levy
Gilad Mamlok
Ofar Toledano