

# Pulsenmore Ltd.

Date: September 2, 2021

## Pulsenmore Ltd. (the “Company”)

To:  
The Israel Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

To:  
The Tel Aviv Stock Exchange  
(the “TASE”)  
[www.tase.co.il](http://www.tase.co.il)

Re: **Notice of a Special General Meeting of the Shareholders of the Company in accordance with the Companies Law, 5759 – 1999 and the Securities Regulations (a Transaction between the Company and a Controlling Holder), 5761 – 2001**

Under the Companies Law, 5759-1999 (the “Companies Law”), the Securities Law, 5728-1968 (the “Securities Law”), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “Reporting Regulations”), the Securities Regulations (a Transaction between A Company and a Controlling Holder), 5761 – 2001 (“Transaction with a Controlling Shareholder Regulations”), the Securities Regulations (a Private Offer of a Registered Company’s Securities), 5760 – 2000 (“Private Offering Regulations”), the Companies Regulations (Vote in Writing and Position Statements), 5766-2005 (the “Written Voting Regulations”), and the Companies Regulations (Notices and Announcements of General and Class Meetings at a Public Company and Adding Items to Agenda), 5760-2000 (the “Notice and Announcement Regulations”), notice is hereby given of convening a special general meeting of Company shareholders (the “Meeting”), which will be held on Thursday, October 7, 2021 at 5 PM at the Company’s offices at 8 Omarim Street, Omer, Israel. In addition, it will be possible to attend the Meeting by way of videoconference subject to pre-registration via email: [S.BlattZak@shibolet.com](mailto:S.BlattZak@shibolet.com) and provided that a certificate of share ownership as of the Effective Date is sent prior to the Meeting. The videoconference’s number and access code will only be provided to those who register in advance via email.

### **1. Items on the agenda and summary of proposed resolutions**

1.1. Approval of the grant of a special bonus to the CEO and director of the Company who is a controlling shareholder

1.1.1. As detailed in the Company’s Prospectus for Supplement for the Initial Public Offering and Shelf Prospectus dated June 4, 2021 (the “Prospectus”), on May 10, 2021, a SAFE Agreement (Simple Agreement for Future Equity) was signed in the scope of which two

investors invested a total amount of 14 million dollars (approx. NIS 46.2 million) in the Company (the “**Investment**”).

- 1.1.2. It is proposed to approve that Mr. Elazar Sonnenschein, a CEO and director of the Company, and its controlling shareholder, receive a special one-time bonus for his efforts in connection with the closing of the Investment, in the amount of NIS 300,000, constituting 0.65% of the Investment amount.

#### **Wording of Proposed Resolution**

“To approve a special one-time bonus to be granted to Mr. Elazar Sonnenschein, in the amount of NIS 300,000, with respect to the Investment.”

- 1.2. Approval of the terms of office and employment of Mr. Menashe Sonnenschein, in his capacity as the VP Research and Development Hardware

- 1.2.1. On October 15, 2021, it is expected that Mr. Menashe Sonnenschein, the brother of Mr. Elazar Sonnenschein (the CEO and director of the Company, and its controlling shareholder) will commence to serve as the Company’s VP Research and Development Hardware.

- 1.2.2. For additional details regarding Mr. Menashe Sonnenschein’s education and professional experience, see sections 2.2.2 and 2.2.3 of this Report below.

- 1.2.3. It is proposed to approve Mr. Menashe Sonnenschein’s terms of office and employment in his capacity as the Company’s VP Research and Development Hardware, as specified in section 2 of this Report below.

#### **Wording of Proposed Resolution**

“To approve the terms of office and employment for Mr. Menashe Sonnenschein, as the Company’s VP Research and Development Hardware, for a three (3) year term, commencing on October 15, 2021, in accordance with the provisions of section 275(a1)(1) of the Companies Law, according to the terms specified in section 2 of the Notice of the Meeting Report.”

## **2. Additional details required under the Transaction with a Controlling Shareholder Regulations in connection with the resolutions specified in sections 1.1 and 1.2 on the agenda**

- 2.1. Description of the main terms of the transaction specified in section 1.1

- 2.1.1. On May 10, 2021, a SAFE agreement (Simple Agreement for Future Equity) was signed in the scope of which two investors invested a total amount of 14 million dollars (approx. NIS 46.2 million) in the Company (the “**Investment**”).

- 2.1.2. Mr. Elazar Sonnenschein, the CEO and a director of the Company, and its controlling shareholder, led the negotiations for the Investment while simultaneously continuing to

devote significant efforts in promoting the Prospectus and the Company's offering of shares on the TASE and in the performance of his other roles in his capacity as the Company's CEO.

2.1.3. In connection with Mr. Elazar Sonnenschein's special efforts to close the Investment, it is proposed to approve the grant of a special, one-time bonus, in the amount of NIS 300,000, constituting 0.65% of the Investment amount; *inter alia*, Mr. Sonnenschein conducted numerous meetings with potential investors, managed the discussions to formulate an integrated strategy of the SAFE Investment and the completion of the offering on the TASE, conducted intensive negotiations with the SAFE investors for the terms and closing of the Investment, and all within a short and condensed time frame while simultaneously performing his other tasks as CEO.

2.1.4. The special bonus is consistent with the Company's compensation policy for office holders, as was attached to the Prospectus (the "**Compensation Policy**"), whereby the board of directors, following the compensation committee's approval, may decide upon granting a special bonus for extraordinary efforts or achievements by the Company's officers, in an amount per year not exceeding twelve (12) monthly-based salaries of the relevant office holder (excluding any offering bonus). The proposed special bonus for Mr. Sonnenschein amounts to three (3) monthly-based salaries.

2.1.5. For clarification, save for the aforementioned special one-time bonus, there are no changes to Mr. Sonnenschein's terms of office and employment, as set forth in section 8.1.3 (a) of the Prospectus.

## 2.2. Description of the main points of the transaction specified in section 1.2

2.2.1. On October 15, 2021, it is expected that Mr. Menashe Sonnenschein, the brother of Mr. Elazar Sonnenschein (CEO and a director of the Company, and its controlling shareholder), will commence to serve as the Company's VP Research and Development Hardware.

2.2.2. Mr. Menashe Sonnenschein has bachelor's and master's degrees in electric engineering (summa cum laude) from the Ben Gurion University in Beer Sheva (as of 1988). He served for 19 years in various roles of research, development and management in Medigus, including as VP of Development. To date, and for the last two and a half years he has been serving as the Director of System Engineering in Medasense Biometrics Ltd.

2.2.3. Mr. Sonnenschein has rich and prolific experience in the field of ultrasound, which is at the core of the Company's technology.

2.2.4. Below are the main office and employment terms proposed for Mr. Sonnenschein in his position as VP R&D Hardware:

- 2.2.4.1. Mr. Sonnenschein will be entitled to receive a monthly-based salary in the amount of NIS 50,000 (gross).
- 2.2.4.2. In addition, he will be entitled to receive social fringe benefits and ancillary benefits, *inter alia*, allocations to a pension arrangement or managers' insurance, advanced study fund, work disability insurance, severance pay, 19 days annual vacation, convalescence pay and sick leave in accordance with the law (sick leave can accrue up to 90 days), as well as Company car.
- 2.2.4.3. Mr. Sonnenschein shall also be entitled to an annual bonus in an amount of up to 1.5 monthly-based salaries, contingent upon meeting specific targets, which have not yet been determined. It is clarified that Mr. Sonnenschein will not be eligible to receive an annual bonus for 2021.
- 2.2.4.4. The term of Mr. Sonnenschein's employment is not limited and may be terminated by a 90 days' prior written notice by each of the parties.
- 2.2.4.5. Equity Compensation: Mr. Sonnenschein shall receive 48,750 non-registered and non-tradable options of the Company (the "**Allocated Options**"), exercisable into 48,750 ordinary shares of the Company, par value NIS 0.00004 each (the "**Exercisable Shares**"), subject to adjustments and in accordance with and by virtue of the Company's 2019 Incentive Share Option Plan (the "**Plan**").
- For additional information regarding the grant of the Allocated Options, including by virtue of the Private Offering Regulations, see section 3 of this Report below.
- 2.2.4.6. In addition, as is customary for the Company's office holders, Mr. Sonnenschein will be included in the Company's existing directors' and officers' insurance policy and will also be eligible for an exemption from liability and an indemnity undertaking, in the Company's customary form<sup>1</sup>, which grant was approved by the Company's shareholders to other office holders of the Company (including those considered controlling shareholders).
- 2.2.4.7. Mr. Sonnenschein's proposed terms of office and employment are consistent with the provisions of the Compensation Policy.
- 2.2.4.8. Below are additional details (in annual terms) in accordance with the Sixth Addendum of the Reporting Regulations, assuming approval of Mr. Menashe Sonnenschein's proposed terms of office and employment:

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<sup>1</sup> For the customary form of the Company's exemption letter and indemnity undertaking see Exhibit C to the Prospectus.

Name	Role	Scope of Position (%)	Percentage of Holdings in the Company's Capital (%)	Salary in NIS Thousands (†)	Annual Bonus in NIS Thousands	Share Based Payment in NIS Thousands (††)	Management Fee/Consulting fees	Commission/ Interest/ Rent/ Others (+++ in NIS Thousands)9+	Total
Menashe Sonnenschein	VP R&D Hardware	100	-	780	Up to 75 Contingent on meeting goals	87	-	60	

(+) the salary component set forth in the table constitutes the overall cost of the wages, including the salary, social allocations and ancillary terms, as customary by the Company.

(++) the annual value constitutes one quarter of the overall value of the grant, in accordance with vesting over 4 years. Calculated according to the Black and Scholes Model.

(+++ Cost of holding a car (annual).

### 2.3. Name of controlling shareholder with a personal interest in the transactions and the nature of the personal interest

Mr. Elazar Sonnenschein is the controlling shareholder of the Company, who has a personal interest in the approval of each of the transactions on the agenda, since he is the beneficiary of the special bonus and because he is Mr. Menashe Sonnenschein's brother, whose terms of office and employment in the Company are presented for approval according to this Report.

### 2.4. The way in which the consideration was set

Mr. Menashe Sonnenchein's proposed terms of office and employment were determined after comparison to the terms of office and employment of several officers performing similar roles in companies comparable to the Company in terms of market value; the overall compensation package offered to Mr. Sonnenschein is lower than the average of such benchmark.

### 2.5. The approvals required for the approval of the transactions

2.5.1. Approval of the compensation committee that was received on August 15, 2021.

2.5.2. Approval of the Company's board of directors that was received on August 19, 2021.

2.5.3. Approval of the Company's shareholders in the Meeting, which is being convened according to this Report.

2.6. Details of transactions of the same nature as proposed transactions or similar transactions in which the controlling shareholder had a personal interest during the last two years

On March 31, 2021, the Company's Board of Directors approved, and on April 13, 2021, the Company's general meeting of shareholders approved, that subject to the completion of the Company's offering according to the Prospectus, and immediately upon its completion, Mr. Elazar Sonnenschein's terms of office and employment as the Company's CEO, will be updated so that, *inter alia*, he shall be eligible for a one-time special cash bonus for completing the offering, in an amount of up to twelve (12) monthly salaries.

2.7. The reasons of the compensation committee and board of directors for the approval of the transactions

2.7.1. Granting a one-time special bonus to the Company's CEO: the members of the Company's compensation committee and board of directors believe that the grant of the one-time special bonus is reasonable and appropriate considering Mr. Sonnenschein's extraordinary contribution and unique efforts in connection with the successful closing of the Investment during a complex and challenging period, while simultaneously advancing the Prospectus and the issuance of the Company's shares on the TASE, all within a short period of time. In addition, the members of the Company's compensation committee and board of directors believe that the bonus amount is immaterial to the Company and is provided in accordance with the Compensation Policy, which allows the grant of a one-time special bonus to an office holder of the Company for extraordinary efforts or achievements, in a maximum amount which is significantly higher than the proposed bonus (see section 2.1.4 above).

2.7.2. Approval of the terms of office and employment of the controlling shareholder's relative:

2.7.2.1. The Company's compensation committee and board of directors approved the terms of office and employment that are being proposed for Mr. Menashe Sonnenschein in his capacity as the Company's VP Research and Development Hardware, taking into consideration that the decision to employ Mr. Sonnenschein was adopted after Company's management took great efforts in trying to fill in the position, *inter alia*, by interviewing several candidates for the position, and found that Mr. Sonnenschein is the leading and most suitable candidate for the position in all aspects: as noted, Mr. Sonnenschein has a master's degree in electric engineering (*summa cum laude*); he has significant experience in the field of medical equipment in general and ultrasound in particular, a fact that constitutes a significant advantage considering that the number of people who specialize in ultrasound in Israel is fairly low; and he took part or was responsible for the development of nearly a dozen of multi-disciplinary medical

devices, which include hardware, software and sensors, while in some of these products he led the full range of involvement from the idea phase through development, clinical trials in Israel and overseas, and until serial manufacturing. All of these, including his current position in Medasense Biometrics Ltd., which specializes in medical sensors (hardware and software) that monitor signals from unconscious patients, make him the person with the most impressive and relevant experience for the position of VP R&D Hardware.

2.7.2.2. The terms of employment proposed for Mr. Sonnenschein do not deviate from the terms set forth in the Compensation Policy and are in fact remote from most relevant caps set forth in such policy. In addition, based on the comparative information relating to compensation paid to office holders in similar positions, employed by other companies in the Company's peer group, the proposed terms of employment are moderate, and even lower in certain components, in comparison to the benchmark.

2.7.2.3. The proposed terms of employment do not constitute "distribution" as such term is defined in the Companies Law.

2.7.2.4. The engagement in the employment agreement with Mr. Sonnenschein is in the Company's best interests.

2.7.2.5. Considering all of the foregoing, the compensation committee and the board of directors found the terms of office and employment proposed for Mr. Sonnenschein to be reasonable and fair.

2.7.3. None of the members of the compensation committee or the board of directors objected to any of the transactions on the agenda.

2.8. The names of the directors who participated in the resolutions by the compensation committee and the board of directors for the approval of the transactions

2.8.1. In the compensation committee's meeting that took place on August 15, 2021, for the approval of each of the aforementioned transactions, the following individuals participated: Ms. Racheli Guz-Lavi, CPA, Prof. Anat Loewenstein (external director) and Ms. Linda Messalem, CPA (external director).

2.8.2. In the board of directors meeting that took place on August 19, 2021, for the approval of each of the aforementioned transactions, the following individuals participated: Mr. Yonatan Adereth (chairman of the board of directors), Mr. Yuval Yanai, Ms. Racheli Guz-Lavi, CPA, Ms. Susan Dalbrida, Prof. Anat Loewenstein (external director) and Ms. Linda Messalem, CPA (external director).

2.9. Names of the directors of the Company who, to the best of the Company's knowledge, have a personal interest in the transactions, and the nature of the personal interest

Mr. Elazar Sonnenschein, CEO and a director of the Company, and its controlling shareholder, has a personal interest in the approval of each of the transactions on the agenda, since he is the beneficiary of the special bonus, and he is Mr. Menashe Sonnenschein's brother, whose terms of office and employment in the Company are being presented for approval in this Report.

**3. Additional details in connection with the matters on the agenda in accordance with the Private Offering Regulations**

Below are the details that are required in connection with the Private Offering Regulations with respect to a material private offering:

3.1. The Company's compensation committee and the board of directors, in their separate meetings that took place on August 15, 2021 and August 19, 2021, respectively, approved a private offering, which is not a material or extraordinary private offering, to the candidate for serving as the Company's VP Research and Development Hardware, Mr. Menashe Sonnenschein (the "Offeree") in an amount of 48,750 Allocated Options (as defined above) which may be exercised into 48,750 Exercisable Shares (as defined above), in accordance with and by virtue of the Plan.

3.2. The Offeree being an interested party

To the best of the Company's knowledge, as of the date of this Report, the Offeree is not an interested party, as defined in section 270(5) of the Companies Law and he will not become an interested party as a result of receiving the Allocated Options.

3.3. The terms of the offered securities, their quantity and the percentage they will constitute of the voting rights and the equity of the Company after the allotment and on a fully diluted basis

3.3.1. The Allocated Options will be granted to the Offeree for no monetary consideration, in accordance with the Plan and the option agreement to be signed with him, and subject to the approval of the shareholders. The grant of the Allocated Options is consistent with the Compensation Policy and shall otherwise be made on terms described in this Report.

3.3.2. After the allotment to the Offeree, the Exercisable Shares will constitute approximately 0.1% of the voting rights and issued and outstanding capital of the Company, and will also constitute, after the allotment and on a fully-diluted basis, approximately 0.09% of the voting rights and issued and outstanding capital of the Company.

3.3.3. Vesting Period: (a) Upon the lapse of twelve (12) consecutive months of service by the Offeree as of the date of grant, 25% of the Allocated Options will vest; (b) upon the lapse of every



additional three (3) consecutive months of service by the Offeree, 6.25% of the Allocated Options will vest, until 100% of all Allocated Options shall vest over a period of four (4) years from their grant date.

3.3.4. Exercise Price: Each Allocated Option may be exercised into one Exercisable Share in consideration for an exercise price of NIS 15.25 (which is the average price of the Company's shares on the TASE during the thirty (30) trading days that preceded the date of the board of directors' decision approving the grant of the Allocated Options to the Offeree, and not less than the price per share at the end of the last trading day that preceded such date), subject to adjustments. The exercise price is not indexed.

The closing price of the Company's shares on the TASE on September 1, 2021, the day before the publication of this Report, was NIS 16.27. The exercise price is approximately 6.7% lower than such price.

3.3.5. Exercise Period: Generally, the Allocated Options will be exercisable as of their vesting date stated above and for seven years as of their grant date. Allocated Options that are not exercised by the end of the aforementioned exercise period will expire and will not grant any rights to the Offeree.

3.3.6. The Allocated Options will be granted to the Offeree under Section 3(i) of the Income Tax Ordinance [New Version], 5721-1961.

3.3.7. The Allocated Options will be subject to the provisions of the Plan with respect to adjustments. For more information regarding the adjustments set forth in the Plan, see Section 3.6.4(g) of the Prospectus.

3.3.8. The Consideration: The Allocated Options are allocated to the Offeree, who is a candidate to serve as an office holder, without monetary consideration, as part of the compensation paid to him for the services the Offeree will grant to the Company.

#### 3.4. Required Approvals

3.4.1. The allotment of the Allocated Options was approved by the Company's compensation committee and the board of directors, in their separate meetings that took place on August 15, 2021 and August 19, 2021, respectively.

3.4.2. The allotment is subject to receipt of approval by the shareholders at the Meeting, as part of Mr. Sonnenschein's terms of office and employment, as set forth in section 1.2 of the agenda.

3.4.3. The allotment is subject to receipt of approval from the TASE for the listing of the Exercisable Shares for trade. The Company intends to approach the TASE for receipt of such approval

shortly after the publication of this Report. Failure to receive the TASE's approval will cancel the allotment and the Offeree shall have no claim or action against the Company.

3.5. No agreements between the Offeree and a holder of the Company's shares

To the best of the Company's knowledge, based on a clarification made with the Offeree, there are no agreements, whether in writing or orally, between the Offeree, or anyone on his behalf, and a holder of the Company's shares or securities, with respect to the purchase or sale of securities or relating to voting rights in the Company.

3.6. Impediment or restriction on performing an action with the offered securities

According to the provisions of section 15C of the Securities Law and the provisions of the Securities Regulations (Details regarding Sections 15A – 15C of the Law), the restrictions specified below will apply to the sale of Exercisable Shares during trade on the TASE:

3.6.1. During the first six months beginning on the grant date (the "**First Period**") the Offeree may not offer the Exercisable Shares in the framework of trade on the TASE, without publishing a prospectus whose publication has been permitted by the Israeli Securities Authority.

3.6.2. During the next consecutive six quarters following the termination of the First Period, the Offeree may offer, within the scope of trade on the TASE, without publishing a prospectus whose publication was permitted by the Israeli Securities Authority, no more than the daily average of the cycle traded on the TASE of shares of the type of the Exercisable Shares, during a period of the eight weeks preceding the offer date, provided that the overall offered quantity of the Exercisable Shares in each quarter shall not exceed 1% of the Company's issued and outstanding capital, on the offer date. For this purpose, "issued and outstanding capital" - except shares arising from the exercise or conversion of convertible securities allotted up until the offer date and which were not yet exercised or converted.

Restrictions pertaining to dates and quantities shall not apply to any off-exchange sale, however, every person who purchased the Exercisable Shares from the Offeree not according to a prospectus and not during trade on the TASE, shall enter his place with respect to the adherence to the restricting provisions, as set forth in this section above.

3.7. Allotment Date

The Allocated Options will be allotted to the Offeree immediately after receipt of all necessary approvals according to the law, including an approval from the TASE to list the Exercisable Shares for trade.

#### **4. The required majority for the approval of the resolutions on the agenda**

In accordance with the provisions of Section 275 of the Companies Law, the required majority in the Meeting for the approval of each of the decisions on the agenda, as specified in section 1 above, is an ordinary majority, provided that one of the following shall occur:

- 4.1. The count of the majority of votes in the Meeting shall include a majority of the votes of shareholders who do not have a personal interest in the approval of the transaction, participating in the vote; when counting all the votes of said shareholders, abstained votes shall not be included; or
- 4.2. The total amount of opposing votes amongst said shareholders, as set forth in section 4.1, shall not exceed two percent (2%) of all the voting rights in the Company.

#### **5. The legal quorum for holding the Meeting and the time of a postponed meeting**

- 5.1. A legal quorum will be constituted once one shareholder or more who hold at least twenty five percent (25%) of the voting rights at the Company are present – by themselves (including attendance by way of Voting Cards or voting through the electronic voting system, according to the provisions of the law), or through an agent.
- 5.2. If 30 minutes have passed since the beginning of the Meeting, and there is no legal quorum, the Meeting will be postponed to the same day in the following week, at the same time and at the same place, i.e., Thursday, October 14, 2021, at the same time and place (“**Postponed Meeting**”).
- 5.3. A legal quorum at a Postponed Meeting will be constituted once one shareholder or more who hold at least twenty five percent (25%) of the voting rights in the Company, are present – by themselves (including attendance by way of Voting Cards or voting through the electronic voting system, according to the provisions of the law), or through an agent, within thirty minutes of the time scheduled for the beginning of the Postponed Meeting. If there is no such quorum at the end of 30 minutes following the time scheduled for the beginning of the Postponed Meeting, the Postponed Meeting will be held with any number of participants.

#### **6. The effective date of entitlement to participate in and vote at the Meeting**

- 6.1. The effective date for determining entitlement of a Company shareholder to vote at the Meeting is Thursday, September 9, 2021 (the “**Effective Date**”).
- 6.2. Pursuant to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at a General Meeting), 5760-2000 (the “**Proof of Ownership Regulations**”), shareholders – in favor of whom a share is registered with a TASE member, and that share is included in the shares listed in the shareholders’ register in the name of a Nominee Company – will provide the Company with a certificate of their ownership of the share as of the Effective Date, according to the form found in the Addendum to the Proof of Ownership Regulations, or, as an alternative, will send a certificate

of ownership to the Company through the Electronic Voting System (as defined below), at least 48 hours before the Meeting or the Postponed Meeting (as the case may be). However, the Chairman of the Meeting may waive this requirement and receive the certificate of ownership at the beginning of the Meeting. Without derogating from the foregoing, an electronic message that has been approved under Section 44k5 of the Securities Law, which pertains to the information of users of the Electronic Voting System, will be tantamount to a certificate of share ownership with respect to every shareholder included in it.

6.3. Shareholders may appoint proxies able to participate in and vote on their behalf at the Meeting, all in accordance with the provisions of the Company's articles of association, and subject to the provisions of the Companies Law and to proving their ownership of the shares in accordance with the Proof of Ownership Regulations. The appointment of a proxy will only be valid if the letter of appointment is received at the Company's offices at least 48 hours before the Meeting, although the Chairman of the Meeting may waive this requirement and receive the letter of appointment at the beginning of the Meeting.

## **7. Voting using Voting Cards or the Electronic Voting System**

7.1. Shareholders may vote at the Meeting by means of a Voting Card in the form attached to this Report or through the Electronic Voting System, which operates in accordance with Article B of Chapter G2 of the Securities Law (the “**Electronic Voting System**”).

### **7.2. Voting through Voting Cards**

7.2.1. The form of the Voting Card, and the Position Statements (as defined in Section 88 of the Companies Law), if exist, can be found on the distribution website of the Israel Securities Authority at: <http://www.magna.isa.gov.il> and on the TASE website at: [maya.tase.co.il](http://maya.tase.co.il) (the “**Distribution Websites**”).

7.2.2. Shareholders who wish to vote by means of a Voting Card will specify their votes in the second part of the Voting Card.

7.2.3. A shareholder may contact the Company directly and receive from it the form of the Voting Card and the Position Statements (if any exist).

7.2.4. TASE members will send a link to the Voting Card and Position Statement (if any exist), as published on the Distribution Websites, to every unregistered shareholder who holds securities through them, no later than five (5) days after the Effective Date, free of charge and via email, unless a shareholder informed the TASE member that he or she does not wish to receive such a link, or unless he or she announced that they only wish to receive Voting Cards via mail in exchange for delivery fees only.

7.2.5. Voting through Voting Cards will only be valid if accompanied by a certificate of ownership, or if a certificate of ownership has been sent to the Company through the Electronic Voting System.

7.2.6. A shareholder whose shares are registered with a TASE member, is entitled to receive a certificate of ownership from the TASE member through whom he or she holds his or her shares, at the branch of the TASE member or by mail to his or her address for delivery fees only, if requested, provided that such request was submitted in advance with respect to a certain securities account.

7.2.7. **The deadline for providing the Voting Card (and the documents that should be attached thereto, including a certificate of ownership as elaborated above and in the Voting Card)** is up to four (4) hours before the Meeting convenes. In this context, the date of provision is the date on which the Voting Card and the documents that need to be attached thereto are received at the Company's offices, either delivered by hand or through registered mail. The Voting Card can also be provided via email at: [S.BlattZak@shibolet.com](mailto:S.BlattZak@shibolet.com), and in such case, the date of provision is the date on which confirmation is sent to the provider of the Voting Card not through an automatic computer system, which certifies the receipt of the Voting Card via email as stated.

7.2.8. Shareholders may, up to twenty-four (24) hours before the Meeting convenes, contact the Company's offices, and, after having proven their identity to the satisfaction of the Company, withdraw the Voting Card and their certificate of ownership.

### 7.3. Voting through the Electronic Voting System

7.3.1. Shareholders may instruct that their certificates of ownership be transferred to the Company through the Electronic Voting System.

7.3.2. The TASE member will enter a list into the Electronic Voting System that contains all details required under Section 44k4(a)(3) of the Securities Law with respect to each of the unregistered shareholders that hold securities through him on the Effective Date (the "**List of Shareholders Entitled to Vote through the System**"), but the TASE member will not include in the List of Shareholders Entitled to Vote through the System – shareholders who provided him with a notice, by 12pm on the Effective Date, according to which they do not wish to be included in the List of Shareholders Entitled to Vote through the System, under Regulation 13(d) of the Written Voting Regulations.

7.3.3. As quickly as possible after receiving confirmation through the Electronic Voting System of

the proper receipt of the List of Shareholders Entitled to Vote through the System (the “**Confirmation of List Delivery**”), the TASE member will provide each of the shareholders included in the List of Shareholders Entitled to Vote through the System and who receive messages from the TASE member by electronic means or through the communication systems that are connected to the TASE computer – with the details needed to vote through the Electronic Voting System.

7.3.4. Shareholders who appear on the List of Shareholders Entitled to Vote through the System may specify their votes and send them to the Company through the Electronic Voting System.

7.3.5. **Deadline for voting through the Electronic Voting System:** Up to six (6) hours before the Meeting, at which point the Electronic Voting System will be closed (the “**System Lock Time**”). Voting through the Electronic Voting System may be amended or revoked up until the System Lock Time.

7.4. One or more of the shareholders who holds shares at a percentage constituting five percent (5%) or more of all voting rights in the Company, and whoever holds such a percentage out of the total voting rights not held by the controlling shareholder in the Company (as defined in section 268 of the Companies Law), is entitled, by himself or herself, or through a proxy, to review the Voting Cards and voting records received by the Company through the Electronic Voting System, at the Company’s registered office at regular business hours.

As of the date of this Report: (a) the number of shares that constitute five percent (5%) as stated is 2,291,089 ordinary shares of the Company; (b) the number of shares that constitute five percent (5%), net of the shares that are held by the Company’s controlling shareholder, is 1,547,963 ordinary shares of the Company.

7.5. Under Section 83(d) of the Companies Law, if a shareholder votes in more than one way, his or her latest vote will be counted.

In this context: (a) The date of vote by a Voting Card will be the date specified in the Voting Card; (b) a vote by a shareholder – in person or by way of proxy – will be considered as a vote that takes place later than a vote by means of a Voting Card or through the Electronic Voting System.

7.6. **The deadline for submitting Position Statements to the Company** is up to ten (10) days before the date of the Meeting, i.e., until September 27, 2021.

7.7. **Deadline for filing the response by the board of directors to Position Statements:** Up to five (5) days before the Meeting date, i.e., by October 2, 2021.

## **8. Rights of shareholders and changes to the agenda**

- 8.1. Under the provisions of Section 66(b) of the Companies Law, one or more shareholders who hold at least one percent (1%) of the voting rights at the Meeting may ask the board of directors to include an item on the agenda of the Meeting, provided that the item is suitable for a discussion at the Meeting. Requests by shareholders under Section 66(b) of the Companies Law to include an item on the agenda of a general meeting must be submitted to the Company within 7 (seven) days of the date the notice regarding the general meeting is filed by the Company, in accordance with Regulation 5a(a) of the Notice and Announcement Regulations.
- 8.2. Pursuant to the provisions of the Notice and Announcement Regulations, the Company may conduct changes to the agenda, including the addition of an item to the agenda, and Position Statements may be published in connection with the resolutions on the agenda. If any such changes are made, they will be available in the Company's regular reports on the Distribution Websites. If a Voting Card is required as a result of changes to the items on the agenda, the Voting Card will be published by the Company on the Distribution Websites together with the changes to the agenda no later than the dates stated in Regulations 5a and 5b of the Notice and Announcement Regulations. The publication of the updated agenda does not change the Effective Date.

## **9. Notice of Personal Interest**

- 9.1. Every shareholder who participates in a vote needs to inform the Company – before voting, and, if the vote is carried out through a Voting Card, by filling out Part b of each Voting Card in the designated part thereof – whether or not he or she, or any representative thereof, are regarded as a controlling shareholder of the Company or as having a personal interest in the approval of the resolution, as the case may be, in addition to a description of the relevant connection.

This provision will also apply to proxies of Company shareholders.

**If a shareholder fails to provide such notice or if the aforementioned section has not been filled out, his vote will not be counted.**

- 9.2. Pursuant to the directive of the Israel Securities Authority dated November 30, 2011, titled "Disclosure pertaining to Votes by Stakeholders, Senior Officers and Institutional Entities at Meetings" shareholders who participate in the vote are required to inform the Company, before voting at the Meeting, of their being stakeholders, senior officers or institutional investors, as such terms are defined in the aforementioned directive, as well as additional details as required under the directive.

If a shareholder votes by proxy, the aforementioned details shall be provided in the letter of appointment of proxy, and same details will also be provided regarding the proxy, as required under

the directive.

- 9.3. Under Regulation 36d(d)(5) of the Reporting Regulations, shareholders who participate in votes will inform the Company – before voting – of any additional connections between them and the Company, the controlling shareholder or a senior officer thereof, and will describe the nature of those connections.

#### **10. Review of documents**

A copy of this Report and any document that pertaining to the items on the agenda will be available for review at the Company's offices on Sundays-Thursdays, at regular business hours, following prior coordination via telephone: 054-2332634, and until the Meeting convenes, and also through Adv. Shelly Blatt Zak or Adv. Saul Adereth of Shibolet & Co., Law Firm, on 4 Berkovich Street (Museum Tower), Tel Aviv, Tel.: 03-7778333; Fax: 03-7778444, on Sundays-Thursdays, during regular business hours, following prior coordination, and on the Distribution Websites.

Sincerely,

Pulsenmore Ltd.

Through:

Elazar Sonnenschein, CEO and Director

Danny Zastenker, Director of Finance

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