

SISRAM MEDICAL LTD
(the “Company”)

**Summary of Israeli Tax Consequences in relation to the Purchase, Ownership or
Disposition of the Shares of the Company**

The following description is not intended to constitute a complete analysis of all tax consequences relating to the purchase, ownership or disposition of the shares of the Company (the “Shares”). You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign, including Israel, or other taxing jurisdiction.

Taxation of Israeli individual shareholders on receipt of dividends

Israeli residents who are individuals are generally subject to Israeli income tax for dividends paid on the Shares (other than bonus shares or share dividends) at a rate of 25%, or 30% if the recipient of such dividend is a Substantial Shareholder (as defined below) at the time of distribution or at any time during the preceding 12 month period. An additional tax at a rate of 3% may be imposed upon individual shareholders whose annual taxable income from all sources exceeds a certain amount, as described below.

A “Substantial Shareholder” is generally a person who alone, or together with his or her relative or another person who collaborates with him or her on a regular basis, holds, directly or indirectly, at least 10% of any of the “means of control” of a corporation. “Means of control” generally include the right to vote, receive profits, nominate a director or an officer, receive assets upon liquidation or instruct someone who holds any of the aforesaid rights regarding the manner in which he or she is to exercise such right(s), all regardless of the source of such right.

With respect to individuals, the term “Israeli resident” is generally defined under Israeli tax legislation as a person whose center of life is in Israel. The Israeli Tax Ordinance states that in order to determine the center of life of an individual, consideration will be given to the individual’s family, economic and social connections, including: (i) place of permanent residence; (ii) place of residential dwelling of the individual and the individual’s immediate family; (iii) place of the individual’s regular or permanent occupation or the place of his or her permanent employment; (iv) place of the individual’s active and substantial economic interests; (v) place of the individual’s activities in organizations, associations and other institutions. The center of life of an individual will be presumed to be in Israel if: (i) the

individual was present in Israel for 183 days or more in the tax year; or (ii) the individual was present in Israel for 30 days or more in the tax year, and the total period of the individual's presence in Israel in that tax year and the two previous tax years is 425 days or more. Such presumption may be rebutted either by the individual or by the assessing officer.

Payers of dividends on the Shares, including the Israeli stockbroker effectuating the transaction, or the financial institution through which the securities are held, are generally required, subject to any of the foregoing exemptions, reduced tax rates and the demonstration of a shareholder regarding his, her or its foreign residency, to withhold tax upon the distribution of dividend at the rate of 25%, so long as the Shares are registered with a nominee company.

Taxation of Israeli resident corporations on payment of dividends

Israeli resident corporations are generally exempt from Israeli corporate income tax with respect to dividends paid on ordinary shares held by such Israeli resident corporations as long as the profits out of which the dividends were paid were derived in Israel and received from another corporation that is liable to Israeli corporate tax.

Capital gains taxes applicable to Israeli resident shareholders

The income tax rate applicable to real capital gains derived by an Israeli individual resident from the sale of shares that were purchased after January 1, 2012, whether listed on a stock exchange or not, is 25%. However, if such shareholder is considered a Substantial Shareholder at the time of sale or at any time during the preceding 12 month period, such gain will be taxed at the rate of 30%. In addition, as noted above, beginning in 2017, an additional tax at a rate of 3% may be imposed upon individual shareholders whose annual taxable income from all sources exceeds a certain amount, as described below.

Moreover, capital gains derived by a shareholder who is a dealer or trader in securities, or to whom such income is otherwise taxable as ordinary business income, are taxed in Israel at ordinary income rates (currently 24% for corporations and up to 50% for individuals).

At the sale of securities traded on a stock exchange a detailed return, including a computation of the tax due, must be filed and an advanced payment must be paid on January 31 and July 31 of every tax year in respect of sales of securities made within the previous six months. However, if all tax due was withheld at source according to applicable provisions of the Ordinance and regulations promulgated thereunder the aforementioned return need not be filed and no advance payment must be paid. Capital gain is also reportable on the annual income tax return.

Taxation of non-Israeli shareholders on receipt of dividends

Non-Israeli resident shareholders are generally subject to Israeli income tax on the receipt of dividends paid on the Shares at the rate of 25% (or 30%, if such holder is a Substantial Shareholder at the time when he or she receives the dividends or on any date in the 12 months preceding such date). Such tax on the dividend will be withheld at source by the Company, unless, a shareholder applies to the Israel Tax Authority and obtains an approval that it is entitled to a reduced tax rate under an applicable tax treaty between Israel and the shareholder's country of residence.

A shareholder who is entitled to a reduced tax rate under an applicable tax treaty between Israel and the shareholder's country of residence, but had not obtained an approval from the Israel Tax Authority prior to a payment of a dividend, may apply for a tax refund by submitting Form 1301 to the Israel Tax Authority together with the relevant identity document(s) and such other documents as may be required by the Israel Tax Authority and the confirmation of the taxes withheld (referred to below). The Form 1301 and details of how to apply for a tax refund can be obtained from the website of the Israel Tax Authority at www.taxes.gov.il. The application for a tax refund may be submitted to the Israel Tax Authority for a period of seven years from the end of the year in which such dividend was distributed.

In the year following the payment of the dividends until the end of that year, the Company may apply to the Israel Tax Authority and obtain a formal confirmation for all taxes withheld in the previous year for its statutory tax reporting requirements.

There is no reporting obligation in Israel for non-Israeli residents applying for tax benefits available under a tax treaty with Israel.

With respect to Hong Kong resident shareholders, there is currently no tax treaty between Israel and Hong Kong that gives rise to any tax benefits on the receipt of dividends from the Company. There is, however, a tax treaty between Israel and the PRC pursuant to which shareholders who are residents of the PRC may be entitled, under certain circumstances, to tax benefits available under that treaty. These benefits provide, where applicable, that dividends paid to a shareholder who is a resident of the PRC may be taxed in Israel at a rate of 10%.

Capital gains income taxes applicable to Non-Israeli shareholders

According to Israeli tax law, non-Israeli resident shareholders are exempt from Israeli capital gains tax on any capital gains derived from the sale, exchange or disposition of the Shares, provided the following conditions are met:

- (i) such gains were not derived from a permanent establishment or business activity of such shareholders in Israel; and
- (ii) the Shares were purchased by the non-Israeli resident pursuant to the global offering of the Shares of the Company or following the listing of the Shares on the Stock Exchange.

Notwithstanding the above, non-Israeli resident shareholders who are legal entities will not be entitled to the foregoing exemption if Israeli residents (i) have a controlling interest of more than 25% in such non-Israeli entity or (ii) are the legal beneficiaries of or are entitled to 25% or more of the revenues or profits of such non-Israeli entity, whether directly or indirectly.

In addition, a sale of securities by a non-Israeli resident shareholder may also be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty.

Foreign brokers (including CCASS Participants) are not required to withhold Israeli tax at source with respect to a sale of the Shares.

Excess tax

Individuals who are subject to tax in Israel are also subject to an additional tax at a rate of 3% on annual income exceeding a certain threshold (NIS640,000 for 2017, which amount is linked to the annual change in the Israeli consumer price index), including, but not limited to, dividends, interest and capital gains.

Estate and gift tax

Israeli law presently does not impose estate or gift taxes.

Stamp Duty

Israeli law presently does not impose a stamp duty on the transfer of shares.