

**SISRAM MEDICAL LTD**  
(the “Company”)

**Summary of the Voting Arrangements and Declaration of Personal Interest in relation  
to Voting by Shareholders at General Meetings of the Company**

***(A) Material Interests in a Transaction***

Under the Companies Law 5759-1999 of Israel (the “**Israeli Companies Law**”), except for certain instances specially provided for under the Israeli Companies Law, every shareholder is entitled to participate and vote in general meetings, subject to the provisions of the constitutional documents, regarding the voting rights attached to each share.

There are some instances in which the Israeli Companies Law requires: (a) the resolution to be approved by a disinterested majority (excluding the controlling shareholder) and/or (b) shareholders are required to declare the presence or absence of a personal interest. Under these instances, participation in discussions by interested shareholders is allowed, but votes which are not accompanied by a prescribed declaration of absence or presence of personal interest would be ignored and not counted.

Set out below is a summary of the voting requirements for certain transactions under the Israeli Companies Law:

- (a) the appointment of external directors in a public company requires approval by (i) a majority of votes of shareholders in a general meeting excluding those from a controlling shareholder or other shareholders who have an interest related to the controlling shareholder, or (ii) total votes opposing the appointment do not exceed 2% of total voting rights in the company;
- (b) the matters that require approval by (i) a majority of votes of shareholders in a general meeting excluding those from a controlling shareholder or any member with an interest in the approval, or (ii) total votes opposing the resolution do not exceed 2% of total voting rights in the company are:
  - (1) the executive compensation policy;
  - (2) the approval for the chief executive officer to act as chairman of the board of directors, or vice versa, in a public company;

- (3) the terms of engagement with a public company officer other than a director which are not in accordance with the executive compensation policy, and approval of the chief executive officer's compensation (even in accordance with the executive compensation policy);
  - (4) the terms of engagement with a director or in another capacity, not in accordance with the executive compensation policy;
  - (5) any transaction outside the ordinary course of business, with a controlling shareholder or any entity related thereto, or the renewal or such transaction after three years;
  - (6) any amendments to the articles of association of a public company, in which the controlling shareholders is also an officer, to include provisions for indemnification and insurance for company officers.
- (c) the matters that require any shareholder participating in such vote to disclose to the general meeting whether that shareholder has an interest in a transaction, failing which, that shareholder's votes shall not be counted are
- (1) voting on all matters referred to in paragraph (a) and (b) above;
  - (2) the terms of engagement with a director, whether in his/her capacity as director or in another capacity, in accordance with the executive compensation policy;
  - (3) a private offer by a public company which issues 20% of the voting rights (on a pre-issue basis) for which the consideration is not in cash or in publicly traded securities or which is not on market terms, and which will result in a member increasing his holdings over 5%; and
  - (4) a merger (as described in paragraph (d) below); and
- (d) a merger of one company (company A) with another company (company B) is generally subject to approval by an ordinary majority of each company. However, if in company A, any of the shares in company A are held by company B or by an entity which holds at least 25% of the shares in company B (i.e. the interested shareholders), then the merger is subject to approval by a majority of votes of company A, excluding abstentions and the votes of the interested shareholders. In addition, all voting shareholders must declare whether they are or are not an interested shareholder and if they fail to do so, their votes will not be counted.

There are some matters in which the Listing Rules are more stringent than the Israeli Companies Law with respect to transactions requiring approval by shareholders in a general meeting with no material interest in such transactions and/or controlling shareholders abstaining from voting in favour of certain transactions.

To achieve an outcome that is substantially equivalent to that under the Listing Rules as regards voting by disinterested shareholders in a general meeting, the Articles of Association provide that in respect of any resolution approving a transaction for which the Listing Rules requires a shareholder with a material interest in that transaction to abstain from voting, such resolution will be approved subject to the following conditions:

- (1) the Company will appoint its compliance adviser or another independent financial or legal adviser to review the votes counted by the share registrar and they confirm that the resolution would have been successfully passed if the votes cast had excluded the votes of Shareholders that would be required to abstain from voting under the Listing Rules;
- (2) the transaction agreement will contain a condition precedent that the Company obtains the confirmation described in paragraph (1) above; and
- (3) the Company will conduct the transaction only if the condition precedent is satisfied.

***(B) Voting Arrangements and Declaration of Personal Interest***

As explained in “Material Interest in a Transaction” above, for certain transactions under the Israeli Companies Law, a shareholder voting on the proposed resolution at the general meeting is required to declare whether or not he has a personal interest in the proposed resolution. Otherwise, the votes of such shareholder will not be counted.

Accordingly, in relation to those transactions requiring a shareholder to declare whether or not he has a personal interest in the proposed transaction, the following arrangements will apply:

***(a) For Shareholders whose Shares are registered in their own name***

If a Shareholder attends and votes at the general meeting in person, he will be required to indicate on the voting paper whether or not he has a personal interest in the proposed transaction.

If a Shareholder does not attend the general meeting in person and appoints a proxy to attend and vote on his behalf at the general meeting, such Shareholder is required to include with his proxy form (a) a declaration of whether or not the Shareholder has a personal interest in the proposed transaction; and (b) voting instructions which (i) are not subject to change (although not necessarily irrevocable); (ii) are clear and unambiguous and leave no discretion to the proxy; and (iii) refer to the resolutions in the notice of the general meeting.

If such Shareholder or his proxy in the absence of voting instructions containing the terms described in the preceding paragraph does not indicate on the voting paper whether or not the Shareholder or proxy, as applicable, has a personal interest in the proposed transaction, the votes of such Shareholder will not be counted.

A Shareholder may appoint any person to be his proxy, including the chairman of the general meeting, provided that where the proxy includes a vote on a matter in which a personal interest must be declared, the voting instructions on the proxy form do not give any discretion to the proxy holder.

***(b) For Shareholders whose Shares have been Deposited into CCASS***

Any Shareholder for whose benefit Shares are registered with a CCASS participant (or who is himself a CCASS investor participant) and whose underlying Shares have been deposited into CCASS and registered in the name of HKSCC Nominees Limited (“**HKSCCN**”) is required to include with his voting instructions to the CCASS participant or HKSCCN (as the case may be) a declaration of whether or not he has a personal interest in the proposed transaction. If such declaration of a personal interest is not provided with the voting instructions, the votes of such Shareholder will not be counted. Such voting instructions shall: (a) be provided in writing (in physical or electronic format), (b) not be subject to change (although not necessarily irrevocable), (c) be clear and non-ambiguous and leave no discretion to those receiving the instructions, and (d) refer to the resolutions included in the notice of the General Meeting.

CCASS participants who receive voting instructions from the beneficial owners of Shares should provide the voting instructions together with the declarations of personal interest received to HKSCCN.

***Voting Deeds and Position Notices (Applicable only to Shareholders whose Shares are registered in their own name)***

***Voting Deeds***

For Shareholders whose Shares are registered in their own name, in addition to voting in person or by proxy at general meetings, they may also vote using a voting deed on resolutions relating to the following matters:

- (a) appointment and dismissal of Directors;
- (b) approval of extraordinary transactions for which the Company requires approval of the general meeting, such as acts of company officers which raise concerns of fiduciary duty and the matters set out in paragraphs (b) (3), (b) (5), (c) (2) and (c) (3) in “Material Interest in a Transaction” above;
- (c) approval of a merger;
- (d) authorizing the chairman of the board or his/her relative to act as CEO or to exercise the powers of the CEO, and authorizing the CEO or his/her relative to act as chairman of the board or to exercise the chairman’s powers;
- (e) any other matter for which the Articles of Association determine the Shareholders may vote by voting deed; and
- (f) any other matter which the Justice Minister may enact in regulations, which currently include (i) approval of the Company’s executive compensation policy and (ii) any settlement or other arrangement between the Company and its Shareholders or creditors.

A voting deed is a document which allows a Shareholder to submit his vote on certain resolutions directly in writing to the Company, rather than attending the general meeting in person or by proxy. For any general meeting where a proposed resolution relates to any of the above matters, the Company will send a voting deed in addition to a proxy form to the Shareholder, who should decide how he wishes to vote on the relevant resolution.

Shareholders should note that if the relevant resolution requires a declaration of a personal interest and such Shareholders elect to vote using a voting deed, they must indicate on the voting deed whether or not they have a personal interest in the proposed transaction. If such declaration of a personal interest is not indicated on the voting deed, the votes of such Shareholders will not be counted.

### ***Position Notices***

A position notice is a written statement of an opinion or position on a certain matter on the agenda for a general meeting. While Shareholders or their proxies who attend the general meeting in person will have the opportunity to participate in discussions and to hear the opinions of other Shareholders prior to voting, a voting deed must be submitted to the Company prior to the general meeting. A position notice therefore enables Shareholders who vote using a voting deed to state their position on the relevant matter to the other Shareholders prior to voting. Shareholders who vote using a voting deed may submit a position notice together with their voting deed to the Company.