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If you sell or transfer or have sold or transferred all of your ordinary shares of NIS 0.001 nominal value each in the capital of Ethernity Networks Ltd. ("**Ordinary Shares**") or depositary interests representing Ordinary Shares ("**Depositary Interests**"), please forward this document, together with the accompanying Form of Proxy or Form of Direction (as applicable), as soon as possible to the purchaser or the transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or transfer or have sold or transferred only part of your holding of Ordinary Shares or Depositary Interests, you should retain this document and the accompanying Form of Proxy or Form of Direction (as applicable).

If you have received this document from another Shareholder or holder of Depositary Interests, or transferee, please contact the Company's Registrar for a Form of Proxy or Form of Direction (as applicable).

Any person (including without limitation custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any action. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



## **Notice of Extraordinary General Meeting**

**To be held at the offices of the Company at 13A Hamelacha St., Lod Industrial Park, 7152025, Israel at 11.00 a.m. Israel time (9.00 a.m. UK time) on 22 June 2020.**

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 7 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

Enclosed with this document is a Form of Proxy for use by Shareholders or a Form of Instruction for use by holders of Depositary Interests. Please complete, sign and return the accompanying Form of Proxy and/or Form of Direction (as applicable) in accordance with the instructions printed on it as soon as possible but, in any event so as to be received by the Company's registrar, Link Asset Services, by 9.00 a.m. (UK time) (11.00 Israel time) on 18 June 2020 in the case of a Form of Proxy or by 9.00 a.m. (UK time) (11.00 a.m. Israel time) on 17 June 2020 in the case of a Form of Direction.

### **ETHERNITY NETWORKS LTD.**

Incorporated and registered in Israel with registered no. 51-347834-7

#### *Registered Office:*

13A Hamelacha St.  
Lod Industrial Park 7152025  
Israel

A copy of this document including the Form of Proxy and the Form of Instruction will be available on the Company's website at <http://www.ethernitynet.com>.

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## **DIRECTORS, SECRETARY AND ADVISERS**

Directors	Graham Woolfman (Non-Executive Chairman) David Levi (Chief Executive Officer) Mark Reichenberg CA (SA) (Chief Financial Officer) Shavit Baruch (VP Research & Development) Neil Rafferty (Non-Executive Director) Chen Saft Feiglin (External Director) Zohar Yinon (External Director)
Company Secretary	Mark Reichenberg
Registered Office	13A Hamelacha St. Lod Industrial Park 7152025 Israel
Nominated Adviser and Broker	Arden Partners Plc 125 Old Broad Street London EC2N 1AR
English Solicitors to the Company	Hamlins LLP Roxburghe House 273-287 Regent Street London W1B 2AD
Israeli Solicitors to Company	Gornitzky & Co. 45 Rothschild Boulevard Tel Aviv 6578403 Israel
Registrar	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4ZF

## DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

<b>“AIM”</b>	the AIM market operated by the London Stock Exchange plc
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“certificated” or “in certificated form”</b>	the description of a share or security which is not in uncertificated form (that is, not in CREST)
<b>“Company” or “Ethernity”</b>	Ethernity Networks Ltd., incorporated and registered in Israel (with registration number 51-347834-7) whose registered office is at 13A Hamelacha St., Lod Industrial Park, 7152025, Israel)
<b>“Companies Law”</b>	the Israel Companies Law, 5759-1999 and the regulations promulgated thereunder
<b>“CREST”</b>	the computerised settlement system to facilitate transfer of title to or interests in securities in uncertificated form operated by Euroclear UK & Ireland Limited
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations for the time being in force
<b>“Depository”</b>	Depository Link Market Services Trustees Limited, incorporated in England (No 02729260) whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
<b>“Depository Interest” or “DI”</b>	dematerialised interests representing underlying Ordinary Shares in the ration of 1:1 that can be settled electronically through and held in CREST, as issued by the Depository who holds the underlying securities on trust
<b>“Depository Interest Holder(s)”</b>	holder(s) of Depository Interests
<b>“EGM” or “Extraordinary General Meeting” or “Meeting”</b>	the extraordinary general meeting of the Company being convened by this notice or any adjournment of such meeting
<b>“Existing Ordinary Shares”</b>	32,694,686 Ordinary Shares currently in issue at the date of this document
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders at the General Meeting which accompanies this document
<b>“Form of Direction”</b>	the form of direction for use by Depository Interest Holder(s) at the General Meeting which accompanies this document
<b>“Notice of Extraordinary General Meeting”</b>	the notice of the Extraordinary General Meeting, which is set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of NIS 0.001 nominal value each in the share capital of the Company
<b>“Resolutions”</b>	the resolutions to be proposed at the Extraordinary General Meeting, as set out in the Notice of Extraordinary General Meeting
<b>“Shareholder(s)”</b>	holder(s) of Ordinary Shares
<b>“uncertificated” or “in uncertificated form”</b>	a share or security recorded in the Company’s register of members as being held in uncertificated form, title to which may be transferred by means of CREST

# LETTER FROM THE CHAIRMAN

## ETHERNITY NETWORKS LTD.

*(Incorporated and registered in the State of Israel with registered no. 51-347834-7)*

*Directors:*

David Levi  
Shavit Baruch  
Mark Reichenberg  
Graham Woolfman  
Neil Rafferty  
Chen Saft Feiglin  
Zohar Yinon

*Registered Office:*  
13A Hamelacha St.  
Lod Industrial Park  
7152025  
Israel

15 May 2020

Dear Shareholder or Depository Interest Holder,

### **Notice of Extraordinary General Meeting**

#### **Introduction**

I am pleased to be writing to you with details of the forthcoming extraordinary general meeting of the shareholders of Ethernity Networks Ltd. (the “**Company**”) to be held at the offices of the Company at 13A Hamelacha St., Lod Industrial Park, 7152025, Israel, at 11.00 a.m. Israel time (9.00 a.m. UK time) on 22 June 2020.

The formal notice of the Meeting is set out on pages 9 to 10 of this document. The explanatory notes on page 8 outline the business to be considered at the Meeting.

#### **Background to and Reasons for the Meeting**

As announced on 6 May 2020, the Company has seen some recovery in Chinese markets in which the Company is currently significantly engaged, specifically in the 5G marketplace. The Company continues to experience an increase in engagement with system integrators and operators interested in Ethernity’s solutions where these solutions are proving increasingly aligned to the offerings operators wish to make to their customers in their marketplaces, as evidenced by a design win with a large Chinese OEM who are building their 5G UPF offering based on the Ethernity ACENIC-100 FPGA Smart NIC. The Company has recently signed a new design contract with a North American tier-1 telecommunications OEM, as announced on 30 April 2020, and is now in contract negotiations for a new design order in the Summer for a complete hardware and software NIC solution for a Military/Aerospace tier-1 vendor which, on success, would lead to initial milestone revenue followed by recurrent multi-year revenue from 2021.

The Company anticipates that its current 5G UPF (user plane functionality) engagements with the Chinese OEMs will lead to a roll-out of up to 2,000 FPGA SmartNIC cards during 2021 at unit prices ranging from \$2k to \$3k. Additionally, design kit and licensing revenues from existing customer relationships, including those detailed above are anticipated to result in up to \$2m of revenues over the next 12 months, on top of the ongoing recurrent royalties and FPGA revenue.

Due to the online nature and connectivity capabilities of the business, staff required to work from home due to COVID-19 regulations are operating at capacity on a remote basis. While, certain anticipated near-term agreements have been the subject of delays due to disruptions outside the Company’s control, discussions are ongoing with further potential customers in both the 5G market (FPGA SmartNIC) and licensing contracts, which could provide additional opportunities.

On the basis of 5G deployment and the resultant increased use of NFV technologies in the telco cloud and Radio Access Network (RAN), the Company anticipates that positive cash flow generation will commence by from H2 2021.

As at 31 March 2020, the Company had retained cash reserves of \$1.5m (\$2.7m as at 31 December 2019) (unaudited) and, as announced on 8 April 2020, in light of the current COVID-19 situation the Company has taken prudent steps to mitigate any impact through certain short-term cash conservation measures. The Company has applied for a grant from the Innovation Authority in

Israel (previously the Office of the Chief Scientist) under a new program that has been initiated in light of the COVID-19 situation, which response is now expected prior to the EGM. The Company may also seek to take advantage of other government-sponsored COVID-19 assistant packages should these become available.

However, given the continued high levels of uncertainty created by COVID-19, in the absence of receiving the Innovation Authority grant, it is likely the Company will need to seek access to alternative funding in order to trade to its current plan and maximise its ability to secure contracts and conclude negotiations on terms favourable to the Company.

Accordingly, the Company is convening the EGM to approve resolutions granting the Directors authority to issue shares and allow the Company greater flexibility and funding options. The proposals will also provide the Directors with share issuance authorities in line with other growth companies on the AIM market.

The EGM also includes individual resolutions for (i) the re-election of certain Directors, who are nominated for re-election at the conclusion of a three-year period since the Company's admission to AIM, and (ii) certain amendments to the Company's articles of association to reflect developments in market practice and the law.

Given the UK and Israeli Governments' current guidance on social distancing and prohibition on non-essential travel and public gatherings, we have had to make a number of alterations to the conduct of this EGM:

- In light of the current situation it will not be possible for all shareholders to attend the EGM in person.
- We expect only a very limited number of directors to be in attendance at the EGM to ensure a quorum and to conduct the business of the meeting.
- No other directors will attend in person and social distancing measures will be in place in order to comply with current requirements.
- In order to ensure that any Shareholder wishing to attend the EGM may safely do so, all such persons may only be allowed to do so telephonically.
- The EGM will be condensed and will include only the formal business of the meeting and relevant questions that are posed in writing in advance.

#### **Actions to be taken in respect of the Meeting**

**WE STRONGLY ENCOURAGE SHAREHOLDERS TO VOTE ON ALL RESOLUTIONS BY APPOINTING THE CHAIRMAN OF THE MEETING AS YOUR PROXY, TO REGISTER ANY QUESTIONS IN ADVANCE AND NOT TO ATTEND THE MEETING IN PERSON.**

Shareholders are encouraged to submit their voting instructions as soon as possible, even if they might intend to attend the EGM in person should the Coronavirus (COVID-19) situation and the Israeli Government's guidance change so as to permit this. See below for details with regard to voting instructions.

Shareholders can submit questions to the Board in advance of the EGM by emailing such questions to the Company Secretary, Mark Reichenberg at [markr@ethernitynet.com](mailto:markr@ethernitynet.com) by no later than 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) on 17 June 2020. We will consider all questions received and endeavour to provide responses to them at the EGM to the extent appropriate and practicable.

Any Shareholder or proxy appointed by a Shareholder who wishes to attend the EGM by telephone is requested to contact Mark Reichenberg (details above) in order to obtain details of how to join the teleconference. Such Shareholders or proxies are requested to provide in that email details of their registered shareholding or proxy appointment in order that their entitlement to attend may be verified.

Any Depository Interest Holder who wishes to join the EGM by telephone is requested first to contact the Depository at Link Market Services Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by email by using [nominee.enquiries@linkgroup.co.uk](mailto:nominee.enquiries@linkgroup.co.uk) in order to request a Letter of Representation no later than 5.00 p.m. (UK time)/ 7.00 p.m. (Israel time) on 12 June 2020. Any such Depository Interest Holder is then requested to contact Mark Reichenberg as set out above once they have received the Letter of Representation.

The health and well-being of our Shareholders and colleagues remains our priority and the steps set out above are necessary and appropriate ones given the current pandemic.

**I would reiterate that the Board would encourage all Shareholders and Depository Interest Holders in the strongest possible terms to use their Form of Proxy or Form of Direction, as relevant, and appoint the chairman of the EGM as their proxy. This will allow their votes to count. The action to be taken in respect of the Meeting depends on whether you hold your Ordinary Shares in certificated form or as Depository Interests.**

#### **Certificated Shareholders**

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

You are strongly encouraged to complete, sign and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF, United Kingdom or, during normal business hours, by hand to Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in **each case by no later than 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) on 18 June 2020.**

This will enable your vote to be counted at the Meeting in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting, or any adjournment of the Meeting, by telephone. However, Shareholders are urged not to attend the Extraordinary General Meeting in person.

#### **Depository Interest holders**

Please check that you have received the following with this document:

- a Form of Direction for use in respect of the Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Direction (in the UK only).

You are strongly encouraged to complete, sign and return the Form of Direction in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by post, at Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF, United Kingdom or, during normal business hours by hand, to Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in **each case by no later than 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) on 17 June 2020.**

This will enable your vote to be counted at the Meeting. The completion and return of the Form of Direction will not prevent you from attending the Meeting, or any adjournment of the Meeting, by telephone (subject to obtaining a valid Letter of Representation), however you will not be able to vote at the meeting. Depository Interest holders are urged not to attend the Extraordinary General Meeting in person.

#### **Recommendation**

The Directors of the Company believe that all of the proposals to be considered at the Meeting are in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings amounting in aggregate, to 11,344,920 Ordinary Shares representing approximately 34.7 per cent. of the Existing Ordinary Shares.

Yours faithfully,

**Graham Woolfman**  
*Chairman*

## EXPLANATORY NOTES TO THE PROPOSED ACTIONS AND RESOLUTIONS

### Resolution 1 – Increasing the authorised share capital of the Company

Under the Companies Law, the authorised share capital of the Company may only be increased with the consent of the Shareholders. This resolution increases the authorised share capital to NIS 100,000 consisting of 100,000,000 Ordinary Shares, each having a nominal value of NIS 0.001, and amends the Company's articles of association to reflect said increase in the authorised share capital. The Directors believe that the power provided by this resolution will maintain a desirable degree of flexibility.

### Resolution 2 – Disapplication of pre-emption rights on equity issues for cash

Article 9.2 of the Company's articles of association requires that if the Company intends to issue Ordinary Shares or other Equity Securities (as such terms are defined in the Company's articles of association), subject to certain exceptions, it must first offer them to existing Shareholders, which may prove to be both costly and cumbersome. This resolution enables the Directors to allot Ordinary Shares or other Equity Securities on a non-pre-emptive basis, up to an aggregate nominal value of NIS 16,347.34, which is equal to approximately 50% of the nominal value of the issued ordinary share capital of the Company as of 14 May 2020 or in connection with a rights issue or similar offer. The Directors believe that the power provided by this resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next annual general meeting of the Company, provided that it would apply to offers and agreements made prior to such time.

### Resolutions 3 to 7 – Re-election of Directors

Resolutions 3 to 7 relate to the re-election of each of David Levi, Shavit Baruch, Mark Reichenberg, Graham Woolfman and Neil Rafferty as directors of the Company in accordance with Article 44.1 of the Company's articles of association and the Companies Law.

Each of Messrs. Woolfman and Rafferty will continue to be entitled to the terms of compensation provided to them for their role as directors, including their entitlement to exculpation, indemnification and insurance to fullest extent permitted by the Companies Law and the Company's articles of association and reimbursement for expenses arising from their directorship. Messrs. Levi, Shavit and Reichenberg do not receive additional compensation for their role as a director of the Company but will continue to be entitled to exculpation, indemnification and insurance to fullest extent permitted by the Companies Law and the Company's articles of association and reimbursement for expenses arising from their directorship.

### Resolution 8 – Adoption of new articles of association and summary of changes to the articles of association

Resolution 8 proposes that the Company adopts amended and restated articles of association (the "New Articles"), principally in order to bring them up to date to reflect the Companies Law as currently in force.

A copy of the New Articles and a copy marked to show the changes from the current articles of association are available for inspection and can be viewed on [www.ethernitynet.com/investors](http://www.ethernitynet.com/investors).

The substantive changes being proposed in the New Articles are intended to reflect developments in market practice and the law. A range of minor amendments have also been made to provide clarity and ensure that the New Articles are in line with the provisions of Companies Law and with the Company's practice. A summary of the principal changes is set out below.

**Voting at Shareholders Meetings:** In line with market practice for Israeli companies, the New Articles provide that shareholder resolutions will be decided by a poll only (and not by a show of hands), which means that every Shareholder present, in person or by proxy, is entitled to vote on a resolution will have one vote for every Ordinary Share they hold.

**Shareholder Resolutions in Writing:** In order to reflect the current terms of the Companies Law and to reflect market practice for AIM listed companies, the New Articles eliminate the possibility for the passing of a unanimous written resolution by all of the Company's shareholders.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Ethernity Networks Ltd. (the “Company”) will be held at the offices of the Company at 13A Hamelacha St., Lod Industrial Park, 7152025 at **11.00 a.m. (Israel time) / 9.00 a.m. (UK time) on 22 June 2020**, to consider and, if thought fit, pass the following resolutions:

1. THAT, the Company’s authorised share capital be increased from NIS 50,000 consisting of 50,000,000 Ordinary Shares, each having a nominal value of NIS 0.001, to NIS 100,000 consisting of 100,000,000 Ordinary Shares, each having a nominal value of NIS 0.001 and the Company’s articles of association shall be amended to reflect such increase.
2. THAT, the board of directors of the Company be authorised to allot Ordinary Shares or other Equity Securities for cash and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Article 9.2 of Company’s articles of association did not apply to any such allotment or sale, such authority to be limited to:
  - 2.1 the allotment of Ordinary Shares or other Equity Securities or sale of treasury shares in connection with a rights issue or similar offer in favour of Shareholders where the Ordinary Shares, other Equity Securities or treasury shares are proposed to ordinary shareholders proportionately (as nearly as may be) to the respective number of ordinary shares held by them subject only to such exclusions or other arrangements as the board of directors of the Company may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and
  - 2.2 the allotment of Ordinary Shares or other Equity Securities or sale of treasury shares (otherwise than under paragraph 2.1 above) up to an aggregate nominal value of NIS 16,347.34, such authority and power to expire at the conclusion of the next annual general meeting of the Company, save that the Company may, before the expiry of such period, make an offer or agreement which would or might require Ordinary Shares or other Equity Securities to be allotted after such expiry and the board of directors of the Company may allot Ordinary Shares or other Equity Securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.
3. To re-elect David Levi as a director for a three year term commencing from 22 June 2020 and ending on 22 June, 2023.
4. To re-elect Shavit Baruch as a director for a three year term commencing from 22 June 2020 and ending on 22 June, 2023.
5. To re-elect Mark Reichenberg as a director for a three year term commencing from 22 June 2020 and ending on 22 June, 2023.
6. To re-elect Graham Woolfman as a director for a three year term commencing from 22 June 2020 and ending on 22 June, 2023.
7. To re-elect Neil Rafferty as a director for a three year term commencing from 22 June 2020 and ending on 22 June, 2023.
8. THAT, the articles of association of the Company as described in the notice convening the meeting at which this resolution was proposed be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

The approval of each of Resolution 1 and Resolutions 3 to 8 require the affirmative vote of the majority of the Ordinary Shares present in person or represented by proxy and voting at the Extraordinary General Meeting on such Resolution.

The approval of Resolution 2 requires the affirmative vote of three fourths of the Ordinary Shares present in person or represented by proxy and voting at the Extraordinary General Meeting on such Resolution.

By order of the Board

**Mark Reichenberg**  
*Company Secretary*

13A Hamelacha St.  
Lod Industrial Park, 7152025 Israel

Incorporated and registered in Israel with registered no. 51-347834-7

15 May 2020

## Notes to the Notice of Extraordinary General Meeting

1. Enclosed with this document is either a Form of Proxy for use by shareholders (the “**Form of Proxy**”) of a Form of Direction for use by Depository Interest Holders (the “**Form of Direction**”).
2. Only those Shareholders registered in the Company’s register of shareholders as of close of business (UK time) 15 June 2020 (the “**Original Cut-Off**”) are entitled to attend and/or vote at the Meeting, and each only in respect of such number of Ordinary Shares registered in his or its name at that time. If the Meeting is adjourned to a time not more than 48 hours after the original Meeting time (other than an adjournment due to a lack of a quorum), the Original Cut-Off will continue to apply. Any changes to the Company’s register of shareholders made after the Original Cut-off shall be disregarded for these purposes.
3. The quorum for the Meeting shall be two or more shareholders present in person or by proxy and holding Ordinary Shares conferring in the aggregate 25 per cent. or more of the voting power of the Company. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting shall be adjourned to the same day in the next week, at the same time and place and the Original Cut-off shall apply. Two or more shareholders who attend an adjourned meeting in person or by proxy will constitute a quorum, regardless of the number Ordinary Shares they hold or represent.
4. If you are a Shareholder of the Company, whether or not you intend to be present at the Meeting, please complete and return the Form of Proxy (in accordance with the instructions set out in that document) to Link Asset Services, as soon as possible and in any event so as to be received by no later than 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) on 18 June 2020 or 48 hours before any meeting following adjournment thereof (in accordance with the Uncertified Securities Regulations 2001, and any other provisions notwithstanding). Completion and return of a signed Form of Proxy will not prevent you from attending the Meeting and voting thereat in person, if you so wish.
5. If you are a holder of Depository Interests, please complete and return the Form of Direction (in accordance with the instructions set out in that document) to Link Asset Services, PX1, 34 Beckenham Road, Beckenham BR3 4ZF, United Kingdom, as soon as possible and in any event so as to be received by no later than 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) on 17 June 2020 or 72 hours before any meeting following adjournment thereof. Holders of DI’s must be registered in the Company’s depository interest register at 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) on 17 June 2020 (or at 9.00 a.m. (UK time)/ 11.00 a.m. (Israel time) three days before the date of any adjourned Meetings.)
6. In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy, or Form of Direction (as applicable), but the vote of the first named on the register of shareholders or register of Depository Interests (as applicable) will be accepted to the exclusion of the other joint holders.
7. The approval of each of Resolutions 1 and Resolutions 3 to 8 require the affirmative vote of the majority of the Ordinary Shares present in person or represented by proxy and voting at the Extraordinary General Meeting on such Resolution.
8. The approval of Resolution 2 requires the affirmative vote of three fourths of the Ordinary Shares present in person or represented by proxy and voting at the Extraordinary General Meeting on such Resolution.
9. Any Shareholder or proxy appointed by a Shareholder who wishes to attend the EGM by telephone is requested to contact the Company Secretary, Mark Reichenberg (at [markr@ethernitynet.com](mailto:markr@ethernitynet.com)), in order to obtain details of how to join the teleconference. Such Shareholders or proxies are requested to provide in that email details of their registered shareholding or proxy appointment in order that their entitlement to attend may be verified.
10. Any Depository Interest Holder who wishes to join the EGM by telephone is requested first to contact the Depository at Link Market Services Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by email by using [nominee.enquiries@linkgroup.co.uk](mailto:nominee.enquiries@linkgroup.co.uk) in order to request a Letter of Representation no later than 5.00 p.m. (UK time)/ 7.00 p.m. (Israel time) on 12 June 2020. Any such Depository Interest Holder is then requested to contact the

Company Secretary as set out in the immediately preceding paragraph once they have received the Letter of Representation. However, Depositary Interest holders will not be able to vote at the Meeting.

11. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. A corporation which is a shareholder may by resolution of its directors or other governing body authorise a person to act as its representative who may exercise, on its behalf, all its powers as a shareholder, provided the corporation does not do so in relation to the same shares.
13. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out, but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders and Depositary Interest holders subject all messages to virus checking procedures before use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
14. As at the close of business (UK time) on 14 May 2020 being the date immediately prior to the date of this Notice, the Company's issued share capital comprised of 32,694,686 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business (UK time) on 14 May 2020 is 32,694,686.







