

May 23, 2023

Elron Ventures Ltd. (the "Company")

(Formerly Elron Electronic Industries Ltd)

Ballot in accordance with the Israel Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (the "Regulations")

1. **Name of Company:** Elron Ventures Ltd.
2. **Type of General Meeting, Time and Location for the Convening thereof:**
Special General Meeting of the Company's shareholders to be convened on Sunday **June 27, 2023, at 15:00 (Israel time)**, at the Company's offices at ToHa Tower, 114 Yigal Alon St., 27th Floor, Tel Aviv, Israel.
3. **The Items on the Agenda that May Be Voted on with This Ballot:**

A summary of the items on the meeting agenda that may be voted on with this ballot is set forth below. For additional details regarding the issues on the agenda see the immediate report published by the Company on **May 23, 2023**, on the distribution website of the Israel Securities Authority at www.magna.isa.gov.il and on the website of the Tel Aviv Stock Exchange Ltd. at maya.tase.co.il, to which this ballot is attached (the "**Immediate Report**").

- 3.1. **Approval of Grant of Options to Purchase Shares to Mr. Dan Hoz, Chairman of the Board, in place of existing options**

For information about this decision see Part B to the Immediate Report.

Form of Proposed Resolution: To approve the grant of 148,618 options valued at approximately NIS209,000 this – as part of the option plan, as described in Part B of the report convening the general meeting following the cancellation of the options granted to Mr. Hoz in accordance with the approval of the Company's shareholders meeting of April 24, 2022, in accordance with the value of the aforesaid cancelled options as of today as detailed in Part B to the Immediate Report.

- 3.2. **Terms of Office: Approval of a Discretionary Bonus to Mr. Dan Hoz, the Chairman of the Board of Directors**

For more information about this resolution, see **Part C** of this Report below.

Form of Proposed Resolution: To approve the discretionary bonus in the amount of NIS 80,413 as detailed in Part D to the Immediate Report.

- 3.3. **Approval of the grant of options to purchase shares of the Company to the Company's CEO.**

For information about this decision see Part D to the Immediate Report.

Form of Proposed Resolution: To approve granting options for

Company shares to the Company's Chief Executive Officer, as detailed in Part D to the Immediate Report.

4. Location and Hours for Inspecting the Proposed Resolutions in Full:

Copies of the Immediate Report, declarations of director nominees, and proposed resolutions on the meeting's agenda are available for inspection at the Company's offices in ToHa Tower, 114 Yigal Alon St., 27th Floor, Tel-Aviv, Israel, after prior coordination with the Company's secretariat, at 972-3-6075555, Sunday through Thursday (excluding holidays and the eves of holidays) between 09:00 and 16:00, until the date of the meeting, as well as on the website of the Israel Securities Authority at <https://www.magna.isa.gov.il> and on the website of the Tel Aviv Stock Exchange Ltd. at <https://maya.tase.co.il>. In addition, this English translation of this Report will appear on the Company's website at <https://elronventures.com/>.

5. The Required Majority for Approval of the Resolutions on the Agenda:

- 5.1. The majority required for adoption of the proposed resolution set forth in Sections 3.1 and 3.2 above, is a majority of the shareholders entitled to vote and participating in the vote, in person or by proxy (including via ballot)
- 5.2. The majority required for adoption of the proposed resolution set forth in Section 3.3 above, is a majority of the shareholders entitled to vote and participating in the vote, in person or by proxy (including via ballot) provided that one of the following is fulfilled:
 - (1) The majority vote count at the general meeting will include a majority of all votes of shareholders participating in the vote who are not controlling shareholders in the Company or have personal interest in approving the appointment. The vote count of such shareholders shall not take into account abstaining votes. Section 276 of the Companies Law shall apply, mutatis mutandis, to a shareholder who has personal interest.
 - (2) The total dissenting votes among the shareholders specified in Section 5.2 (1) above, does not exceed two percent (2%) of the total voting rights in the Company.

It shall be noted that the Company's compensation committee and the board of directors shall be entitled to approve the grant of options to the Company's CEO as set forth in section 3.3 above in accordance with section 272(c1)(2) of the Companies Law, even if the general meeting of shareholders shall oppose to its approval, insofar as the Compensation Committee followed by the Board of Directors shall resolve, based on detailed grounds and following re-discussions regarding the relevant decision, whereby they considered, among others, the general meeting's opposition.

- 5.3. The Company is a "public granddaughter company", as defined in section 276A(c) of the Companies Law.
- 5.4. To the best knowledge of the Company, the controlling shareholder of the Company, Discount Investment Corporation Ltd ("DIC") holds approximately ¹60.08% of the Company's issued capital and voting rights,

¹ For more details about the holdings in Discount Investments Ltd. see the immediate report on the status of holdings of interested parties

that gives the controlling shareholder the majority required to pass the resolutions set forth in section 3.1 and section 3.2 on the agenda. DIC does not hold the majority required to pass the resolution set forth in section 3.3 above.

- 5.5. According to section 276 of the Companies Law, a shareholder that participates in the general meeting vote on a decision in Section 3.3 on the agenda, whether in person or by proxy, shall notify the Company, prior to the vote at the meeting, or if the vote is via ballot – on Part Two of the ballot, where applicable, if he is a controlling shareholder in the Company or someone on his behalf or if he has a personal interest in approving the resolution or not, and a description of the relevant personal interest.
- 5.6. A shareholder that fails to mark on Part Two of the ballot, in the designated spot, or marked “yes” and did not describe as required, shall not vote on such resolution and his vote shall not be counted for such resolution.
- 5.7. In accordance with the voting regulations and the directive of the Securities Authority dated November 30, 2011, on disclosure regarding the voting of stakeholders, senior officials and institutional bodies at meetings (the “**Guidance**”), stakeholders, senior officials and institutional bodies (the “**Voters**”), as defined in the regulations and the Guidance, the Voters at the meeting, regarding a decision in Section 3.3 on the agenda, shall present to the Company in the process of their vote, the details required in accordance with the regulations and section 2(b) of the Guidance, and if they voted via proxy, the Voter or the proxy will provide the details also regarding the proxy. In addition, details will be provided regarding any relationship between the Voter or the proxy (who has no personal interest) and the Company or any of its controlling shareholders or its senior executives, including employer- employee relationships, business relationships, etc. and details of their nature.

6. **Legal Quorum and Adjourned Meeting:**

- 6.1. A legal quorum shall be constituted when at least two shareholders, holding collectively more than 33.3% of the issued shares conferring voting rights in the Company, are present in person or by proxy, within half an hour from the time set for the meeting to begin (a “**Quorum**”). If a Quorum is not present in the general meeting within half an hour from the time set for the meeting to begin, the meeting shall stand adjourned to next week on the same day at the same time and place (the “**Adjourned Meeting**”), i.e., **Tuesday, July 4, 2023, at 15:00**. If a Quorum is not present at the Adjourned Meeting within half an hour from the time set for the meeting, then one shareholder, holding at least 25% of the issued share capital of the Company, present in person or by proxy, shall constitute a legal quorum.
- 6.2. A meeting at which a Quorum is present is entitled to decide on adjourn the meeting to a different time and place that will be decided; at the Adjourned Meeting no matter will be discussed except matters that were on the agenda of the original meeting and for which a decision had not been reached.

7. **Record Date:**

The record date entitling a shareholder to participate in and vote at the general meeting and an adjourned meeting, in accordance with Section 182 of the Companies Law and regulation 3 of the voting regulations, is **Tuesday, May 30, 2023** (henceforth: the "**Record Date**"). If there is no trading on the Record Date, the record date will be the last trading day preceding such date.

8. **Manner of Voting and Validity of Ballot:**

- 8.1. A shareholder whose shares are registered with a TASE member (henceforth: "**Non-registered Shareholder**") is entitled to receive confirmation of ownership from such TASE member, at the TASE member's branch or via post to his or her address for the cost of postage only, upon request, provided such request was made in advance for a specific securities account. A Non-registered Shareholder may request to have the ownership confirmation sent to the Company via the internet voting system.
- 8.2. Regarding a Non-registered Shareholder, the ballot (if non-electronic) will be valid only if such confirmation of ownership is provided along with it or if a confirmation of ownership was sent to the Company via the internet voting system. The ballot of a Non-registered Shareholder should be delivered to the Company along with the confirmation of ownership, such that the ballot will arrive at the Company's registered offices **no later than four hours prior to the time set for the meeting** (i.e., no later than **Tuesday, June 27, 2023, at 11:00**).
- 8.3. Regarding a shareholder that is registered in the Company's register of shareholders, the ballot will be valid only if a photocopy of his identity card or passport or in case of a corporation - certificate of incorporation, is provided along with it. A registered shareholder's ballot shall be delivered to the Company, along with a photocopy of his identity card or passport or certificate of incorporation, **up to six hours prior to the time set for the general meeting** (i.e., by **Tuesday, June 27, 2023, at 09:00**).
- 8.4. A ballot in which a shareholder has indicated his manner of voting, which has reached the Company by the deadline set for this as stated above, will be considered present at the meeting regarding the existence of the legal quorum.
- 8.5. Written voting will be done through Part Two of this ballot, in which the shareholder will indicate the manner in which he votes on the resolutions on the agenda and will deliver it to the Company or send it by registered mail. In this regard, the "date of service" is the date on which the written ballot and the documents attached to it were received at the Company's offices as detailed below.

9. **Voting via Internet Voting System:**

- 9.1. A Non-registered Shareholder may vote on a resolution that is on the agenda as described above, by submitting a ballot via the internet voting system (henceforth: "**Electronic Ballot**").

9.2. The Electronic Ballot will open for voting at the end of the Record Date. Voting via the internet voting system will close **6 hours prior to the time set for the meeting** (i.e., until **Tuesday, June 27, 2023, at 09:00**), at which time the internet voting system will be closed.

9.3. The internet voting may be amended or cancelled up until the internet voting system is closed, after which it will not be possible to change it via the internet voting system. Should a shareholder vote via more than one method, the later vote will be counted. In this regard, a vote cast in person or by proxy will be considered to have been cast later than a vote cast by Electronic Ballot

10. **Address for Delivering Ballots and Position Statements:**

The Company's offices at ToHa Tower, 114 Yigal Alon St., 27th Floor, Tel-Aviv, Israel.

11. **Deadlines for Submitting Position Statements and the Board of Directors' Response:**

11.1. The deadline for submitting position statements to the Company is **up to ten days prior to the date set for the meeting**.

11.2. The deadline for submitting the board of directors' response to position statements, insofar as shareholders have submitted position statements to the board of directors and the board of directors has elected to submit a response to such position statements, is **no later than five days prior to the time set for the meeting**.

12. **Distribution Website and TASE Website Addresses for Accessing Ballots and Position Statements:**

The addresses of the Israel Securities Authority and TASE websites on which the ballot and position statements may be accessed are as follows: Israel Securities Authority distribution website: <https://www.magna.isa.gov.il> (the “**Distribution Website**”); TASE website: <https://maya.tase.co.il> (the “**TASE Website**”).

13. **Receipt of Ballot and Position Statements:**

A Non-registered Shareholder is entitled to receive via email (to the email address in the TASE member's possession), free of charge, a link to copies of the ballot and position statements on the Distribution Website from the TASE member with whom his shares are registered, unless such shareholder notified the TASE member that he does not wish to receive the link, or wishes to receive ballots by post for a fee. The notification regarding ballots will apply to position statements as well.

14. **Inspection of Ballots:**

One or more shareholders, who on the Record Date hold at least five percent (5%) of all voting rights in the Company, and who hold such percentage of all the voting rights in the Company that are not held by a controlling shareholder of the Company as defined in Section 268 of the Companies Law (“**Controlling Shareholder**”), is entitled following the general meeting, in person or by proxy, to

inspect the ballots at the Company's offices (whose address appears in Section 4 above) during regular business hours, as detailed in Regulation 10(A) of the Regulations.

The number of shares constituting 5% of all voting rights in the Company is 2,596,044 ordinary shares of the Company.

The number of shares constituting 5% of all voting rights in the Company that are not held by a Controlling Shareholder, including through institutional parties under the control thereof, is 1,036,294 ordinary shares of the Company.

15. **Changes in Meeting Agenda:**

After the ballot is published, there may be changes in the agenda, including the addition of an item to the agenda, position statements may be released; the updated agenda and the position statements released in the Company's filings will be available on the Distribution Website, whose address appears in Section 12 above.

16. **Deadline for Submitting Amended Ballot:**

A shareholder's request under section 66(b) of the Companies Law to include an issue in the agenda of the general meeting shall be furnished to the Company **up to seven (7) days after the general meeting is summoned**. If such a request is made, the issue may be added to the agenda and its details will appear on the Distribution Website. In such a case, the Company will publish a revised summon **no later than seven (7) days after the deadline for the submission of a shareholder's request to include an issue on the agenda**, as stated above. The Company will publish an amended ballot on the day the amended summon is published.

Shareholders should mark their votes on the items on the agenda in Part Two of the ballot.

Ballot – Part Two

Company name: Elron Ventures Ltd., Corporation Number 520028036.

Company address (for submitting and delivering ballots): The Company's offices in ToHa Tower, 114 Yigal Alon St., 27th Floor, Tel-Aviv, Israel.

Time of meeting: Tuesday, June 27, 2023, at 15:00.

Type of meeting: Special General Meeting.

Record date for entitling a shareholder to vote at the general meeting: the end of the trading day at TASE which will be on Tuesday, May 30, 2023 (the "**Record Date**"). If there is no trading on the Record Date, the record date will be the last trading day preceding such date.

Shareholder Information

1. Name of shareholder: _____

2. I.D. No.: _____

3. If the shareholder does not have an Israeli identity card –

Passport No.: _____

Country of issue: _____

Valid until: _____

4. If the shareholder is a corporation –

Corporation No.: _____

Country of incorporation: _____

5. Related Party, Senior Officer and Institutional Investor: Please indicate if you are:

	Yes*	No
Related Party (as defined in section 1 of the Securities Law, 5728-1968)		
Senior Officer (as defined in section 1 of the Securities Law, 5728-1968)		
Institutional Investor (as defined in regulation 1 of the Companies Regulations (voting in writing and positions statements, 5766-2005)		

*If the answer is positive – please specify any relationship between the voter (who does not have personal interest) or his proxy and the Company or any of the controlling shareholders or a senior official, including employer-employee relations, business relations, etc. and details of their nature:

Mark Vote:

Issues on the Agenda	Mark vote ¹			Regarding the approval of a transaction in accordance with sections 255 and 272 through 275 of the Companies Law, for which the majority required for approval is not a simple majority – are you a controlling shareholder or have personal interest in the resolution? ²	
	FOR	ABSTAIN	AGAINST	Yes**	No
To approve the grant of 148,618 options valued at approximately NIS209,000 this – as part of the option plan, as described in Part B of the report convening the general meeting following the cancellation of the options granted to Mr. Hoz in accordance with the approval of the Company’s shareholders meeting of April 24, 2022, in accordance with the value of the aforesaid cancelled options as of today as detailed in Part B of the Notice Convening a Shareholders Meeting and Section 3.1 above					
To approve the discretionary bonus in the amount of NIS 80,413 as detailed in Part C of the Notice Convening a Shareholders Meeting and Section 3.2 above					
To approve granting options for Company shares to the Company’s Chief Executive Officer, as detailed in Part D of the Notice Convening a Shareholders Meeting and Section 3.3 above.					

** If the answer is positive – please specify why you are considered a controlling shareholder or someone on his behalf or why you have a personal interest in the decision:

Date

Signature

¹ No mark will be considered to have been voted ABSTAIN on the applicable issue.

² A shareholder who does not complete this column or who marks "yes" and does not specify, his vote will not be counted. There is no need to specify a personal interest in approving the appointment that is not the result of a relationship with the controlling shareholder.

For shareholders who hold shares through a TASE member in accordance with Section 177(1) of the Companies Law – this ballot is valid only if confirmation of ownership is attached or if a confirmation was sent to the Company via the internet voting system.

For shareholders registered in the Company's shareholders register – this ballot is valid only if a photocopy of identity card / passport / certificate of incorporation, as applicable, is attached.