

Payton Planar Magnetics Ltd. ("The Company")
Reporting its extraordinary general meeting of the Company's shareholders

This notice is to announce that an extraordinary general meeting of the Company's shareholders will be held on **April, 27th, 2023 at 3PM** (hereinafter: "**The Meeting**").

The meeting will be held in the Company's registered office at 3 Ha'avoda St. Ness-Ziona, Israel (hereinafter: "**The Company's registered office**").

On the agenda

Termination of the audit engagement with KPMG Somekh-Chaikin, the Company's independent auditors ("Current Auditors") and the nomination of Kost Forer Gabbai & Kasierer (EY) as the Company's independent auditors, starting from the date of approval of this extraordinary shareholders' meeting and until the date of the next annual meeting and authorizing the Board of Directors of the Company to define their fees.

The Company's audit committee, at its meeting on March 30, 2023, after giving the Current Auditors an opportunity to state their position in accordance with section 162(b) of the Companies Act, 5799-1999 and after examining several proposals for providing auditing services, has come to the conclusion that in view of the alternatives and for reasons and considerations stated herein, it would be in the Company's best interest to terminate the audit engagement of the Current Auditors and to nominate in their place the accounting firm of Kost, Forer, Gabbay & Kasierer (EY) as the Company's independent auditors, starting from the date of approval of this meeting and until the date of the next annual shareholders' meeting and advised to bring it to the approval of the extraordinary Company's shareholders meeting, summoned by this notice.

The Company's board of directors, at its meeting on April 2, 2023, after considering the recommendations of the Company's audit committee, has approved and recommended the termination of the audit engagement of the Current Auditors and the nomination of the accounting firm of Kost, Forer, Gabbay & Kasierer (EY) as the Company's independent auditors.

The Company's audit committee and the Company's board of directors have approved and recommended the replacement of the Company's independent auditors as stated above, inter alia, in view of the following considerations and reasons: (a) for refreshing, efficiency and adequacy auditing procedures and not due to any professional dispute or any deficiencies in the auditing services; (b) the replacement of the Current Auditors, after a long service term of more than 20 years, is reasonable and appropriate under the circumstances, and among others in order to ensure the adequacy of the Company's control and audit procedures and (c) the competence and non-independence of Kost, Forer, Gabbai & Kasierer (EY), one of the leading firms in Israel, with experience, knowledge, expertise and the ability to conduct a quality audit, appropriate for conducting audits in the Company.

The agenda, instructions for attendance and voting procedures in the meeting as well as other information, will be available on the Company's website www.paytongroup.com from 20th April, 2023.

Adding a subject on the agenda

A shareholder or more who holds at least one percent (1%) of the Company's voting rights in the meeting, may request, within 7 days after this notice, from the Company's Board of Directors to

include any additional issue on the agenda, as long as the additional issue is suitable to be discussed at the Meeting.

In any case in which the Board of Directors find that the additional issue is suitable to be discussed at The Meeting, The Company will prepare an updated agenda and an amended voting letter, if necessary, and will publish an updated notice no later than 7 days after the deadline for submitting the request to include another issue on the agenda as mentioned in this section above.

It is hereby clarified that, if The Company will publish an updated notice, it will have no effect on the determine date of shares ownership as determined in this notice below.

The Majority needed for passing the matter on the agenda.

The resolution in the matter on the agenda shall be deemed to have been passed, by majority votes of the shareholders, present in the Meeting.

It is noted that, to best of The Company's knowledge, Payton Industries Ltd, the controlling shareholder of The Company, will hold on the determine date of shares ownership as determined in this notice below, a percentage of shares required to decide on the matter on the agenda.

Legal Quorum

If within half an hour of the above mentioned time no quorum is present (at least two shareholders present personally or by proxy or a voting letter who together hold at least twenty-five percent (25%) of the voting rights in the Company), the meeting shall stand adjourned to **April 27th, 2023, 17:00 PM**, at the same place (hereinafter: "**The Adjourned Meeting**").

If no quorum is present at The Adjourned Meeting within half an hour of the above mentioned time, the adjourned meeting shall be held with any number of participants.

The Determine Date of Shares Ownership

The persons and/or entities that are entitled to participate and to vote in the meeting are the shareholders of The Company on April 22th, 2023. In order to validate their participation, the shareholders are kindly requested to deposit with The Company a certificate of ownership issued by a financial institution according to the Israeli Companies Regulations (Proof of Ownership of a Share for Voting at the General Meeting), 5760-2000. Such certificate to be sent to Mrs. Michal Lichtenstein, at The Company's registered office (fax: +972-3-9517571 or e-mail: michal@paytongroup.com) or to Nathalie Verbeeck at Citigate Dewe Rogerson Belgium (+ 32 (0) 477 45 75 41 or email: Nathalie.Verbeeck@citigatedewerogerson.com).

An instrument appointing a representative, a proxy, a power of attorney, other certificate or a copy of the above mentioned documents attested by a notary, should be delivered to the office of the company, at least forty-eight (48) hours prior to the time of the meeting, or the adjourned meeting, where the person mentioned in the instrument is to vote. If the above conditions were not fulfilled, the appointing document shall be void.

The Company's Representative

The Company's Representative in regard to this Shareholders Meeting is Mrs. Michal Lichtenstein, at Payton Planar Magnetics 3 Ha'avoda st. Ness-Ziona, Israel (tel: +972-3-9611164, fax: +972-3-9612394 or: michal@paytongroup.com).

The Board of Directors.