

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. 1)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement.
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(c)(2)).
- ☐ Definitive Proxy Statement.
- ☐ Definitive Additional Materials.
- ☐ Soliciting Material Pursuant to §240.14a-12.

Pluristem Therapeutics Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PLURISTEM THERAPEUTICS INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On June 29, 2020

You are hereby notified that the annual meeting of stockholders of Pluristem Therapeutics Inc., or the Company, will be held on the 29th day of June, 2020 at 4:00 p.m., local time, at our offices, Matam Advanced Technology Park Building No. 5, Haifa, Israel, 3508409. However, we are actively monitoring developments with regard to the coronavirus, or COVID-19, and it is possible that the annual meeting may be held solely by means of remote communication. In the event it is not possible or advisable to hold our annual meeting in person, we will announce alternative arrangements for the meeting as promptly as practicable. We intend to hold the annual meeting for the following purposes:

1. To elect eight directors to serve until the next annual meeting of stockholders and until their respective successors shall have been duly elected and qualified;
2. To ratify the selection of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent registered public accounting firm of the Company for the fiscal year ending June 30, 2020;
3. To approve an amendment to the Articles of Incorporation of the Company to increase the number of authorized shares of Common Stock from thirty million (30,000,000) shares, par value \$0.00001 per share to sixty million (60,000,000) shares, par value \$0.00001 per share; and
4. To consider and act upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

All stockholders are cordially invited to attend the annual meeting. If your shares are registered in your name, please bring the admission ticket attached to your proxy card. If your shares are registered in the name of a broker, trust, bank or other nominee, you will need to bring a proxy or a letter from that broker, trust, bank or other nominee or your most recent brokerage account statement, that confirms that you are the beneficial owner of those shares. If you do not have either an admission ticket or proof that you own shares of the Company, you will not be admitted to the meeting.

The Board of Directors has fixed the close of business on May 7, 2020 as the record date for the meeting. Only stockholders on the record date are entitled to notice of and to vote at the meeting and at any adjournment or postponement thereof.

Your vote is important regardless of the number of shares you own. The Company requests that you vote by internet or telephone, or complete, sign and date a proxy card, which you may obtain upon request, without delay, even if you now plan to attend the annual meeting. You may revoke your proxy at any time prior to its exercise by delivering written notice or another duly executed proxy bearing a later date to the Secretary of the Company, or by attending the annual meeting and voting in person.

INTERNET AVAILABILITY OF PROXY MATERIALS

Securities and Exchange Commission rules allow us to furnish proxy materials to our stockholders over the internet. You can access proxy materials and authorize a proxy to vote your shares at <http://www.astproxyportal.com/ast/15665/>. You may vote via the internet at www.voteproxy.com with American Stock Transfer and you may vote via the telephone at 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries and follow the instructions. You may also authorize a proxy to vote your shares over the internet. In order to vote over the internet or by telephone you must have your stockholder identification number, which is set forth in the Notice of Internet Availability of Proxy Materials mailed to you. You may also request a paper proxy card to submit your vote by mail.

By order of the Board of Directors,

/s/ Yaky Yanay

Yaky Yanay, Chief Executive Officer and President

May [], 2020

IMPORTANT: In order to secure a quorum and to avoid the expense of additional proxy solicitation, please either vote by internet or sign, date and return your proxy promptly in the enclosed envelope even if you plan to attend the meeting personally. Your cooperation is greatly appreciated.

PLURISTEM THERAPEUTICS INC.
Matam Advanced Technology Park
Building No. 5
Haifa, Israel, 3508409

PROXY STATEMENT

INTRODUCTION

This proxy statement and the accompanying proxy are made available by Pluristem Therapeutics Inc., or the Company, to the holders of record of the Company's outstanding shares of Common Stock, \$0.00001 par value per share, commencing on or about May 14, 2020. The accompanying proxy is being solicited by the Board of Directors of the Company, or the Board, for use at the annual meeting of stockholders of the Company, or the Meeting, to be held on the 29th day of June, 2020 at 4:00 p.m. local time, at our offices, Matam Advanced Technology Park Building No. 5, Haifa, Israel, 3508409 and at any adjournment or postponement thereof. However, we are actively monitoring developments with regard to the coronavirus or COVID-19, and it is possible that the Meeting may be held solely by means of remote communication. In the event it is not possible or advisable to hold our Meeting in person, we will announce alternative arrangements for the meeting as promptly as practicable. The cost of solicitation of proxies will be borne by the Company. Directors, officers and employees of the Company may assist in the solicitation of proxies by mail, telephone, telefax, in person or otherwise, without additional compensation. Brokers, custodians and fiduciaries will be requested to forward proxy soliciting materials to the owners of stock held in their names and the Company will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of such proxy materials. We have engaged The Proxy Advisory Group, LLC to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements, which are not expected to exceed \$20,000 in total.

The Board has fixed May 7, 2020 as the record date for the Meeting. Only stockholders of record on May 7, 2020, or the Record Date, are entitled to notice of and to vote at the Meeting or any adjournment or postponement thereof. On May 7, 2020, there were 24,906,852 issued and outstanding shares of Common Stock. Each share of Common Stock is entitled to one vote per share.

The Company's Bylaws provide that a quorum shall consist of the holders of at least thirty three and one third percent (33 1/3%) of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy at the Meeting. If such quorum shall not be present or represented, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the Meeting, without notice other than announcement at the Meeting, until a quorum shall be present or represented. Abstentions may be specified on all proposals. Abstentions will be counted as present for purposes of determining a quorum and will be counted as not voting on the proposal in question. Submitted proxies which are left blank will also be counted as present for purposes of determining a quorum, but are not counted for purposes of determining whether a proposal has been approved in matters where the proxy does not confer the authority to vote on such proposal, and thus have no effect on its outcome.

The affirmative vote of the holders of a majority of the Common Stock having voting power present in person or represented by proxy shall be sufficient for the election of each of the director nominees and for the ratification of the selection of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent registered public accounting firm of the Company for the fiscal year ending June 30, 2020.

With respect to Proposal No. 3, the affirmative vote of the holders of a majority of the outstanding shares of Common Stock having voting power shall be required for the approval of the amendment to the Articles of Incorporation of the Company, or the Articles, to increase the number of authorized shares of Common Stock from thirty million (30,000,000) shares, par value \$0.00001 per share, to sixty million (60,000,000) shares, par value \$0.00001 per share, or the Authorized Share Increase.

All shares of Common Stock represented in person or by valid proxies received by the Company prior to the date of, or at, the Meeting, and not revoked, will be voted as specified in the proxies or voting instructions. To the extent permissible, votes that are left blank will be voted as recommended by the Board. With regard to other matters that may properly come before the Meeting, votes will be cast at the discretion of the proxies.

Broker non-votes occur when a beneficial owner of shares held in "street name" does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed "non-routine." Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares.

If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be "routine," but not with respect to "non-routine" matters. In the event that a broker, bank, or other agent indicates on a proxy that it does not have discretionary authority to vote certain shares on a non-routine proposal, then those shares will be treated as broker non-votes. Except for Proposal No. 2 and 3, each of the remaining Proposals is a non-routine proposal; therefore, your broker, bank or other agent is not entitled to vote your shares on Proposal No. 1 without your instructions. With respect to Proposal No. 1, broker non-votes and abstentions will have the same impact as a vote against the proposal. With respect to Proposal No. 2 and 3, abstentions will have the same impact as a vote against the proposal.

Any stockholder who has submitted a proxy may revoke it at any time before it is voted, by written notice addressed to and received by our Secretary, by submitting a duly executed proxy bearing a later date or by electing to vote in person at the Meeting. The mere presence at the Meeting of the stockholder appointing a proxy does not, however, revoke the appointment.

Notice of Internet Availability of Proxy Materials

In accordance with rules and regulations of the Securities and Exchange Commission, or the SEC, instead of mailing a printed copy of our proxy materials, which consist of this proxy statement, proxy card, notice of annual meeting, and our annual report to stockholders for the fiscal year ended June 30, 2019, or Fiscal Year 2019, respectively, to each stockholder of record, we may furnish proxy materials via the internet. Accordingly, all of our stockholders of record as of the Record Date will receive a notice of internet availability of proxy materials. The notice of internet availability of proxy materials will be mailed on or about May 14, 2020.

On the date of mailing the Notice of Internet Availability of Proxy Materials, stockholders will be able to access all of the proxy materials at <http://www.astproxyportal.com/ast/15665/>. The proxy materials will be available free of charge. The Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials over the internet. The Notice of Internet Availability of Proxy Materials contains instructions as to how to vote by internet or by telephone. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may request a paper or email copy of the proxy card. If you received a Notice of Internet Availability of Proxy Materials and would like to receive printed copies of the proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

IMPORTANT: If your shares are held in the name of a brokerage firm, bank, nominee or other institution, you should provide instructions to your broker, bank, nominee or other institution on how to vote your shares. Please contact the person responsible for your account and give instructions for a proxy to be completed for your shares.

Our website address is included several times in this proxy statement as a textual reference only and the information presented on our website is not incorporated by reference into this proxy statement.

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

At the Meeting, eight directors are to be elected, which number shall constitute our entire Board, to hold office until the next annual meeting of stockholders and until their successors shall have been duly elected and qualified. Unless otherwise specified in the proxy, it is the intention of the persons named in the enclosed form of proxy to vote the stock represented thereby for the election as directors, each of the nominees whose names and biographies appear below. All of the nominees whose names and biographies appear below are presently our directors. In the event any of the nominees should become unavailable or unable to serve as a director, it is intended that votes will be cast for a substitute nominee designated by the Board. The Board has no reason to believe that the nominees named will be unable to serve if elected. Each nominee has consented to being named in this proxy statement and to serve if elected. Ms. Hava Meretzki, the Board and the nominating committee, mutually agreed that Ms. Meretzki would not be re-nominated as a director nominee, and such decision was not due to any disagreement on any matter relating to the Company's operations, policies or practices.

Principal Employment and Experience of Director Nominees and Executive Officers

The following information is furnished with respect to our executive officers and the persons nominated for election as directors. All of the director nominees are current members of our Board.

Name	Age	Present Principal Employer and Prior Business Experience
Zami Aberman	66	<p>Mr. Aberman joined the Company in September 2005 and has served as our Executive Chairman since June 2019, as our Co-Chief Executive Officer from March 2017 until June 2019, as our CEO from November 2005 until March 2017, and as President of the Company from September 2005 until February 2014. He changed the Company's strategy towards cellular therapeutics. Mr. Aberman's vision to use the maternal section of the Placenta (Decidua) as a source for cell therapy, combined with the Company's 3D culturing technology, led to the development of our products. Since November 2005, Mr. Aberman has served as a director of the Company, and since April 2006, as Chairman of the Board. Since October 2015, he has served as a Director of The Alliance for Regenerative Medicine. He has 25 years of experience in marketing and management in the high technology industry. Mr. Aberman has held the CEO and Chairman positions of various companies located in Israel, the United States, Europe, Japan and Korea.</p> <p>Mr. Aberman has operated within high-tech global companies in the fields of automatic optical inspection, network security, video over IP, software, chip design and robotics. He serves as the chairman of Rose Hitech Ltd., a private investment company. He previously served as the chairman of VLScom Ltd., a private company specializing in video compression for HDTV and video over IP and as a director of Ori Software Ltd., a company involved in data management. Prior to holding those positions, Mr. Aberman served as the President and CEO of Elbit Vision System Ltd. (EVSNF.OB), a company engaged in automatic optical inspection. Before joining the Company, Mr. Aberman served as President and CEO of Netect Ltd., a company specializing in the field of internet security software and was the co-founder, President and CEO of Associative Computing Ltd., which developed an associative parallel processor for real-time video processing. He also served as Chairman of Display Inspection Systems Inc., specializing in laser based inspection machines and as President and CEO of Robomatrix Technologies Ltd.</p> <p>In 1992, Mr. Aberman was awarded the Rothschild Prize for excellence in his field from the President of the State of Israel. Mr. Aberman holds a B.Sc. in Mechanical Engineering from Ben Gurion University in Israel.</p> <p>We believe that Mr. Aberman's qualifications to sit on our Board include his unique multidisciplinary innovative approach, years of experience in the financial markets in Israel and globally, as well as his experience in serving as the CEO of publicly traded entities.</p>

Israel Ben-Yoram*	59	<p>Mr. Ben-Yoram became a director of the Company in January 2005. He has been a director and partner in the Israeli accounting firm of Mor, Ben-Yoram and Partners since 1985. In addition, since 1992, Mr. Ben-Yoram has been a shareholder and has served as the head director of Mor, Ben-Yoram Ltd., a private company in Israel operating in parallel to Mor, Ben-Yoram and Partners. Mor, Ben-Yoram Ltd. provides management services, economic consulting services and other professional services to businesses. Furthermore, Mr. Ben-Yoram is the founder, owner and CEO of SBY Group (Eshed Dash Ltd., Zonbit Ltd. and Eshed Yuvalim Ltd.). During 2003 to 2004, Mr. Ben-Yoram served as a director of Brainstorm Cell Therapeutics Inc. (BCLI) and Smart Energy solutions, Inc. (SMGY), each of which were traded on the Nasdaq Stock Market LLC, or Nasdaq. Mr. Ben-Yoram is a member of the Society of Trust and Estate Practitioners.</p> <p>Mr. Ben-Yoram received a B.A. in accounting from Tel Aviv University, an M.A. in Economics from the Hebrew University of Jerusalem, an LL.B. and an MBA from Tel Aviv University and an LL.M. from Bar Ilan University. In addition, Mr. Ben-Yoram is a Certified Public Accountant in Israel and is qualified in arbitration and in mediation.</p> <p>We believe that Mr. Ben-Yoram's qualifications to sit on our Board include his years of experience in the high-tech industry, his experience serving as a director of Nasdaq-listed companies, as well as his knowledge and familiarity with corporate finance and accounting.</p>
Isaac Braun*	67	<p>Mr. Braun became a director of the Company in July 2005. Mr. Braun is a business veteran with entrepreneurial, industrial and manufacturing experience. He has co-founded and served as a board member of several high-tech start-ups in the areas of e-commerce, security, messaging, search engines and biotechnology. Mr. Braun is involved with advising private companies in the areas of capital raising and business development.</p> <p>We believe that Mr. Braun's qualifications to sit on our Board include his years of experience in the high-tech industry, as well as his knowledge and familiarity with corporate finance.</p>
Chen Franco-Yehuda	36	<p>Mrs. Franco-Yehuda was appointed as our Chief Financial Officer, or CFO, effective as of March 17, 2019. Prior to being appointed as our CFO, Mrs. Franco-Yehuda served as the Company's Head of Accounting and Financial Reporting since July 2016 and, prior to that, the Company's Controller since May 2013. Before joining the Company, from October 2008 to April 2013, Mrs. Franco-Yehuda served as a manager of audit groups relating to public and private companies in various industries at PricewaterhouseCoopers (PwC) and also as a lecturer of accounting classes at the Open University of Israel from 2009 to 2014.</p> <p>Mrs. Franco-Yehuda holds a bachelor's degree in economics and accounting from Haifa University, and is a certified public accountant in Israel.</p>

Mark Germain*

69 Mr. Germain became a director of the Company in May 2007. Between May 2007 and February 2009, Mr. Germain served as Co-Chairman of our Board. Mr. Germain has been a merchant banker serving primarily the biotech and life sciences industries for over five years. He has been involved as a founder, director, chairman of the board of, and/or investor in, over twenty companies in the biotech field and assisted many of them in arranging corporate partnerships, acquiring technology, entering into mergers and acquisitions, and executing financings and going public transactions. He graduated from New York University School of Law in 1975, Order of the Coif, and was a partner in a New York law firm practicing corporate and securities law before leaving in 1986. Since then, and until he entered the biotech field in 1991, he served in senior executive capacities, including as president of a public company that was sold in 1991. In addition to being a director of the Company, Mr. Germain is a Managing Director at The AENTIB Group, a boutique merchant bank. From June 2018 through September 30, 2019, Mr. Germain also served as Vice Chairman of the board of BiondVax Pharmaceuticals Ltd., a company based in Israel engaging in a Phase III clinical trials for a universal flu vaccine, and, effective September 30, 2019 has served as the chairman of the board of BiondVax Pharmaceuticals Ltd.

Mr. Germain also serves or served as a director of the following companies that were reporting companies in the past: ChromaDex Inc., Stem Cell Innovations, Inc., Omnimmune Corp. and Collexis Holdings, Inc. He is also a co-founder and director of a number of private companies in and outside the biotech field.

We believe that Mr. Germain's qualifications to sit on our Board include his years of experience in the biotech industry, his experience serving as a director of public companies, as well as his knowledge and familiarity with corporate finance.

Moria Kwiat

40 Dr. Kwiat became a director of the Company in May 2012. Dr. Kwiat is an analyst at aMoon, a leading Israeli life sciences venture fund. Previously she was a consultant and analyst at Frost & Sullivan, producing equity research for public companies in the healthcare domain. Dr. Kwiat has a broad academic background and scientific experience in inter-disciplinary fields, with specific expertise in the interface between the biology and materials fields. She is the co-author of multiple scientific papers. Dr. Kwiat holds a Post-Doctoral degree in nanotechnology and material sciences, a Ph.D. in Chemistry and a M.Sc. and B.Sc. in Biotechnology, from Tel Aviv University.

We believe that Dr. Kwiat's qualifications to sit on our Board include her knowledge and experience as a scientist and a researcher in the fields of biotechnology and nanotechnology.

Nachum Rosman*	74	<p>Mr. Rosman became a director of the Company in October 2007. He provides management and consulting services to startup companies in the financial, organizational and human resource aspects of their operations. Mr. Rosman also serves as the CEO of Simba Ltd. and as a director at several privately held companies. Throughout his career, Mr. Rosman has held CEO and CFO positions in Israel, the United States and England. In these positions he was responsible for, among other things, finance management, fund raising, acquisitions and technology sales.</p> <p>Mr. Rosman holds a B.Sc. in Management Engineering and an M.Sc. in Operations Research from the Technion in Haifa, Israel. Mr. Rosman also participated in a Ph.D. program in Investments and Financing at the Tel Aviv University, Israel.</p> <p>We believe that Mr. Rosman's qualifications to sit on our Board include his years of experience in the high-tech industry, as well as his knowledge and familiarity with corporate finance.</p>
Doron Shorrer*	67	<p>Mr. Shorrer became a director of the Company in October 2003. Mr. Shorrer was one of the Company's founders and served as its first Chairman until 2006. Since 1998, Mr. Shorrer has served as the Chairman and CEO of Shorrer International Ltd., an investment and financial consulting company. Mr. Shorrer also serves as a director at each of Sigma Mutual Funds Ltd., Food Save Ltd. and G.D.M. Investments Ltd.</p> <p>Mr. Shorrer has served as a director of Provident Fund for employees of the Israel Electric Company Ltd. and between 1999 and 2004 he was Chairman of the board of directors of Phoenix Insurance Company, one of the largest insurance companies in Israel, and of Mivtachim Pension Funds Group, the largest pension fund in Israel. Prior to serving in these positions, Mr. Shorrer held senior positions that included Arbitrator at the Claims Resolution Tribunal for Dormant Accounts in Switzerland; Economic and Financial Advisor, Commissioner of Insurance and Capital Markets for the State of Israel; Member of the board of directors of "Nechasim" of the State of Israel; Member Committee for the Examination of Structural Changes in the Capital Market (The Brodet Committee); General Director of the Ministry of Transport; founder and managing partner of an accounting firm with offices in Jerusalem, Tel-Aviv and Haifa; Member of the Lecture Staff of the Hebrew University Business Administration School; Chairman of Amal School Chain; Chairman of a Public Committee for Telecommunications; and Economic Consultant to the Ministry of Energy. In addition, Mr. Shorrer served as a director of Hebrew University employees and Massad Bank from the International Bank group from 2009 to 2018.</p> <p>Among his many areas of expertise, Mr. Shorrer formulates, implements and administers business planning in the private and institutional sector, in addition to consulting on economic, accounting and taxation issues to a diverse audience ranging from private concerns to government ministries.</p> <p>Mr. Shorrer holds a B.A. in Economics and Accounting and an M.B.A. in Business Administration (specialization in finance and banking) from the Hebrew University of Jerusalem and is a Certified Public Accountant in Israel.</p> <p>We believe that Mr. Shorrer's qualifications to sit on our Board include his years of experience in the high-tech industry, his vast skill and expertise in accounting and economics, as well as his knowledge and familiarity with corporate finance.</p>

48 Mr. Yanay became a director of the Company in February 2015. He has served as our President from February 2014 and as our CEO from June 2019, previously serving as Co-CEO from March 2017. Mr. Yanay has served in variety of executive positions in Pluristem since 2006 including as our CFO from November 2006 until February 2014 and from February 2015 until March 2017. He also served as our Chief Operating Officer from February 2014 until March 2017. From November 2006 to February 2014, he served as our Secretary and served as our Executive Vice President from March 2013 until February 2014. From 2015 to 2018, Mr. Yanay served as the Co-Chairman of Israel Advanced Technology Industries (IATI), the largest umbrella organization representing Israel's high tech and life science industries and since August 2012 has continually served as a Director of IATI, representing Israel's life sciences industry. Prior to joining the Company, Mr. Yanay founded and served as Chairman of "The Israeli Life Science Forum" and also served as the CFO of Elbit Vision Systems Ltd., a public company. In addition, from July 2010 to April 2018, he served on the Board of Directors of Elbit Vision Systems Ltd. Prior to these positions, Mr. Yanay served as manager of audit groups of the technology sector at Ernst & Young Israel.

Mr. Yanay holds a bachelor's degree with honors in business administration and accounting from the College of Management Academic Studies of Rishon LeZion and is a Certified Public Accountant in Israel.

We believe that Mr. Yanay's qualifications to sit on our Board include his years of experience in the medical technology industry, his vast skill and expertise in accounting and economics, as well as his knowledge and familiarity with corporate finance.

- * The Board determined that this director or nominee is "independent" as defined by the rules of the SEC and Nasdaq rules and regulations. None of the independent directors has any relationship with us besides serving on our Board.

There are no family relationships between any of the director nominees or executive officers named in this proxy statement.

Required Vote

The affirmative vote of the holders of a majority of the Common Stock having voting power present in person or represented by proxy shall be sufficient for the election of each of the director nominees.

The Board recommends a vote "FOR" the election of each of the director nominees named above.

PROPOSAL NO. 2 — RATIFICATION OF THE SELECTION OF KOST FORER GABBAY & KASIERER, A MEMBER OF ERNST & YOUNG GLOBAL, AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR THE FISCAL YEAR ENDING JUNE 30, 2020.

Our Audit Committee has selected Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as our independent registered public accounting firm, or the Independent Auditors, for the current fiscal year, subject to ratification by our stockholders at the Meeting. We do not expect to have a representative of the Independent Auditors attend the Meeting.

Neither our by-laws, our other governing documents, nor other law requires stockholder ratification of the selection of the Independent Auditors as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of the Independent Auditors to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain the Independent Auditors. Even if the selection is ratified, the Audit Committee in its discretion may decide to appoint a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

Required Vote

The affirmative vote of the holders of a majority of the Common Stock having voting power present in person or represented by proxy shall be sufficient for the ratification of the selection of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent registered public accounting firm of the Company for the fiscal year ending June 30, 2020.

The Board recommends a vote “FOR” the ratification of the selection of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent registered public accounting firm of the Company for the fiscal year ending June 30, 2020.

**PROPOSAL NO. 3 — AMENDMENT TO ARTICLES OF INCORPORATION OF THE COMPANY TO INCREASE THE NUMBER OF
AUTHORIZED SHARES OF COMMON STOCK FROM THIRTY MILLION (30,000,000) SHARES, PAR VALUE \$0.00001 PER SHARE, TO SIXTY
MILLION (60,000,000) SHARES, PAR VALUE \$0.00001 PER SHARE**

Our Board has unanimously approved an amendment to our Articles to increase the number of shares of authorized Common Stock from 30,000,000 shares to 60,000,000 shares, as further described below. If approved, the Authorized Share Increase would be effected by amending Article 4 of our Articles. The full text of the proposed amendment to Article 4 of our Articles is attached to this Proxy Statement as Appendix A.

As of May 7, 2020, we had 24,906,852 shares of Common Stock issued and outstanding, and have reserved shares under our existing equity incentive plan and outstanding warrants, and as a result thereof, our flexibility to carry out any future capital raising activities, if any, and grant equity incentives to employees and service providers, if any, may be extremely challenging. Accordingly, our Board believes that the Authorized Share Increase is advisable, and in our stockholders' best interests in order to give us greater flexibility in considering and planning for future potential business needs. Such needs include, but are not limited to, the potential sale of our equity securities in order to utilize the funds that may be loaned to us by the European Investment Bank, or the EIB, pursuant to the previously announced Finance Contract executed with the EIB on April 30, 2020, which requires, among other things, that we match the funding provided by the EIB. Currently, we have sufficient capital to utilize the funds that may become available under the Finance Contract, but we may choose to conduct sales of our equity securities, in public or private transactions, in order to further fund the projects envisioned by the Finance Contract, the timing and amounts of which would be subject to a variety of factors including market conditions. If the amendment to our Articles is adopted, we will have shares of authorized Common Stock available in the event our Board determines that it is necessary and appropriate to raise additional capital through the sale of equity securities, to acquire another company or its assets, to provide equity incentives to employees, officers or directors, to establish strategic relationships with corporate partners and/or similar transactions or for other corporate purposes. We do not currently have any plans, arrangements or understandings, whether written or oral, to issue any of the authorized but unissued shares that would become available as a result of the Authorized Share Increase, if approved. The availability of additional shares of Common Stock is particularly important in the event that our Board needs to undertake any of the foregoing actions on an expedited basis and thus to avoid the time and expense of seeking shareholder approval in connection with a contemplated issuance of Common Stock. If the Authorized Share Increase is approved, the additional authorized shares would be available for issuance at the discretion of the Board and without further stockholder approval, except as may be required by law or the rules of the Company's then-current listing market or exchange.

Possible Effects of the Authorized Share Increase

The newly authorized shares of Common Stock will have all the powers, preferences, and rights of the shares of Common Stock presently authorized. Therefore, approval of the Authorized Share Increase would not affect a current Common Stock holder's rights as a stockholder, except for any dilutive effects of a potential increase in the number of outstanding shares of Common Stock to, among other things, earnings per share, book value per share, and the voting power of current holders of our Common Stock. The Authorized Share Increase would not have any immediate dilutive effect on the proportionate voting power or other rights of existing stockholders until additional shares are issued.

As is true for shares presently authorized but unissued Common Stock, the future issuance of Common Stock authorized by the Authorized Share Increase may, among other things, decrease existing stockholders' percentage equity ownership, be dilutive to the voting rights of existing stockholders, and, depending on the price at which they are issued, have a negative effect on the market price of the Common Stock.

Potential Anti-takeover Effects of the Authorized Share Increase

Since the Authorized Share Increase will provide that the number of authorized shares of Common Stock will be 60,000,000, the Authorized Share Increase, if effected, will result in an increase in the number of authorized but unissued shares of our Common Stock and could, under certain circumstances, have an anti-takeover effect, although this is not the purpose or intent of our Board. An increase in our authorized shares could potentially deter takeovers, including takeovers that our Board has determined are not in the best interest of our stockholders, in that additional shares could be issued (within the limits imposed by applicable law and Nasdaq) in one or more transactions that could make a change in control or takeover more difficult. The Authorized Share Increase could make the accomplishment of a given transaction more difficult even if it is favorable to the interests of stockholders. For example, we could issue additional shares of Common Stock without further stockholder approval so as to dilute the stock ownership or voting rights of persons seeking to obtain control without our agreement. Similarly, the issuance of additional shares to certain persons allied with our management could have the effect of making it more difficult to remove our current management by diluting the stock ownership or voting rights of persons seeking to cause such removal. The Authorized Share Increase therefore may have the effect of discouraging unsolicited takeover attempts. By potentially discouraging initiation of any such unsolicited takeover attempts, the Authorized Share Increase may limit the opportunity for our stockholders to dispose of their shares at the higher price generally available in takeover attempts or that may be available under a merger proposal.

We have not proposed the increase in the number of authorized shares of Common Stock with the intention of using the additional authorized shares for anti-takeover purposes, but we would be able to use the additional shares to oppose a hostile takeover attempt or delay or prevent changes in our control or our management. Although the Authorized Share Increase has been prompted by business and financial considerations and not by the threat of any known or threatened hostile takeover attempt, stockholders should be aware that the effect of the Authorized Share Increase could facilitate future attempts by us to oppose changes in our control and perpetuate our management, including transactions in which the stockholders might otherwise receive a premium for their shares over then current market prices. We cannot provide assurances that any such transactions will be consummated on favorable terms or at all, that they will enhance stockholder value, or that they will not adversely affect our business or the trading price of the Common Stock.

Required Vote

The affirmative vote of a majority of the outstanding shares of Common Stock having voting power shall be required for the approval of the amendment to the Articles to effect the Authorized Share Increase.

The Board recommends a vote “FOR” the amendment to the Articles of Incorporation of the Company to increase the number of authorized shares of Common Stock from thirty million (30,000,000) shares, par value \$0.00001 per share, to sixty million (60,000,000) shares, par value \$0.00001 per share.

CORPORATE GOVERNANCE

Committees and Meetings of Our Board

The Board held 12 meetings during Fiscal Year 2019. Throughout this period, each member of our Board who was a director in Fiscal Year 2019 attended or participated in at least 75% of the aggregate of the total number of meetings of our Board held and the total number of meetings held by all committees of our Board on which each the director served during the periods such director served. Our Board has three standing committees: the Compensation Committee, the Audit Committee and the Nominating Committee.

Audit Committee. The members of our Audit Committee are Messrs. Shorrer, Rosman and Ben-Yoram. Mr. Shorrer is the Chairman of the Audit Committee. Our Board has determined that Mr. Ben-Yoram is an “Audit Committee financial expert” and that all members of the Audit Committee are “independent” as defined by the rules of the SEC and the Nasdaq rules and regulations. The Audit Committee operates under a written charter that is posted on our website at www.pluristem.com. The primary responsibilities of our Audit Committee include:

- appointing, compensating and retaining our registered independent public accounting firm;
- overseeing the work performed by any outside accounting firm;
- assisting the Board in fulfilling its responsibilities by reviewing: (i) the financial reports provided by us to the SEC, our stockholders or to the general public, and (ii) our internal financial and accounting controls; and
- recommending, establishing and monitoring procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations.

Our Audit Committee held 8 meetings during Fiscal Year 2019.

Compensation Committee. The members of our Compensation Committee are Messrs. Shorrer, Rosman and Ben-Yoram. The Board has determined that all of the members of the Compensation Committee are “independent” as defined by the rules of the SEC and Nasdaq rules and regulations. The Compensation Committee operates under a written charter that is posted on our website at www.pluristem.com. The primary responsibilities of our Compensation Committee include:

- reviewing and recommending to our Board the annual base compensation, the annual incentive bonus, equity compensation, employment agreements and any other benefits of our executive officers;
- administering our equity based plans and making recommendations to our Board with respect to our incentive–compensation plans and equity–based plans; and
- annually reviewing and making recommendations to our Board with respect to the compensation policy for such other officers as directed by our Board.

Our Compensation Committee held 5 meetings during Fiscal Year 2019. The Compensation Committee did not receive advice from or retain any consultants during Fiscal Year 2019.

Nominating Committee. The members of our Nominating Committee are Mark Germain, Doron Shorrer and Nachum Rosman. Mr. Germain is the Chairman of the Nominating Committee. The Board has determined that all of the members of the Nominating Committee are “independent” as defined by the rules of the SEC and Nasdaq rules and regulations. The Nominating Committee operates under a written charter that is posted on the “Investors” section of our website, www.pluristem.com. The primary responsibilities of our Nominating Committee include:

- Overseeing the composition and size of the Board, developing qualification criteria for Board members and actively seeking, interviewing and screening individuals qualified to become Board members for recommendation to the Board;
- Recommending the composition of the Board for each annual meeting of stockholders; and
- Reviewing periodically with the Chairman of the Board and the Chief Executive Officer the succession plans relating to positions held by directors, and making recommendations to the Board with respect to the selection and development of individuals to occupy those positions.

Director Nominations

The Nominating Committee is responsible for developing and approving criteria, with Board approval, for candidates for Board membership. The Nominating Committee is responsible for overseeing the compensation and size of the Board, developing qualification criteria for Board members and actively seeking, interviewing and screening individuals qualified to become Board members for recommendation to the Board and for recommending the composition of the Board for each of the Company’s annual meetings. The Board as a whole is responsible for nominating individuals for election to the Board by the stockholders and for filling vacancies on the Board that may occur between annual meetings of the stockholders.

Nominees for director will be selected on the basis of their integrity, business acumen, knowledge of our business and industry, age, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. No particular criteria will be a prerequisite or will be assigned a specific weight, nor does the Company have a diversity policy. The Company believes that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

We have never received communications from stockholders recommending individuals to any of our independent directors. Therefore we do not yet have a policy with regard to the consideration of any director candidates recommended by stockholders. In Fiscal Year 2019, we did not pay a fee to any third party to identify or evaluate, or assist in identifying or evaluating, potential nominees for our Board. We have not received any recommendations from stockholders for Board nominees. All of the nominees for election at the Meeting are current members of our Board.

Board Leadership Structure. Following the completion of the transition period of our Co-CEO structure, in 2019, we revised our leadership structure such that it is now led by the joint leadership of the persons serving as our Executive Chairman and our CEO. We believe this structure is appropriate for a company of our size and complexity, because Mr. Aberman (a) has led the development of our products and is one of the pioneers of the allogeneic cell therapy industry, (b) is the individual most familiar with our business and industry, (c) possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing us, and is thus, in the opinion of the Board, best positioned to develop agendas to ensure the Board’s time and attention are focused on matters which are critical to us, and (d) conveys a clear, cohesive message to our stockholders, employees and industry partners.

Mr. Aberman serves as our Chairman of the Board. In his position as Chairman of the Board, Mr. Aberman is responsible for setting the agenda and priorities of the Board.

As CEO, Mr. Yanay, leads our day-to-day business operations and is directly accountable to the full Board, and, in addition, is responsible for our management operations and for general oversight of our business and the various management teams that are responsible for our day-to-day operations. We believe that this structure provides an efficient and effective leadership model for the Company to enable us to deliver better results and explore opportunities for the company and its investors.

Because the Chairman of the Board is also an executive of the Company, and previously served as our Co-CEO until June 2019, the Board has designated an independent director to serve as the lead independent director to enhance the Board's ability to fulfill its responsibilities independently. The Board has appointed Mark Germain as lead independent director. The lead independent director serves as the liaison between the Chairman and the independent directors.

We believe that having different persons serving as Executive Chairman and CEO, together with an empowered lead independent director, is the optimal Board structure to provide independent oversight and management accountability while ensuring that our strategic plans are pursued to optimize long-term stockholder value.

Risk Oversight. The Board, including the Audit Committee and Compensation Committee, periodically reviews and assesses the significant risks to the Company. Our management is responsible for our risk management process and the day-to-day supervision and mitigation of risks. These risks include strategic, operational, competitive, financial, legal and regulatory risks. Our Board leadership structure, together with the frequent interaction between our directors and management, assists in this effort. Communication between our Board and management regarding long-term strategic planning and short-term operational practices include matters of material risk inherent in our business.

The Board plays an active role, as a whole and at the committee level, in overseeing management of the Company's risks. Each of our Board committees is focused on specific risks within their areas of responsibility, but the Board believes that the overall enterprise risk management process is more properly overseen by all of the members of the Board. The Audit Committee is responsible for overseeing the management of financial and accounting risks. The Compensation Committee is responsible for overseeing the management of risks relating to executive compensation plans and arrangements.

While each committee is responsible for the evaluation and management of such risks, the entire Board is regularly informed of such risks through committee reports. The Board incorporates the insight provided by these reports into its overall risk management analysis.

The Board administers its risk oversight responsibilities through the CEO and the CFO, who, together with management representatives of the relevant functional areas, review and assess our operations as well as operating management's identification, assessment and mitigation of the material risks affecting our operations.

Our Board has adopted a Code of Business Conduct and Ethics that applies to, among other persons, members of our Board, our officers including our CEO (being our principal executive officer) and our CFO (being our principal financial and accounting officer) and our employees. Our Code of Business Conduct and Ethics is posted on our website at www.pluristem.com. The information on our website is not incorporated by reference into this Definitive Proxy.

COMMUNICATING WITH OUR BOARD

Our Board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. Mr. Shorrer, one of our independent directors, our lead director, and the Chairman of our Audit Committee, with the assistance of our outside counsel, is primarily responsible for monitoring communications from our stockholders and for providing copies or summaries to the other directors as he considers appropriate. Communications are forwarded to all directors if they relate to substantive matters and include suggestions or comments that Mr. Shorrer considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we tend to receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to our Board should address such communications to: Pluristem Therapeutics, Inc., c/o Doron Shorrer, Matam Advanced Technology Park Building No. 5, Haifa, Israel, 3508409.

ATTENDANCE AT SPECIAL AND ANNUAL STOCKHOLDER MEETINGS

We encourage our directors to attend our special and annual stockholders meetings. Mr. Aberman, our Executive Chairman, and Mr. Yanay, our CEO, president and director, attended our last annual stockholder meeting.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of our Board is comprised solely of independent directors as defined by Nasdaq and non-employee directors as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. The Compensation Committee has the authority and responsibility to review and make recommendations to the Board regarding the compensation of our CEO and other executive officers. Our named executive officers for Fiscal Year 2019 are those individuals listed in the “Summary Compensation Table” below. Other information concerning the structure, roles and responsibilities of our Compensation Committee is set forth in “Committees and Meetings of our Board—Compensation Committee” above.

At our 2019 stockholders meeting, we provided our stockholders with the opportunity to cast an advisory vote on our executive compensation. Over 70% of the votes cast on this “2019 say-on-pay vote” were voted in favor of the proposal. We have considered the 2019 say-on-pay vote and we believe that the support from our stockholders for the 2019 say-on-pay vote proposal indicates that our stockholders are supportive of our approach to executive compensation. At our 2019 stockholders meeting, our stockholders voted in favor of the proposal to hold say-on-pay votes every two years. We will continue to consider the outcome of our say-on-pay votes when making compensation decisions regarding our named executive officers.

A discussion of the policies and decisions that shape our executive compensation program, including the specific objectives and elements, is set forth below.

Executive Compensation Objectives and Philosophy

The objective of our executive compensation program is to attract, retain and motivate talented executives who are critical for our continued growth and success and to align the interests of these executives with those of our stockholders. To this end, our compensation programs for executive officers are designed to achieve the following objectives:

- attract, hire, and retain talented and experienced executives;
- motivate, reward and retain executives whose knowledge, skills and performance are critical to our success;

- ensure fairness among the executive management team by recognizing the contributions each executive makes to our success and the tenure of each team member as a factor in achieving such success;
- focus executive behavior on achievement of our corporate objectives and strategy;
- build a mechanism of “pay for performance”; and
- align the interests of management and stockholders by providing management with longer-term incentives through equity ownership.

The Compensation Committee reviews the allocation of compensation components regularly to ensure alignment with strategic and operating goals, competitive market practices and legislative changes. The Compensation Committee does not apply a specific formula to determine the allocation between cash and non-cash forms of compensation. Certain compensation components, such as base salaries, benefits and perquisites, are intended primarily to attract, hire, and retain well-qualified executives. Other compensation elements, such as long-term incentive opportunities, are designed to motivate and reward performance. Long-term incentives are intended to reward our long-term performance and executing our business strategy, and to strongly align named executive officers’ interests with those of stockholders.

With respect to equity compensation, the Compensation Committee makes awards to executives under our stock option plans and other plans as approved by the Board. Executive compensation is paid or granted based on such matters as the Compensation Committee deems appropriate, including our financial and operating performance, the alignment of the interests of the executive officers and our stockholders, the performance of our Common Stock and our ability to attract and retain qualified individuals.

Elements of Executive Officer Compensation

Our executive officer compensation program is comprised of: (i) base salary or monthly compensation; (ii) performance based bonus; (iii) long-term equity incentive compensation in the form of RSU grants; and (iv) benefits and perquisites.

In establishing overall executive compensation levels and making specific compensation decisions for our executive officers in 2019, the Compensation Committee considered a number of criteria, including the executive’s position, scope of responsibilities, prior base salary and annual incentive awards and expected contribution. In that regard, our Compensation Committee has decided to provide our Executive Chairman, Mr. Aberman, and our CEO, Mr. Yanay, with base salaries, RSU awards, acceleration of such awards under certain circumstances, and performance based bonuses in their respective employment and/or consulting agreement, as opposed to certain terms contained in our CFO’s employment agreement and compensation package, based on their respective positions, seniority and scope of responsibilities.

Generally, our Compensation Committee reviews and, as appropriate, approves compensation arrangements for our named executive officers, from time to time but not less than once a year. The Compensation Committee also takes into consideration our CEO’s recommendations for the compensation of our CFO. Our CEO generally presents these recommendations at the time of our Compensation Committee’s review of executive compensation arrangements.

Base Salary

The Compensation Committee performs a review of base salaries / monthly compensation for our named executive officers from time to time as appropriate. In determining salaries, the Compensation Committee members also take into consideration their understanding of the compensation practices of comparable companies (based on size and stage of development), especially in Israel, where our named executive officers reside; independent third party market data such as compensation surveys to industry, including information relating to peer companies; individual experience and performance adjusted to reflect individual roles; and contribution to our clinical, regulatory, commercial and operational performance. None of the factors above has a dominant weight in determining the compensation of our executive officers, and our Compensation Committee considers the factors as a whole when considering such compensation. In addition, our Compensation Committee may, from time to time, use comparative data regarding compensation paid by peer companies in order to obtain a general understanding of current trends in compensation practices and ranges of amounts being awarded by other public companies, and not as part of an analysis or a formula. We may also change the base salary / monthly compensation of an executive officer at other times due to market conditions. We believe that a competitive base salary / monthly compensation is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can motivate and reward executives for their overall performance.

Base salaries / monthly compensation are established in part based on the individual experience, skills and expected contributions of our executives and our executives' performance during the prior year. Compensation adjustments are made occasionally based on changes in an executive's level of responsibility, Company progress or on changed local and specific executive employment market conditions.

On March 14, 2019, the Board approved the appointment of Mrs. Franco-Yehuda as our CFO. On May 6, 2019, the Board, upon the recommendation of our Compensation Committee, approved the new officer agreement with Mrs. Franco-Yehuda, our CFO, which provided for an increase to her annual salary, in light of her new responsibilities and also, under certain circumstances, for acceleration of awards issued to Mrs. Franco-Yehuda.

On June 30, 2019, the Board of Directors, upon the recommendation of our Compensation Committee, approved, as part of a comprehensive plan to reduce expenses, the reduction of the annual salary of our CEO and the annual compensation paid to our Executive Chairman, each by 25% from their current levels until the earlier of closing market capitalization on the Nasdaq Capital Market reaching \$170 million; or (2) June 30, 2020. As a result of the Company's closing market capitalization reaching in excess of \$170 million, the Board of Directors approved the reinstatement of the prior 25% reductions in the annual salary to Mr. Yanay, the annual compensation paid to Mr. Aberman and the annual fees paid to each non-executive director commencing on June 1, 2020.

On March 26, 2020, the Board of Directors approved (i) the reduction of the annual fee paid to each non-executive director of the Company by 50%, as well as (ii) the reduction of the annual salary of our CEO, the annual compensation paid to our Executive Chairman, Zami Aberman, and the annual salary of our CFO, each by 50% from their annual salaries as provided in their respective employment and consulting agreements with us, until such time as we obtain better clarity on the global impact of COVID-19.

On May 7, 2020, the Board of Directors approved, for May 2020, (i) a partial reinstatement of the annual fee, paid monthly, to each non-executive director of the Company to 85% of such fee, as well as (ii) the partial reinstatement of the annual salary, paid monthly, of our CEO, Mr. Yanay, the annual compensation, paid monthly, to our Executive Chairman, Mr. Aberman, and the annual salary, paid monthly, of our CFO, Mrs. Franco-Yehuda, each up to 85% from their annual salaries, paid on a monthly basis, as provided in their respective employment and consulting agreements with the Company. Beginning on June 1, 2020, such annual fees, salaries and compensation, paid monthly, shall be reinstated at 100%.

Performance Based Bonus

Given the nature of our business, the determination of incentives for our executives is generally tied to success in promoting our Company's development. We are continually seeking non-dilutive sources of funding. In addition, a key component of our strategy is to develop and manufacture cell therapy products for the treatment of multiple disorders through collaboration with other companies and entering into licensing agreements with such companies, such as our agreement with CHA Biotech Co, Ltd. Therefore, in order to reward our Executive Chairman and CEO, each of them is entitled to a bonus equal to 1.5% of amounts received by us from non-dilutive funding received, among other things, from corporate partnering and strategic deals. This is designed to support our business strategy to enter into multiple license agreements with pharmaceutical companies.

In addition, our executives may be entitled, from time to time, to a discretionary bonus that is in the Compensation Committee sole discretion. We paid no bonuses to our named executive officers in Fiscal Year 2019.

“Long-Term” Equity Incentive Compensation

Long-term incentive compensation allows the executive officers to share in any appreciation in the value of our Common Stock. The Compensation Committee believes that stock participation aligns executive officers’ interests with those of our stockholders. The amounts of the awards are designed to reward past performance and create incentives to meet long-term objectives. Awards are made at a level expected to be competitive within the biotechnology industry, as well as with Israeli based companies.

We do not have a formula relating to, and did not conduct any analysis of, the level of awards that is competitive within the biotechnology industry and Israeli based companies. In determining the amount of each grant, the Compensation Committee also takes into account the number of shares held by the executive prior to the grant. Awards are made on a discretionary basis and not pursuant to specific criteria set out in advance.

RSU awards provide our executive officers with the right to purchase shares of our Common Stock at a par value of \$0.00001, subject to continued employment with our Company. In recent years, we granted our executive officers RSU awards.

We chose to grant RSU awards and not options because RSU awards, once vested, always have an immediate financial value to the holder thereof, unlike options where the exercise price might be below the current market price of the shares and therefore not have any intrinsic value to the holder thereof. Our Executive Chairman and CEO are entitled to acceleration of the vesting of their awards in the following circumstances: (1) if we terminate their employment, they will be entitled to acceleration of 100% of any unvested award and (2) if they resign, they will be entitled to acceleration of 50% of any unvested award. In addition, our Executive Chairman, CEO and CFO are entitled to an acceleration of 100% of any unvested RSUs in the event of a change in control as defined in their consulting or employment agreement. All grants are approved, upon receipt of recommendation by our Compensation Committee, by our Board.

Benefits and Perquisites

Generally, benefits available to Mr. Yanay and Mrs. Franco-Yehuda are available to all employees on similar terms and include welfare benefits, paid time-off, life and disability insurance and other customary or mandatory social benefits in Israel. We provide our named executive officers with a phone and a Company car, or reimbursement for car or phone expenses, which are customary benefits in Israel to managers and officers. Our Executive Chairman and CEO are also entitled to receive, once a year, a fixed sum equal to the amount of the monthly compensation to such Executive Chairman and CEO.

In addition, in the event of termination of Mr. Aberman’s consulting agreement, he will be entitled to receive an adjustment fee that equals the monthly consulting fees multiplied by 9. Mr. Yanay is entitled to a severance payment that equals a month’s compensation for each twelve-month period of employment or otherwise providing services to the Company, and an additional adjustment fee that equals the monthly salary amount multiplied by 6, plus the number of years the employment agreement remains in force from September 12, 2018, but in any event no more than 9 years in the aggregate.

Mrs. Chen Franco-Yehuda is entitled to severance pay upon termination of employment for any reason, including retirement, based on 8.333% of her monthly base salary, according to section 14 of the Israeli Severance Pay Law, 1963.

We do not believe that the benefits and perquisites described above deviate materially from the customary practice for compensation of executive officers by other companies similar in size and stage of development in Israel. These benefits represent a relatively small portion of the executive officers’ total compensation.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with our management and, based on such review and discussions, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this proxy statement and our annual report on Form 10-K for Fiscal Year 2019, or our 2019 Annual Report.

Compensation Committee Members:

Doron Shorrer
Nachum Rosman
Israel Ben-Yoram

Summary Compensation Table

The following table shows the particulars of compensation paid to our named executive officers for the fiscal years ended June 30, 2019 and 2018. We do not currently have any other executive officers.

Name and Principal Position	Fiscal Year	Salary (\$)(1)	Stock-based Awards (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Zami Aberman	2019(4)	551,137(5)	478,500	66,857	1,096,494
Executive Chairman (previously Co-CEO)	2018	524,450(5)	-	68,384	592,834
Yaky Yanay	2019(6)	396,632(7)	461,100	29,253	886,985
Chief Executive Officer (previously Co-CEO)	2018	416,740(7)	-	26,619	443,359
Chen Franco-Yehuda	2019(8)	78,889	112,329	13,599	204,817
CFO					
Erez Egozi	2019(9)	116,701	139,200	68,807	324,708
Former CFO	2018	163,212	142,197	20,304	325,713

- (1) Salary payments which were in NIS, were translated into US\$ at the then current exchange rate for each payment. The salaries of Mr. Yanay, Mrs. Franco-Yehuda and Mr. Egozi are comprised of base salaries and additional payments and provisions such as welfare benefits, paid time-off, life and disability insurance and other customary or mandatory social benefits to employees in Israel.
- (2) The fair value recognized for the stock-based awards was determined as of the grant date in accordance with Accounting Standards Codification 718. Assumptions used in the calculations for these amounts are included in Note 2(l) to our consolidated financial statements for Fiscal Year 2019 included in our 2019 Annual Report.
- (3) Represents cost to us in connection with car or car expenses reimbursement and mobile phone expenses. The Company also pays our CEO and Executive Chairman the tax associated with this benefit, which is grossed up and included in the "all other compensation" column for Mr. Aberman. Mr. Yanay's gross up is part of the amount in the Salary column in the table above.
- (4) Mr. Aberman ceased to serve as our Co-CEO and commenced to serve solely in his capacity as Executive Chairman on June 24, 2019. The compensation reflects amounts received during the entire fiscal year.
- (5) Includes \$23,068 and \$21,151 paid to Mr. Aberman as compensation for services as a director in Fiscal Year 2019 and 2018 respectively.

- (6) Mr. Yanay ceased to serve as our Co-CEO and commenced to serve as the sole CEO on June 24, 2019. The compensation reflects amounts received during the entire fiscal year.
- (7) Includes \$23,582 and \$24,003 paid to Mr. Yanay as compensation for services as a director in Fiscal Year 2019 and 2018, respectively.
- (8) Mrs. Franco-Yehuda was appointed as our CFO on March 14, 2019. The compensation reflects amounts received during the entire fiscal year.
- (9) Mr. Egozi ceased to be our CFO on March 14, 2019. The compensation reflects amounts received during the entire fiscal year. Amounts received following March 14, 2019 are included in all other compensation.

We have the following written agreements and other arrangements concerning compensation with our named executive officers:

- (a) Mr. Aberman is engaged with us as a consultant and received a monthly consulting fee of \$31,250. On September 12, 2018, our Board approved an increase of the monthly consulting fees payable to Mr. Aberman, from \$31,250 per month (at a U.S. dollar rate not less than 4.35 NIS) to 149,500 NIS (approximately \$41,500 per month), effective as of September 1, 2018. In addition, Mr. Aberman is entitled once a year to receive an additional amount that equals the monthly consulting fee. All amounts above are paid plus value added tax. Mr. Aberman is also entitled to a performance based bonus of one and a half percent (1.5%) from amounts received by us from non-diluting funding and strategic deals. Mr. Aberman is entitled to car expenses reimbursement. In addition, on September 12, 2018, Mr. Aberman's annual director fees were increased to \$20,000 from \$17,610 (set at a rate of 4.25 NIS per U.S. dollar). The reason for the increases in Mr. Aberman's consulting fees and director fees were due to the fact that Mr. Aberman had not received an increase since May 2011, and the Board determined such an increase was appropriate in light of his years of service to the Company. On June 30, 2019, our Board, upon the recommendation of our Compensation Committee, approved the reduction of the annual compensation paid to Mr. Aberman, and his annual fees paid to him as a director, by 25% from his current levels until the earlier of closing market capitalization on the Nasdaq Capital Market reaching \$170 million; or (2) June 30, 2020.
- (b) During fiscal years 2019 and 2018, Mr. Yanay's monthly salary was 80,000 NIS, while in fiscal year 2017 it was 53,125 NIS. In addition, Mr. Yanay is entitled once a year to receive an additional amount that equals his monthly salary. Mr. Yanay is provided with a cellular phone and a Company car pursuant to the terms of his agreement. Furthermore, Mr. Yanay was entitled to a performance based bonus of one percent (1.0%) from amounts received by us from non-diluting funding and strategic deals which, effective as of September 12, 2018, was increased to one and a half percent (1.5%) due to his increased responsibilities. In addition, Mr. Yanay's annual compensation as a director was \$20,000 (set at a rate of 4.25 NIS per U.S. dollar). On June 30, 2019, our Board, upon the recommendation of our Compensation Committee, approved the reduction of the annual salary of Mr. Yanay, and the annual fees paid to him as a director, by 25% from his current levels until the earlier of closing market capitalization on the Nasdaq Capital Market reaching \$170 million; or (2) June 30, 2020.
- (c) Mrs. Franco-Yehuda's monthly salary is 36,000 NIS. Mrs. Franco-Yehuda receives car and cellular phone expense reimbursements pursuant to the terms of her agreement.
- (d) Starting December 1, 2017, Mr. Egozi's monthly salary was 38,000 NIS. Mr. Egozi was provided with a cellular phone and a Company car pursuant to the terms of his employment agreement with the Company. Mr. Egozi ceased to be our CFO on March 14, 2019.

Potential Payments Upon Termination or Change-in-Control

We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change-in-control) or a change of responsibilities following a change-in-control, except for the following: (i) in the event of termination of Mr. Aberman's Consulting Agreement, he will be entitled to receive an adjustment fee that equals the monthly consulting fees multiplied by 9; (ii) in the event of termination of Mr. Yanay's employment, he is entitled to a severance payment, under Israeli law, that equals a month's compensation for each twelve-month period of employment or otherwise providing services to the Company, and an additional adjustment fee that equals the monthly base salary multiplied by 6, plus the number of years the employment agreement is in force from September 12, 2018, but in any event no more than nine months in the aggregate; and (iii) in the event of termination of Mrs. Franco-Yehuda's employment, she is entitled to a severance payment, under Israeli law, that equals a month's compensation for each twelve-month period of employment or otherwise providing services to the Company.

In addition, Mr. Aberman and Mr. Yanay are entitled to acceleration of the vesting of their stock options and restricted stock in the following circumstances: (1) if we terminate their employment, they will be entitled to acceleration of 100% of any unvested awards and (2) if they resign, they will be entitled to acceleration of 50% of any unvested award. In addition, Mr. Aberman, Mr. Yanay and Mrs. Franco-Yehuda are also entitled to acceleration of 100% of any unvested award in case of our change in control as defined in their respective consulting and employment agreements.

The following table displays the value of what our CEO, Executive Chairman and CFO would have received from us had their employment been terminated, or a change in control of us happened on June 30, 2019.

Officer	Salary	Accelerated Vesting of RSUs (1)	Total
Zami Aberman			
Terminated due to officer resignation	\$ 377,314	\$ 457,250(2)	\$ 834,564
Terminated due to discharge of officer	\$ 377,314	\$ 914,500(3)	\$ 1,291,814
Change in control	-	\$ 914,500(4)	\$ 914,500
Yaky Yanay			
Terminated due to officer resignation	\$ 364,891(5)	\$ 452,600(2)	\$ 817,491
Terminated due to discharge of officer	\$ 364,891(5)	\$ 905,200(3)	\$ 1,270,091
Change in control	-	\$ 905,200(4)	\$ 905,200
Chen Franco Yehuda			
Terminated due to officer resignation	\$ 35,358	-	\$ 35,358
Terminated due to discharge of officer	\$ 35,358	-	\$ 35,358
Change in control	-	\$ 86,180(4)	\$ 86,180(4)

(1) Value shown represents the difference between the closing market price of our shares of Common Stock on June 30, 2019 of \$6.20 per share and the applicable exercise price of each grant.

(2) 50% of all unvested RSUs issued under the applicable equity incentive plans vest upon a termination without cause under the terms of those plans.

(3) All unvested RSUs issued under the applicable equity incentive plans vest upon a termination due to discharge.

(4) All unvested RSUs issued under the applicable equity incentive plans vest upon a change of control under the terms of those plans.

Pension, Retirement or Similar Benefit Plans

We have no arrangements or plans, except for those we are obligated to maintain pursuant to the Israeli law, under which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive stock options, RSUs or restricted shares at the discretion of our Board in the future.

Grants of Plan-Based Awards

The following table shows grants of plan-based equity awards made to our named executive officers during the fiscal year ended June 30, 2019:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units #	Grant Date Fair Value of Stock Awards (\$)
Zami Aberman	December 19, 2018	55,000(1)	478,500
Yaky Yanay	December 19, 2018	53,000(2)	461,100
Chen Franco-Yehuda	December 19, 2018	2,600(3)	21,189
	March 28, 2019	10,000(4)	91,140
Erez Egozi (Former CFO)	December 19, 2018	16,000(5)	139,200

(1) Grant of RSUs was made pursuant to our 2016 Equity Compensation Plan, or the 2016 Plan. The grant vests as follows:

- a. 30,000 RSUs vest over a two-year period from the date of grant, as follows: 25% after 6 months from date of grant and the remaining shares vest in 6 equal installments every 3 months thereafter, and
- b. 25,000 RSUs vest as follows: 12.5% vest on March 19, 2021 and the remaining shares vest in 7 equal installments every 3 months thereafter.

(2) Grant of RSUs was made pursuant to our 2016 Plan. The grant vests as follows:

- a. 28,000 RSUs vest over a two-year period from the date of grant, as follows: 25% after 6 months from date of grant and the remaining shares vest in 6 equal installments every 3 months thereafter, and
- b. 25,000 RSUs vest as follows: 12.5% vest on March 19, 2021 and the remaining shares vest in 7 equal installments every 3 months thereafter.

(3) Grant of RSUs was made pursuant to our amended and restated 2005 Stock Option Plan, or the 2005 Plan. The grant vests as follows:

- a. 1,000 RSUs vest over a two-year period from the date of grant, as follows: 25% after 6 months from date of grant and the remaining shares vest in 6 equal installments every 3 months thereafter,
- b. 1,000 RSUs vest as follows: 12.5% vest on March 19, 2021 and the remaining shares vest in 7 equal installments every 3 months thereafter, and
- c. 600 RSUs vest on December 19, 2020.

(4) Grant of RSUs was made pursuant to our 2016 Plan. The grant vests as follows:

- a. 6,000 RSUs vest over a two-year period from the date of grant, as follows: 25% after 6 months from date of grant and the remaining shares vest in 6 equal installments every 3 months thereafter, and
- b. 4,000 RSUs vest as follows: 12.5% vest on June 28, 2021 and the remaining shares vest in 7 equal installments every 3 months thereafter.

(5) Grant of RSUs was made pursuant to our 2016 Plan. The grant vests as follows:

- a. 8,000 RSUs vest over a two-year period from the date of grant, as follows: 25% after 6 months from date of grant and the remaining shares vest in 6 equal installments every 3 months thereafter,
- b. 5,000 RSUs vest as follows: 12.5% vest on March 19, 2021 and the remaining shares vest in 7 equal installments every 3 months thereafter, and,
- c. 3,000 RSUs vest upon achievement of certain operational and financial goals.

In conjunction with Mr. Egozi's departure as CFO, 172,500 out of 272,500 RSUs outstanding as of June 30, 2019, vested in July 2019, while the remaining outstanding RSUs were forfeited.

Outstanding Equity Awards at the End of Fiscal Year 2019

The following table presents the outstanding equity awards held as of June 30, 2019 by our named executive officers:

Name	Number of Securities Underlying Unexercised	
	Stock Awards	
	Number of shares that have not vested (#)	Market value of shares that have not vested (\$)
Zami Aberman	100,000(1)	\$ 620,000
	47,500(2)	\$ 294,500
Yaky Yanay	100,000(1)	\$ 620,000
	46,000(3)	\$ 285,200
Erez Egozi (10)	7,500(4)	\$ 46,500
	5,750(5)	\$ 35,650
	14,000(6)	\$ 86,800
Chen Franco-Yehuda	1,550(7)	\$ 9,610
	2,350(8)	\$ 14,570
	10,000(9)	\$ 62,000

(1) 100,000 RSUs vest in 8 equal installments of 12,500 on September 22, 2019 and every 3 months thereafter.

- (2) 47,500 RSUs vest as follows:
- a. 22,500 RSUs vest in 6 equal installments of 3,750 on September 19, 2019 and every 3 months thereafter, and
 - b. 25,000 RSUs vest in 8 equal installments of 3,125 on March 19, 2021 and every 3 months thereafter.
- (3) 46,000 RSUs vest as follows:
- a. 21,000 RSUs vest in 6 equal installments of 3,500 on September 19, 2019 and every 3 months thereafter, and
 - b. 25,000 RSUs vest in 8 equal installments of 3,125 on March 19, 2021 and every 3 months thereafter.
- (4) 7,500 RSUs vest in 8 equal installments of 937.5 on September 22, 2019 and every 3 months thereafter.
- (5) 5,750 RSUs vest as follows:
- a. 750 RSUs vest in 2 equal installments of 375 on September 14, 2019 and December 14, 2019,
 - b. 5,000 RSUs vest as follows: 50% vest on June 14, 2020 and 50% vest on June 14, 2021, and
- (6) 14,000 RSUs vest as follows:
- a. 6,000 RSUs vest in 6 equal installments of 375 on September 19, 2019 and every 3 months thereafter,
 - b. 5,000 RSUs vest in 8 equal installments of 3,125 on March 19, 2021 and every 3 months thereafter, and
 - c. 3,000 RSUs vest upon achievement of certain operational and financial goals.
- (7) 1,550 RSUs vest as follows:
- a. 300 RSUs vest in 2 equal installments of 150 on September 14, 2019 and December 14, 2019, and
 - b. 1,250 RSUs vest as follows: 50% vest on June 14, 2020 and 50% vest on June 14, 2021.
- (8) 2,350 RSUs vest as follows:
- a. 750 RSUs vest in 6 equal installments of 125 on September 19, 2019 and every 3 months thereafter,
 - b. 1,000 RSUs vest in 8 equal installments of 125 on March 19, 2021 and every 3 months thereafter, and
 - c. 600 RSUs vest on December 19, 2022.

(9) 10,000 RSUs vest as follows:

- a. 6,000 RSUs vest as follows: 25% after 6 months from date of grant and the remaining shares vest in 6 equal installments every 3 months thereafter, and
- b. 4,000 RSUs vest as follows: 12.5% vest on June 28, 2021 and the remaining shares vest in 7 equal installments every 3 months thereafter.

(10) In conjunction with Mr. Egozi's departure as CFO, 17,250 out of 27,250 RSUs outstanding as of June 30, 2019, vested in July 2019, while the remaining outstanding 10,000 RSUs were forfeited on July 16, 2019.

Option Exercises and Stock Vested

The following table presents the named executive officers' RSUs that vested during Fiscal Year 2019 by our named executive officers. No options were exercised by our named executive officers, and 11,000 and 5,500 options granted to our Executive Chairman and our CEO, respectively, expired in Fiscal Year 2019.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Zami Aberman	62,500	547,750
Yaky Yanay	62,000	544,900
Chen Yehuda-Franco	1,088	10,103
Erez Egozi	10,075	86,050

Long-Term Incentive Plans-Awards in Last Fiscal Year

We have no long-term incentive plans, other than the 2016 Plan and the 2019 Equity Compensation Plan..

Compensation of Directors

The following table provides information regarding compensation earned by, awarded or paid to each person for serving as a director who is not an executive officer during Fiscal Year 2019:

Name	Fees Earned or Paid in Cash (\$)	Stock-based Awards (\$)(1)	Total (\$)
Mark Germain	20,933	97,223	118,156
Nachum Rosman	29,722	98,528	128,250
Doron Shorrer	29,650	98,528	128,178
Hava Meretzki	26,401	70,470	96,871
Isaac Braun	23,911	70,470	94,381
Israel Ben-Yoram	29,690	86,783	116,473
Moria Kwiat	25,858	58,725	84,583

(1) The fair value recognized for the stock-based awards was determined as of the grant date in accordance with ASC 718. Assumptions used in the calculations for these amounts are included in Note 2(l) to our consolidated financial statements for Fiscal Year 2019 included in our 2019 Annual Report.

We reimburse our directors for expenses incurred in connection with attending board meetings according to a written and Board approved policy. We provide the following compensation for directors: effective as of September 12, 2018, we increased the annual director compensation from \$12,500 to \$15,000; meeting participation fees of \$935 per in-person meeting; and for meeting participation by telephone, \$435 per meeting. The Board has determined that the dollar rate would be not less than 4.25 NIS per dollar. On June 30, 2019, our Board, upon the recommendation of our Compensation Committee, approved the reduction of the annual fees paid to each of our directors, by 25% from their current levels until the earlier of closing market capitalization on the Nasdaq Capital Market reaching \$170 million; or (2) June 30, 2020.

The non-executive directors, as a group, are also entitled to two and a half percent (2.5%) in cash based on amounts received by us from non-diluting funding and strategic deals, as determined by the Board and/or the Compensation Committee.

During Fiscal Year 2019, we paid a total of \$186,165 in cash to directors as compensation. This amount does not include compensation to Mr. Aberman and Mr. Yanay in their capacity as directors, which is reflected in the Summary Compensation Table for Fiscal Year 2019 above. As of June 30, 2019, we granted our non-executive directors 492,576 options, restricted shares and RSUs (not including 74,392 options that expired by June 30, 2019) of which 327,485 were exercisable or vested, as the case may be, as follows:

Name	Total of Options, restricted shares and RSUs Granted	Total of restricted shares and RSUs exercisable and vested
Mark Germain	80,646(1)	44,773
Nachum Rosman	83,596(2)	45,319
Doron Shorrer	87,596(3)	69,543
Hava Meretzki	58,621(4)	46,078
Isaac Braun	58,621(5)	46,078
Israel Ben-Yoram	87,746(6)	52,725
Moria Kwiat	35,750	22,969
Total	492,576	327,485

(1) Excludes 30,750 options that expired at or prior to June 30, 2019.

(2) Excludes 6,375 options that expired at or prior to June 30, 2019.

(3) Excludes 11,676 options that expired at or prior to June 30, 2019.

(4) Excludes 9,520 options that expired at or prior to June 30, 2019.

(5) Excludes 9,393 options that expired at or prior to June 30, 2019.

(6) Excludes 6,678 options that expired at or prior to June 30, 2019.

For all directors, the vesting of directors' stock options, RSUs and restricted stock accelerates in the following circumstances: (1) termination of a director's position by the stockholders will result in the acceleration of 100% of any unvested award and (2) termination of a director's position by resignation will result in the acceleration of 50% of any unvested award.

Other than as described above, we have no present formal plan for compensating our directors for their service in their capacity as directors. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our Board as per policy approved by our Compensation Committee. The Board may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director.

Other than indicated above, no director received and/or accrued any compensation for his or her services as a director, including committee participation and/or special assignments during Fiscal Year 2019.

REPORT OF THE AUDIT COMMITTEE

In the course of our oversight of the Company's financial reporting process, we have: (1) reviewed and discussed the audited financial statements for Fiscal Year 2019 with management; (2) discussed with the Independent Auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the Commission; (3) received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the standards of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence; (4) discussed with the independent registered public accounting firm its independence; and (5) considered whether the provision of nonaudit services by the independent registered public accounting firm is compatible with maintaining its independence and concluded that it is compatible at this time.

Based on the foregoing review and discussions, the Audit Committee recommended to the Board that the audited financial statements be included in our 2019 Annual Report, for filing with the SEC.

By the Audit Committee of the Board of
Directors of Pluristem Therapeutics Inc.
Doron Shorrer, Chairman
Nachum Rosman
Israel Ben-Yoram

INFORMATION CONCERNING OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has retained the Independent Auditors, as our independent registered public accounting firm for Fiscal Year 2019. The Independent Auditors have performed the audit of our financial statements since inception. Neither the Independent Auditors nor any of its directors has any direct or indirect financial interest in or any connection with us in any capacity other than as auditors. We do not expect to have a representative of the Independent Auditors attend the Meeting. The following table summarizes the fees the Independent Auditors billed for the last two fiscal years:

	Twelve months ended on June 30, 2019	Twelve months ended on June 30, 2018
Audit Fees	\$ 172,014	\$ 126,747
Audit-Related Fees	None	None
Tax Fees	\$ 19,831	\$ 40,829
All Other Fees	\$ 26,231	\$ 21,134
Total Fees	\$ 218,076	\$ 188,710

Audit Fees. These fees were comprised of (i) professional services rendered in connection with the audit of our consolidated financial statements for our Annual Report on Form 10-K and internal control over financial reporting, (ii) the review of our quarterly consolidated financial statements for our quarterly reports on Form 10-Q, (iii) audit services provided in connection with other regulatory or statutory filings and (iv) fees related to a public offering we closed in April 2019 and with respect to the Open Market Sales AgreementSM with Jefferies LLC.

Tax Fees. These fees relate to our tax compliance and tax advisory projects.

All Other Fees. These fees were comprised of fees related to assistance in preparation of Israel Innovation Authority as well as other grant applications.

Pre-Approval Policies and Procedures

SEC rules require that before the Independent Auditors are engaged by us to render any auditing or permitted non-audit related service, the engagement be:

1. pre-approved by our Audit Committee; or
2. entered into pursuant to pre-approval policies and procedures established by the Audit Committee, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service, and such policies and procedures do not include delegation of the Audit Committee's responsibilities to management.

The Audit Committee pre-approves all services provided by our independent registered public accounting firm. All of the above services and fees were reviewed and approved by the Audit Committee before the services were rendered.

The Audit Committee has considered the nature and amount of fees billed by the Independent Auditors, and believes that the provision of services for activities unrelated to the audit is compatible with maintaining the Independent Auditors' independence.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Audit Committee reviews and monitors all related person transactions which may be entered into by the Company as required by rules of Nasdaq.

Except for the compensation arrangements described above, no director, executive officer, principal stockholder holding at least 5% of our Common Stock, or any family member thereof, had or will have any material interest, direct or indirect, in any transaction, or proposed transaction, during Fiscal Year 2019 in which the amount involved in the transaction exceeded or exceeds the lesser of, \$120,000 or one percent of our total assets at the end of Fiscal Year 2019.

STOCKHOLDER PROPOSALS

Stockholders who wish to submit proposals for inclusion in our proxy statement and form of proxy relating to our next annual meeting of stockholders must advise our Secretary of such proposals in writing by December [], 2020.

Stockholders who wish to present a proposal at our next annual meeting of stockholders without inclusion of such proposal in our proxy materials must advise our Secretary of such proposals in writing by February [], 2021.

We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these requirements.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, to the best knowledge and belief of the Company, as of, May 7, 2020 (unless provided herein otherwise), with respect to holdings of our Common Stock by (1) each person known by us to be the beneficial owner of more than 5% of the total number of shares of our Common Stock outstanding as of such date; (2) each of our current directors; (3) each of our named executive officers; and (4) all of our current directors and our current executive officers as a group.

Name and Address of Beneficial Owner	Beneficial Number of Shares(1)	Percentage
<u>Directors and Named Executive Officers</u>		
Zami Aberman Executive Chairman of the Board (and previously Co-CEO)	429,755(2)	1.7%
Yaky Yanay CEO, President and Director	357,098(2)	1.4%
Chen Franco-Yehuda CFO	8,991	*
Erez Egozi Former CFO	4,500	*
Israel Ben-Yoram Director	74,331(2)	*
Isaac Braun Director	60,691(3)	*
Mark Germain Director	51,179	*
Moria Kwiat Director	32,622(4)	*
Hava Meretzki Director	61,891(5)	*
Nachum Rosman Director	51,812	*
Doron Shorrer Director	78,893(6)	*
<u>Directors and Executive Officers as a group (10 persons)</u>	1,207,263(7)	4.9%
<u>5% Stockholders</u>		
Clover Wolf Capital – Limited Partnership	1,865,000(8)	7.5%

* = less than 1%

- (1) Based on 24,906,852 shares of Common Stock issued and outstanding as of May 7, 2020. Except as otherwise indicated, we believe that the beneficial owners of the Common Stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of Common Stock subject to options, warrants or right to purchase or through the conversion of a security currently exercisable or convertible, or exercisable or convertible within 60 days, are reflected in the table above and are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.
- (2) Includes warrants to acquire up to 7,143 shares.
- (3) Includes warrants to acquire up to 5,000 shares.
- (4) Includes warrants to acquire up to 2,858 shares.
- (5) Includes 11,200 shares owned by Mrs. Meretzki's husband, Shai Meretzki.
- (6) Includes warrants to acquire up to 1,429 shares.
- (7) Includes warrants to acquire up to 30,716 shares.
- (8) Based solely on information contained in Form 13G filed with the SEC on April 29, 2020, and data provided by the holder. Clover Wolf Ltd. is the General Partner of Clover Wolf Capital – Limited Partnership. Adi Wolf is the Managing Member and Chief Executive Officer of Clover Wolf Capital – Limited Partnership and also the Chief Executive Officer of Clover Wolf Ltd. All investment decisions are made by Adi Wolf, and thus the power to vote or direct the votes of these shares of Common Stock, as well as the power to dispose or direct the disposition of such shares of Common Stock is held by Adi Wolf through Clover Wolf Capital – Limited Partnership and Clover Wolf Ltd.

HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement or annual report may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you call or write us at the address shown on the first page of this proxy statement. If you want to receive separate copies of the annual report and any proxy statement in the future or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holders, or you may contact us at Pluristem Therapeutics, Inc., Matam Advanced Technology Park Building No. 5, Haifa, Israel, 3508409 or by phone at 011-972-74-710-8600.

OTHER MATTERS

As of the date of this proxy statement, our management knows of no matter not specifically described above as to any action which is expected to be taken at the Meeting. The persons named in the enclosed proxy, or their substitutes, will vote the proxies, insofar as the same are not limited to the contrary, in their best judgment, with regard to such other matters and the transaction of such other business as may properly be brought at the Meeting.

VOTING

IF YOU ARE THE HOLDER OF RECORD OF YOUR SHARES, YOU MAY VOTE YOUR SHARES OVER THE INTERNET AT WWW.VOTEPROXY.COM OR OVER THE TELEPHONE BY CALLING TOLL-FREE 1-800-PROXIES (1-800-776-9437) IN THE UNITED STATES OR 1-718-921-8500 FROM FOREIGN COUNTRIES AND FOLLOWING THE INSTRUCTIONS ON THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS AND PROXY CARD.

IF YOU DO NOT WISH TO VOTE BY INTERNET OR TELEPHONE, YOU MAY REQUEST A PAPER PROXY CARD. IF YOU CHOOSE TO DO SO, PLEASE DATE, SIGN AND RETURN THE PROXY CARD AT YOUR EARLIEST CONVENIENCE IN THE RETURN ENVELOPE THAT WE SEND YOU UPON YOUR REQUEST.

A PROMPT RETURN OF A PAPER PROXY CARD WILL BE APPRECIATED AS IT WILL SAVE THE EXPENSE OF FURTHER COMMUNICATIONS OR MAILINGS.

By Order of the Board of Directors

/s/ Yaky Yanay

Yaky Yanay
Chief Executive Officer and President

Haifa, Israel
May [], 2020

Annex A

Pluristem Therapeutics, Inc.

Amendment to Articles of Incorporation

WHEREAS, the board of directors of Pluristem Therapeutics, Inc. (the “Corporation”) has determined that it is advisable and in the best interests of the Corporation to increase its authorized share capital in order to provide the Corporation flexibility in its ability to conduct capital offerings through the issuance of its authorized share capital;

WHEREAS, the Corporation’s authorized share capital consists of (i) Thirty Million (30,000,000) shares of common stock, par value \$0.00001 each and (ii) One Million (1,000,000) shares of preferred stock, par value \$0.00001 each, which may be issued in one or more series at the discretion of the Board of Directors, of which shares of the Corporation’s common stock are issued and outstanding and shares of the Corporation’s common stock remain issuable, and of which no shares of the Corporation’s preferred stock are issued and outstanding and 1,000,000 shares of the Corporation’s preferred stock remain issuable;

NOW, THEREFORE, effective upon receipt of stockholder approval and subject to the filing of the Articles of Incorporation with the Secretary of the State of Nevada, Article 4 of our Articles of Incorporation will be amended to read as follows:

“4. The aggregate number of shares which the corporation shall have authority to issue is: (i) sixty million (60,000,000) shares of Common Stock, par value \$0.00001 each (the “Common Stock”), and (ii) One Million (1,000,000) shares of preferred stock, par value \$0.00001 each, which may be issued in one or more series at the discretion of the Board of Directors (the “Preferred Stock”). The Board of Directors is hereby vested with authority to fix by resolution or resolutions the designations and the powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation the dividend rate, conversion or exchange rights, redemption price and liquidation preference, of any series of shares of Preferred Stock, and to fix the number of shares constituting any such series, and to increase or decrease the number of shares of any such series (but not below the number of shares thereof then outstanding). In case the number of shares of any such series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution or resolutions originally fixing the number of shares of such series. All shares of any one series shall be alike in every particular except as otherwise provided by these Articles of Incorporation or the Nevada Revised Statutes.”

In all other respects the Articles of Incorporation shall remain unchanged and in full force and effect.

PLURISTEM THERAPEUTICS INC.
ANNUAL MEETING OF STOCKHOLDERS

June 29, 2020

PROXY CARD

THE FOLLOWING PROXY IS BEING SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF PLURISTEM THERAPEUTICS INC.

The undersigned stockholder of Pluristem Therapeutics Inc. (the “Company”) hereby appoints Zami Aberman and Yaky Yanay, or any of them, as proxy and attorney of the undersigned, for and in the name(s) of the undersigned, to attend the annual meeting of stockholders of the Company (the “Stockholders Meeting”) to be held at the Company’s offices at Matam Advanced Technology Park Building No. 5, Haifa, Israel, 3508409 on June 29, 2020 at 4:00 p.m. local time, and any adjournment thereof, to cast on behalf of the undersigned all the votes that the undersigned is entitled to cast at such meeting and otherwise to represent the undersigned at the Stockholders Meeting with all powers possessed by the undersigned if personally present at the Stockholders Meeting, including, without limitation, to vote and act in accordance with the instructions set forth below. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and revokes any proxy heretofore given with respect to such meeting.

THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST AS INSTRUCTED BELOW.

IF THIS PROXY CARD IS EXECUTED BUT NO INSTRUCTION IS GIVEN WITH RESPECT TO ANY PROPOSAL SPECIFIED HEREIN, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST “FOR” EACH NOMINEE IN PROPOSAL NO. 1 AND “FOR” PROPOSAL NO. 2 AND PROPOSAL NO. 3.

VOTE VIA THE INTERNET: www.voteproxy.com

VOTE VIA THE TELEPHONE: 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries and follow the instructions.

(Continued and to be signed on the reverse side)

ANNUAL MEETING OF STOCKHOLDERS OF

PLURISTEM THERAPEUTICS INC.

June 29, 2020

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card are available at
<http://www.astproxyportal.com/ast/15665/>

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

Please detach along perforated line and mail in the envelope provided.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE
 DIRECTOR NOMINEES LISTED IN PROPOSAL NO. 1 AND "FOR" PROPOSAL NO. 2 AND PROPOSAL NO. 3.**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK
 YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒**

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Stockholders Meeting.

1. Proposal No. 1 - Election of Directors: To elect the following nominees to the Board of Directors to serve as directors of the Company until the next annual meeting of the stockholders and until their successors shall have been duly elected and qualified:

	FOR	AGAINST	ABSTAIN
Zami Aberman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Israel Ben-Yoram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Isaac Braun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Germain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Moria Kwiat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nachum Rosman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doron Shorrer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yaky Yanay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Proposal No. 2 - To ratify the selection of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as independent registered public accounting firm of the Company for the fiscal year ending June 30, 2020.

☐ ☐ ☐

3. Proposal No. 3 – To approve an amendment to the Articles of Incorporation of the Company to increase the number of authorized shares of common stock from thirty million (30,000,000) shares, par value \$0.00001 per share, to sixty million (60,000,000) shares, par value \$0.00001 per share.

☐ ☐ ☐

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

☐ MARK "X" HERE IF YOU PLAN TO ATTEND THE MEETING.

☐

Signature of
Stockholder

Date:

Signature of
Stockholder

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.