UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE BRAINSTORM CELL THERAPEUTICS, INC. DERIVATIVE LITIGATION	Lead Case No. 1:24-cv-01095-DEH **EXHIBIT C**

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF STOCKHOLDER DERIVATIVE MATTERS

TO: **ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF BRAINSTORM CELL THERAPEUTICS INC. ("BRAINSTORM" OR THE "COMPANY") COMMON STOCK AS OF NOVEMBER 2, 2026, WHO CONTINUE TO OWN SUCH SHARES ("CURRENT BRAINSTORM STOCKHOLDERS").**

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL WITH PREJUDICE OF STOCKHOLDER DERIVATIVE LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

IF THE COURT APPROVES THE SETTLEMENT OF THE DERIVATIVE MATTERS, BRAINSTORM STOCKHOLDERS WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND DISMISSAL WITH PREJUDICE, AND FROM PURSUING SETTLING PLAINTIFF PARTIES' RELEASED CLAIMS.

THIS ACTION IS NOT A "CLASS ACTION." THUS, THERE IS NO COMMON FUND UPON WHICH YOU CAN MAKE A CLAIM FOR A MONETARY PAYMENT.

PLEASE TAKE NOTICE that this action is being settled on the terms set forth in a Stipulation and Agreement of Settlement dated November 2, 2026 (the "Stipulation"). The purpose of this Notice is to inform you of:

- the existence of the above-captioned consolidated stockholder derivative action pending in the United States District Court for the Southern District of New York (the "Court"), styled *In Re Brainstorm Cell Therapeutics, Inc. Derivative Litigation*, Lead Case No. 1:24-cv-01095-DEH (S.D.N.Y.) (the "Derivative Action");

- the existence of an action pending in the Delaware Court of Chancery to compel inspection of Brainstorm's books and records pursuant to 8 *Del. C.* § 220, styled *Shari Roth v. Brainstorm Cell Therapeutics Inc.*, C.A. No. 2025-1507-DG (Del. Ch.) (the "220 Action") and the associated inspection demand pursuant to 8 *Del. C.* § 220 (the "220 Demand");

- the existence of two litigation demands on the Board of Directors of Brainstorm (the "Litigation Demands," and together with the Derivative Action, 220 Action, and 220 Demand, the "Derivative Matters");

- the proposed settlement between Settling Plaintiff Parties and Defendants (together, "Settling Parties") reached in the Derivative Matters (the "Settlement");

- the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement and dismissal of the Derivative Action with prejudice;

- Settling Plaintiff Parties' Counsel's application to the Court for the Fee and Expense Amount; and

• Settling Plaintiff Parties' Counsel's application to the Court for case Service Awards to the six Settling Plaintiff Parties.[1]

This Notice describes what steps you may take in relation to the Settlement. This Notice is not an expression of any opinion by the Court about the truth or merits of Settling Plaintiff Parties' claims or Defendants' defenses. This Notice is solely to advise you of the proposed Settlement of the Derivative Matters and of your rights in connection with the proposed Settlement.

Summary

On November 2, 2026, Brainstorm, in its capacity as a nominal defendant, entered into the Stipulation to resolve the Derivative Matters, which Stipulation was filed in the Court. The Derivative Action was prosecuted derivatively on behalf of Brainstorm against certain current and former directors and officers of the Company and against Brainstorm as a nominal defendant. The 220 Action was prosecuted against Brainstorm to compel the inspection of Brainstorm's books and records pursuant to 8 *Del. C.* § 220. The Litigation Demands were served on Brainstorm's Board of Directors to investigate substantially the same wrongdoing as alleged in the Derivative Action. The Stipulation and the settlement contemplated therein (the "Settlement"), subject to the approval of the Court, are intended by the Settling Parties to fully, finally, and forever compromise, resolve, discharge, and settle Settling Plaintiff Parties' Released Claims and to result in the dismissal of the Derivative Matters with prejudice, upon the terms and subject to the conditions set forth in the Stipulation. The proposed Settlement provides for the adoption and maintenance of certain corporate governance reforms and procedures, as outlined in Exhibit A to the Stipulation (the "Reforms").

In recognition of the substantial benefits conferred upon Brainstorm as a direct result of the Reforms achieved through the prosecution and Settlement of the Derivative Matters, and subject to Court approval, the Settling Parties agreed that Defendants' insurers shall pay to Settling Plaintiff Parties' Counsel attorneys' fees and expenses in the amount of seven hundred twenty-five thousand dollars ($725,000.00) (the "Fee and Expense Amount"), subject to Court approval. Settling Plaintiff Parties' Counsel shall also apply to the Court for service awards to be paid to the six Settling Plaintiff Parties in an amount of up to two thousand five hundred dollars ($2,500.00) each (the "Service Awards"), to be paid out of the Fee and Expense Amount.

This notice is a summary only and does not describe all of the details of the Stipulation and its exhibits. For full details of the matters discussed in this summary, please see the full Stipulation and its exhibits posted on the Investors & Media page of the Company's website, www.brainstorm-cell.com/investors/, contact Settling Plaintiff Parties' Counsel as set forth below, or inspect the full Stipulation and its exhibits filed with the Clerk of the Court.

What are the Derivative Matters About?

[1] Except as otherwise expressly provided below, all capitalized terms contained herein shall have the same meaning as set forth in the Stipulation.

The Derivative Action is brought derivatively on behalf of nominal defendant Brainstorm and alleges that between February 18, 2020, and September 27, 2023, the Individual Defendants breached their fiduciary duties to the Company by personally making and/or causing the Company to make to the investing public a series of materially false and misleading statements regarding the Company's business, operations, and prospects. Settling Plaintiff Parties specifically allege that the Individual Defendants willfully or recklessly made and/or caused the Company to make false and misleading statements that failed to disclose, *inter alia*, that: (i) the U.S. Food and Drug Administration ("FDA") had already invalidated Brainstorm's "floor effect" hypothesis, which was based on misleading, post hoc analysis; (ii) certain Chemistry, Manufacturing, and Control issues were not "trivial," and instead, the FDA informed the Company in a Refuse to File letter that manufacturing was "grossly deficient" and "critical information" was left out; (iii) the FDA had raised other "red flags," namely there were over three times the number of deaths in the treatment group for the Phase 3 trial of the Company's amyotrophic lateral sclerosis treatment, NurOwn, compared to placebo and more adverse events which raised serious safety concerns; and (iv) as a result of the foregoing, the Individual Defendants' statements about Brainstorm's business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

The 220 Action was brought against Brainstorm to compel the inspection of Brainstorm's books and records pursuant to 8 *Del. C.* § 220 related to substantially the same wrongdoing alleged in the Derivative Action.

The Litigation Demands were served on Brainstorm's Board of Directors to investigate substantially the same wrongdoing as alleged in the Derivative Action.

Why is there a Settlement of the Derivative Matters?

The Court has not decided in favor of Defendants or Settling Plaintiff Parties. Instead, the Settling Parties agreed to the Settlement to avoid the distraction, costs, and risks of further litigation, and because the Settling Parties agree that the Reforms that the Company will adopt, implement, and maintain provide substantial benefits to Brainstorm and its stockholders.

Defendants deny and continue to deny that they have committed or engaged in any wrongdoing or violation of law whatsoever. Defendants further deny and continue to deny each and every contention alleged by Settling Plaintiff Parties in the Derivative Matters. Each of the Individual Defendants expressly denies and continues to deny all charges of wrongdoing or liability against himself, herself, or themselves arising out of, based upon, related to, or in connection with any of the conduct, statements, acts, or omissions alleged, which could have been alleged, or which could in the future be alleged in the Derivative Matters. Each of the Defendants contends that he/she/they or it has acted properly, lawfully, and in full accord with their fiduciary duties at all times, and deny that he/she/they or it has ever committed or attempted to commit any breach of fiduciary duty owed to the Company and its stockholders or engaged in any wrongdoing whatsoever. Had the terms of the Stipulation not been reached, Defendants would have continued to deny Settling Plaintiff Parties' claims, and each of the Defendants maintains that he/she/they or it had and has meritorious defenses to all of the claims and allegations in the Derivative Matters. Without admitting the validity of any of the claims that Settling Plaintiff Parties have asserted in the Derivative Matters, or any liability with respect thereto, Defendants have considered the

uncertainty and risks inherent in any litigation, the costs and burdens of continued litigation, the substantial benefits conferred by the Settlement, and related considerations, and have determined that it would be serve the interests of Brainstorm and its stockholders to settle the Derivative Matters in the manner and upon the terms and conditions set forth in this Stipulation.

The Settlement Hearing, and Your Right to Object to the Settlement

On November 10, 2026, the Court entered an order preliminarily approving the Stipulation and the Settlement contemplated therein (the "Preliminary Approval Order") and providing for notice of the Settlement to be provided to Current Brainstorm Stockholders. The Preliminary Approval Order further provides that the Court will hold a hearing on January 5, 2027 at 10:00 a.m. before the Honorable Dale E. Ho, at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007, in Courtroom 905 (the "Settlement Hearing") to, among other things, determine: (i) whether the terms of the Stipulation should be approved as fair, reasonable, and adequate; (ii) whether the notice of the Settlement fully satisfied the requirements of Rule 23.1 of the Federal Rules of Civil Procedure and the requirements of due process; (iii) whether all Released Claims against the Released Persons should be fully and finally released; (iv) whether the agreed-to Fee and Expense Amount and Service Awards should be approved; and (v) such other matters as the Court may deem appropriate.

The Court may, in its discretion, change the date and/or time of the Settlement Hearing without further notice to you. If you intend to attend the Settlement Hearing, please consult the Court's calendar or the Investors & Media page of the Company's website, www.brainstorm-cell.com/investors/, for any change to the date and/or time of the Settlement Hearing.

Any Current Brainstorm Stockholder who wishes to object to the fairness, reasonableness, or adequacy of the Settlement as set forth in the Stipulation, or to the Fee and Expense Amount or Service Awards, may file with the Court a written objection. An objector must, at least twenty-one (21) days prior to the Settlement Hearing: (1) file with the Clerk of the Court and serve (either by hand delivery or by first class mail) upon the below listed counsel a written objection to the Settlement setting forth (i) a written notice of objection with the case name and number (*In re Brainstorm Cell Therapeutics, Inc. Derivative Litigation*, Lead Case No. 1:24-cv-01095-DEH (S.D.N.Y.)); (ii) the Person's name, legal address, and telephone number; (iii) notice of whether such Person intends to appear at the Settlement Hearing and the reasons such Person desires to appear and be heard, and whether such Person is represented by counsel and if so, contact information for counsel; (iv) competent evidence that such Person held shares of Brainstorm common stock as of the date of the Stipulation and continues to hold such stock as of the date the objection is made, including the date(s) such shares were acquired; (v) the identities of any cases, by name, court, and docket number, in which the shareholder or his, her, or its attorney has objected to a settlement in the last three years; (vi) a statement of objections to any matters before the Court, the grounds therefor, as well as all documents or writings such Person desires the Court to consider; and (vii) the identities of any witnesses such Person plans on calling at the Settlement Hearing, along with a summary description of their expected testimony. Any objector who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall be foreclosed from raising any objection to the Settlement and from objecting at the Settlement Hearing, except for good cause shown.

IF YOU MAKE A WRITTEN OBJECTION, IT MUST BE RECEIVED BY THE CLERK OF THE COURT NO LATER THAN DECEMBER 15, 2026. The Clerk's address is:

Clerk of the Court
United States District Court for the Southern District of New York
Thurgood Marshall United States Courthouse
40 Foley Square
New York, NY 10007

YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO SETTLING PLAINTIFF PARTIES' COUNSEL AND DEFENDANTS' COUNSEL SO THEY ARE RECEIVED NO LATER THAN DECEMBER 15, 2026. Counsel's addresses are:

Co-Lead Counsel for Plaintiffs:
THE BROWN LAW FIRM, P.C.
Timothy Brown
1350 Avenue of the Americas, Suite 1200
New York, NY 10019
Telephone: (516) 922-5427

BRAGAR EAGEL & SQUIRE, P.C.
J. Brandon Walker
1675 Broadway, 14th Floor
New York, NY 10019
Telephone: (212) 308-5858

Counsel for Defendants:
GOODWIN PROCTER LLP
Douglas H. Flaum
Charles A. Brown
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Telephone: (212) 813-8800

An objector may file an objection on his, her, or its own or through an attorney hired at his, her, or its own expense. If an objector hires an attorney to represent him, her, or it for the purposes of making such objection, the attorney must serve (either by hand delivery or by first class mail) a notice of appearance on the counsel listed above and file such notice with the Court no later than twenty-one (21) calendar days before the Settlement Hearing. Any Brainstorm stockholder who does not timely file and serve a written objection complying with the above terms shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement, and any untimely objection shall be barred.

Any objector who files and serves a timely, written objection in accordance with the instructions above, may appear at the Settlement Hearing either in person or through counsel

retained at the objector's expense. Objectors need not attend the Settlement Hearing, however, in order to have their objections considered by the Court.

If you are a Current Brainstorm Stockholder and do not take steps to appear in this action and object to the proposed Settlement, you will be bound by the Judgment of the Court and will forever be barred from raising an objection to the settlement in the Derivative Matters, and from pursuing any of the Released Claims.

CURRENT BRAINSTORM STOCKHOLDERS AS OF NOVEMBER 2, 2026 WHO HAVE NO OBJECTION TO THE SETTLEMENT DO NOT NEED TO APPEAR AT THE SETTLEMENT HEARING OR TAKE ANY OTHER ACTION.

Interim Stay and Injunction

Pending the Court's determination as to final approval of the Settlement, Settling Plaintiff Parties and all other Brainstorm stockholders, derivatively on behalf of Brainstorm, are barred and enjoined from commencing, prosecuting, instigating, continuing, or in any way participating in the commencement or prosecution of any action asserting any Settling Plaintiff Parties' Released Claims derivatively against any of the Defendants' Released Persons.

Scope of the Notice

This Notice is a summary description of the Derivative Matters, the complaints, the demands, the terms of the Settlement, and the Settlement Hearing. For a more detailed statement of the matters involved in the Derivative Matters, reference is made to them in the Stipulation and its exhibits, copies of which may be reviewed and downloaded at the Investors & Media page of the Company's website, www.brainstorm-cell.com/investors/.

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You may obtain further information by contacting Settling Plaintiff Parties' Counsel at: Timothy Brown, The Brown Law Firm, P.C., 1350 Avenue of the Americas, Suite 1200, New York, NY 10019, Telephone: (516) 922-5427, E-mail: tbrown@thebrownlawfirm.net or J. Brandon Walker, Bragar Eagel & Squire, P.C., 1675 Broadway, 14th Floor, New York, NY 10019, Telephone: (212) 308-5858, E-mail: walker@bespc.com.

PLEASE DO NOT CALL THE COURT OR DEFENDANTS WITH QUESTIONS ABOUT THE SETTLEMENT.