



***UNOFFICIAL TRANSLATION***  
***The Hebrew Version Is The Binding Version***

**STRAUSS GROUP LTD.**

**REMUNERATION POLICY FOR OFFICERS OF THE COMPANY<sup>1</sup>**

**Part "A" – Goals and Principles**

**1. Goals of the Remuneration Policy**

The Remuneration Policy in place at Strauss Group Ltd. (the "**Company**"), a company with extensive international operations spanning different geographical regions and diverse product categories, is designed to further the following goals:

- 1.1 Advance the goals of the Company, its policies and work plan in the long term.
- 1.2 Create a reasonable and suitable remuneration and incentivization system considering the distinctive features of the Company, its business, global spread and multicultural complexity, risk management policy and the desired relationships with stakeholders.
- 1.3 Build effective recruitment, retention and motivation capabilities in regard to senior executives who are suited to lead the Company to sustainable, long-term success and who possess high-level skills and a values-driven orientation, who will head the Company in the long term and lead it to accomplishing its vision and business goals, while cultivating its uniqueness and empowering its culture and values for the benefit of all its stakeholders.
- 1.4 Create a performance-based culture and remuneration policy that drive and link the performance and contribution of the Company's officers to the accomplishment of the Company's goals while ensuring attention to risk management and taking a long-term view.

**2. Remuneration: Components and Mix**

- 2.1 The remuneration of officers of the Company comprises three components<sup>2</sup>:
  - 2.1.1 Fixed remuneration component – base salary, accompanying benefits and retirement benefits: A fixed component that provides certainty and stability to the Company and its officers, and is based on the characteristics of the job and of the officer.
  - 2.1.2 Variable remuneration component – incentive: A yearly or special incentive based on the Company's long-term performance and on the officer's contribution to its performance, which incentivizes the officer to work to advance the Company's business

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<sup>1</sup> In this Policy, "officer" means an officer as defined in the Companies Law, who serves or shall serve in the Company from time to time.

<sup>2</sup> Officers are also entitled to indemnification and insurance by the Company, as described in Part "I" of the policy.



results in general, and the business affairs for which he is responsible in particular, all in accordance with the Company's policies and its business plans.

- 2.1.3 Variable remuneration component – equity based compensation: Links the officer's remuneration to the creation of shareholder value and incentivizes the officer to advance the best interests of the Company and its stakeholders, and the maximization of profits in the long term.
- 2.2 The mix of the various components is designed to create a balance and an appropriate ratio between the officers' fixed and variable remuneration in order to create a fitting remuneration package and suitable incentive for officers, and to build a remuneration system that is aligned with the goals of the Remuneration Policy.

Accordingly, the Company believes that the ratio between the fixed and variable remuneration components<sup>3</sup> in a single calendar year should be as follows:

- 2.2.1 For the Chairperson of the Board (who is not entitled to equity based compensation) – fixed remuneration component: between ~~60~~55% and 70% of the total remuneration package; variable remuneration components: between ~~40~~45% and 30% of the total remuneration package.
- 2.2.2 Company CEO – fixed remuneration component: between ~~20~~35% and ~~40~~50% of the total remuneration package; variable remuneration components: between ~~80~~65% and ~~60~~50% of the total remuneration package.
- 2.2.3 Other officers of the Company (not including directors) – fixed remuneration component: between 30% and 65% of the total remuneration package; variable remuneration components: between 70% and 35% of the total remuneration package.

### 3. Applicability

- 3.1 The Remuneration Policy is effective for 3 years, commencing on the date of its approval by the competent organs of the Company (hereinafter: the "**Applicability Period**"). It is understood that the remuneration components that shall be paid in the Applicability Period shall be calculated and determined according to the Remuneration Policy; ~~and that without derogating from the generality of the foregoing, the annual remuneration components in respect of the full year 2016 shall be calculated and determined according to the Remuneration Policy, even though it took effect during 2016.~~
- 3.2 The Remuneration Committee and the Board of Directors will review the necessity to revise the Remuneration Policy from time to time.

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<sup>3</sup> The variable remuneration components are based on the variable remuneration caps as defined in the Remuneration Policy; the equity component for the year is calculated according to economic value divided equally by the number of years until the date of vesting in full. It is emphasized that the ratios described in this clause represent the desired remuneration mix, but in practice, the variable remuneration component may be lower than the abovementioned percentages; e.g. in a year in which no incentive is paid, and in such case, the percentage of the fixed component in the remuneration mix may be higher than the abovementioned percentages.



- 3.3 The remuneration plan addresses the "conditions of office and employment" of "officers" or "office holders" of the Company, as they are defined in the Companies Law, 1999.
- 3.4 The Remuneration Policy shall not derogate from the conditions of office and employment which were approved prior to the approval of the Remuneration Policy.

## **Part "B" – The Fixed Remuneration Component<sup>4</sup>**

### **4. Base Salary**

- 4.1 The officer's monthly base salary (hereinafter: the "**Base Salary**") will be determined in reference to the following parameters (to the extent that they are relevant to the officer), subject to the caps specified in clause 4.3 below:
- 4.1.1 The officer's position and responsibilities;
  - 4.1.2 The officer's personal attributes, including his education, qualifications, expertise and professional experience<sup>5</sup>;
  - 4.1.3 The length of the officer's employment by the Company, his accomplishments in his position and his contribution to the Company;
  - 4.1.4 Previous employment conditions of the officer in the Company or those of his predecessors;
  - 4.1.5 The conditions of office and employment of managers in the Company and in companies controlled by the Company in Israel and other countries;
  - 4.1.6 The officer's geographical location;
  - 4.1.7 The extent of salary erosion;
  - 4.1.8 The officer's total remuneration package.
- 4.2 When determining the Base Salary, comparative data relating to officers of a similar rank or position (to the extent possible) in the "sample companies" will also be examined; "sample companies" are companies which are similar to the Company in the nature of their activity, their size, the scale of their business and the level of their managerial complexity. ~~(the "**Sample Companies**"). The companies included in the sample will meet as many of the following criteria as possible: companies active in the food trade, in industry or services, whose turnover exceeds one billion US dollars and whose head office is in Israel and have international operations. Comparative remuneration data will be based on public information or on a database provided by outside consultants. The sample will include at least five companies.~~

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<sup>4</sup> Use of the term "officer" in Parts "B", "C" and "D" is made for convenience and does not apply to directors and to the Company CEO. In regard to the remuneration of the Chairperson of the Board, see Part "F" of the policy. In regard to the remuneration of the CEO, see Part "G" of the policy. In regard to the remuneration of directors who are not employed by the Company, see Part "H" of the policy.

<sup>5</sup> It is noted that no binding preliminary requirements were determined in regard to personal characteristics for serving as an officer of the Company. For each position, the officer with the most suitable and optimal personal characteristics for the job will be chosen; these characteristics will be examined by the Remuneration Committee and the Board of Directors when determining the officer's Base Salary.



~~From time to time, the Remuneration Committee and the Board of Directors will review the identity of the Sample Companies and their conformity to as many characteristics as possible, as described above. It is understood that the Remuneration Committee and the Board of Directors may adapt the Sample Companies according to the position held by each officer, in such manner that the relevant companies will be chosen out of the companies included in the sample in regard to each specific position.~~

~~Generally, Company policy is that considering its size, managerial complexity, the geographical spread of its businesses, the diversity of its areas of activity and the scale of its investments, the comparative reference range to be considered (among other considerations) when determining the Base Salary of officers is between the 50<sup>th</sup> and 75<sup>th</sup> percentiles of the comparative wage data of the Sample Companies<sup>6</sup>. It is understood that the unique personal attributes of the officer or of his position will form a consideration and will allow for the expansion of the comparative point of reference in the framework of the Remuneration Policy to ensure alignment between all proposed remuneration components.~~ The aspect of the Company's performance will also be taken into account in the comparative review, such that the connection between the Company's performance and its position among the companies used for comparison will be examined, all to the greatest extent possible with regard to the relevant comparative parameters and subject to available information, if any.

4.3 The base salary caps for officers of the Company, for a full-time (100%) position, will be as follows, linked to the increase in the known CPI on the date of approval of the Remuneration Policy by the General Meeting (and shall not be less than the following amounts):

4.3.1 Active Chairperson of the Board of Directors – up to NIS 175,000.

4.3.2 CEO – up to NIS 153,000.

4.3.3 Other officers – up to NIS 140,000.

~~4.3.4~~ The Company organs may, from time to time, update the officers' salaries according to the parameters and principles described above.

~~4.4.5~~ The officers' salaries may be linked to increases in the Consumer Price Index.

## 5. Accompanying Benefits

5.1 The Company ~~may~~ shall grant its officers benefits that are mandatory by law and may grant additional accompanying benefits, including provisions to pension funds and/or director's insurance and/or provident funds (which shall be made according to the Base Salary); provisions to an advanced study fund (according to the Base Salary); loss of work capacity insurance; car and alternative to a car; mobile phone and other communication expenses; convalescence pay; sick leave; leave and leave redemption; the option of grossing up expenses – all according to the Company's procedures that are in place from time to time.

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<sup>6</sup> Thus, for example, according to the 2012 comparative data of the relevant Sample Companies, the maximum Base Salary (not including benefits) of the CEO of a business operation and of VPs in the Corporate Center, which is between the 50<sup>th</sup> and 75<sup>th</sup> percentiles, is NIS 124,330.



- 5.2 Officers shall also be entitled to benefits awarded to Company employees in line with Company practice, including holiday gifts and gifts on family occasions, participation in social or unit cohesion events, membership fees in trade unions (e.g. membership of the Bar Association, Institute of Certified Public Accountants in Israel, etc.); annual medical workup, etc.
- 5.3 In cases where the Company does not directly bear work-related expenses incurred by officers, they will be entitled to the full reimbursement of reasonable expenses incurred in the course of their work (such as flight tickets, transportation, accommodation, subsistence allowance, etc.). Such expenses will be reimbursed with no cap on the amount, against the presentation of suitable receipts, according to the Company's procedures that are in place from time to time.

## 6. Notice of Termination

- 6.1 In the event of termination of employment (except for cases of termination by the Company in circumstances entitling an employee to be dismissed without severance pay by law), 3 (three) months' notice will be given. The early notice period is mutual and will also be binding on the officer in the case of voluntary resignation.
- 6.2 6.2 During the notice period the officer will be required to continue to perform his duties unless the Company waives this, provided, however, that in such case the officer will be paid the entire amount of compensation owed to him in respect of the notice period, including by way of redemption of the entire payment owed in respect of the early notice period or the outstanding balance thereof, as the case may be.
- 6.3 The notice period will be counted as part of the period of the officer's employment for all purposes (including for the purpose of entitlement to the various remuneration components, inclusive of social benefits, bonuses, vesting of an equity award).
- 6.4 Notwithstanding the foregoing, in cases where the officer requests that the notice period be shortened to the period determined by law and to bring the date of termination of employment forward, the Company may shorten the notice period, and in this case the Company will not make any payment in respect of the notice period that was shortened (beyond the period determined by law), and may also revoke or shorten the adjustment, as set forth below.

## 7. Adjustment-Period

- 7.1 In the event of termination (except for cases of termination by the Company in circumstances entitling an employee to be dismissed without severance pay by law), the officer will be entitled to ~~an adjustment period~~<sup>7</sup> ~~(which will be counted from the end of the notice period)~~, as follows of up to 6 (six) months, which shall be awarded as an adjustment period or in the form of payment of adjustment compensation, at the Company's discretion.

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<sup>7</sup> And it is understood that the Company will be entitled to stipulate payment of ~~remuneration during the adjustment period~~ on the officer's compliance with contractual obligations relating to the termination of his office (including fulfillment of undertakings to non-competition and non-disclosure).



~~7.1.1 An officer who has been with the Company for up to two years will be entitled to an adjustment period of up to 6 (six) months, provided, however, that an employment relationship between the officer and another employer have not been initiated.~~

~~During the adjustment period the employment relationship between the officer and the Company will continue, and the officer will be entitled to a Base Salary and benefits (except for those that relate to actual work, such as reimbursement of expenses incurred in the course of the officer's work). The adjustment period will expire immediately on the commencement of an employment relationship between the departing officer and another employer, and the departing officer will not be entitled to payment for the remainder of the adjustment period.~~

~~7.1.2 An officer who has been with the Company for more than two years will be entitled to an adjustment period of 6 (six) months.~~

7.2 In the case of an adjustment period: During the adjustment period the employment relationship between the officer and the Company will continue, and the officer will be entitled to a Base Salary and benefits (except for those that relate to actual work, such as reimbursement of expenses incurred in the course of the officer's work). Immediately on the commencement of an employment relationship between the departing officer and another employer the relationship between the officer and the Company will terminate, and the Company will pay the departing officer an amount equal to the remainder of his salary (Base Salary only, excluding benefits) until the end of the adjustment period.

7.3 In the case of adjustment compensation: The officer will be paid a lump sum equal to the Base Salary and benefits (except for those that relate to actual work, such as expense reimbursement).

7.4 The officer will not be entitled to a yearly incentive and/or equity based compensation in respect of the adjustment period (whether paid in the form of an adjustment period or adjustment compensation).

## 8. **Severance Pay**

In the event of termination of employment (except for cases of termination by the Company in circumstances entitling an employee to be dismissed without severance pay by law), the officer shall be entitled to severance pay. The Company may determine the severance pay according to section 12 or section 14 of the Severance Pay Law, 1963.

## 9. **Accelerated Vesting of the Equity Award and Exercise Period**

In the event of termination of employment (except for cases of termination by the Company in circumstances entitling an employee to be dismissed without severance pay by law) of an officer who has been employed by the Company for over two years, the Company may, with the approval of the Remuneration Committee and the Board of Directors, determine that the officer is entitled to the early vesting of the Equity Award (as defined in clause 13 below) that is due to vest within 6 months from the date of termination of employment, and may further – with the approval of the Remuneration



Committee and the Board of Directors – extend the exercise period of the Equity Award defined in the Equity Award plan for a further period of up to an additional 180 days.

10. **Leave Redemption**

In the event of termination of employment, the officer will be entitled to redeem leave days accrued to his credit (leave will be redeemed according to the Base Salary only, not including benefits).

**Part "C" – Incentives**

11. **Yearly Incentive for Officers**<sup>8</sup>

~~The yearly incentive for officers~~ The Company may award officers a yearly incentive, which will comprise an incentive based on the Company's results of operations and on the objectives and performance of the officer, as provided in clause 11.1 below ("**Calculated Incentive**") and a discretionary incentive, as provided in clause 11.2 below (the "**Discretionary Incentive**"), unless determined otherwise with respect to officers who are subordinate to the CEO, as provided in clause 11.3 below.

11.1 **The Yearly Calculated Incentive**

11.1.1 **Threshold condition for awarding the Calculated Incentive:** The threshold condition for awarding the yearly Calculated Incentive to officers of the Company in respect of a particular calendar year is the accomplishment of at least ~~80~~85% of the operating profit target defined in the Group's budget for that calendar year, with the extent of accomplishment of this target being reviewed according to the Group's annual non-GAAP reports (as published in the Segments note in the financial statements of the Company and in the Board of Directors' Report) (respectively, the "**Non-GAAP Reports**" and the "**Threshold Condition**").

11.1.2 **Calculated Incentive**

A. The yearly Calculated Incentive will be determined according to the extent of accomplishment of financial targets based on the Group's budget as approved by the Board of Directors of the Company from time to time and the extent of accomplishment of functional targets. The extent of accomplishment of each objective will be awarded a score according to a grading scale of 1 to 5. A score of 3 for both financial and functional targets reflects complete accomplishment of the targets ("**Target Incentive**"). The amount of the incentive for each officer will be determined by weighting the score for the accomplishment of financial targets and the score for the accomplishment of functional targets.

B. **Financial targets**<sup>9</sup>

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<sup>8</sup> In regard to the yearly incentive for the Chairperson of the Board, see Part "F" below, and in regard to the yearly incentive for the CEO, see Part "G" below.



Financial targets are budget objectives of the Group and/or the relevant business activity, as the case may be ~~(such as sales, operating profit, net profit, cash flows provided by operating activities, gross profit, etc.)~~, which are determined each year in the Group's annual budget as approved by the Board of Directors of the Company from time to time, and will be chosen each year on or about the beginning of the year by the Remuneration Committee and the Board of Directors from among the following: sales or the sales growth rate; gross profit or gross profit margin; operating profit or operating profit margin; non-GAAP (according to the proportionate consolidation method) or GAAP operating cash flow; non-GAAP (according to the proportionate consolidation method) or GAAP free cash flow; cash conversion (OCF/EBIDTA); working capital pace/efficiency (yearly average of sales divided by working capital); and effective cost control of budget expense items. The extent of accomplishment of each of the financial targets will be awarded a score according to a grading scale that reflects the extent of actual accomplishment of the budget objective (as approved by the Board of Directors from time to time) in accordance with the Non-GAAP Reports for the calendar year in which respect the yearly incentive is calculated. The grading scale ranges from 1 to 5, with a score of 3 reflecting full accomplishment of the budget objectives. The total score for financial targets each year will be determined as the weighted average of the financial target scores, as per the weight accorded to each target.

In order to examine the extent of actual accomplishment of the budget objective, nonrecurring performance and results generating a nonrecurring profit or loss will be eliminated from the non-GAAP metrics, as described in clause 11.9 below.

The weight of each of the financial targets will be determined by the Remuneration Committee and the Board of Directors and will range between 10% and 50%, so that the total weight of all financial targets is 100%.

C. Functional targets

Simultaneously with the selection of the financial targets, the Company CEO will recommend functional targets for each of the officers to the Remuneration Committee, in a manner that reflects the targets that the officer is required to accomplish in the scope of his job in order to achieve the Group's strategic goals. On or about the beginning of each year, the Remuneration Committee will define the functional targets for each officer and will inform the Board of Directors accordingly

The extent of accomplishment of each of the functional targets will be awarded a score according to a grading scale which expresses the extent of actual accomplishment of the functional target.

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<sup>9</sup> To clarify, on publication of the yearly incentive figures as part of Article 21 in Part D of the Periodic Report, the Company will publish the financial targets defined for the reporting year of the Periodic Report, and the extent of accomplishment of the targets by the officers included in Article 21.



The total score for the functional targets each year will be determined as the weighted average of the functional target scores, as per the weight accorded to each target.

The weight of each of the functional targets will range between 10% and 50%, so that the total weight of all functional targets is 100%.

#### 11.2 **Yearly Incentive – Discretionary Component**

The Remuneration Committee and the Board of Directors may determine ~~an~~ a discretionary incentive in an amount that does not exceed 3 monthly salaries (gross) considering the officer's contribution to the advancement of the Company's interests and goals, which may be determined in accordance with the following criteria: a special effort made to accomplish the strategic, operational or budgetary goals; success in accomplishing the strategic, operational or budgetary goals; execution of projects or processes that are significant to the Company; outstanding execution of Company projects or processes; the existence of external conditions that significantly impacted the Calculated Incentive. If the Threshold Condition for the Calculated Incentive is not met, the Discretionary Incentive will be awarded only in special cases and with the approval of the Remuneration Committee and the Board of Directors.

#### 11.3 **Yearly Incentive for CEO Subordinates**

Notwithstanding the foregoing, the Remuneration Committee and the Board of Directors may determine a yearly incentive for officers who are subordinate to the CEO on the basis of non-measurable criteria, considering the officer's contribution to the Company, in lieu of or in addition to the Calculated Incentive and/or the Discretionary Incentive as set forth above, provided that the total yearly incentive paid to each of said officers shall not exceed the cap on the yearly incentive as provided in clause 11.5 below.

#### 11.4 **Payment of the Yearly Incentive and Deferred Yearly Incentive**

The amount of the yearly incentive will be determined by the Remuneration Committee and the Board of Directors on or about the date of publication of the Company's consolidated annual financial statements for the year in which respect the yearly incentive is calculated (the "**First Year**").

The yearly incentive will be paid on or about the abovementioned date. Notwithstanding the foregoing and as part of the Company's policy to compensate officers for performance taking a long-term view, if, in the First Year, the amount of the total yearly incentive (including the discretionary component) is higher than the "Target Incentive", then the payment of any amount in excess of the total salaries determined in the "Target Incentive" (the "**Deferred Incentive**") will be postponed, in such manner that it will be paid shortly after the publication of the annual financial statements for the year after the year in which respect the yearly incentive was awarded (the "Second Year"), provided, however, that in the Second Year the Threshold Condition for the receipt of the yearly incentive was fulfilled.

If, in the Second Year, the Threshold Condition for the receipt of the yearly incentive was not satisfied, the officer will not be paid the Deferred Incentive, and it will be postponed for another



year (the "Third Year"), so that it will be paid shortly after the publication of the financial statements for the Third Year, provided, however, that in the Third Year the Threshold Condition for the receipt of the yearly incentive was fulfilled. If the aforesaid conditions are not met, the Deferred Incentive will not be paid to the officer, and the officer's right to receive the Deferred Incentive will be revoked.

The Deferred Incentive will be linked to the Consumer Price Index that is known on the date of payment of the first part of the incentive.

#### 11.5 **Yearly Incentive Cap**

The officer's total yearly incentive (as provided in clauses 11.1 and 11.2 above) will not exceed an amount equal to 12 monthly salaries (gross) of the officer, provided, however, that it does not exceed the sum of NIS ~~1,600,000~~1,700,000 (linked to the increase in the known CPI on the date of approval of the Remuneration Policy by the General Meeting (and shall not be less than the above amount)).

#### 11.6 **Refund in the Case of Payment of an Incentive Awarded on the Basis of Erroneous Financial Data**

Should it transpire that an officer was paid on the basis of data that were discovered to be incorrect and were restated in the Company's financial statements, the officer will be obliged to refund to the Company, within a reasonable time, the difference between the amount he received and the amount he would have received according to the amended financial data that were restated in the financial statements of the Company, provided, however, that no more than ~~two~~three years have elapsed since the date of publication of the financial statements on which basis the bonus was awarded. Without derogating from the abovementioned obligation, the Company may set off the amount of the refund owed to it as mentioned from any amount it is required to pay to the officer. Accordingly, in the event of an error in the financial statements of the Company, following which an officer was paid less than he should have been paid, the officer will be entitled to the payment of the difference merited according to the amended financial data. It is understood that restatement of data in the financial statements as a result of changes in the law, regulations or accounting rules shall not be considered restatement in which respect the provisions of this clause shall apply.

#### 11.7 **Reduction of the Yearly Calculated Incentive**

The Board of Directors may, at its discretion, reduce or revoke the amount of the Calculated Incentive to which the officer is entitled, for any reason whatsoever. ~~in circumstances in which severance pay may be denied by law, or in other exceptional cases that justify such reduction.~~

#### 11.8 **Proportional Part of the Yearly Incentive**

An officer who has worked for the Company for more than one year will be entitled to a proportional part of the yearly incentive in respect of the period in which he held his position (including the notice period) in a calendar year, provided that he actively worked for at least six months in the relevant year. The proportional yearly incentive will be paid shortly after the publication of the financial statements of the Company for the year in which the officer's partial period in office is included. For the avoidance of doubt, it is understood that the provisions



applying to the yearly incentive, including those applying to refunds and the spread of payments, shall also apply to the proportional part of the yearly incentive.

#### 11.9 Exclusion of Nonrecurring Events

When reviewing the extent of the actual accomplishment of financial budgetary objectives according to the Non-GAAP Reports (as specified above), the Remuneration Committee and the Board of Directors may exclude the effects of nonrecurring events, the impact of which was not taken into account in the Group's budget, to the extent that any occur, as follows:

- (a) Exclusion of "changes in accounting policy" which were not included in the Group's budget.

Changes in accounting policy:

Changes in accounting standards during the year or in the interpretations of the accounting institutions or the Israel Securities Authority with respect to their implementation, early adoption of accounting standards, an event requiring restatement of comparative figures for prior years or prior quarters, which has a material effect on the results of the reporting period, etc.

- (b) Exclusion of the impact of non-budgeted accounting results in respect of mergers, acquisitions or disposals.

- (c) Exclusion of the effects of a non-budgeted issue or redemption of securities.

- (d) Exclusion of acts of force majeure having a substantial impact on the Group's results in the reporting period.

The exclusion of events and their consequences as described may increase or reduce the Calculated Incentive, according to the nature of the event and its impact.

To clarify, the Remuneration Committee and the Board of Directors may elect not to make such exclusion or to exclude a nonrecurring event that is not included in the above list. If there is a supplement to the Calculated Incentive as a result, the supplement shall form a discretionary incentive, as provided in clause 11.2 above.

#### 12. Special Bonus

The Remuneration Committee and the Board of Directors may award to any of the officers a special bonus which shall not exceed 4 monthly salaries (gross) of the officer, provided, however, that the total amount of the yearly bonus and the special bonus will not, in the relevant year in which the special bonus is awarded, total more than the yearly incentive cap. The special bonus will be awarded in special, exceptional cases that meet criteria such as: execution of a project that was not included in the Group's work plan; investment of an extraordinary effort in the advancement and execution of a project of the Group; in the case of a specific need for recruiting personnel; in the case of retirement after at least five years' tenure, and subject to a review by the Remuneration Committee and the Board of Directors of the conditions of office and employment of the officer during the period of his employment, the Company's performance in this period and the officer's contribution to the



accomplishment of the Company's goals and the maximization of its profits, and the circumstances of the officer's departure from the Company; retirement due to illness or in exceptional personal circumstances, etc.

### **Part "D" – Equity Award**<sup>10</sup>

13. The goal of the equity award is to create a link between the officers and the interests of the Company's shareholders, and to incentivize the officers to maximize the Company's value in the long term. The Company may, at the recommendation of the Company CEO and with the approval of the Remuneration Committee and the Board of Directors of the Company, grant each of the officers of the Company equity based remuneration via a variety of equity instruments ("**Equity Award**"), which shall be subject to the following:

13.1 Vesting period: Each Equity Award will vest in predefined tranches. The vesting period shall be no less than three years until the entire Equity Award has vested. In any case, the vesting period of the first tranche will be no less than one year from the grant date of the Equity Award. The terms and conditions of the Equity Award may include provisions regarding accelerated vesting, as defined in the relevant Equity Award plan.

13.2 Exercise period: In the case of an award of warrants, the warrants will be exercisable within no more than four years from the vesting date, according to the provisions of the option plan (in its form from time to time) or deed of allotment regarding the exercise of options on the termination of the officer's employment.

13.3 Exercise price

If share options are awarded, the exercise price will be determined according to one of the following alternatives:

(a) The average closing price of the Company's share in the 30 trading days on the Tel Aviv Stock Exchange that preceded the date of approval of the allotment of the options by the Board of Directors of the Company, plus the premium determined by the Remuneration Committee and the Board of Directors; or

(b) The average closing price of the Company's share in the 30 trading days on the Tel Aviv Stock Exchange that preceded the date of approval of the allotment of the options by the Board of Directors of the Company, with no additional premium. In the case described in this paragraph (b), the exercise price will be linked to the CPI.

13.4 The exercise price may be subject to such adjustment provisions as determined in the option plan (in its form from time to time) or in the deed of allotment.

If restricted shares or performance share units (PSUs) are awarded, the exercise price may be zero, subject to the provisions of applicable laws (including the Companies Law and the provisions of TASE's rules and regulations).

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<sup>10</sup> In regard to the Company CEO's capital incentive, the provisions of Part "G" of the Policy will apply.



- 13.5 If restricted shares or PSUs are awarded, the vesting or exercise of restricted shares or PSUs may be made contingent on the accomplishment of targets or milestones or on the occurrence of a particular event, which shall be defined in advance and shall be subject to continued, uninterrupted employment by (or supply of services to) the Company or subsidiary. In the case of financial-statement-based targets (non-GAAP or GAAP), clause 11.6 of the Policy (refund in the case of payment of an incentive awarded on the basis of erroneous financial data) shall apply, *mutatis mutandis* and as determined in the Equity Award plan.
- 13.6 Exercise according to the value of the benefit – the Remuneration Committee and the Board of Directors may, in the framework of the Equity Award plan, determine that securities shall be exercised for or converted into Company shares according to the value of the benefit embodied therein ("cashless exercise").
- 13.7 Fair value cap of the Equity Award on the grant date: The cumulative yearly fair value of the Equity Award to be granted to the officers of the Company on the grant date, which will be estimated according to the total economic value on the grant date equally divided by the number of years until full vesting, will not exceed the amount of NIS 3,500,000<sup>11</sup> per year. In addition, with regard to a specific Equity Award, the competent organs of the Company may determine a cap for the exercise value of the Equity Award.
14. It is understood that the principles described above reflect the essence of the terms and conditions of equity based compensation for officers of the Company, and that equity based compensation for officers will be subject to the provisions of the relevant Equity Award plan.

The Remuneration Committee and the Board of Directors of the Company may determine additional provisions in connection with the Equity Award plan for officers of the Company, and also revise the terms and conditions and provisions thereof from time to time, provided, however, that such change or revision shall not deviate from the caps on ~~the entitlement to~~ equity based compensation determined in the Remuneration Policy.

#### **Part "E" – Total Remuneration Package; Changes in Conditions of Employment**

15. The remuneration of the officers of the Company aspires to maintain a reasonable and fitting ratio between the compensation of officers and the average and median wage of the rest of the employees of the Company (including contract workers employed in the Company), in order to maintain sound working relations in the Company.

In view of the international spread of the Group's operations and taking into account that the Group Management head office is responsible for the overall management of the Group, the ratio that is relevant for review in the Group is between the officers and the average and median salary costs<sup>12</sup> of all employees of the Company and its consolidated companies (hereinafter in this clause: the "**Company**"). In the process of formulating this Policy, the Remuneration Committee and the Board of Directors examined this ratio and found it to be reasonable and fitting, *inter alia* considering the nature of the Company's activity and the Company's inherent complexity: on the one hand, the Company is an industrial company that is active in the food industry, operates along the entire length of the value chain

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<sup>11</sup> It is noted that in light of the fact that the Policy period is three years, the fair value cap was set higher than the present value of the Equity Award granted to the officers.

<sup>12</sup> "Salary" – as defined in Part A of the First Schedule to the Companies Law, 1999.



from the basic production stage, manufactures most of the food products it sells and distributes in its various plants across the globe, and directly employs thousands of people; on the other, the Company has large-scale operations that are broadly deployed around the world and manages a complex business portfolio, is active in different geographical regions and diverse product categories while maintaining collaborations and partnerships, in such manner that managerial complexity is extremely high and requires the management of a global system in conditions of fierce competition. As a result, there is an inherent distinction between the characteristics of the different positions in the Company, including substantial differences in the level of responsibility and in the skills required in different jobs in the Company, and there is a necessary distinction in regard to the remuneration of the Company's employees in their different positions<sup>13</sup>.

In regard to an officer who is the CEO of a particular activity (for example, the Company's operation in Israel, the coffee operation, the water operation), the ratio between the officer's remuneration and the average and median wage costs of the employees (including contractor's employees) of **Strauss Israel** that operation will be examined.

The Remuneration Committee and the Board of Directors of the Company shall from time to time, and when approving the conditions of office and employment of an officer of the Company, examine the reasonableness of said ratio, taking into account the parameters mentioned above.

16. In each instance of approving the conditions of office and employment of an officer, the organs of the Company will may, at their discretion, among their other considerations also examine the ratio between the officer's total compensation package and the comparative data relating to the total compensation packages of officers of a similar rank or position (to the extent possible) in the Sample Companies.
17. The Company CEO may approve immaterial changes to the conditions of office of an officer who is subordinate to him, provided, however, that the conditions of office and employment of said officer are consistent with the Company's Remuneration Policy.

#### **Part "F" – Remuneration of an Active Chairperson of the Board of Directors of the Company**

18. General, remuneration policy in regard to an active Chairperson of the Board: The conditions of office and employment of an active Chairperson of the Board of Directors of the Company will be determined

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<sup>13</sup> It is understood that the abovementioned ratio between the cost of the Company CEO's conditions of office (Base Salary including provisions for social rights, accompanying benefits, including retirement benefits, Target Incentive and Equity Award according to economic value) and the average and median salary costs of the rest of the employees of the Company and its consolidated companies (including contract workers) (based on the figures for the 2015-2018 calendar year) is 52-38 and 70-53, respectively. The aforesaid ratio between the current cost of the conditions of office of the active Chairperson of the Board and the average and median salary costs of the rest of the employees of the Company and its consolidated companies (including contract workers) (based on the figures for the 2015-2018 calendar year) is 34-29 and 45-40, respectively. The aforesaid ratio in regard to the rest of the officers of the Company (who are not directors, based on the biggest remuneration package among the officers, which is the remuneration package of the officer who manages the coffee operation) compared to the average and median wage costs of the rest of the employees of the Coffee Company and its consolidated companies (including contract workers) (based on the figures for the 2015-2018 calendar year) is 28-38 and 38-56, respectively.

~~To complete the picture, it is noted that the Company is of the view that the relevant ratio to be examined in regard to the employees of Strauss Israel is the ratio between the cost of the conditions of office of the CEO of Strauss Israel and the average and median salary costs of the employees of Strauss Israel in Israel (including contract workers) (based on the figures for the 2015 calendar year), which is 30 and 38, respectively.~~



in accordance with the provisions of Part "A", "B", "C", "D" and "E" of the Remuneration Policy, save and except for the specific provisions determined in this Part "F", as set forth below:

18.1 Part "B", fixed remuneration component: The provisions of clause 7 of the Policy with respect to ~~an adjustment period~~ shall not apply to a Chairperson of the Board who is a controlling shareholder of the Company.

18.2 Part "C", incentives:

The Chairperson of the Board shall be entitled to a yearly Calculated Incentive and to a special bonus, according to the provisions of Part "C" of the policy, with the following changes:

18.2.1 Clause 11.1.2, formula for calculating the Calculated Incentive: The formula for the Chairperson's Calculated Incentive shall be identical to the formula for the CEO's Calculated Incentive, and accordingly, with respect to the Chairperson of the Board, clause 11.1.2 of the Remuneration Policy shall be replaced by clause 20.2.1 of the Remuneration Policy (CEO's Calculated Incentive formula).

18.2.2 Clause 11.2, yearly incentive, discretionary component: The Chairperson of the Board shall not be entitled to a Discretionary Incentive.

18.2.3 Clause 11.5, yearly incentive cap: The total yearly incentive (as provided in clause 20.1.2 below) for the Chairperson of the Board shall not exceed an amount equal to 12 monthly salaries (gross) of the Chairperson of the Board, provided, however, that it shall be no higher than NIS 2,300,000.

~~18.2.3~~ 18.2.4 Clause 12, special bonus: Will be awarded (if awarded) subject to approval by the Remuneration Committee, Board of Directors and General Meeting of the Company.

18.3 Part "D", Equity Award: The provisions of Part "D" of the Policy in regard to the Equity Award shall not apply to a Chairperson of the Board who is a controlling shareholder of the Company.

19. The conditions of office of the Chairperson of the Board of Directors of the Company, Ms. Ofra Strauss, as approved by the General Meeting of the Company from time to time, form an integral part of this Remuneration Policy.

### **Part "G" – Remuneration of the Company CEO**

20. The conditions of office and employment of the Company CEO will be determined in accordance with the provisions of Parts "A" to "E" of the Remuneration Policy, save and except for the specific provisions determined in this Part "G", as set forth below:

~~20. 20.1 Clause 4.2: The comparative reference range to be taken into account (among other considerations) when determining the CEO's Base Salary is in the upper median of the comparative wage data of the Sample Companies.~~



~~20.2~~20.1 Part "C", incentives: The CEO will be entitled to a yearly incentive (yearly Calculated Incentive and Discretionary Incentive) and to a special bonus in accordance with the contents of Part "C" of the Policy, with the following changes:

~~20.2.1~~20.1.1 Clause 11.1.2, yearly Calculated Incentive: – the clause will be replaced with the following clause:

The yearly Calculated Incentive will be determined in accordance with the extent of accomplishment of budget-based measurable financial targets (as set forth in clause 11.1.2 of the Policy), as approved from time to time by the Board of Directors of the Company, according to the score for the extent of accomplishing these targets; the extent of accomplishment will determine the number of monthly salaries (gross) to which the CEO will be entitled as a Calculated Incentive, as set forth below.

The Remuneration Committee and the Board of Directors will define at least 2 financial targets for the CEO from among the targets specified in clause 11.1.2 above. The weight of each of the financial targets will range between 10% and 50%, in such manner that the total weight of all targets is 100%.

The extent of accomplishment of each of the financial targets determined as aforesaid will be given a score according to a grading scale, which expresses the extent of actual accomplishment of the financial budgetary objective (as approved from time to time by the Board of Directors) according to the Company's Non-GAAP Reports for the calendar year in which respect the yearly incentive is calculated. To examine the extent of actual accomplishment of the financial budgetary objective, nonrecurring performance and results generating a nonrecurring profit or loss will be eliminated from the non-GAAP metrics, as specified in clause 11.2 above. The grading scale ranges from a score of 1 to a score of 5, with the "Target Incentive" (9 salaries) reflecting the award of a score of 3 for the financial targets, which expresses the full accomplishment of these targets (the "**Target Incentive**").

The total score for financial targets each year will be determined as the weighted average of the financial target scores, as per the weight accorded to each target.

<b>Extent of accomplishment of financial targets</b>	<b>Cash incentive (number of salaries)</b>
Below 1	0 salaries
1	Cash amount equal to 2 salaries
2	Cash amount equal to 5 salaries
3	Cash amount equal to 9 salaries
4	Cash amount equal to 10.5 salaries
5	Cash amount equal to 12 salaries

20.1.2 Clause 11.5, yearly incentive cap: The CEO's total yearly incentive (yearly Calculated Incentive as provided in clause 20.1.1 and Discretionary Incentive as provided in clause 11.2 above) shall not exceed an amount equal to 15 monthly salaries (gross) of the CEO, provided, however, that it does not exceed the sum of NIS 2,500,000.



20.1.3 Clause 12, special bonus: In addition to the provisions of clause 12, the CEO's special bonus, combined with the CEO's discretionary incentive, shall not together exceed the higher of 3 monthly salaries or 25% of the actual variable component.

~~20.3~~20.2 **Part "D", Equity Award**

Company policy with respect to an Equity Award for the CEO is in accordance with the contents of Part "D" of the Policy, with the following changes:

~~20.3~~20.2.1 Clause 13.7, fair value cap of equity based compensation on the grant date: The clause will be replaced with the following clause: The ~~cumulative~~-yearly fair value of the Equity Award to be granted to the CEO on the grant date, which shall be estimated according to the total economic value on the grant date equally divided by the number of years until full vesting, shall not exceed 200% of the CEO's annual Base Salary plus the "Target Incentive" as defined in clause 20.2.1 of the Policy.

~~20.3~~20.2.2 The terms and conditions of equity based compensation, including the number of options and/or restricted shares, the vesting period and exercise period shall be determined by the Remuneration Committee and the Board of Directors of the Company, and approved by the General Meeting of Shareholders of the Company.

21. The conditions of office of the Company CEO, ~~Mr. Gadi Lesin~~, as approved by the General Meeting of the Company from time to time, form an integral part of this Remuneration Policy.

**Part "H" – Conditions of Office and Employment of Directors (who are not employed by the Company)**

22. **General:** The conditions of office of directors of the Company are designed to ensure their independence, the free exercise of their discretion, to allow the directors to apply the skills required to fulfill their duties and obligations by law and to act professionally and responsibly in the interests of the Company, and also to enable the Company to recruit skilled directors who possess the experience, expertise and qualifications required to perform their duties.

23. **Compensation and Reimbursement of Expenses**

23.1 The directors of the Company shall be entitled to annual compensation and to compensation for participation from the Company and/or subsidiaries according to the compensation paid to external directors of the Company and according to the Companies Regulations (Rules Regarding Compensation and Expense Reimbursement of External Directors), 2000 (the "**Compensation Regulations**") (or in accordance with any other legal provision which shall supplement and/or replace these regulations) in respect of their office as members of the Board of Directors of the Company and/or subsidiaries, as the case may be, considering the Company's status (as it is from time to time), at the fixed or maximum amounts as defined in the Compensation Regulations (according to their classification as ordinary directors or expert directors, as the case may be).

23.2 The directors will be entitled to the full reimbursement of reasonable expenses incurred in respect of participation in meetings of the Board of Directors and its committees or in the framework of their duties as directors. In regard to external directors and independent directors,



the provisions set forth in the Companies Law and in the Compensation Regulations shall apply.

- 23.3 The Company may pay a director who is not an independent director compensation for services rendered, subject to the receipt of the approvals required by law.

#### **Part "I" – Exemption, Indemnification and Insurance of Officers**

24. Subject to the Company's Articles of Association and the provisions of the Companies Law, the officers of the Company shall be entitled to receive from the Company, in advance and retrospectively, exemption from their liability, in whole or in part, for damage as a result of the breach of the duty of care to the Company, to the maximum extent permissible by law. Notwithstanding the foregoing, it is understood that the exemption granted, if and to the extent granted, shall not apply to a decision made by the officer or a transaction he had approved, in which approval the controlling shareholder or any officer of the Company has a personal interest.
25. The officers of the Company shall, subject to the provisions of the Companies Law and the Company's Articles of Association (as formulated from time to time), be entitled to receive a letter of undertaking to indemnity in advance for an obligation or expense imposed on or expended by the officer due to an action he had performed in his capacity as an officer, in accordance with Company practice from time to time, provided, however, that the total amount of the indemnity shall not exceed 25% of the shareholders' equity of the Company according to its most recent consolidated financial statements published prior to the actual payment of the indemnity.

Additionally, the officers shall, subject to the provisions of the Companies Law and the Company's Articles of Association, be entitled to retrospective indemnity for an obligation or expense imposed on or expended by the officer due to an action he had performed in his capacity as an officer.

26. The officers of the Company shall, subject to the provisions of the Companies Law and the Company's Articles of Association, be entitled to insurance coverage in the framework of officers' liability insurance, including claims-made insurance, run-off insurance, public offering of securities insurance (POSI) or any other insurance coverage applying to the officers of the Company in accordance with the decisions of the competent organs of the Company.

Without derogating from the generality of the foregoing, the Company may engage in a D&O liability insurance policy for directors and officers holding office; and/or who held office and/or who shall hold office; from time to time in the Company and/or its subsidiaries, including directors and officers who are among the controlling shareholders of the Company or where the controlling shareholder has a personal interest in the engagement in their regard, as they may be from time to time, by procuring new policies or extending or renewing the existing policy or policies that shall be purchased in the future, for a number of insurance periods, provided, however, that said engagements are made in accordance with the terms and conditions set forth below and are approved by the Remuneration Committee:

~~When the insurance policy in question is the Company's and applies to the liability of directors and officers of the Company serving in the Company and its subsidiaries, excluding Strauss Coffee B.V., the~~ The liability limit shall not exceed 200 (Two Hundred) million United States dollars per incident and per period; Notwithstanding the foregoing, the Company may increase coverage under the insurance policy for as long as the annual premium does not exceed the following: the annual premium shall not exceed 300 (Three Hundred) thousand United States dollars; and the deductible applying to the



Company in respect of claims against officers shall not exceed 100 (One Hundred) thousand dollars per claim according to the cause of action and the location where the claim is brought, except for claims for violations of labor laws brought in the US and/or Canada, in which respect the deductible applying to the Company shall not exceed 300 (Three Hundred) thousand dollars, ~~or 500 (Five Hundred) thousand dollars in respect of a claim with the exception of a claim~~ brought in the US and/or Canada with regard to the violation of securities laws, in which respect the deductible shall not exceed 500 (Five Hundred) thousand dollars (the deductible shall not apply to the officers). ~~The liability limit, the amount of the annual premium and the deductible set forth above shall also apply to an insurance policy of Strauss Coffee B.V. or the Company with respect to insuring the liability of directors and officers of the Company who hold office in Strauss Coffee B.V.~~

Further, directors and officers of the Company who hold office in a subsidiary of the Company shall also be entitled to insurance coverage in the framework of D&O liability insurance in such subsidiary, should it engage in a D&O liability insurance policy.

27. Entitlement to exemption and/or indemnity and/or insurance as aforesaid shall also apply with respect to the exemption and/or indemnity and/or insurance coverage of an officer of the Company in connection with his office on behalf of the Company or at its request as an officer of another corporation in which the Company holds shares, directly or indirectly, and/or a related corporation of the Company, as they may be from time to time.
28. Entitlement to exemption and/or indemnity and/or insurance as aforesaid shall apply, under non-preferred terms and conditions, also to officers who are, themselves and/or their relatives, controlling shareholders of the Company, and/or in which the controlling shareholders have a personal interest, as they may be from time to time.

#### **Part "J" – Interpretation and General Provisions**

29. Where the provisions of law, as applying from time to time, allow for the grant of mitigations with regard to the manner of compensating officers and/or with regard to the procedures for approving the remuneration of officers, subject to the approval of the Remuneration Committee and the Board of Directors of the Company, such provisions shall apply to the Company and shall form part of this Remuneration Policy.
30. The terms used in the Remuneration Policy shall have the meaning ascribed to them in the Companies Law, 1999, unless expressly stated otherwise.
31. The remuneration conditions defined in this Policy determine the general framework for the remuneration of officers of the Company, do not grant the officers any rights, do not prejudice the rights granted to them by law and do not constitute a third-party beneficiary contract. The individual arrangements which shall apply in regard to the conditions of office and employment of officers shall be determined in the framework of the specific employment conditions of each officer.
32. Where, in the Remuneration Policy, it is determined that the Remuneration Committee or the Board of Directors has the power to approve a certain action, the Remuneration Committee or the Board of Directors (as the case may be) shall be granted the power to do so at their discretion, without further approval being required.



33. Where, in this Policy, a cap on a particular compensation component or a range for particular compensation components is defined, the Remuneration Committee or the Board of Directors may determine any amount of compensation that does not exceed such cap or range, at their discretion. To the extent that an officer shall be awarded remuneration that is lower than the remuneration described in this Policy, this shall not constitute a deviation from the provisions of this Policy.
34. The officers may, at their discretion, waive a remuneration component on a single occasion or for a particular period, without derogating from their entitlement to the remaining conditions of office and employment (and without derogating from the officer's entitlement to receive the remuneration component he had waived after the end of the period of waiver).
35. The Company may engage with its officers in agreements and/or other engagements in accordance with the provisions of the fifth chapter in the sixth part of the Companies Law, 1999, subject to their approval according to law.
36. The principles of the Remuneration Policy shall apply in full also in a case where the engagement with the officer is through a management company controlled by the officer in lieu of engagement in an employment agreement with the officer, with the necessary adjustments.
37. Engagement by the Company in employment agreements with its officers and/or any award of remuneration to officers of the Company may be made through the Company or through a subsidiary of the Company.

Date: August 22, 2019

Messrs.

**Strauss Group Ltd. (hereinafter: the "Company")**

**Re: Declaration of a Nominee for the Office of Director in a Publicly Traded Company in Israel in Accordance with the Companies Law, 1999 (hereinafter: the "Law")**

I, the undersigned, Ofra Strauss, bearer of I.D. 56616584, resident of Israel, whose address is 31 Hamatzbi'im Street, Tel Aviv, hereby declare and covenant as follows:

1. I hereby give my consent to serve as a director of the Company, which is a public company incorporated in Israel, whose securities are listed on the Tel Aviv Stock Exchange Ltd.
2. This declaration is given in accordance with section 224B of the Companies Law and in accordance with the terms and definitions set forth in the Law. The provisions of the sections in their form on the date of signing of this Declaration are set forth in **Annex "A"**, which is attached to this Declaration and forms an integral part hereof.
3. I am qualified to be appointed as a director of your company under sections 225-227 of the Law, including with respect to the restriction on the appointment of a minor, a legally incompetent person, restriction on appointment following a conviction or a decision of an administrative enforcement committee or bankruptcy. I am aware of the notification obligation applying by virtue of section 227A of the Law, and I covenant to comply with it as required. The provisions of the sections in their form on the date of signing of this Declaration are set forth in **Annex "A"**, which is attached to this Declaration and forms an integral part hereof.

I possess the required skills and the ability to devote the appropriate time for the performance of the duties of a director of the Company, noting, *inter alia*, the special needs of the Company and its size, *inter alia* on the basis of my skills, education, experience and occupation, as specified in the personal information questionnaire.

In the five years preceding the date of this Declaration, I was not convicted:

- 5.1 In a final judgment in respect of offenses under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 1977 (the "**Penal Law**"), and under sections 52C, 52D, 53(a) and 54 of the Securities Law, 1968 (the "**Securities Law**"); the provisions of the sections in their form on the date of signing of this Declaration are set forth in **Annex "A1"**, which is attached to this Declaration and forms an integral part hereof;
  - 5.2 In a court abroad for an offense of bribery, deceit, offenses of directors in a body corporate or offenses pertaining to the use of inside information;
  - 5.3 Of any other offense, where the court decided – because of its nature, severity or circumstances – that I am not fit to serve as a director of a public company.
6. No enforcement measures have been taken against me by an administrative enforcement committee, prohibiting me from serving as a director of the Company.
  7. In light of my education, experience, past and present occupation and my skills, and on the basis of the foregoing (please select one of the following and mark with an X):

X I possess “professional qualifications” in accordance with the provisions of the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications), 2005 (hereinafter: the “**Companies Regulations**”). The provisions of the Companies Regulations in their form on the date of signing of this Declaration are attached as Annex “B” to this Declaration.

I possess “accounting and financial expertise” in accordance with the provisions of the Companies Regulations. The provisions of the Companies Regulations in their form on the date of signing of this Declaration are attached as Annex “B” to this Declaration.

8. I possess the following academic degrees (degree, awarding institution, year):

LL.B., Tel Aviv University, from 1988

I possess the following occupational experience:

Chairperson of the board of directors of the Company from June 2001.

Documents evidencing my education and occupational experience are attached as Annex “C” to this Declaration.

9. My other roles and occupations do not create, and are not liable to create, a conflict of interest with my duties as a director of the Company and shall not adversely affect my ability to serve as a director.

10. I covenant to comply with all legal requirements expected of a director. I shall perform my duties in the best manner possible and for the interests of the Company. Should any concern arise, of which I am aware and/or which shall be brought to my knowledge, that I shall cease to satisfy any of the above conditions and/or declarations or that there is any concern that I have breached my duty of loyalty to the Company (as defined in section 254 of the Law), I shall notify the chairman of the board of directors thereof immediately.

11. I am aware that this Declaration shall be submitted to the appointing party prior to the appointment and the convening of the general meeting, on which agenda is the appointment, and that it shall serve the Company in reviewing whether I am qualified to serve as a director of the Company, and in particular, whether I satisfy the conditions and criteria under the Law. I am further aware that this Declaration shall be kept in the registered office of the Company for inspection by any and all persons and shall be published as part of the Company’s public reports.

12. If and to the extent that any change occurs in the foregoing, including that I shall cease to satisfy a condition required under the Law for my service as a director, I covenant to notify the Company thereof immediately.

13. This document is worded in the masculine gender but is intended for both genders.

14. This is my name, this is my signature, and the facts set forth in this Declaration above are the truth.

<u>Ofra Strauss</u>	<u>56616584</u>	<u>(--) Duly signed</u>
<b>Name</b>	<b>I.D.</b>	<b>Signature</b>

Date: August 22, 2019

Messrs.

**Strauss Group Ltd. (hereinafter: the "Company")**

**Re: Declaration of a Nominee for the Office of Director in a Publicly Traded Company in Israel in Accordance with the Companies Law, 1999 (hereinafter: the "Law")**

I, the undersigned, David Mosevics, bearer of I.D. 007130271, resident of Israel, whose address is 3 Daniel Frisch Street, Tel Aviv, hereby declare and covenant as follows:

1. I hereby give my consent to serve as a director of the Company, which is a public company incorporated in Israel, whose securities are listed on the Tel Aviv Stock Exchange Ltd.
2. This declaration is given in accordance with section 224B of the Companies Law and in accordance with the terms and definitions set forth in the Law. The provisions of the sections in their form on the date of signing of this Declaration are set forth in Annex "A", which is attached to this Declaration and forms an integral part hereof.
3. I am qualified to be appointed as a director of your company under sections 225-227 of the Law, including with respect to the restriction on the appointment of a minor, a legally incompetent person, restriction on appointment following a conviction or a decision of an administrative enforcement committee or bankruptcy. I am aware of the notification obligation applying by virtue of section 227A of the Law, and I covenant to comply with it as required. The provisions of the sections in their form on the date of signing of this Declaration are set forth in Annex "A", which is attached to this Declaration and forms an integral part hereof.

I possess the required skills and the ability to devote the appropriate time for the performance of the duties of a director of the Company, noting, *inter alia*, the special needs of the Company and its size, *inter alia* on the basis of my skills, education, experience and occupation, as specified in the personal information questionnaire.

In the five years preceding the date of this Declaration, I was not convicted:

- 5.1 In a final judgment in respect of offenses under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 1977 (the "**Penal Law**"), and under sections 52C, 52D, 53(a) and 54 of the Securities Law, 1968 (the "**Securities Law**"); the provisions of the sections in their form on the date of signing of this Declaration are set forth in Annex "A1", which is attached to this Declaration and forms an integral part hereof;
  - 5.2 In a court abroad for an offense of bribery, deceit, offenses of directors in a body corporate or offenses pertaining to the use of inside information;
  - 5.3 Of any other offense, where the court decided – because of its nature, severity or circumstances – that I am not fit to serve as a director of a public company.
6. No enforcement measures have been taken against me by an administrative enforcement committee, prohibiting me from serving as a director of the Company.
  7. In light of my education, experience, past and present occupation and my skills, and on the basis of the foregoing (please select one of the following and mark with an X):

- X I possess “professional qualifications” in accordance with the provisions of the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications), 2005 (hereinafter: the “**Companies Regulations**”). The provisions of the Companies Regulations in their form on the date of signing of this Declaration are attached as **Annex “B”** to this Declaration.
- I possess “accounting and financial expertise” in accordance with the provisions of the Companies Regulations. The provisions of the Companies Regulations in their form on the date of signing of this Declaration are attached as **Annex “B”** to this Declaration.
8. I possess the following academic degrees (degree, awarding institution, year):
- LL.B., Hebrew University of Jerusalem, from 1970
9. I possess the following occupational experience:
- In the years 1972-1988 diverse management positions in the Company including CEO, active chairman. From 1989 to the present, partner in a law firm engaged in diverse civil and commercial matters.
- Documents evidencing my education and occupational experience are attached as **Annex “C”** to this Declaration.
10. My other roles and occupations do not create, and are not liable to create, a conflict of interest with my duties as a director of the Company and shall not adversely affect my ability to serve as a director.
11. I covenant to comply with all legal requirements expected of a director. I shall perform my duties in the best manner possible and for the interests of the Company. Should any concern arise, of which I am aware and/or which shall be brought to my knowledge, that I shall cease to satisfy any of the above conditions and/or declarations or that there is any concern that I have breached my duty of loyalty to the Company (as defined in section 254 of the Law), I shall notify the chairman of the board of directors thereof immediately.
12. I am aware that this Declaration shall be submitted to the appointing party prior to the appointment and the convening of the general meeting, on which agenda is the appointment, and that it shall serve the Company in reviewing whether I am qualified to serve as a director of the Company, and in particular, whether I satisfy the conditions and criteria under the Law. I am further aware that this Declaration shall be kept in the registered office of the Company for inspection by any and all persons and shall be published as part of the Company’s public reports.
13. If and to the extent that any change occurs in the foregoing, including that I shall cease to satisfy a condition required under the Law for my service as a director, I covenant to notify the Company thereof immediately.
14. This document is worded in the masculine gender but is intended for both genders.
15. This is my name, this is my signature, and the facts set forth in this Declaration above are the truth.

David Mosevics

**Name**

007130271

**I.D.**

(--) Duly signed

**Signature**

Date: August 22, 2019

Messrs.

**Strauss Group Ltd. (hereinafter: the "Company")**

**Re: Declaration of a Nominee for the Office of Director in a Publicly Traded Company in Israel in Accordance with the Companies Law, 1999 (hereinafter: the "Law")**

I, the undersigned, Ronit Haimovitch, bearer of I.D. 56417843, resident of Israel, whose address is 6 Biluya Maoz Lane, Tel Aviv, hereby declare and covenant as follows:

1. I hereby give my consent to serve as a director of the Company, which is a public company incorporated in Israel, whose securities are listed on the Tel Aviv Stock Exchange Ltd.
2. This declaration is given in accordance with section 224B of the Companies Law and in accordance with the terms and definitions set forth in the Law. The provisions of the sections in their form on the date of signing of this Declaration are set forth in Annex "A", which is attached to this Declaration and forms an integral part hereof.
3. I am qualified to be appointed as a director of your company under sections 225-227 of the Law, including with respect to the restriction on the appointment of a minor, a legally incompetent person, restriction on appointment following a conviction or a decision of an administrative enforcement committee or bankruptcy. I am aware of the notification obligation applying by virtue of section 227A of the Law, and I covenant to comply with it as required. The provisions of the sections in their form on the date of signing of this Declaration are set forth in Annex "A", which is attached to this Declaration and forms an integral part hereof.

I possess the required skills and the ability to devote the appropriate time for the performance of the duties of a director of the Company, noting, *inter alia*, the special needs of the Company and its size, *inter alia* on the basis of my skills, education, experience and occupation, as specified in the personal information questionnaire.

In the five years preceding the date of this Declaration, I was not convicted:

- 5.1 In a final judgment in respect of offenses under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 1977 (the "**Penal Law**"), and under sections 52C, 52D, 53(a) and 54 of the Securities Law, 1968 (the "**Securities Law**"); the provisions of the sections in their form on the date of signing of this Declaration are set forth in Annex "A1", which is attached to this Declaration and forms an integral part hereof;
  - 5.2 In a court abroad for an offense of bribery, deceit, offenses of directors in a body corporate or offenses pertaining to the use of inside information;
  - 5.3 Of any other offense, where the court decided – because of its nature, severity or circumstances – that I am not fit to serve as a director of a public company.
6. No enforcement measures have been taken against me by an administrative enforcement committee, prohibiting me from serving as a director of the Company.
  7. In light of my education, experience, past and present occupation and my skills, and on the basis of the foregoing (please select one of the following and mark with an X):

- I possess “professional qualifications” in accordance with the provisions of the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications), 2005 (hereinafter: the “**Companies Regulations**”). The provisions of the Companies Regulations in their form on the date of signing of this Declaration are attached as **Annex “B”** to this Declaration.
- I possess “accounting and financial expertise” in accordance with the provisions of the Companies Regulations. The provisions of the Companies Regulations in their form on the date of signing of this Declaration are attached as **Annex “B”** to this Declaration.
8. I possess the following academic degrees (degree, awarding institution, year):
- Bachelor’s degree in Economics and Management, Technion, from 1983.
- Master’s degree in Economics, Technion, from 1997.
9. I possess the following occupational experience:
- CEO of Strauss Investments (1993) Ltd.
- Documents evidencing my education and occupational experience are attached as **Annex “C”** to this Declaration.
10. My other roles and occupations do not create, and are not liable to create, a conflict of interest with my duties as a director of the Company and shall not adversely affect my ability to serve as a director.
11. I covenant to comply with all legal requirements expected of a director. I shall perform my duties in the best manner possible and for the interests of the Company. Should any concern arise, of which I am aware and/or which shall be brought to my knowledge, that I shall cease to satisfy any of the above conditions and/or declarations or that there is any concern that I have breached my duty of loyalty to the Company (as defined in section 254 of the Law), I shall notify the chairman of the board of directors thereof immediately.
12. I am aware that this Declaration shall be submitted to the appointing party prior to the appointment and the convening of the general meeting, on which agenda is the appointment, and that it shall serve the Company in reviewing whether I am qualified to serve as a director of the Company, and in particular, whether I satisfy the conditions and criteria under the Law. I am further aware that this Declaration shall be kept in the registered office of the Company for inspection by any and all persons and shall be published as part of the Company’s public reports.
13. If and to the extent that any change occurs in the foregoing, including that I shall cease to satisfy a condition required under the Law for my service as a director, I covenant to notify the Company thereof immediately.
14. This document is worded in the masculine gender but is intended for both genders.
15. This is my name, this is my signature, and the facts set forth in this Declaration above are the truth.

Ronit Haimovitch

**Name**

56417843

**I.D.**

(--) Duly signed

**Signature**