

UNOFFICIAL TRANSLATION
The Hebrew Document Is the Binding Version

STRAUSS GROUP LTD.
(The “Company”)

December 25, 2019

Messrs
Israel Securities Authority
Via MAGNA

Messrs
Tel Aviv Stock Exchange Ltd.
Via MAGNA

Dear Sir/Madam:

Re: **Convening of a Special General Meeting of Shareholders of the Company**

In accordance with the provisions of the Companies Law, 1999 (the “**Companies Law**”), the Companies Regulations (Notice and Announcement of General Meetings and Class Meetings in Publicly Owned Companies and Addition of an Item to the Agenda), 2000 (the “**Notice and Announcement Regulations**”), the Companies Regulations (Written Votes and Position Statements), 2005 (the “**Voting Regulations**”) and the Securities Regulations (Periodic and Immediate Reports), 1970 (the “**Reporting Regulations**”), an Immediate Report is hereby given with regard to the convening of a Special General Meeting of the Shareholders of the Company, which shall be held on Wednesday, January 29, 2020 at 3:00 p.m. at the offices of the Company at 49 Hasivim Street, Petach Tikva (hereinafter: the “**Meeting**”).

1. **Item on the agenda and proposed resolution**

Reappointment of Ms. Dalia Narkys as an external director of the Company (her first term of office as an external director of the Company expires on February 4, 2020) for a further three-year term of office, which shall commence on February 5, 2020 as set forth in clause 2 of this Report.

The proposed resolution: “**Reappoint Ms. Dalia Narkys as an external director of the Company for a further three-year term of office, which shall commence on February 5, 2020 as set forth in section 2 of this Report.**”

2. **Additional information pertaining to the appointment of Ms. Dalia Narkys as an external director of the Company**

2.1 Ms. Dalia Narkys’s declaration with respect to her appointment as an external director of the Company in accordance with sections 224B(a) and 241 of the Companies Law is attached as **Annex “A”** to this Report. The Board of Directors of the Company has determined, *inter alia* on the basis of Ms. Dalia Narkys’s declaration and the information she has provided, that she possesses accounting and financial expertise as set forth in the Companies Regulations (Conditions and Criteria for Directors with Accounting and Financial Expertise and Directors with Professional Expertise), 2005 (the “**Eligibility Regulations**”), and she is therefore an “expert external director” within the meaning of this term in the Companies Regulations (Rules Regarding Compensation and Expenses to an External Director) 2000 (the “**Compensation Regulations**”).

2.2 Ms. Dalia Narkys shall be entitled to the customary terms of office in the Company applying to external directors, in accordance with the terms of office of the external directors currently holding office in the Company and in accordance with the Company’s

remuneration policy¹ and the decisions of the competent organs of the Company; this includes entitlement to annual compensation and compensation in respect of participation at the maximum amount specified in the Compensation Regulations, considering the Company's ranking and her classification as an "expert director" entitled to the supplement specified in regulation 5A of the Compensation Regulations. Ms. Narkys shall further be entitled to a letter of undertaking to indemnification and a letter of exemption in the same form as those furnished to other directors and officers of the Company as they prevail from time to time, to inclusion in the directors and officers liability insurance policy and to expense reimbursement.

- 2.3 For information on Ms. Dalia Narkys pursuant to regulation 36B(a)(10) of the Reporting Regulations, see regulation 26 in the chapter, "Additional Information on the Company" in the Company's 2018 Periodic Report as published on March 13, 2019 (reference no. 2019-01-020559), the information contained therein being incorporated by reference, except for current information pertaining to her occupation in the past five years and the itemization of the corporations in which she serves as a director, which are set forth below:

Ms. Dalia Narkys	
Subject	Update
Occupation in the past five years and corporations in which she serves as a director:	Chair of ManpowerGroup Israel; external director, Strauss Group; external director, Isracard Ltd.; external director, Premium Express Ltd.; external director, Europay (Eurocard) Israel Ltd.; director, Israeli Association of Community Centers – a government company; CEO – Narkys Consultants.

Notice of the Convening of a Special General Meeting

3. Meeting type, date and venue

Notice is hereby given that on Wednesday, January 29, 2020 at 3:00 p.m. a Special General Meeting of Shareholders of the Company will convene at the offices of the Company at 49 Hasivim Street, Petach Tikva, on the agenda of which is the adoption of a resolution on the item set forth in clause 1 above.

4. Required majority

The majority required for the adoption of the resolution proposed in clause 1 above is the majority of votes of shareholders present in the Meeting, in person or by proxy, who are entitled to participate in the vote, provided, however, that one of the following is fulfilled: (a) the tally of votes in the Meeting will include a majority of all votes of shareholders who are not controlling shareholders of the Company or have a personal interest in the approval of the appointment, except for a personal interest that is not the result of a relationship with the controlling shareholder, who participate in the vote; the tally of all votes of said shareholders will not include abstaining votes; (b) the total opposing votes among the shareholders mentioned in paragraph (a) do not exceed two percent (2%) of all voting rights in the Company².

The provisions of section 276 of the Companies Law shall apply to persons having a personal interest, *mutatis mutandis*.

¹ For further information on the terms of office of officers in the Company, see the Company's remuneration policy in the report of August 22, 2019 (reference no. 2019-01-072900), which is incorporated herein by reference (the "**Remuneration Policy**").

² It is noted that the controlling shareholders of the Company do not hold shares of a percentage that shall grant them the necessary majority for the adoption of the resolution under item 1 on the agenda, since for the purpose of its adoption a special majority is required.

5. **Notice of a personal interest**

A shareholder participating in the vote shall inform the Company prior to the vote in the Meeting, or, if the vote is via a voting deed, shall indicate in part II of the voting deed in the designated space, if he is considered a controlling shareholder of the Company or a representative thereof or if he has or does not have a personal interest in the approval of the resolution. Where a shareholder has failed to give such notice, he shall not vote and his vote shall not be counted with respect to said resolution.

6. **Quorum and adjourned meeting**

The meeting shall be deemed quorate when at least two shareholders are present, in person or by proxy, who hold or represent 25% of the voting rights in the Company (“**Quorum**”). If within half-an-hour from the time appointed for the Meeting a Quorum is not present, the Meeting shall stand adjourned to Wednesday, February 5, 2020, at the same time and place (the “**Adjourned Meeting**”). If within half-an-hour from the time appointed for the Adjourned Meeting a Quorum is not present, the shareholders who are present shall be deemed a Quorum.

7. **Record date and persons entitled to vote in the Meeting**

7.1 The record date for determining the entitlement of shareholders of the Company to participate and vote in the Meeting and the Adjourned Meeting, as provided in section 182(C) of the Companies Law and in regulation 3 of the Voting Regulations, is the close of trading on the Tel Aviv Stock Exchange Ltd. (“**TASE**”) on Monday, December 30, 2019. If there is no trading on the record date, the record date shall be the last trading day prior to said date (the “**Record Date**”).

7.2 In accordance with the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at a General Meeting), 2000, a shareholder in whose favor a share is registered in street name, and such share is included among the shares of the Company that are registered in the Register of Shareholders in the name of the nominee company (“**Unregistered Shareholder**”), who wishes to vote in the General Meeting shall furnish the Company with confirmation from the TASE member with whom his title to the share is registered pertaining to his title to the share on the Record Date, in accordance with Form 1 in the schedule to said regulations (“**Proof of Ownership**”). An Unregistered Shareholder may direct the TASE member to deliver his Proof of Ownership of the share to the Company via the electronic voting system. Without derogating from the foregoing, according to said regulations, an electronic mail approved pursuant to section 44K5 of the Securities Law that pertains to the particulars of users of the electronic voting system shall be deemed tantamount to Proof of Ownership with respect to all shareholders included therein.

7.3 A shareholder may vote via a proxy in accordance with the provisions of the Articles of Association of the Company, subject to the Companies Law. Instruments of proxy and the power of attorney by virtue of which the instrument of proxy was signed (if any) shall be deposited at the registered office of the Company at least 48 hours before the time appointed for the Meeting or the Adjourned Meeting, as the case may be. Notwithstanding the foregoing, the chairman of the Meeting may, at his discretion, accept an instrument of proxy and a power of attorney as provided in this clause above also after said time, if he so deems fit, at his discretion.

8. **Voting via a voting deed and position statements**

8.1 According to the Voting Regulations, a shareholder who is entitled to participate and vote in the Meeting may vote on the resolution on the agenda brought for approval by the Meeting via a voting deed. For this purpose, the vote of a shareholder who voted via a

voting deed shall be considered a vote by a shareholder who was present and participated in the Meeting.

- 8.2 The form of the voting deed and position statements (if any) is available on the ISA distribution site at <http://www.magna.isa.gov.il> (the “**Distribution Site**”) and on the TASE website at <http://maya.tase.il>.
- 8.3 The vote will be cast by using the second part of the voting deed, as posted on the Distribution Site and attached as **Annex “C”** to this Report.
- 8.4 A shareholder may contact the Company directly to obtain the voting deed and position statements (if any).
- 8.5 The voting deed of an Unregistered Shareholder shall be delivered to the Company together with Proof of Ownership, such that the voting deed shall reach the offices of the Company by no later than four hours before the time appointed for the Meeting. For this purpose, the time of submission is the time when the voting deed and the documents required to be attached to it reach the offices of the Company.
- 8.6 A shareholder who is registered in the Register of Shareholders shall deliver the voting deed to the Company accompanied by a photocopy of his ID card or passport or certificate of incorporation, such that the voting deed shall reach the offices of the Company by no later than four hours before the time appointed for the Meeting.
- 8.7 A shareholder may visit the registered office of the Company, and after having proved his identity, may withdraw his voting deed and Proof of Ownership up to 24 hours before the time appointed for the Meeting.
- 8.8 The final date for submitting position statements is up to ten days before the date appointed for the Meeting, i.e. by January 19, 2020.
- 8.9 The final date for submitting a position statement on the Company’s behalf, which includes the Board of Directors’ response to position statements submitted by shareholders, is no later than five days before the date appointed for the Meeting, i.e. by January 24, 2020.
- 8.10 The TASE member will send via email, for no consideration, a link to the form of the voting deed and position statements (if any) on the Distribution Site to any shareholder who is not registered in the Register of Shareholders and whose shares are registered with said TASE member, unless the shareholder has advised the TASE member that he does not wish to receive said link, or has advised that he wishes to receive voting deeds in consideration for the payment of postage only, provided that the notice was given with respect to a particular securities account and before the Record Date.
- 8.11 A shareholder whose shares are registered in street name is entitled to receive Proof of Ownership from the TASE member through which he holds his shares, at the branch office of the TASE member or by mail sent to the shareholder’s address in consideration for the payment of postage only, if he has so requested. A request to this effect shall be made in advance for a particular securities account.

9. **Voting via the electronic voting system**

- 9.1 An Unregistered Shareholder may vote via a voting deed that shall be sent to the Company by the electronic voting system as defined in the Voting Regulations, subject to the terms and conditions set forth in the Voting Regulations (“**Electronic Voting Deed**”).

- 9.2 The Electronic Voting Deed is opened for voting at the close of the Record Date. Upon receipt of an identifying number and access code from the TASE member and after completing an identification process, an Unregistered Shareholder may vote via the electronic voting system at <https://votes.isa.gov.il>.
- 9.3 Voting via the electronic voting system **ends 6 hours before the time appointed for the Meeting** (i.e. on Wednesday, January 29, 2020 at 9:00 a.m.), when the electronic voting system shall be closed. The electronic vote may be changed or cancelled until the closing of the electronic voting system, after which it cannot be changed via the system. Where a shareholder has voted by more than one method the last of his votes shall be counted, with the vote of the shareholder in person or by proxy in the Meeting being deemed later than the vote via the Electronic Voting Deed.

10. **Final date for inclusion of an item on the agenda by a shareholder**

The final date for submitting requests by shareholders pursuant to section 66(B) of the Companies Law to include an item on the agenda for the Meeting is up to seven (7) days before the time appointed for the Meeting. It is noted that if a request is submitted there may be changes in the agenda for the Meeting, including the addition of an item or addition of a position statement, and the up-to-date agenda and position statements may be reviewed in the Company's reports on the Distribution Site.

11. **Inspection of documents**

Shareholders of the Company may review this Report and other documents pertaining to the proposed resolution on the agenda, subject to applicable law, at the offices of the Company at 49 Hasivim Street, Petach Tikva on Sunday to Thursday from 9:00 a.m. to 4:00 p.m. following prior coordination by telephone at 03-6752499, and on the ISA Distribution Site at <http://www.magna.isa.gov.il> and the TASE website at <http://maya.tase.il>.

12. **Company representative with regard to the Immediate Report**

The Company's representative for purposes of this report is Mr. Michael Avner, Senior Vice President, CLO and Company Secretary, whose office is at 49 Hasivim Street, Petach Tikva, tel. 03-6752499; fax 03-6752279.

Yours sincerely,

Strauss Group Ltd.

Date signed: December 25, 2019

Signatories: Michael Avner, Senior Vice President, CLO and Company Secretary; Noa Herman Shifris, Adv.