

STRAUSS GROUP LTD.
(The “Company”)

July 8, 2025

Messrs
The Israel Securities Authority
Via MAGNA

Messrs
Tel Aviv Stock Exchange Ltd.
Via MAGNA

Dear Sir/Madam:

Re: Supplementary Immediate Report Regarding the Convening of an Annual General and Special Meeting of the Company

In accordance with the provisions of the Companies Law, 1999 (the “**Companies Law**”), the Securities Regulations (Periodic and Immediate Reports), 1970 (the “**Reporting Regulations**”), the Companies Regulations (Written Votes and Position Statements), 2005 (the “**Voting Regulations**”), 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**”) and the Securities Regulations (Transaction between a Company and a Controlling Shareholder Therein), 2001 (the “**Controlling Shareholder Regulations**”), and further to the Immediate Report of the Company of June 3, 2025, reference no. 2025-01-039899 (the “**Meeting Convening Report of June 3, 2025**”), an Immediate Report is hereby given regarding the convening of an Annual General and Special Meeting of Shareholders of the Company, which shall be held on Monday, July 14, 2025 at 3:00 p.m., at the offices of the Company at 49 Hasivim Street, Petach Tikva (the “**Meeting**”).

The Company hereby announces updates to the aforementioned report, made following discussions with institutional entities and the advisors of institutional entities that are among the shareholders of the Company. The updates are indicated using “Track Changes” in this report below, as well as in the Revised Remuneration Policy of the Company (as defined below), as set forth in section 3 of this report.

1. Items on the Agenda and Proposed Resolutions

1.1 Discussion of the Annual Financial Statements of the Company and the Board of Directors’ Report for the year ended December 31, 2024, published by the Company as part of the Periodic Report published on March 25, 2025 and amended on March 26, 2025 (reference no. 2025-01-019985 and 2025-01-020788, respectively) (the “**2024 Periodic Report**”), with no resolution being passed.

1.2 Reappointment of the Auditor

The Company applies the Proposed Best Practices for Directors for Promoting the Quality of the Financial Statements Audit (“**Best Practices**”), as published by the Israel Securities Authority (ISA) in October 2021, and is taking steps to incorporate them in its work procedures. Accordingly, in its meeting on May 26, 2025, the Audit Committee discussed the reappointment of KPMG Somekh Chaikin as the Company Auditor, was presented with Management’s position, and recommended KPMG Somekh Chaikin’s reappointment as the Company Auditor. This recommendation was approved by the Board of Directors on June 1, 2025.

Furthermore, the Audit Committee and the Board of Directors were satisfied that the fee paid to the Auditor for its activities in 2024, based on the scope and complexity of the operations audited and after negotiations between the Company and the Auditor, is reasonable and acceptable considering the nature of the Company and the scale of its business, and that the

scope of the Auditor's work in rendering audit services in 2024 is reasonable, acceptable, and appropriate for the performance of a proper audit.

The fee for 2025 is a fixed ("global") fee and was determined according to the estimated amount of audit work based on the scope and complexity of the operations audited, after negotiations between the Company and the Auditor.

Considering their experience and professionalism, it is proposed to reappoint KPMG Somekh Chaikin of 17 Ha'arba'a Street, Millennium Tower, Tel Aviv as the Company Auditor until the next Annual General Meeting, and to authorize the Board of Directors of the Company to determine their fee.

Proposed resolution: "Reappoint KMPG Somekh Chaikin of 17 Ha'arba'a Street, Millennium Tower, Tel Aviv as the Company Auditor until the next Annual General Meeting, and authorize the Board of Directors of the Company to determine their fee".

1.3 Reappointment of directors retiring by rotation

Reappointment of Ms. Ofra Strauss and Mr. Adi Strauss, who are retiring by rotation in accordance with the provisions of the Articles of Association of the Company. For the terms and conditions of office and employment of Ms. Ofra Strauss, see sections **1.6** and **4** of this report.

Proposed resolution (for the avoidance of doubt, the vote regarding each director shall be taken separately): "Reappoint Ms. Ofra Strauss and Mr. Adi Strauss, who are retiring by rotation in accordance with the provisions of the Articles of Association of the Company, as directors of the Company".

1.4 Appointment of Ms. Dorit Salinger and Ms. Dalia Lev for an additional (third) term of office as external directors of the Company

On August 12, 2025, the second term of office of Ms. Dorit Salinger and Ms. Dalia Lev as external directors of the Company will expire. In accordance with Section 245(A1) (2) of the Companies Law, it is proposed to appoint Ms. Salinger and Ms. Lev for a third term of office as external directors of the Company, commencing at the end of the second term, i.e., for a period of three years beginning on August 13, 2025.

The terms and conditions of office of each of the external directors shall remain unchanged, including the compensation payable in accordance with the Companies Regulations (Rules Regarding Compensation and Expense Reimbursement of an External Director), 2000 (the "**Compensation Regulations**"), which is the maximum amount payable to an expert director. Additionally, they shall be entitled to a Letter of Undertaking for Indemnification and a Letter of Exemption, in the same form as those granted to other directors and officers of the Company, as they may be from time to time, to inclusion in the Company's Directors and officers (D&O) liability insurance policy, and to expense reimbursement.

For the avoidance of doubt, Ms. Salinger and Ms. Lev are classified as directors with accounting and financial expertise, as defined in the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and a Director with Professional Qualifications), 2005, based on their experience and qualifications as disclosed to the Company; and as an "Expert External Director", within the meaning of this term in the Compensation Regulations.

The directors proposed for reappointment have signed the declarations required under Sections 224B (a) and 241 of the Companies Law, and they are attached as Annex "A" to this Convening Report.

For the information required under Regulation 36B (10) of the Reporting Regulations, see regulation 26 in the chapter “Additional Information on the Corporation” in the Company’s 2024 Periodic Report, which is incorporated by reference, and also the voting deed attached to this Convening Report.

Proposed resolution (for the avoidance of doubt, the vote regarding each director shall be taken separately): “Approve the appointment of Ms. Dorit Salinger and Ms. Dalia Lev for a third term of office as external directors of the Company, commencing at the end of the second term (i.e., for a period of three years beginning on August 13, 2025)”.

1.5 Approval of the Company’s revised Remuneration Policy

Approval of the Company’s revised Remuneration Policy, which is attached as Annex “B” to this report, in accordance with the provisions of Section 267A of the Companies Law. For information regarding the Remuneration Policy, see section 3 of this report.

Proposed resolution: “Approve the revised Remuneration Policy for officers of the Company, as set forth in section 3 of the Meeting Convening Report”.

1.6 Update and extension of the terms and conditions of office of the Chairperson of the Board of Directors of the Company

Approval of the update and extension of the terms and conditions of office of the Chairperson of the Board, Ms. Ofra Strauss, who is a controlling shareholder of the Company, in accordance with a management agreement with a company wholly owned and controlled by Ms. Strauss, as set forth in section 4 of this report.

Proposed resolution: “Approve the update and extension of the terms and conditions of office of the Chairperson of the Board, Ms. Ofra Strauss, as set forth in section 4 of the Meeting Convening Report”.

1.7 Update of the terms and conditions of office and employment of the Company CEO

Approval of the update of the terms and conditions of office and employment of the Company CEO, Mr. Shai Babad, in such manner that his salary will be linked to the increase in the CPI, and subject to the approval of the current Remuneration Policy of the Company by the Meeting, as set forth in section 3 of this report, as well as approval of the adjustment of the CEO’s annual incentive to the changes in clause 11 of the current Remuneration Policy. The remaining terms and conditions of the CEO’s office and employment shall remain unchanged. See section 5 of this report.

Proposed resolution: “Approve the update of the terms and conditions of office and employment of Mr. Shai Babad, as set forth in section 5 of the Meeting Convening Report”.

1.8 Approval of the terms and conditions of office of Mr. Adi Strauss, a director of the Company

Approval of all terms and conditions of office of Mr. Adi Strauss, a controlling shareholder of the Company, as a director of the Company, including approval of the extension of the validity of a Letter of Undertaking for Indemnification for a further three years, commencing on the date of approval by the General Meeting, and renewal of the grant of a Letter of Exemption for a period of 3 more years commencing on the date of approval by the General Meeting, provided, however, that the exemption granted, if and insofar as it is granted, shall not apply to a decision he made or a transaction he approved, in which the controlling

shareholders or any officer in the Company has a personal interest in its approval; all as set forth in section 6 of this report.

Proposed resolution: “**Approve all terms and conditions of office of Mr. Adi Strauss as a director of the Company, including the extension of the validity of a Letter of Undertaking for Indemnification and renewal of the grant of a Letter of Exemption, for a further three years commencing on the date of approval by the General Meeting, as set forth in section 6 of the Meeting Convening Report”.**

1.9 Approval of the terms and conditions of employment of Ms. Yasmin Lahat

Approval of the terms and conditions of employment of Ms. Yasmin Lahat, the daughter of Ms. Ofra Strauss, a controlling shareholder of the Company, as a project manager in the Group’s OT (Operations and Supply Chain) Headquarters, commencing on May 11, 2025. For further information, see section 7 of this report.

Proposed resolution: “**Approve the terms and conditions of employment of Ms. Yasmin Lahat, as set forth in section 7 of the Meeting Convening Report”.**

1.10 Grant of updated Letters of Undertaking for Indemnification to directors and officers of the Company

1.10.1 Approval of the grant of updated Letters of Undertaking for Indemnification to directors and officers of the Company currently serving in office and those who shall serve in office from time to time, who are not among the controlling shareholders of the Company and their relatives, in the form of the updated Letter of Indemnification attached as Annex “D” to this Convening Report. For further information, see section 8 of this Convening Report.

Proposed resolution: “**Approve the grant of updated Letters of Undertaking for Indemnification to directors and officers of the Company, who are not among the controlling shareholders of the Company and their relatives, currently serving in office and those who shall serve in office from time to time, in the form of the Letter of Indemnification attached as Annex “D” to the Convening Report, as set forth in Section 8 of the Meeting Convening Report”.**

1.10.2 Approval of the grant of updated Letters of Undertaking for Indemnification to directors who are controlling shareholders and to the CEO, under the same terms and conditions and in the same form as the updated Letter of Indemnification granted to other directors and officers of the Company, as set forth in section 1.10.1 above. For further information, see section 8 of this Convening Report.

Proposed resolution: “**Approve the grant of updated Letters of Undertaking for Indemnification to directors who are controlling shareholders of the Company and to the CEO, under the same terms and conditions and in the same form as the updated Letter of Indemnification granted to other directors and officers of the Company, as set forth in section 1.10.1 above and in Section 8 of the Meeting Convening Report”.**

11.1 Approval of entry into a consulting agreement with Mr. Shaul Kobrinsky, who serves as Vice Chairperson of the Board of Directors of the Company

Approval of the entry into a consulting agreement with Mr. Shaul Kobrinsky (or a company wholly owned and controlled by him) commencing on February 17, 2025, as set forth in section 9 of this report.

Proposed resolution: “Approve the entry into a consulting agreement with Mr. Shaul Kobrinsky, as set forth in section 9 of the Meeting Convening Report”.

2. **Reappointment of Directors Retiring by Rotation** (item 1.3 on the agenda)

2.1 The terms and conditions of office of Mr. Adi Strauss shall remain unchanged, as set forth in section 6 of this report.

For the terms and conditions of office of Ms. Ofra Strauss, see section 4 of this report.

2.2 For the information required under Regulation 36B (10) of the Reporting Regulations regarding directors proposed for reappointment, see regulation 26 in the chapter “Additional Information on the Corporation” in the Company’s 2024 Periodic Report, and the voting deed attached to this Convening Report.

2.3 The directors proposed for reappointment have signed the declarations required under Section 224B(a) of the Companies Law, and they are attached as Annex “C” to this Convening Report.

3. **Information Regarding the Revised Remuneration Policy of the Company** (item 1.5 on the agenda)

3.1 On September 29, 2022, the General Meeting of Shareholders of the Company approved the Remuneration Policy for officers of the Company, in accordance with the provisions of Section 267A of the Companies Law (the “**Current Remuneration Policy**”). For the Current Remuneration Policy, see the Immediate Report of the Company of August 24, 2022 (reference no. 2022-01-107899), which is incorporated herein by reference.

3.2 According to the provisions of the law, the Current Remuneration Policy was set for a period of three years from the date of its approval in September 2022. Accordingly, the Company formulated a revised Remuneration Policy, which is attached as Annex “B” to this report, with changes marked in relation to the Remuneration Policy published within the Meeting Convening Report of June 3, 2025 (the “**Revised Remuneration Policy**”).

3.3 As a rule, the Revised Remuneration Policy is based on principles similar to those that formed the basis of the Current Remuneration Policy, while simplifying it (for example, by integrating the sections on the remuneration of the Chairperson of the Board and the CEO into the general officers’ remuneration). Additionally, the Revised Remuneration Policy was updated to reflect changes in global and local market conditions and trends, developments in the labor market, and the Company Management’s many years of experience.

3.4 The Company held in-depth discussions, also including the participation of experts on executive compensation and representatives of Company Management, and reassessed the Company’s Remuneration Policy and the need for adjustments to the Current Remuneration Policy, *inter alia*, based on insights and conclusions drawn from the Company’s accumulated experience with respect to the Current Remuneration Policy.

3.5 As part of the process of formulating the Revised Remuneration Policy, the Remuneration Committee and the Board of Directors were presented, *inter alia*, with comparative data on executive compensation in peer companies, as well as information regarding prevailing trends in executive compensation.

3.6 The Revised Remuneration Policy shall replace the Current Remuneration Policy and shall enter into effect on the date of its approval by the General Meeting, for a period of three years.

For the avoidance of doubt, it is hereby clarified that the Revised Remuneration Policy shall apply to executive compensation for the year 2025 onward.

3.7 The Revised Remuneration Policy was discussed by the Remuneration Committee, which held five meetings on the matter. Following its review of the information presented and after due consideration of, *inter alia*, the factors required under the Companies Law as well as the comments of institutional entities and the advisors of institutional entities that are among the shareholders of the Company, the Remuneration Committee unanimously approved the Revised Remuneration Policy. The meetings of the Remuneration Committee held on May 22, 2025 and July 4, 2025, which approved the Revised Remuneration Policy, was attended by all Committee members: Ms. Dalia Narkys (external director and Committee Chair), Ms. Dalia Lev (external director), and Ms. Dorit Salinger (external director).

On June 1, 2025 and July 6, 2025, the Board of Directors approved the Revised Remuneration Policy. The Revised Remuneration Policy was unanimously approved by all members of the Board present at the meeting, based on the recommendations of the Remuneration Committee. The meeting of the Board of Directors at which the Revised Remuneration Policy was approved was attended by Ms. Dalia Narkys, Ms. Dalia Lev, Ms. Dorit Salinger, Ms. Galia Maor, Ms. Ravit Barniv, Mr. Yaniv Garty, and Ms. Anat Gamliel. As a precautionary measure, Ms. Ofra Strauss, who serves as Executive Chairperson of the Board, and Mr. Adi Strauss, who is the brother of Ms. Ofra Strauss, did not attend the meeting at the time of the Board's approval of the Revised Remuneration Policy.

3.8 Principal changes in the Revised Remuneration Policy compared to the Current Remuneration Policy

Following is a summary of the principal changes introduced in the Revised Remuneration Policy as compared to the Current Remuneration Policy.

It is emphasized that the table below provides a concise overview of the proposed changes and is not a substitute for reviewing the full text of the Remuneration Policy. For the complete version of the Policy, see Annex “B” to this report.

Topic	Clause in Current Policy	Clause in Revised Policy	Essence of the Change	
Base salary caps for officers	4.3	4.3	The Base Salary cap for officers reporting to the CEO was reduced to NIS 125,000, with no change in relation to the other officers (with clarification that the salary cap is linked to the known Index as of the date of approval of the Policy by the Meeting of September 2022).	
Advance notice period	6.4	6.4	The clause was shortened to clarify that the provisions of clause 6 do not preclude the Company from agreeing to a shorter notice period. Additionally, the provision stating that no payment will be made for a shortened notice period at the officer's request (beyond the statutory minimum) was deleted.	
Adjustment pay	7	7	The clause was refined to clarify that adjustment pay is not an entitlement, but rather a discretionary payment that the Company may grant. Provisions clarifying the payments for an adjustment period and adjustment compensation were removed.	
Accelerated vesting of equity compensation and exercise period	9	9	The phrase “of an officer who has been employed by the Company for over two years” was removed, thereby allowing the Company to approve accelerated vesting of equity compensation regardless of the officer's tenure, in the following cases: (1) full acceleration of the equity compensation vesting periods: in the event of death, incapacitation, for medical reasons, or the delisting of the Company's shares; and (2) acceleration of the vesting period of the next unvested tranche only, in the event of a change of control of the Company (including as a result of a merger).	
Redemption of accrued leave	10	10	The clause was shortened by deleting the note in parentheses – “(leave will be redeemed according to the Base Salary only, not including benefits)”.	
Annual incentive	Threshold condition for awarding the calculated incentive	11.1.1	11.1.1	The threshold condition was amended to at least 80% of the operating profit target (instead of 85%).
	Calculated incentive	11.1.2 A	11.1.2	Setting the annual calculated incentive according to the extent of accomplishment of functional/personal targets applies to officers reporting to the CEO (under the Current Policy, such targets could also be set for the CEO).
	Functional targets	11.1.2 C	11.1.4	Functional targets for officers reporting to the CEO will be set by the CEO (rather than by the Remuneration Committee). Footnote #10 clarifies that the CEO's annual calculated incentive will not be based on functional targets (an option available under the Current Remuneration Policy).

Topic	Clause in Current Policy	Clause in Revised Policy	Essence of the Change
Annual incentive based on non-measurable criteria	11.3	11.3	The cap was lowered such that the annual incentive for officers reporting to the CEO, based on non-measurable criteria, will not exceed an amount equal to 6 gross monthly base salaries of the officer (in lieu of 12 salaries).
	11.4	11.4	The deferred annual incentive in the Current Remuneration Policy was eliminated.
Exclusion of nonrecurring events	11.9	11.9	Clarifies that exclusion also applies to threshold conditions; the Revised Policy specifies that the listed events mandate exclusion; force majeure as an event mandating exclusion was removed from the list.
Award of restricted shares or PSUs	13.5	13.5	The award of PSUs or restricted shares was conditioned on the achievement of targets or milestones or the occurrence of a specific event, with no such requirement for targets/milestones/specific event regarding the cost of 3 months of the fixed remuneration component.
Fair value cap of the equity compensation award on the grant date	13.7	13.7	The clause was amended to apply the fair value cap of the equity award on the grant date to the CEO as well. The equity award cap for officers reporting to the CEO was reduced to NIS 2,000,000 (in lieu of NIS 3,500,000).
Ratio between officers' compensation and average/median employee wages	15	15	The provision that determines when the reasonableness of the ratio between the officers' compensation and average/median employee wages will be reviewed was deleted.
Immaterial change in terms and conditions of office and employment	17	17	It was established that an immaterial change in the terms and conditions of office and employment – up to 10% of the total remuneration package for the duration of the Policy – may be approved by the Remuneration Committee in the case of the CEO, and by the CEO for officers reporting to the CEO, provided the change does not deviate from the terms and conditions of the Remuneration Policy.
Chairperson's remuneration	18, 19	11, 25	In the Revised Policy, the Chairperson's remuneration was integrated into the general remuneration provisions applicable to all officers, except for part of the clauses concerning the method of determining the incentive. For the calculation method, see section 4 of this Convening Report.
CEO's remuneration	20, 21	11, 13, 26	In the Revised Policy, the CEO's remuneration was integrated into the general remuneration provisions applicable to all officers, except for part of the clauses concerning the method of determining the incentive. For the calculation method, see section 54 of this Convening Report.

3.9 Implementation of the Current Remuneration Policy

Throughout the duration of the Company's Current Remuneration Policy, the Policy was implemented in full without exception, except for the payment of a one-time bonus to the Company CEO, which was approved by the General Meeting of Shareholders on March 27, 2025 (see the Immediate Report, reference no. 2025-01-021551).

Presented below is the ratio between the caps set in the Current Remuneration Policy and the actual compensation paid to the Chairperson of the Board and the Company CEO (the Current Policy does not include a cap on the fixed compensation component).

	Variable component	
	Variable component cap in the Current Remuneration Policy	Actual incentive (NIS thousands) and ratio between the cap and actual incentive (based on a cap equal to 12 monthly base salaries)
Chairperson of the Board	Incentive: An amount equal to 12 monthly salaries (gross), provided that it does not exceed NIS 2,300,000 (linked to the increase in the CPI from the date of the 2022 Meeting).	2022: No incentive paid; ratio: N/A 2023: No incentive paid; ratio: N/A 2024: No incentive paid; ratio: N/A
CEO	Incentive: An amount equal to 15 monthly salaries (gross), provided that it does not exceed NIS 2,500,000 (linked to the increase in the CPI from the date of the 2022 Meeting).	2022: No incentive paid; ratio: N/A 2023: 450,000; ratio: 18% 2024: 450,000 (excluding a one-time bonus); ratio: 18%
	Equity compensation: The annual economic value shall not exceed 200% of the annual base salary plus the target incentive, i.e., NIS 4,950,000.	2022: N/A, as the equity compensation was paid in November 2022 2023: 3,000,000; ratio: 60% 2024: 3,000,000; ratio: 60%

3.10 Employment agreements other than in accordance with the Current Remuneration Policy

All of the Company's employment agreements with officers that are currently in force and effect are in accordance with the Current Remuneration Policy.

3.11 The Remuneration Committee's and the Board of Directors' justifications for the approval of the Revised Remuneration Policy

Based on the information presented to the Remuneration Committee and the Board of Directors and considering the parameters, considerations and criteria specified in Section 267B(a) of the Companies Law and enumerated in Part 1 and Part 2 of Schedule 1A to the Companies Law, the Revised Remuneration Policy was approved, *inter alia*, in light of the considerations and justifications set forth below:

- 3.11.1 The Remuneration Committee and the Board of Directors are of the opinion that the Revised Remuneration Policy is appropriately adapted based on the experience gained from implementing the Current Remuneration Policy. The Revised Remuneration Policy is tailored to reflect changes in global and local market conditions and trends, developments in executive compensation practices in Israel, and the Company's evolving business position and its strategic plan.
- 3.11.2 The Revised Remuneration Policy is designed to further the Company's goals, its policies, its values and its work plan taking a long-term perspective, while providing a response to the Company's needs and taking into account its size, businesses and goals.

- 3.11.3 The Company's Revised Remuneration Policy creates a reasonable and fitting remuneration and incentivization mechanism considering the Company's characteristics, its business activities, its global and multicultural spread and complexity, its risk management policy, and the interests of all stakeholders.
- 3.11.4 The Company's Revised Remuneration Policy provides the CEO, the Remuneration Committee and the Board of Directors with management tools that deliver an effective ability to recruit, incentivize, retain and motivate talented, skilled executives who are suited to lead the Company to sustainable, long-term success, to the realization of its vision and the accomplishment of its business goals, while cultivating its uniqueness and empowering its culture and values for the benefit of all stakeholders.
- 3.11.5 The overall remuneration mix for officers reflects a proper balance between fixed and variable remuneration.
- 3.11.6 The Company's Revised Remuneration Policy establishes the officers' fixed remuneration component (base salary, accompanying benefits, and retirement benefits) while setting a base salary cap. This structure allows the fixed remuneration to be tailored to the characteristics of the position and the characteristics of the individual officer, while maintaining a reasonable and appropriate compensation framework.
- 3.11.7 The updates to the Remuneration Policy, taken as a whole, are within the reasonable range according to the comparative data presented to the Remuneration Committee and the Board of Directors, regarding remuneration policy in sample companies.
- 3.11.8 In light of the parameters, considerations, and justifications presented above, the Remuneration Committee and the Board of Directors are of the opinion that the Company's Revised Remuneration Policy is appropriate and reasonable, and that it serves the best interests of the Company and its stakeholders over the long term, taking into account the Company's strategic plan, business objectives, and risk management policy.

4. **Information Regarding the Update and Extension of the Terms and Conditions of Office of the Chairperson of the Board of Directors** (item 1.6 on the agenda)

- 4.1 Ms. Ofra Strauss, a controlling shareholder of the Company, has served as Executive Chairperson of the Company since June 2001.
- 4.2 On September 29, 2022, the General Meeting of the Company approved the Chairperson's terms and conditions of office and employment under a management agreement between the Company and a company controlled by Ms. Ofra Strauss (see the Immediate Report of August 24, 2022, reference no. 2022-01-107899). For information regarding the Chairperson's terms and conditions of office, see regulation 21 in Chapter D, "Additional Information on the Corporation" in the 2024 Periodic Report, which is incorporated by reference.
- 4.3 It is proposed to extend the Chairperson's terms and conditions of office for a period of three years, commencing on the date of approval by the Meeting. The conditions shall remain unchanged, except for the following:
 - 4.3.1 Adjustment of the conditions of the Chairperson's annual calculated incentive, subject to and contingent on the approval of the Revised Remuneration Policy, in order to align with clause 11 of the Revised Remuneration Policy, attached as Annex "B" to this report (which replaces clause 18 of the Current Remuneration Policy). The changes will be limited to the annual calculated incentive, such that, beginning in 2025 and onward, the threshold condition for payment of the annual incentive shall

be the achievement of 80% of the EBIT target set in the Group's budget, as specified in clause 11.1.1 of the Revised Remuneration Policy. The annual calculated incentive will be paid proximate to the date it is determined by the Remuneration Committee and the Board of Directors, with no deferred incentive, in accordance with clause 11.4 of the Revised Remuneration Policy – all as set forth in clause 11 of the Revised Remuneration Policy.

In light of the above, the Chairperson shall be entitled to an annual calculated incentive as set forth in the Revised Remuneration Policy. The incentive will be determined according to the weighted score for all targets, as follows:

Weighted score for all targets	Incentive in terms of monthly management fees
0%	0
50%	4.5
100%	9*
133.33%	12

* Target incentive for achievement of 100% of the targets.

The incentive for performance that falls within the range between the above scores will be calculated on a linear basis.

4.3.2 The remaining terms and conditions of office and employment of the Chairperson, as enumerated in regulation 21 in the 2024 Periodic Report, shall continue to apply unchanged.

4.3.3 For the avoidance of doubt, it is understood that the management agreement between the Company and a company controlled by the Chairperson of the Board may be converted into an employment agreement between the Company and the Chairperson, *mutatis mutandis*. This option is available subject to the condition that the cost to the Company shall not exceed the cost of the management agreement, and subject to the approval of the Remuneration Committee.

4.4 The Chairperson's estimated compensation according to the proposed terms and conditions of office (all amounts are in NIS thousands and refer to a one-year period; all amounts are exclusive of VAT) is as follows:

Recipient's particulars				Remuneration for services (at cost to the Company) in NIS thousands			
Name	Title	Scope of position	% holding in share capital	Total management fees and other benefits (a)	Maximum annual calculated incentive	Share-based payment	Total
Ms. Ofra Strauss	Chairperson of the Board	Full-time (100%)	--	2,805	2,100	--	4,905

(a) Management fees include the following components: The cost of monthly management fees (the equivalent of the fixed component in the Chairperson's terms and conditions of office and employment until the transition to management fees, i.e., base salary plus provisions for pension, provisions for advanced study fund, convalescence pay, value of a company car benefit, and employer's National Insurance contributions, plus VAT). In addition, the amount includes an estimate of other accompanying benefits to which the Chairperson is entitled. This is an estimate only of the value of accompanying benefits in a typical year, and it is therefore possible that at year-end the exact numbers will be different.

4.5 Ratio between variable and fixed components: According to the figures, the ratio between the annual cost of variable components (assuming a maximum annual calculated incentive) and

the annual cost of fixed components in the Chairperson's compensation is approximately 57% fixed components and 43% variable components.

4.6 Summary of the Remuneration Committee's and the Board of Directors' justifications for the update and extension of the Chairperson's terms and conditions of office and employment, the value of the consideration, and the method in which it was determined

4.6.1 The Company has large-scale operations that are broadly deployed around the world. It is active in different geographical regions and diverse product categories and holds a complex business portfolio while maintaining collaborations and partnerships, such that the requisite level of managerial complexity is extremely high and requires the management of a global system in harsh competitive conditions.

4.6.2 The Chairperson of the Board has served as an executive (active) chair for 24 years, during which she has devoted most of her time and energy to the Company. Her lengthy tenure attests to her deep commitment to the Company and continuing contribution to its success.

4.6.3 The Remuneration Committee and the Board of Directors hold the Chairperson's work in high regard. The Remuneration Committee and the Board of Directors are of the opinion that the Chairperson possesses the competencies and skills required for the position, among other things noting her experience and profound many-years-long knowledge of the Company's core business, and her contribution to the development of the Company and its operations, as well as her ability to continue to contribute to its development and the accomplishment of its goals in coming years.

4.6.4 The Chairperson's compensation was determined on the basis of her current compensation, as approved by the General Meeting of the Company in September 2022. It is consistent with the Company's Revised Remuneration Policy, subject to its adoption and approval, and has not been updated since it was approved by the General Meeting of the Company in 2016 (other than conversion of her compensation into management fees as described above, at no additional cost to the Company).

4.6.5 A comparative analysis prepared by an independent external consultant was presented to the Remuneration Committee and the Board of Directors. The analysis compared the compensation of the Chairperson of the Board of Directors to that of chairpersons in peer companies operating in similar business sectors and of comparable scope. Based on the comparative data and the rationale provided, the Remuneration Committee and the Board of Directors concluded that the proposed remuneration is appropriate and reasonable, including in comparison to the customary compensation levels for board chairpersons in Israel.

4.6.6 The Remuneration Committee and the Board of Directors reviewed the ratio between the cost of the Chairperson's compensation and the overall wage costs of the Company's employees, with particular attention to the ratio relative to the average and median wage. They concluded that these ratios are reasonable and are not expected to adversely affect labor relations within the Company.

4.6.7 The decision regarding the extension of the Chairperson's terms and conditions of office does not constitute a "distribution" as defined in the Companies Law.

4.6.9 In light of the justifications set forth above, the members of the Remuneration Committee and the Board of Directors concluded that the update and extension of the Chairperson's engagement under the management agreement, as well as the approval of her terms and conditions of office, are appropriate, reasonable, and in the best interests of the Company.

4.7 Additional information in accordance with the Controlling Shareholder Regulations

4.7.1 Personal interest of the controlling shareholders and nature of their personal interest: To the best of the Company's knowledge, as of the date of this report, Strauss Holdings is the direct controlling shareholder of the Company (holding approximately 52.98% of the Company's equity and voting rights). The controlling shareholder of Strauss Holdings is Michael Strauss's Assets Ltd. (which holds 100% of the equity and voting rights in Strauss Holdings) ("Michael's Assets"). Ms. Ofra Strauss, Ms. Irit Strauss and Mr. Adi Strauss hold the shares of Michael's Assets (jointly, approximately 94.6% of the right to dividends and 100% of the voting rights in Michael's Assets), granting them control of Michael's Assets and, indirectly, of the Company. There is an agreement between the above three Strauss family members regarding cooperation in Michael's Assets, on the grounds of which they are considered to jointly hold Michael's Assets. Consequently, Ms. Ofra Strauss, Ms. Irit Strauss and Mr. Adi Strauss are the controlling shareholders of the Company.

Accordingly, Ms. Ofra Strauss has a personal interest in the approval of her terms and conditions of office and employment, and Ms. Irit Strauss and Mr. Adi Strauss (the siblings of Ms. Ofra Strauss) have a personal interest by virtue of their kinship with Ms. Ofra Strauss.

4.7.2 Approvals required: The Remuneration Committee and the Board of Directors of the Company approved the update and extension of Ms. Ofra Strauss's terms and conditions of office and employment in their meetings of May 29, 2025 and June 1, 2025, respectively. The names of the directors who participated in the Audit Committee's discussions (excluding the directors who did not participate, as specified in section 4.7.5 of the report) are Ms. Dorit Salinger (chairperson; external director), Ms. Dalia Lev (external director), and Ms. Dalia Narkys (external director). The directors who participated in the meeting of the Board are the directors named in section 3.7 above. Additionally, the above transaction requires the approval of the General Meeting of the Company, which is summoned in accordance with this report.

4.7.3 The method used to determine the consideration: For the method used to determine the consideration, see section 4.6 above.

4.7.4 Transactions of the type of or similar to the engagement, executed within the past two years or still in effect as of the date of approval by the Board of Directors: During the two years preceding the Board of Directors' approval of the transaction contemplated in this report, no transactions of the same type or similar nature were executed between the Company and a controlling shareholder, or in which a controlling shareholder had a personal interest, and as of the date of this report, no such transactions are in effect, except as described below:

- (a) For information regarding Ms. Ofra Strauss's current terms and conditions of office, see regulation 21 in Chapter D, "Additional Information on the Corporation" in the 2024 Periodic Report, which is incorporated by reference.
- (b) For information regarding the terms and conditions of office of Mr. Adi Strauss, a controlling shareholder of the Company who serves as a director of the Company, see regulation 22 in the chapter "Additional Information on the Corporation" in the 2024 Periodic Report, and also section 6 of this report.
- (c) For information regarding exemption, insurance, and undertaking for the indemnification of officers of the Company, including those who are among the

controlling shareholders of the Company and their relatives, see regulation 29A in the 2024 Periodic Report.

(d) For information regarding the terms and conditions of employment of Ms. Yasmin Lahat, who is the daughter of Ofra Strauss, see section 7 of this report and also the Immediate Report of March 25, 2025 (reference no. 2025-01-019981), which is incorporated by reference.

4.7.5 **Personal interest of directors and nature of their interest:** The Chairperson of the Board of Directors has a personal interest in the approval of her terms and conditions of office and employment; and Mr. Adi Strauss has a personal interest in the approval of the Chairperson's terms and conditions of office and employment by virtue of kinship (he is Ms. Ofra Strauss's brother). Said directors were not present and did not participate in the discussions regarding this transaction.

4.7.6 **Authority of the Securities Authority ("ISA"):** Pursuant to Regulation 10 of the Controlling Shareholder Regulations, the ISA, or an ISA employee authorized for this purpose, may, within 21 days from the date this report was submitted, instruct the Company to provide, within the timeframe set by the ISA, an explanation, details, information, and documents relating to the transaction contemplated in this report. The ISA may further instruct the Company to amend the report in the manner and within the timeframe prescribed by the ISA. In such case, the ISA may order that the General Meeting be postponed to a date that falls no less than 3 business days and no more than 35 business days following the publication of the amendment to the report. If the Company is required to amend this report as described above, it shall submit the amendment in the manner set forth in the Controlling Shareholder Regulations, shall send it to all shareholders to whom this report was sent, and shall publish an announcement regarding the amendment as set forth in the Controlling Shareholder Regulations, unless otherwise instructed by the ISA. Where an instruction has been given regarding the postponement of the General Meeting, the Company shall announce such instruction in an Immediate Report.

5. **Information Regarding the Update of the Terms and Conditions of Office and Employment of the Company CEO** (item 1.7 on the agenda)

5.1 The Company CEO, Mr. Shai Babad, has served in this position since December 2022.

5.2 Further to the approvals of the Remuneration Committee and the Board of Directors on November 4, 2022 and November 6, 2022, respectively, on January 18, 2023, the General Meeting approved the Company CEO's terms and conditions of office and employment.

For the principal terms and conditions of Mr. Babad's office and employment, see regulation 21 in the 2024 Periodic Report; the Company's Immediate Report of February 18, 2025, reference no. 2025-01-011261, regarding the update to the CEO's terms and conditions of office and employment, which was approved by the Remuneration Committee as an immaterial change (including an increase in base salary to NIS 166,600, in accordance with the base salary cap set out in the Company's Remuneration Policy, and grossing up the value of a company car in line with Company procedure); as well as the Immediate Reports of November 7, 2022 (reference no. 2022-01-133720) (the "**2022 Easements Report**") and November 28, 2022 (reference no. 2022-01-113955), all of which are incorporated by reference.

For the General Meeting's approval on March 27, 2025 of a one-time award to the CEO in recognition of his significant contribution to the success of the Sabra transaction, see the Company's Immediate Report of February 18, 2025 (reference no. 2025-01-011261), which is incorporated by reference.

5.3 Subject to the approval of the General Meeting, the Remuneration Committee and the Board of Directors approved the following revisions to the CEO's employment terms and conditions:

5.3.1 Pursuant to clause 4.5 of the Company's Current Remuneration Policy, the salaries of the Company's officers may be linked to increases in the CPI. In light of the real erosion of the monthly salary (in reference to the increase in the CPI during the CEO's term of office), and subject to the approval of the General Meeting, the Remuneration Committee and the Board of Directors approved that commencing on January 1, 2025, the CEO's salary will be linked to the CPI published by the Central Statistics Bureau on February 15, 2025.

5.3.2 Adjustment of the conditions of the CEO's annual calculated incentive, subject to and contingent on the approval of the Revised Remuneration Policy, in order to align with clause 11 of the Revised Remuneration Policy, attached as Annex "B" to this report (which replaces clause 20 of the Current Remuneration Policy), such that, beginning in 2025 and onward, the threshold condition for payment of the annual incentive shall be the achievement of 80% of the EBIT target set in the Group's budget, as specified in clause 11.1.1 of the Revised Remuneration Policy. The annual calculated incentive will be paid proximate to the date it is determined by the Remuneration Committee and the Board of Directors, with no deferred incentive, in accordance with clause 11.4 of the Revised Remuneration Policy – all as set forth in clause 11 of the Revised Remuneration Policy.

In light of the above, the CEO shall be entitled to an annual calculated incentive as set forth in the Revised Remuneration Policy. The incentive will be determined according to the weighted score for all targets.

For the approval of the grant of an updated Letter of Undertaking for Indemnification to the CEO, see section 8 below. The remaining terms and conditions of office and employment of the CEO, as enumerated in regulation 21 in the 2024 Periodic Report, shall continue to apply unchanged.

5.4 Below is an estimate of the CEO's total annual compensation under the proposed terms and conditions of office and employment in a typical year (all amounts are in NIS thousands and refer to a period of one year. All amounts are exclusive of VAT):

Recipient's particulars				Compensation (at cost to the Company) in NIS thousands			
Name	Title	Scope of position	% holding in share capital	Salary and accompanying benefits (a)	Maximum annual calculated incentive (b)	Equity compensation for the year (c)	Total
Mr. Shai Babad	CEO	Full-time (100%)	0%	3,008	2,040	3,000	8,048

- (a) Based on a monthly salary of NIS 166,600, linked as of January 1, 2025 (NIS 170,000 as of April 2025). The salary is at cost to the Company and includes accompanying benefits and social rights, standard social and accompanying provisions such as car maintenance, grossing up the value of a company car, and telephone. The stated value of the accompanying benefits reflects an estimate for a typical year (based on the inclusion of variables that are currently unknown, such as vehicle costs, and excludes potential one-time provisions related to the salary adjustment and retirement benefits). Accordingly, actual annual costs may vary.
- (b) To complete the picture, it is noted that the total remuneration, assuming the CEO is entitled to the maximum annual incentive (including the discretionary component equal to three monthly salaries), amounts to NIS 8,558 thousand. It is further noted that the CEO may also be granted a special bonus (under the circumstances specified in the Remuneration Policy, of up to four salaries), provided that the total sum of the annual incentive and the special bonus does not exceed the annual incentive cap in the year for which the special bonus is awarded.

(c) The economic value of the warrants granted to the CEO in November 2022, through to the end of the vesting period of those warrants, linearly spread over a three-year vesting period.

5.5 **Ratio between variable and fixed components:** According to the figures, the ratio between the annual cost of variable components (assuming a maximum annual calculated incentive) and the annual cost of fixed components in the CEO's compensation is approximately 37% fixed components and 63% variable components.

5.6 **Summary of the Remuneration Committee's and the Board of Directors' justifications for the approval of the update of the CEO's terms and conditions of office and employment**

5.6.1 Mr. Shai Babad has served as the Company's CEO since December 2022, and since assuming the position, he has demonstrated strong leadership and management capabilities. He successfully led the Group through a challenging period, advancing and developing the Group's business, including projects that were not included in the Group's original plans, and effectively implementing the Group's revised strategy.

5.6.2 The Remuneration Committee and the Board of Directors expressed their satisfaction with Mr. Babad's performance, noting that his updated remuneration terms are reasonable and proportionate in view of his contribution and personal commitment to the Group's success, and the scope and complexity of his role.

5.6.3 The Remuneration Committee and the Board of Directors reviewed the Company's goals, its work plans and policies over the long term, as well as the updated remuneration terms. The Remuneration Committee and the Board were also presented with a comparative analysis prepared by an independent external consultant, which reviewed the compensation terms of chief executive officers in peer companies. Based on the comparative data and the real erosion of the monthly salary (in reference to the increase in the CPI during the CEO's term of office), the Remuneration Committee and the Board of Directors concluded that the revised remuneration terms are appropriate, reasonable, and fair.

5.6.4 Linking the salary to the increase in the CPI does not constitute a real increase in salary.

5.6.5 Linkage to the CPI is consistent with both the Company's Current and Revised Remuneration Policies, and the adjustment of the bonus is in accordance with the Revised Remuneration Policy, subject to its approval.

5.6.6 Additionally, the Remuneration Committee and the Board of Directors reviewed the ratio between the cost of the CEO's compensation and the overall wage costs of the Company's employees, with particular attention to the ratio relative to the average and za wage. They concluded that these ratios are reasonable and are not expected to adversely affect labor relations within the Company.

5.6.7 In light of the justifications set forth above, the members of the Remuneration Committee and the Board of Directors concluded that the update of the CEO's terms and conditions of employment is appropriate, reasonable, and in the best interests of the Company.

6. **Information Regarding the Approval of the Terms and Conditions of Office of Mr. Adi Strauss, a Director of the Company**

6.1 Mr. Adi Strauss, a controlling shareholder of the Company, has served as a director of the Company since August 25, 2011. In September 2025, three years will have passed since the last approval of the grant of a Letter of Undertaking for Indemnification to Mr. Adi Strauss. In addition, on June 30, 2024, the General Meeting approved the renewal of the grant of a

Letter of Exemption to Mr. Strauss for a period of three years, commencing from the date of approval by that General Meeting. Furthermore, on August 13, 2023, following approval by the Remuneration Committee, the Board of Directors approved Mr. Adi Strauss's entitlement to directors' compensation at the maximum amount payable to an expert director¹ as an expert director in the Compensation Regulations, taking into account the Company's market standing².

6.2 In light of the foregoing and in the interests of maintaining uniformity in the approval periods of all terms and conditions of Mr. Adi Strauss's office, it is proposed that this Meeting approve all of Mr. Strauss's terms and conditions of office. This includes the renewal of the grant of a Letter of Undertaking for Indemnification in the form currently in use by the Company for directors and officers, as may be accepted by the Company from time to time, for a period of three years commencing on the date of approval by the Meeting contemplated in this report (for the avoidance of doubt, in accordance with the Company's Remuneration Policy for officers, the Company may grant, both prospectively and retrospectively, an exemption from liability for breach of the duty of care to the Company, up to the maximum extent permitted by applicable law, to its officers, including officers who are the controlling shareholders or their relatives. Any such exemption, if granted, shall not apply to a decision made by the officer or to a transaction approved by the officer in which the controlling shareholder or any officer of the Company has a personal interest). Additionally, it is proposed to approve Mr. Adi Strauss's entitlement to directors' compensation at the maximum amount payable to an expert director as an expert director in the Compensation Regulations, taking into account the Company's market standing, and to include him in the Company's directors and officers liability insurance policy.

6.3 Summary of the Remuneration Committee's and the Board of Directors' justifications

6.3.1 The resolution approving the grant of a Letter of Undertaking for Indemnification and a Letter of Exemption to Mr. Adi Strauss in his capacity as a director of the Company, and the approval of his compensation as an expert director pursuant to the Compensation Regulations, was adopted in accordance with prevailing practice in public companies of the Company's type and size.

6.3.2 The grant of the Letter of Undertaking for Indemnification and the Letter of Exemption is in accordance with the provisions of the Companies Law and the Company's Articles of Association, and is consistent with the Company's Compensation Policy.

6.3.3 The Letter of Undertaking for Indemnification and the Letter of Exemption are identical in their terms and conditions and provisions to the Letters of Undertaking for Indemnification and the Letters of Exemption granted to all directors and officers of the Company, including those who are among the controlling shareholders and their relatives. In addition, the decision regarding the grant of the Letter of Undertaking for Indemnification and the Letter of Exemption does not constitute a "distribution", as defined in the Companies Law.

¹ On August 16, 2020, following the receipt of an affidavit from Mr. Adi Strauss regarding his experience, skills, and education, the Board of Directors evaluated Mr. Strauss's competencies and determined that he meets the criteria for classification as an expert director (in accordance with the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and a Director with Professional Qualifications), 2005), based on his experience, including his nine years of service as a director of the Company and Group companies, prior to his classification as an expert director.

² For information regarding the approval of the Letter of Undertaking for Indemnification at the meeting of September 2022, see the Company's Immediate Reports of August 24, 2022 and September 29, 2022 (reference no. 2022-01-107899 and 2022-01-099348, respectively). For information regarding the approval of the Letter of Exemption at the meeting of June 2024, see the Company's Immediate Reports of May 26, 2024 and July 1, 2024 (reference no. 2024-01-054030 and 2024-01-066594, respectively). For information regarding the approval of Mr. Adi Strauss's compensation, see the Immediate Report pursuant to the Easement Regulations (reference no. 2023-01-075670).

- 6.3.4 The Letter of Exemption from Liability is a standard safeguard in public companies, granted to officers acting on the company's behalf. It enables them to perform their duties freely in the company's best interest and to achieve its goals, with the assurance that, if they make mistakes, they will be protected, subject to the limits imposed by law.
- 6.3.5 Mr. Adi Strauss's compensation is in accordance with the Company's Remuneration Policy for officers and set pursuant to the Compensation Regulations, taking into account the Company's market standing and Mr. Adi Strauss's classification as an expert director, which, *inter alia*, indicate that the compensation is appropriate and reasonable. Furthermore, Mr. Adi Strauss's compensation is equivalent to that of the Company's other expert directors and aligns with the maximum amount permitted for an expert director under the Compensation Regulations.
- 6.3.6 In light of the above, the approval of Mr. Adi Strauss's terms and conditions of office serves the interests of the Company.

6.4 Additional information in accordance with the Controlling Shareholder Regulations

- 6.4.1 Personal interest of the controlling shareholders and nature of their personal interest: For information regarding control of the Company, see section 4.7.1 of this report. Mr. Adi Strauss has a personal interest in the approval of his terms and conditions of office, and Ms. Ofra Strauss and Ms. Irit Strauss (Mr. Adi Strauss's sisters) have a personal interest by virtue of their kinship with Mr. Adi Strauss.
- 6.4.2 Approvals required: The Remuneration Committee and the Board of Directors of the Company approved Mr. Adi Strauss's terms and conditions of office in their meetings of May 19, 2025 and May 27, 2025, respectively. The names of the directors who participated in the Audit Committee's discussions (excluding the directors who did not participate, as specified in section 6.4.5 below) are Ms. Dorit Salinger (chairperson; external director), Ms. Dalia Lev (external director), and Ms. Dalia Narkys (external director). The directors who participated in the meeting of the Board are Ms. Dalia Lev, Ms. Dorit Salinger, Mr. Yaniv Garty, Ms. Ravit Barniv, Ms. Anat Gabriel, Ms. Dalia Narkys, and Ms. Galia Maor. The terms and conditions of office also require the approval of the General Meeting of the Company, which is summoned in accordance with this report.
- 6.4.3 The method used to determine the consideration: See section 6.3 of the report.
- 6.4.4 Transactions of the type of or similar to the engagement: See section 4.7.3 of the report.
- 6.4.5 Personal interest of directors and nature of their interest: Mr. Adi Strauss has a personal interest in the approval of his terms and conditions of office; Ms. Ofra Strauss, Chairperson of the Board, has a personal interest by virtue of kinship (she is Mr. Adi Strauss's sister). Said directors were not present and did not participate in the discussions regarding this transaction.
- 6.4.6 Authority of the Securities Authority: For information regarding the authority of the ISA, see section 4.7.6 of the report.

7. Information Regarding the Terms and Conditions of Employment of Ms. Yasmin Lahat

- 7.1 On March 24, 2025, further to the approval of the Company's Remuneration Committee, the Board of Directors of the Company approved the terms and conditions of employment of Ms.

Yasmin Lahat, the daughter of Ms. Ofra Strauss, who is among the controlling shareholders of the Company, as a project manager in the Group's OT (Operations and Supply Chain) Headquarters, commencing on May 11, 2025, subject to approval by the General Meeting.

It is noted that until the approval of Ms. Lahat's terms and conditions of employment by the General Meeting, the Remuneration Committee and the Board of Directors have approved her employment terms in accordance with Regulation 1B (4) of the Easement Regulations, to remain in effect until her full employment package is formally approved.

7.2 For the principal terms and conditions of Ms. Yasmin Lahat's employment, see the Company's Immediate Report of March 25, 2025 (reference no. 2025-01-019981), which is incorporated by reference.

7.3 Additional information in accordance with the Controlling Shareholder Regulations

7.3.1 Personal interest of the controlling shareholders and nature of their personal interest: For information regarding control of the Company, see section 4.7.1 above. Ms. Ofra Strauss has a personal interest as the mother of Ms. Yasmin Lahat. As a precautionary measure, a personal interest has also been attributed to Mr. Adi Strauss and Ms. Irit Strauss (Ms. Lahat's uncle and aunt, respectively) by virtue of kinship.

7.3.2 Approvals required: The Remuneration Committee and the Board of Directors of the Company approved Ms. Lahat's terms and conditions of employment in their meetings of March 11, 2025 and March 24, 2025, respectively. The names of the directors who participated in the Audit Committee's discussions (excluding the directors who did not participate, as specified in section 7.3.5 below) are Ms. Dorit Salinger (chairperson; external director), Ms. Dalia Lev (external director), and Ms. Dalia Narkys (external director). The directors who participated in the meeting of the Board are Ms. Ofra Strauss (Chairperson), Mr. Shaul Kobrinsky (Vice Chairperson), Ms. Dorit Salinger (external director), Ms. Dalia Lev (external director), Ms. Dalia Narkys (external directors), Ms. Galia Maor, Mr. David Mosevics, Mr. Adi Strauss, Ms. Tzipi Ozer-Armon, Ms. Ravit Barniv, Ms. Anat Gabriel, and Mr. Yaniv Garty. The terms and conditions of employment also require the approval of the General Meeting of the Company, which is summoned in accordance with this report.

7.3.3 The method used to determine the consideration: Ms. Lahat's salary was approved by the Remuneration Committee and the Board of Directors after reviewing wage benchmarks derived from market data in comparative salary surveys of industrial companies in Israel. In addition, the salaries for other project management roles within the Group's OT headquarters were reviewed.

7.3.4 Transactions of the type of or similar to the engagement, executed within the past two years or still in effect as of the date of approval by the Board of Directors: See section 4.7.3 of the report.

7.3.5 Personal interest of directors and nature of their interest: The Chairperson of the Board has a personal interest by virtue of kinship (she is Ms. Yasmin Lahat's mother). As a precautionary measure, a personal interest has also been attributed to Mr. Adi Strauss (Ms. Yasmin Lahat's uncle and Ms. Ofra Strauss's brother). Said directors were not present and did not participate in discussions regarding this engagement.

7.3.6 Authority of the Securities Authority: For information regarding the authority of the ISA, see section 4.7.6 of the report.

8. Grant of Updated Letters of Undertaking for Indemnification to Directors and Officers of the Company

- 8.1 As of the date of the report, the Company has granted Letters of Undertaking for Indemnification to all directors and officers currently serving in office, in line with accepted practice among public companies. For information regarding the current Letters of Indemnification, see regulation 29A in Chapter D of the 2024 Periodic Report.
- 8.2 In view of the time that has passed since the Letter of Indemnification granted to officers was last updated, on May 29, 2025 and June 1, 2025, the Remuneration Committee and the Board of Directors (respectively) approved an amendment to the current Letter of Indemnification. The amendment applies uniformly to all Company officers, as set forth in section 8.4 below. The proposed amended version of the Letter of Indemnification, with tracked changes compared to the previous version, is attached as Annex “D” to this Convening Report (the “**Updated Letter of Indemnification**”).
- 8.3 The principal amendments to the proposed Letter of Indemnification include an expanded list of the events covered, incorporating protections related to data management, privacy protection, and compliance with regulatory requirements. These enhancements are intended to ensure that officers are able to perform their duties confidently and efficiently, while safeguarding the interests of the Company and its shareholders.
- 8.4 Accordingly, pursuant to the provisions of the Companies Law, the agenda includes the approval of the grant of the Updated Letters of Indemnification to directors and officers who are not controlling shareholders of the Company and their relatives, as well as the approval of the Updated Letters of Indemnification for the CEO and for directors who are controlling shareholders, as set forth in section 1.10.2 above.
- 8.5 For the avoidance of doubt, nothing in this amendment shall derogate from the validity of prior resolutions or undertakings made by the Company to indemnify its directors and officers. Furthermore, if the General Meeting does not approve the grant of the Updated Letter of Indemnification, the version approved by the General Meeting on November 8, 2017, shall remain in full force and effect.

9. **Approval of Entry into a Consulting Agreement with Mr. Shaul Kobrinsky, Who Serves as Vice Chairperson of the Board of Directors of the Company**

- 9.1 Mr. Shaul Kobrinsky has served as a director of the Company since May 5, 2024, and since February 17, 2025, has served as Vice Chairperson of the Board.
- 9.2 In light of the complexity and scope of the Company's activities, which require substantial managerial attention, the Company seeks to enter into a consulting agreement with Mr. Kobrinsky (or a company wholly owned and controlled by him). Under this agreement, Mr. Kobrinsky will advise and support the Board of Directors and the Chairperson on relevant matters and projects and will carry out special assignments as determined by the Board or the Chairperson. This includes supporting Board projects in accordance with the Board's work plans, as well as activities in the areas of corporate government, risk management, and partner relations. These responsibilities shall be in addition to his role as Vice Chairperson of the Board. The scope of the consulting activity shall be no less than 20% of a full-time position.

It is emphasized that Mr. Kobrinsky's services shall be provided to the Board of Directors and the Chairperson of the Board. In the Board's opinion, the expansion of his services is necessary as part of its risk management efforts.

- 9.3 It is noted that in accordance with the Company's Remuneration Policy, a director who is not an independent director may receive compensation for services rendered to the Company, subject to obtaining the approvals required by law.

9.4 Terms and conditions of the consulting agreement:

9.4.1 Pursuant to the provisions of the consulting agreement, Mr. Kobrinsky will provide consulting services to the Company (if the engagement is made through a company, the services shall be rendered personally and exclusively by Mr. Kobrinsky). The scope of the services shall be no less than 20% of a full-time position.

9.4.2 The consulting agreement is for an initial term of twelve months, commencing on February 17, 2025, and shall be automatically renewed for successive twelve-month periods thereafter. Notwithstanding the foregoing, either party may terminate the agreement and the provision of the consulting services at any time, by giving at least six months' prior written notice to the other party.

9.4.3 Mr. Kobrinsky shall be entitled to monthly compensation of NIS 37,500 (plus VAT as required by law). For the avoidance of doubt, said compensation does not include directors' compensation, and Mr. Kobrinsky shall continue to be entitled to directors' compensation. However, the total annual payments to Mr. Kobrinsky in connection with the consulting agreement (excluding VAT), together with his directors' compensation, shall not exceed NIS 900,000.

9.4.4 During the term of the agreement, Mr. Kobrinsky shall be entitled to reimbursement of reasonable business expenses incurred in the course of providing the consulting services, subject to the presentation of receipts.

9.4.5 Mr. Kobrinsky shall bear sole responsibility for the payment of any taxes, levies, or other statutory charges that may apply in connection with any payments made to him under the consulting agreement.

9.4.6 The consulting agreement includes Mr. Kobrinsky's undertaking of non-disclosure and non-competition obligations.

9.5 For the avoidance of doubt, the compensation currently paid to Mr. Kobrinsky for his service as Vice Chairperson of the Board is in accordance with the provisions of the Companies Regulations (Rules Regarding Compensation and Expense Reimbursement of an External Director), 2000 (the "**Compensation Regulations**"). Following is a breakdown of the compensation that shall be paid to Mr. Kobrinsky, assuming that the consulting agreement is approved:

Recipient's particulars				Expected compensation (at cost to the Company) in NIS thousands				
Name	Title	Scope of position	% holding in share capital	Annual salary and accompanying benefits	Annual incentive	Equity compensation	Consulting fees (a)	Total
Mr. Shaul Kobrinsky	Vice Chairperson and consultant	Consultant – 20%	0%	--	--	--	--	450 (b)

(a) The above amount is exclusive of VAT.

(b) The above amount does not include payment to Mr. Kobrinsky for his service as Vice Chairperson of the Board, in accordance with the Compensation Regulations. For the compensation paid to directors (who not employed by the Company) in 2024, see regulation 21 in Chapter D, "Additional Information on the Corporation", in the 2024 Periodic Report. As stated above, the total annual payments to Mr. Kobrinsky in connection with the consulting agreement (excluding VAT), together with his directors' compensation, shall not exceed NIS 900,000.

9.6 Summary of the Remuneration Committee's and the Board of Directors' justifications for the approval of the consulting agreement

- 9.6.1 In view of Mr. Kobrinsky's tenure as a director of the Company and his role as Vice Chairperson of the Board, he has acquired substantial knowledge of the Company's business. Furthermore, given his many years of managerial experience, Mr. Kobrinsky possesses the necessary skills and expertise to provide the required consulting services.
- 9.6.2 Mr. Kobrinsky's engagement as a consultant, in addition to his service as a director, is necessary for the Company given the complexity and scale of its operations, which demand significant managerial attention, as well as for the Board's risk mitigation efforts.
- 9.6.3 The proposed compensation for the consulting services is aligned with the expected services.
- 9.6.4 Pursuant to the Remuneration Policy, a director who is not an independent director may receive compensation for services rendered to the Company. Accordingly, payment of the consideration under the consulting agreement is consistent with the provisions of the Company's Remuneration Policy.

10. **Meeting Type, Date and Venue**

Notice is hereby given that on Monday, July 14, 2025, at 3:00 p.m., an Annual General and Special Meeting of Shareholders of the Company will convene at the offices of the Company at 49 Hasivim Street, Petach Tikva. The agenda for the meeting includes the adoption of resolutions on the items set forth in section 11 above.

11. **Required Majority³**

- 11.1 The majority required in the Meeting for the adoption of the resolutions proposed under items 1.2, 1.3, 1.10.1 and 1.11 on the agenda is the majority of the votes cast by shareholders present at the Meeting, in person or by proxy, who are entitled to vote and who participate in the vote (the tally of votes shall not include abstaining votes).
- 11.2 The majority required for the adoption of the resolutions proposed under item 1.4 above, with respect to each candidate separately, is the majority of the votes cast by shareholders present at the Meeting, in person or by proxy, who are entitled to participate in the vote, provided, however, that one of the following conditions is met: (a) the majority of votes cast at the Meeting will include a majority of all votes of shareholders who are neither controlling shareholders of the Company nor have a personal interest in the approval of the appointment, excluding a personal interest that does not arise from a connection with the controlling shareholder, and who participate in the vote; the tally of all votes of said shareholders shall not include abstaining votes; (b) the total opposing votes cast by the shareholders mentioned in paragraph (a) do not exceed two percent (2%) of the total voting rights in the Company.

Shareholders with a personal interest shall be subject to the provisions of Section 276 of the Companies Law, *mutatis mutandis*.

- 11.3 The majority required for the adoption of the resolution proposed under item 1.5 on the agenda is the majority of votes cast by shareholders present at the Meeting, in person or by proxy, who are entitled to participate in the vote, provided, however, that one of the following conditions is met: (a) the majority of votes cast at the General Meeting will include a majority

³ For information on control of the Company, see section 4.7.1 above. To the best of the Company's knowledge, the holdings of the controlling shareholders on the Record Date, as defined below, shall grant them the required majority for the adoption of the resolutions proposed under items 1.2, 1.3, 1.10.1 and 1.11 above. Furthermore, to the best of the Company's knowledge, the holdings of the controlling shareholders on the Record Date, as defined below, shall not grant them the required majority for the adoption of the resolutions under items 1.4-1.9 and 1.10.2 above, since their adoption requires a special majority.

of all votes of shareholders who are neither controlling shareholders of the Company nor have a personal interest in the approval of the resolution, and who participate in the vote; the tally of all votes of said shareholders will not include abstaining votes; (b) the total opposing votes cast by the shareholders mentioned in paragraph (a) do not exceed two percent (2%) of all voting rights in the Company.

It is noted that the Company is not a public granddaughter (second-tier) company as this term is defined in the Companies Law. Accordingly, pursuant to the provisions of Section 267A(c) of the Companies Law, the Board of Directors of the Company may approve the Revised Remuneration Policy even if the General Meeting has opposed the approval thereof, insofar as the Remuneration Committee, and thereafter, the Board of Directors, shall decide, on the basis of detailed justifications and after they have re-discussed the Revised Remuneration Policy, that the approval thereof, notwithstanding the opposition of the General Meeting, is in the interests of the Company.

11.4 The majority required for the adoption of the resolutions proposed under items 1.6, 1.8, 1.9 and 1.10.2 on the agenda is the majority of votes cast by shareholders present at the Meeting, in person or by proxy, who are entitled to participate in the vote, provided, however, that one of the following conditions is met: (a) the majority of votes cast at the General Meeting will include a majority of all votes of shareholders who do not have a personal interest in the approval of the resolution, and who participate in the vote; the tally of all votes of said shareholders will not include abstaining votes; (b) the total opposing votes cast by the shareholders mentioned in paragraph (a) do not exceed two percent (2%) of all voting rights in the Company.

11.5 The majority required for the adoption of the resolution proposed under item 1.7 on the agenda is the majority of votes cast by shareholders present at the Meeting, in person or by proxy, who are entitled to participate in the vote, provided, however, that one of the following conditions is met: (a) the majority of votes cast at the General Meeting will include a majority of all votes of shareholders who are neither controlling shareholders of the Company nor have a personal interest in the approval of the resolution, and who participate in the vote; the tally of all votes of said shareholders will not include abstaining votes; (b) the total opposing votes cast by the shareholders mentioned in paragraph (a) do not exceed two percent (2%) of all voting rights in the Company.

It is noted that the Company is not a public granddaughter (second-tier) company as this term is defined in the Companies Law. Accordingly, pursuant to the provisions of Section 272(C1)(1)(c) of the Companies Law, the Remuneration Committee, and thereafter, the Board of Directors of the Company, may, in special cases, approve the transaction even if the General Meeting has opposed the approval thereof, insofar as the Remuneration Committee and thereafter, the Board of Directors, shall decide, on the basis of detailed justifications and after they have re-discussed the transaction, that the approval thereof, notwithstanding the opposition of the General Meeting, is in the interests of the Company.

11.6 **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 Monday, July 21, 2025, 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 then present shall be deemed to constitute a Quorum.

12. **Record Date and Persons Entitled to Vote at the Meeting**

- 12.1 The record date for determining the entitlement of shareholders of the Company to participate and vote at 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, June 9, 2025 (the “**Record Date**”). If there is no trading on the Record Date, the Record Date shall be the close of the last trading day prior thereto.
- 12.2 In accordance with the Companies Regulations (Proof of Ownership of Shares for Voting at General Meetings), 2000, a shareholder who is the beneficial owner of a share registered in street name, with such share being among the shares registered in the Company’s Register of Shareholders in the name of the nominee company (hereinafter: the “**Unregistered Shareholder**”), and who wishes to vote at the Meeting, will submit to the Company proof, furnished by the TASE member with whom his right to the share is registered, of his ownership of the share on the Record Date, in accordance with the form contained in the schedule to said regulations (“**Proof of Ownership**”). An Unregistered Shareholder may instruct the TASE member to transmit the Proof of Ownership of his share to the Company via the electronic voting system. Without derogating from the foregoing, according to said regulations, an electronic mail confirmed pursuant to Section 44k5 of the Securities Law regarding the particulars of users of the electronic voting system shall be deemed tantamount to Proof of Ownership for all shareholders included therein.
- 12.3 A shareholder may vote in person or by proxy in accordance with the provisions of the Articles of Association of the Company and subject to the Companies Law. Instruments of proxy and the power of attorney by virtue of which the instrument of proxy was executed (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 section above also after said time, if he so deems fit, at his discretion.

13. **Voting via a Voting Deed and Position Statements**

- 13.1 According to the Voting Regulations, a shareholder who is entitled to participate and vote in the Meeting may vote on the resolutions 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.
- 13.2 The form of the voting deed and position statements (if any) is available on the ISA’s distribution site at <http://www.magna.isa.gov.il> (the “**Distribution Site**”) and on the TASE website at <http://maya.tase.il>.
- 13.3 The vote will be cast using the second part of the voting deed, as posted on the Distribution Site.
- 13.4 A shareholder may contact the Company directly to obtain the voting deed and position statements (if any).
- 13.5 The voting deed of an Unregistered Shareholder shall be delivered to the Company together with Proof of Ownership, such that the voting deed is received at the offices of the Company by no later than four hours before the time appointed for the Meeting.
- 13.6 A shareholder who is registered in the Register of Shareholders shall deliver the voting deed to the Company together with a photocopy of his ID card or passport or certificate of incorporation, such that the voting deed is received at the registered offices of the Company by no later than four hours before the time appointed for the Meeting.

- 13.7 A shareholder may visit the registered offices of the Company, and after having provided proof of identity, may withdraw his voting deed and Proof of Ownership up to 24 hours before the time appointed for the Meeting.
- 13.8 The final date for submitting position statements is up to ten days before the date appointed for the Meeting, i.e., by Friday, July 4, 2025.
- 13.9 The final date for submitting a position statement on behalf of the Company, which shall include 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 Monday, July 9, 2025.
- 13.10 The TASE member will send, by email and free of charge, 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 that TASE member, unless the shareholder has notified the TASE member that he does not wish to receive said link or that he wishes to receive voting deeds by post in exchange for payment of postage, provided that the notice was given for a particular securities account and before the Record Date.
- 13.11 A shareholder whose shares are registered in street name is entitled to receive Proof of Ownership of the shares from the TASE member through which his shares are held, at the branch office of the TASE member or by mail to the shareholder's address in exchange for payment of postage only, if he has so requested. A request to this effect shall be made in advance for a particular securities account.
- 13.12 One or more shareholders who, on the Record Date, hold shares representing five percent or more of all voting rights in the Company, and any shareholder or shareholders holding such percentage of all voting rights not held by the controlling shareholder of the Company, as defined in Section 268 of the Companies Law, may review the voting deeds as provided in Regulation 10 of the Voting Regulations.

14. **Voting via the Electronic Voting System**

- 14.1 An Unregistered Shareholder may vote by submitting a voting deed to the Company through the electronic voting system, as defined in the Voting Regulations, subject to the terms and conditions set forth in the Voting Regulations (the "**Electronic Voting Deed**").
- 14.2 The Electronic Voting Deed is available for voting from the close of the Record Date. Upon receiving 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>.
- 14.3 Voting via the electronic voting system **will end 6 hours before the time appointed for the Meeting** (i.e., on Monday, July 14, 2025 at 9:00 a.m.), when the electronic voting system will be closed. The electronic vote may be changed or cancelled until the system closes, after which it cannot be changed through the electronic system. If a shareholder has voted by more than one method, his last vote 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.

15. **Final Date for Inclusion of an Item on the Agenda by a Shareholder**

The final date for submitting requests by shareholders under Section 66(b) of the Companies Law to include an item on the agenda for the Meeting is up to seven (7) days after the Meeting was summoned. It is noted that if such a request is submitted there may be changes in the agenda, including the addition

of an item or position statement. The updated agenda and position statements can be reviewed in the Company's reports on the Distribution Site.

16. **Inspection of Documents**

Shareholders of the Company may review this report and other documents relating to the proposed resolutions 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>.

17. **Company Representative Concerning the Immediate Report**

The Company's representative for the purposes of this report is Ms. Yael Nevo, Executive Vice President, General Counsel & Corporate Secretary, whose office is at 49 Hasivim Street, Petach Tikva, tel. 03-6752499; fax 03-6752279.

Yours sincerely,

Strauss Group Ltd.

Date signed: Tuesday, June 8, 2025

Signatories:

Yael Nevo, Executive Vice President, General Counsel & Corporate Secretary
Noa Harman-Shifris, Senior Legal Counsel, Capital Markets, Finance and Corporate Governance

ANNEX “A”

ANNEX “B”

REMUNERATION POLICY FOR OFFICERS OF THE COMPANY¹

Part A – Goals and Principles

1. Goals of the Remuneration Policy

The Remuneration Policy of Strauss Group Ltd. (the “**Company**”), a global enterprise with extensive operations across multiple geographical regions and diverse product categories, is designed to advance the following objectives:

- 1.1 Further the goals of the Company, its policies, and work plan in the long term.
- 1.2 Create a reasonable and appropriate remuneration and incentivization system taking into consideration the distinctive features of the Company, its business activities, global spread and multicultural complexity, risk management Policy, and desired with stakeholder relationships.
- 1.3 Build effective recruitment, retention, and motivation capabilities for 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 components²:

- 2.1.1 Fixed remuneration component – base salary (or management fees, as the case may be), 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 position and the officer.
 - 2.1.2 Variable remuneration component – incentive: An annual 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 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 its long-term profits.

¹ 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.

² Officers are also entitled to the Company’s exemption, indemnification and insurance arrangements, as described in Part G of the Policy.

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 components³ 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 55% and 70% of the total remuneration package; variable remuneration components: between 45% and 30% of the total remuneration package.
- 2.2.2 Company CEO – fixed remuneration component: between 30% and 50% of the total remuneration package; variable remuneration components: between 70% and 50% of the total remuneration package.
- 2.2.3 Other officers of the Company (excluding 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 a period of three 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.
- 3.2 The Remuneration Committee and the Board of Directors will review the necessity to revise the Remuneration Policy from time to time.
- 3.3 The remuneration plan addresses the "terms 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 provisions of the terms of office and employment which were approved prior to the approval of the Remuneration Policy.

Part B – The Fixed Remuneration Component⁴

4. **Base Salary**

4.1 The officer's monthly base salary (or management fees, as the case may be) (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;

³ 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 fully vested. 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 overall remuneration mix may be higher than the abovementioned percentages.

⁴ Use of the term "officer" in Parts B, C and D is made for convenience and does not apply to the compensation of directors who are not Company employees. For the remuneration of directors who are not employed by the Company, see Part F of the Policy.

- 4.1.2 The officer's personal attributes, including his education, qualifications, expertise and professional experience⁵;
- 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 terms of the officer in the Company or those of his predecessors;
- 4.1.5 The customary terms 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 wage data of 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, or the level of their managerial complexity.

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 those relevant comparative parameters and subject to available information, if any.

- 4.3 The (gross) 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 Consumer Price Index (CPI) on the date of approval of the Remuneration Policy by the General Meeting⁶ (and shall be no less than the following amounts):
 - 4.3.1 Executive Chairperson of the Board of Directors – up to NIS 175,000⁷.
 - 4.3.2 CEO – up to NIS 153,000.
 - 4.3.3 Other officers – up to NIS 125,000.
- 4.4 The Company organs may, from time to time, update the officers' salaries according to the parameters and principles described above.
- 4.5 The officers' salaries may be linked to increases in the CPI.

5. Accompanying Benefits

- 5.1 The Company 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);

⁵ It is noted that no binding preliminary requirements were determined with regard to personal characteristics for service 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.

⁶ The date of approval of the Remuneration Policy by the General Meeting refers to the approval of September 29, 2022.

⁷ The cap in terms of monthly management fees is NIS 233,416, the equivalent of a Base Salary of NIS 175,000 plus provisions for pension, provisions for advanced study fund, convalescence pay, value of a company car benefit, and employer's National Insurance contributions, plus VAT. Said cap does not include other accompanying benefits as described in clause 5 above.

provisions to an advanced study fund (according to the Base Salary); loss of work capacity insurance; car and cash-for-car; mobile phone and other communication expenses; convalescence pay; sick leave; leave and leave redemption; the option of grossing up expenses – all according to accepted practice in the Company.

- 5.2 Officers shall also be entitled to benefits awarded to Company employees in alignment with Company practice, including holiday gifts and gifts on family occasions, participation in social or unit employee engagement 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, the officers shall be entitled to the full reimbursement of reasonable business expenses incurred in the course of their work (such as flight tickets, transportation, accommodations, subsistence allowance, etc.). Such expenses will be reimbursed with no cap on the amount, subject to the presentation of suitable receipts, and in accordance with Company practice.

6. **Advance Notice**

- 6.1 In the event of termination of office or employment (excluding cases where the Company is legally entitled to terminate employment without severance pay), up to 6 (six) months' advance notice will be given. The advance notice period is mutual and will also be binding on the officer in the event of voluntary resignation.
- 6.2 During the advance notice period, the officer shall be required to continue performing his duties, unless the Company elects to waive this requirement. In such a case, the officer shall be entitled to full compensation for the advance notice period, including payment in lieu of notice, whether in full or for the remaining portion of the notice period, as the case may be.
- 6.3 The notice period shall be considered part of the officer's period of employment for all intents and purposes (including entitlement to all remuneration components, such as social benefits, bonuses, and the vesting of equity-based compensation).
- 6.4 Nothing in the foregoing shall preclude the Company from agreeing to a shorter notice period.

7. **Adjustment**

In the event of termination (excluding cases where the Company is legally entitled to terminate employment without severance pay), the Company may, at its discretion, grant the officer adjustment pay⁸ of up to six (6) months. Such payment may be provided either as an adjustment period or as a lump-sum adjustment compensation.

The officer shall not be entitled to an annual incentive and/or equity-based compensation in respect of the adjustment period or adjustment compensation, whether provided as a paid notice period or as a lump-sum payment.

8. **Severance Pay**

In the event of termination (excluding cases where the Company is legally entitled to terminate employment without severance pay), the officer shall be entitled to severance pay. The Company may determine the severance pay as provided in Section 12 or Section 14 of the Severance Pay Law, 1963.

9. **Accelerated Vesting of Equity Compensation and Exercise Period**

⁸ For the avoidance of doubt, the Company may condition the payment of adjustment compensation on the officer's fulfillment of contractual obligations related to the termination of his office (including non-competition and non-disclosure obligations).

In the event of termination (excluding cases in which the Company is legally entitled to terminate employment without severance pay) of the employment of an officer, the Company may, with the approval of the Remuneration Committee and the Board of Directors, determine that the officer is entitled to early vesting of Equity Compensation (as defined in clause 13 below) in the following cases:

- 9.1 Full acceleration of the Equity Compensation vesting periods: in the event of death, incapacitation, for medical reasons, or the delisting of the Company's shares.
- 9.2 Acceleration of the vesting period of the next unvested tranche only, in the event of a change of control of the Company (including as a result of a merger).

The Company may further – with the approval of the Remuneration Committee and the Board of Directors – extend the exercise period for the Equity Compensation specified in the Equity Compensation plan (which, as of the date of approval of the Policy, is 180 days) for a further period of up to an additional 180 days.

10. **Leave Redemption**

In the event of termination, the officer will be entitled to redeem leave days accrued to his credit.

Part C – Incentives

11. **Annual Incentive for Officers**

The Company may award officers an annual incentive, comprising an annual calculated incentive as provided in clause 11.1 below, and for the CEO and officers reporting to the CEO – also a discretionary incentive as provided in clause 11.2 below – all unless determined otherwise with regard to officers reporting to the CEO, as provided in clause 11.3 below.

11.1 **The Annual Calculated Incentive**

11.1.1 **Threshold condition for awarding the Calculated Incentive**: The threshold condition for awarding the Annual Calculated Incentive to officers of the Company for a particular calendar year is the accomplishment of at least 80% of the operating profit (EBIT) target defined in the Group's budget for that calendar year, as approved from time to time by the Board of Directors of the Company (hereinafter: "**Budget**"). The extent of accomplishment of this target will be 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 "**Threshold Condition**").

11.1.2 **Calculated Incentive**

The Annual Calculated Incentive will be determined according to the extent of accomplishment of budget-based financial targets. For officers reporting to the CEO, the Annual Calculated Incentive may also be based on the extent of accomplishment of functional/personal targets (hereinafter: "**Functional Targets**"), and a manager evaluation.

11.1.3 **Financial targets⁹**

⁹ For the avoidance of doubt, upon the publication of the Annual Incentive figures in regulation 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 regulation 21.

Financial targets are measurable budget objectives based on data in the Non-GAAP Reports and/or GAAP financial accounting reports of the Group and/or the relevant business activity, as the case may be, which are set in the Budget each year, and will be chosen each year proximate to the beginning of the year by the Remuneration Committee and the Board of Directors from among the following: sales, sales growth rate, gross profit, gross margin, operating profit (EBIT), operating margin, net profit, net margin, EBITDA, operating cash flow, free cash flow; cash conversion, working capital objectives, return on invested capital (ROIC).

The extent of accomplishment of each of the financial targets will reflect the extent of actual accomplishment of the Budget objective in accordance with the Non-GAAP Reports and/or the GAAP financial accounting reports for the calendar year in which respect the annual incentive is calculated.

To establish the extent of actual accomplishment of the Budget objective, the Remuneration Committee and the Board of Directors may exclude one-time performances and results generating a nonrecurring profit or loss from the non-GAAP or GAAP metrics, as described in clause 11.9 below.

The weight of each of the financial targets shall be determined by the Remuneration Committee and the Board of Directors and will range between 10% and 90%, so that the total weight of all financial targets is 100%.

11.1.4 Functional Targets¹⁰

Proximate to the beginning of each year, the Company CEO will set Functional Targets for officers reporting to the CEO, in a manner that reflects the targets that each officer is required to accomplish in the scope of their position in order to achieve the Group's strategic goals. The weight of each Functional Target will range between 10% and 90%, so that the total weight of all Functional Targets is 100%.

11.1.5 Calculation method of the Annual Calculated Incentive

A “Target Incentive” will be set for each officer (an incentive paid for achievement of 100% of the targets) in terms of a number of monthly base salaries (gross) per year.

The actual incentive paid to each officer will be determined according to the extent of the officer's accomplishment of the targets that were set.

The following will be determined for each target separately: its weight of the total incentive; minimum performance (“Minimum Value”), below which the officer will not be eligible for an incentive, and the score awarded in its respect; performance that constitutes achievement of the target and that will be awarded a score of 100% (the “Target”); maximum performance (“Maximum Value”) entitling the officer to the maximum incentive, and the score awarded in its respect.

The Minimum Value for each Target will be no less than 70% of the Target.

The incentive will be calculated based on the weighted score for all Targets.

11.2 Annual Incentive – Discretionary Component

¹⁰ For the avoidance of doubt, it is clarified that the Annual Calculated Incentive for an Executive Chairperson of the Board and Company CEO shall not be based on Functional Targets.

The Remuneration Committee and the Board of Directors may determine a discretionary incentive in an amount that does not exceed 3 monthly base salaries (gross), taking into consideration 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; successful accomplishment of 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. An Executive Chairperson of the Board shall be not entitled to a Discretionary Incentive.

11.3 **Annual Incentive for Officers Reporting to the CEO**

Notwithstanding the foregoing, the Remuneration Committee and the Board of Directors may determine an annual incentive for officers reporting to the CEO, on the basis of non-measurable criteria and taking into consideration 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 annual incentive paid to each of said officers shall not exceed an amount equal to 6 gross monthly base salaries of the officer.

11.4 **Payment of the Annual Incentive**

The amount of the annual incentive will be determined by the Remuneration Committee and the Board of Directors proximate to the publication date of the Company's consolidated annual financial statements for the calendar year in which respect the annual incentive is calculated. The annual incentive will be paid proximate to the abovementioned date.

11.5 **Annual Incentive Cap**

The total annual incentive (as provided in clauses 11.1 and 11.2 above) of the Executive Chairperson of the Board and officers reporting to the CEO shall not exceed an amount equal to 12 gross monthly base salaries of the particular officer. The total annual incentive of the CEO shall not exceed an amount equal to 15 gross monthly base salaries of the CEO. The gross salary for the purpose of calculating the annual incentive shall be the gross salary as of December 31 of the year for which the bonus is awarded.

11.6 **Refund in the Event of Payment of an Incentive Awarded on the Basis of Inaccurate Financial Data**

Should it become evident that an officer was paid on the basis of data that were found 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 three years have elapsed since the publication date 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 owing to it as stated 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 required difference according to the amended financial data. For the avoidance of doubt, the restatement of data in the financial statements arising from 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 Annual Calculated Incentive**

The Board of Directors may, at its discretion, reduce or revoke the amount of the Calculated Incentive to which an officer is entitled, for any reason.

11.8 **Prorated Portion of the Annual Incentive**

An officer who began working for the Company during the calendar year in which respect the incentive is paid and actively worked for at least six months in that year will be entitled to a prorated portion of the annual incentive in respect of that year, provided, however, that he is a Company employee on the date the incentive is approved.

An officer whose employment is terminated, and who has worked for the Company for more than one year, will be entitled to a prorated portion of the annual incentive for the period in which he served in his position (including the notice period), which ended in the course of a calendar year, provided that he actively worked for at least six months in the relevant year. The prorated annual 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 ended.

For the avoidance of doubt, it is understood that the provisions applying to the annual incentive, including those applying to refunds and the spread of payments, shall also apply to the prorated portion of the annual 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 and/or the GAAP financial accounting reports (as set forth above), the effects of nonrecurring events whose impact was not taken into account in the Group's Budget, if any, shall be excluded, 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 regarding their implementation, early application of accounting standards, changes in the implementation of accounting Policy, changes in accounting classification, changes in a material estimate, an event requiring restatement of comparative figures for prior years, which has a material effect on the results of the reporting period, etc.

(b) Exclusion of the effect of non-budgeted accounting results related to mergers, acquisitions, or disposals.

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

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

For the avoidance of doubt, 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 constitute a Discretionary Incentive, as provided in clause 11.2 above.

12. **Special Bonus**

The Remuneration Committee and the Board of Directors may award any of the officers a special bonus which shall not exceed 4 gross monthly base salaries of the officer, provided, however, that the overall total of the annual bonus and the special bonus does not, in the relevant year in which the special bonus is awarded, exceed the annual 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; an extraordinary effort made to advance and execute a project of the Group; in the case of a specific need for recruiting personnel; in the event of retirement after at least five years' tenure, and subject to a review by the Remuneration Committee and the Board of Directors of the terms of office and employment of the officer during the period of his employment, the Company's performance in that period and the officer's contribution to the accomplishment of the Company's goals and 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 Compensation

13. The goal of equity compensation is to create a link between the officers and the interests of the Company's shareholders, and to incentivize officers to maximize the Company's value in the long term. The Company may, with the approval of the Remuneration Committee and the Board of Directors, grant the CEO and officers reporting to him equity-based remuneration via a variety of equity instruments, which shall be subject to the following:

- 13.1 **Vesting period:** Each equity compensation award will vest in predefined tranches. The vesting period shall be no less than three years until the entire equity award is vested. In any event, the vesting period of the first tranche shall 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 compensation plan.
- 13.2 **Exercise period:** In the event of the grant of warrants, the warrants will be exercisable within no more than four years from the vesting date, according to the provisions of the ESOP (in its form from time to time) or the deed of allotment regarding the exercise of warrants on termination of the officer's employment.

13.3 **Exercise price**

If share warrants 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 (TASE) that preceded the date of approval of the allotment of the warrants by the Board of Directors, 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 TASE that preceded the date of approval of the allotment of the warrants by the Board of Directors, without a premium. In the case described in this paragraph (b), the exercise price will be linked to the CPI; or
- (c) The average closing price of the Company's share in the 30 trading days on the TASE that preceded the date of approval of the allotment of the warrants by the Board of Directors, without a premium and without the exercise price being linked to the CPI.

13.4 The exercise price may be subject to such adjustment provisions as determined in the ESOP (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 all applicable laws (including the Companies Law and the provisions of the TASE's Rules and Regulations).

- 13.5 If restricted shares or PSUs are awarded, the vesting or exercise of restricted shares or PSUs will be conditioned on the accomplishment of targets or milestones, or on the occurrence of a specific event, which shall be defined in advance and shall be subject to continued, uninterrupted employment with (or the 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 Event of Payment of an Incentive Awarded on the Basis of Inaccurate Financial Data) shall apply, *mutatis mutandis*, as determined in the equity compensation plan. However, with respect to restricted shares or PSUs whose annual value does not exceed the cost of 3 months of the fixed remuneration component (at cost to the Company), the requirement that they be conditioned on the achievement of targets or milestones or the on occurrence of a specific event, as set forth above, shall not apply.
- 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 compensation 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 compensation award on the grant date: The cumulative yearly fair value of the equity compensation on the grant date, which will be estimated based on the total economic value on the grant date, equally divided by the number of years until full vesting:
For the CEO – shall not exceed 200% of the CEO's annual base salary plus the Target Incentive, as provided in clause 11.1.5 of the Policy;
For officers reporting to the CEO – shall not exceed an amount of NIS 2,000,000 per year¹¹.

In addition, regarding any specific equity compensation, the competent organs of the Company may determine a cap for the exercise value of that award.

14. For the avoidance of doubt, the principles set forth above reflect the principal terms and conditions of equity compensation for officers of the Company, and the equity compensation for officers will be subject to the provisions of the relevant equity compensation plan.

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

Part E – Total Remuneration Package; Changes in Terms of Employment

15. The remuneration of 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 agency workers employed in the Company), in order to maintain good working relations in the Company.

In view of the international spread of the Group's operations and taking into account that Group Management Headquarters is responsible for the overall management of the Group, the relevant ratio for review in the Group is between the officers and the average and median salary costs¹² of all

¹¹ It is noted that in light of the fact that the Policy period is three years, the fair value cap was set as higher than the present value of the equity award granted to the officers.

¹² “Salary” – as defined in Part A of the First Schedule to the Companies Law, 1999.

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 from the basic production stage, manufactures in its various plants across the globe most of the food products it sells and distributes, and directly employs thousands of people; on the other, the Company has large-scale operations that are broadly deployed around the world. It is active in different geographical regions and diverse product categories and holds a complex business portfolio while maintaining collaborations and partnerships, such that the requisite level of managerial complexity is extremely high and requires the management of a global system in harsh competitive conditions. 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 with regard to the remuneration of the Company’s employees in their different positions¹³.

For an officer who is the CEO of a particular activity (for example, the Company’s business in Israel, the coffee business, the water business), the ratio between the officer’s remuneration and the average and median wage costs of the employees (including agency workers) of that operation will be reviewed.

16. In each instance of approving the terms of office and employment of an officer, the organs of the Company may, at their discretion, among their other considerations also examine the ratio between the officer’s total compensation package and 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. An immaterial change in the terms and conditions of office and employment – up to 10% of the total remuneration package for the duration of the Policy – may be approved by the Remuneration Committee in the case of the CEO, and by the CEO for officers reporting to the CEO, provided the change does not deviate from the terms and conditions of the Company’s Remuneration Policy.

Part F – Terms of Office and Employment of Directors (who are not employed by the Company)

18. **General:** The terms 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.

19. Compensation and Reimbursement of Expenses

- 19.1 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

¹³ For the avoidance of doubt, the abovementioned ratio between the cost of the Company CEO’s terms of office (Base Salary including provisions for social rights, accompanying benefits, including retirement benefits, actual 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 agency workers) (based on the figures for the 2024 calendar year) is 35 and 46, respectively. The aforesaid ratio between the current cost of the terms of office of the Executive 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 agency workers) (based on the figures for the 2024 calendar year) is 20 and 27, respectively. The aforesaid ratio with regard to the rest of the officers of the Company (who are not directors, based on the average remuneration package of said officers) compared to the average and median wage costs of the rest of the employees of the Company and its consolidated companies (based on the figures for the 2024 calendar year) is 16 and 21, respectively.

supplement and/or replace these regulations), for their service as members of the Board of Directors of the Company and/or subsidiaries, as the case may be, considering the Company's market standing (as it may be 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).

- 19.2 The directors shall 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. With regard to external directors and independent directors, the provisions set forth in the Companies Law and in the Compensation Regulations shall apply.
- 19.3 The Company may pay a director who is not an independent director compensation for services rendered, subject to obtaining the approvals required by law.

Part G – Exemption, Indemnification, and Insurance of Officers

20. Subject to the Company's Articles of Association and the provisions of the Companies Law, officers of the Company shall be entitled to receive from the Company, both prospectively and retrospectively, an exemption from all or part of their liability for damage as a result of the breach of the duty of care to the Company, at the maximum extent permissible by law. Notwithstanding the foregoing, it is understood that any such exemption, if granted, shall not apply to a decision made by the officer or a transaction approved by the officer, in which the controlling shareholder or any officer of the Company has a personal interest.
21. Officers of the Company shall, subject to the provisions of the Companies Law and the Company's Articles of Association (in their form from time to time), be entitled to receive a prospective letter of undertaking for indemnification for an obligation or expense imposed on or incurred by the officer due to an act he performed in his capacity as an officer, in accordance with Company practice from time to time, provided, however, that the total amount of indemnification 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, officers shall, subject to the provisions of the Companies Law and the Company's Articles of Association, be entitled to retrospective indemnification for an obligation or expense imposed on or incurred by the officer due to an act he performed in his capacity as an officer.

22. 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:

The liability limit shall not exceed 200 (Two Hundred) million United States dollars per incident and per period; the cost of the premium and amount of the deductible shall be in alignment with market

conditions on the date the policy is made; and the engagement is unlikely to have a material impact on the Company's profitability, its assets or liabilities.

Furthermore, 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.

23. Entitlement to exemption and/or indemnification and/or insurance as aforesaid shall also apply to the exemption and/or indemnification 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.
24. Entitlement to exemption and/or indemnification and/or insurance as aforesaid shall apply, under non-preferred terms and conditions, also to officers who, themselves and/or their relatives, are 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 H – Interpretation and General Provisions

25. The terms and conditions of office of an executive director of the Company, including those of the Executive Chairperson of the Board, as approved from time to time in the General Meeting of the Company, form an integral part of this Remuneration Policy.

The terms and conditions of office of the Company CEO, as approved from time to time in the General Meeting of the Company, form an integral part of this Remuneration Policy.

26. Where the provisions of the law, as they apply from time to time, allow for the grant of mitigations relating to the manner of compensating officers and/or 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.
27. The terms used in the Remuneration Policy shall have the meaning attributed to them in the Companies Law, 1999, unless expressly stated otherwise.
28. The terms and conditions of remuneration 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 relation to the terms of office and employment of officers shall be determined in the framework of the specific terms of employment of each officer.
29. Wherever in the Remuneration Policy it is determined that the Remuneration Committee or the Board of Directors has the authority to approve a certain action, the Remuneration Committee or the Board of Directors (as the case may be) shall be granted the authority to do so at their discretion, without further approval being required.
30. Wherever in this Policy a cap on a particular compensation component or a range for particular compensation components is set, 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. If an officer is awarded remuneration that is lower than the remuneration described in this Policy, this shall not constitute a deviation from the provisions of this Policy.
31. 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 terms 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).

32. The Company may enter into agreements and/or other transactions with its officers in accordance with the provisions of Chapter Five, Part Six of the Companies Law, 1999, subject to the approvals required by law.
33. The principles of the Remuneration Policy shall apply in full also in cases 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.

The Company's entry into employment agreements with its officers and/or the granting of compensation to its officers may be carried out either by the Company itself or through a subsidiary of the Company.

ANNEX “C”

ANNEX “D”

LETTER OF UNDERTAKING FOR INDEMNIFICATION

In accordance with the provisions of the Companies Law, the Securities Law, 1968 and its Articles of Association, the Company hereby undertakes to indemnify and hold harmless its officers as set forth in this Letter of Undertaking.

1. Interpretation

In this Letter of Indemnification, the following terms shall have the meaning set forth beside them:

“Act” or “Acts”	- Including an act and/or decision and/or omission (or any derivative thereof);
The “Company”	- Strauss Group Ltd.;
The “Companies Law”	- The Companies Law, 1999;
The “Effective Date”	- The date on which this Undertaking was approved by the Special General Meeting of Shareholders of the Company held on June 18, 2006;
The “Index”	- The Consumer Price Index (General Index), as published from time to time by the Central Bureau of Research and Statistics, within the Prime Minister’s Office;
“Officer”	- Any person who serves from time to time in the Company as an officer, as defined in Section 1 of the Companies Law, including an officer of the Company who serves in such capacity in a corporation controlled by the Company or in a related corporation of the Company, as defined in Section 1 of the Securities Law, 1968, at the Company’s request.

2. Undertaking for Indemnification

Subject to the terms and conditions set forth in this Letter of Undertaking and the provisions of the Companies Law –

- 2.1 The Company hereby irrevocably undertakes to indemnify and hold harmless any Officer against any liability or expense as set forth in par. 2.3 below, which may be imposed upon or incurred by such Officer following Acts he performed in the Company and/or in a corporation controlled by the Company and/or in a related corporation of the Company in his capacity as an Officer **after** the date of this Letter of Undertaking, which relate, directly or indirectly, to one or more of the events set forth in the addendum to this Letter of Undertaking (hereinafter: the “**Addendum**”) or any part thereof or related thereto, directly or indirectly; provided, however, that the maximum amount of indemnification shall not exceed the amount set forth in clause 3 below.

- 2.2 The Company hereby irrevocably undertakes to indemnify and hold harmless any Officer against any liability or expense as set forth in par. 2.3 below, which may be imposed upon such Officer following Acts he performed in the Company and/or in a corporation controlled by the Company and/or in a related corporation of the Company in his capacity as an Officer **before** the date of this Letter of Undertaking, which relate, directly or indirectly, to one or

more of the events set forth in the Addendum or any part thereof or related thereto, directly or indirectly; provided, however, that the maximum amount of indemnification shall not exceed the amount set forth in clause 3 below.

2.3 The undertaking to indemnify and hold harmless an Officer as provided in par. 2.1 and 2.2 above shall apply with respect to liabilities or costs, as set forth below:

2.3.1 A financial liability imposed on the Officer in favor of another person pursuant to a judgment, including a judgment awarded in a settlement or an arbitration award approved by the court;

2.3.2 Reasonable litigation costs, including attorney's fees, incurred by the Officer following an investigation or proceeding conducted against him by an authority that is authorized to conduct an investigation or proceeding, which was concluded without an indictment being filed against the Officer and without a financial liability being imposed on him in lieu of a criminal proceeding, or which was concluded without an indictment being filed against him but with a financial liability being imposed on him in lieu of a criminal proceeding, in relation to an offense that does not require proof of *mens rea* or in connection with a financial sanction;

In this paragraph -

“Conclusion of a proceeding without an indictment being filed in a matter wherein a criminal investigation was instituted” – means the case was closed pursuant to Section 62 of the Criminal Procedure Law [Consolidated Version], 1982 (in this paragraph: the **“Criminal Procedure Law”**), or a stay of proceedings by the Attorney General under Section 231 of the Criminal Procedure Law.

“Financial liability in lieu of a criminal proceeding” – a financial liability imposed by law as an alternative to a criminal proceeding, including an administrative fine under the Administrative Offenses Law, 1985, a fine for an offense determined to be a fineable offense under the provisions of the Criminal Procedure Law, a financial sanction or forfeit.

2.3.3 Reasonable litigation costs, including attorney's fees, incurred by the Officer or which he was charged to pay by the court in a proceeding brought against him by or on behalf of the Company or by another person, or in a criminal indictment whereof he was acquitted, or in a criminal indictment in which he was convicted of an offense that does not require proof of *mens rea*.

2.3.4 A financial liability imposed on the Officer for payment to a party injured by a violation in an administrative proceeding.

2.3.5 Costs incurred by the Officer in connection with an administrative proceeding (as defined below) conducted in his respect, including reasonable litigation costs as well as attorney's fees.

“Administrative proceeding” – a proceeding pursuant to Chapters 8-C (Imposition of Financial Sanctions by the ISA), 8-D (Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee), or 9-A (Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions) of the Securities Law, 1969 (the **“Securities Law”**), as amended from time to time; and also a proceeding pursuant to Chapter 7-A of the Economic Competition Law, 1998 (the **“Economic Competition Law”**), as amended from time to time; and also any other or additional administrative enforcement proceeding in which respect indemnification or insurance may be provided by law for expenditures in connection therewith or payments related thereto.

“Party injured by a violation” – within the meaning of the term in section 52BBB(a)(1)(a) of the Securities Law for purposes of an administrative proceeding pursuant to the Securities Law or pursuant to any other statute in which respect an administrative proceeding may be held.

3. **Amount of Indemnification**

- 3.1 The amount of indemnification that shall be paid by the Company (in addition to amounts received from insurance companies, if any are received, under insurance policies bought by the Company, if bought) to all Officers, cumulatively, under the Letters of Undertaking given to them, in respect of one or more of the events set forth in the Addendum, shall not exceed 25% of the equity of the Company according to its most recent financial statements as of the date of actual payment of the indemnification (hereinafter: the **“Maximum Amount of Indemnification”**). The Maximum Amount of Indemnification will be linked to the Index, from the last Index published prior to the Effective Date until the last Index published prior to the date when payment is paid.
- 3.2 If and to the extent that the total of all amounts of indemnification that the Company is required to pay shall exceed the Maximum Amount of Indemnification or the remaining balance of the Maximum Amount of Indemnification (as it is as such time) pursuant to par. 3.1 above, the Maximum Amount of Indemnification or the outstanding balance thereof, as the case may be, shall be divided among the Officers who are entitled to indemnification, in such manner that the amount of indemnification actually received by each Officer shall be calculated according to the ratio between the amount of indemnification owing to each of the Officers in respect of the liabilities or costs he is required to bear as a result of the legal proceeding, and the amount of indemnification owing to all of the aforesaid Officers in respect of the liabilities or costs they are required to bear as a result of the legal proceeding, in aggregate in respect of that event.

4. **Handling a Claim**

In any case where an Officer is likely to be entitled to indemnification as described above, the Officer and the Company shall act as follows:

- 4.1 The Officer shall inform the Company in writing of any proceeding instituted against him, in which respect he is likely to be entitled to indemnification under this Letter of Undertaking for Indemnification as provided in par. 2.3 above, and of any concern or threat that such a proceeding shall be brought against him, and of any circumstances of which he has been informed that are liable to lead to such a proceeding being brought against him (hereinafter: the **“Proceeding”**), as soon as possible after first learning thereof, and shall furnish to the Company or to any person designated by the Company, without delay, a copy of any documents furnished to him with respect to said Proceeding.
- 4.2 The Officer shall fully cooperate with the Company and with all persons designated by the Company, including the insurer under the Directors’ & Officers’ insurance policy, and shall disclose all information required in connection with the Proceeding and shall comply with all other provisions of the policy relating to his defense in the Proceeding.
- 4.3 The Company shall be entitled to undertake the handling of the Officer’s legal defense in the Proceeding and to assign the defense to an attorney whose identity shall be determined by the Company at its discretion, taking into account the Company’s obligations under the D&O insurance policy and the possibility of appointing an attorney by the insurer (hereinafter: the **“Company Attorney”**).

- 4.4 Notwithstanding the provisions of par. 4.3 above, the Officer shall have the right to oppose his representation by the Company Attorney on reasonable grounds or in circumstances which, in the opinion of the Officer or the Company Attorney, involve a conflict of interest between his defense and the defense of the Company.
- 4.5 If, within fourteen days from receipt of the notice as described in par. 4.1 above, the Company (or the insurer) has not undertaken the handling of the Officer's defense in the Proceeding, or if the Officer and/or the Company Attorney have opposed his representation by the Company Attorney in the circumstances set forth in par. 4.4 above, the Officer shall be entitled to assign his defense to an attorney of his choosing (hereinafter: the "**Other Attorney**"); provided, however, that the amount of the fee that shall be paid to the Other Attorney shall be subject to the approval of the Audit Committee of the Company, which shall review its reasonableness. It is agreed that the fee settled with the Company Attorney shall be considered a reasonable basis for assessing the Other Attorney's fee. The Officer shall be given the opportunity to appear before and present his arguments to the Audit Committee, and the Audit Committee shall explain its decision. The Officer shall be entitled to appeal the Audit Committee's decision to the Board of Directors, and the Officer shall be given the opportunity to appear before and present his arguments to the Board of Directors. Where the entire asking amount of the legal fees is not approved and the Officer has decided not to waive the services of the Other Attorney, the Officer shall be entitled – should he so desire – to receive from the Company the reasonable amount of legal fees approved, and the remainder shall be paid by the Officer at his own expense.
- 4.6 Notwithstanding the provisions of par. 4.4 and 4.5 above, if the D&O insurance policy applies to the matter at hand, the Company shall act as provided in said policy in all matters relating to a difference of opinion with the insurer regarding the identity of the representing counsel under the provisions of the policy, if delivering the handling of the case to the Other Attorney under the circumstances shall release the insurer from its obligation or reduce it, and the provisions of the policy shall prevail in this matter over any and all arrangements between the Officer and the Company. However, the Company shall make every reasonable effort according to the options available to it under the policy to respect the Officer's wishes.
- 4.7 Where the Company has decided to undertake the handling of the defense in the Proceeding and the Officer has not opposed this in the circumstances described in par. 4.4 above, the Officer, at the Company's request, shall sign a power of attorney authorizing the Company, as well as the Company Attorney, to handle the defense in the Proceeding on his behalf and to represent him in all matters related to said defense, and the Company and the Company Attorney may handle said defense exclusively (whilst reporting regularly to the Officer and consulting with him and with his legal counsel) and may bring the Proceeding to a conclusion, as they deem appropriate, subject to the provisions of par. 4.15 below.
- 4.8 The Officer shall cooperate with the Company and with the Company Attorney in any reasonable manner as required by either of them in the framework of their handling of the Proceeding, including the execution of applications, affidavits, and any other documents.
- 4.9 Where the Company had chosen to undertake the handling of the defense in the Proceeding and the Officer did not object to this in the circumstances described in par. 4.4 above, the Company shall bear all costs and payments involved, in such manner that the Officer shall not be required to pay for or finance them himself, and the Company shall not be liable to the Officer under this Letter of Undertaking for any legal costs, including attorney's fees, incurred by the Officer in defending in the Proceeding.
- 4.10 At the Officer's request, the Company shall pay to him, as an advance, any amount (or amounts) required by the Officer to cover reasonable expenses incurred by him, including attorney's fees, in which respect the Officer is entitled to indemnification under this Letter of Undertaking.

- 4.11 Where the Company has paid the Officer any amount by virtue of the Undertaking for Indemnification, whether as an advance or otherwise, and it is subsequently found that the Officer is required to refund all or part thereof due to his not having been entitled to indemnification under the provisions of Section 260 and/or Section 263 of the Companies Law and/or due to any other provision of law, the refund shall bear linkage differentials to the Index plus interest at the minimum rate prescribed by the Minister of Finance with the approval of the Knesset Finance Committee for purposes of Section 3(i) of the Income Tax Ordinance (New Version), 1961.
- 4.12 Where the Company has paid the Officer any amount by virtue of the Undertaking for Indemnification, and the charge in which respect such amount was paid is subsequently cancelled or the amount thereof has decreased for any reason, the Officer shall assign to the Company all his rights to the refund from the plaintiff in the Proceeding and shall do everything required so that this assignment is valid and the Company is able to realize it, and after having done so, the Officer shall be exempt from repaying any amount for which the right to a refund was assigned. Should he fail to do so, the Officer shall be liable for the repayment of all or part of the amount, as the case may be, plus linkage differentials and interest, at the rates and for the period whereunder he is entitled to a refund of the amount from the plaintiff.
- 4.13 Where the Company Attorney has represented both the Company and the Officer in the Proceeding, and it is subsequently found that the Officer was not entitled to indemnification under the provisions of Section 260 and/or Section 263 of the Companies Law or due to any other provision of law, and a dispute arises concerning the Officer's obligation to refund procedural costs or concerning the amounts of the refund, the dispute will be referred for decision by an arbitrator who shall be agreed upon by the parties. The Company will bear the arbitration costs, including attorney's fees, unless the arbitrator has determined in his ruling that the Officer made *mala fide* use of the arbitration proceeding. The arbitrator will be appointed in accordance with the procedure described in par. 4.14 below.
- 4.14 The Officer undertakes to use his best efforts, within the bounds of the law, to reduce to the greatest extent possible the amount of indemnification to which he is entitled. The Officer shall not agree to a settlement or to the referral of the Proceeding to arbitration, unless the Company has agreed thereto, in advance and in writing, and should the insurer's consent be required, the consent of the insurer under the D&O insurance policy has also been received. The Company shall not agree to a settlement unless the settlement agreement does not expose the Company and/or Officers to further claims by the plaintiff or plaintiffs, and additionally, the agreement does not contain any admission or acknowledgment of the Officers' liability for the causes under the Proceeding. The Company shall apprise the Officers of the details of the settlement agreement. In the event of a dispute between the Company and an Officer or Officers on the question as to whether the settlement agreement complies with the provisions of this clause, the dispute will be referred for an expeditious ruling by an arbitrator who shall be appointed at the request of the Company or an Officer. The arbitrator will be appointed with the parties' agreement within 7 days from the day whereon a party had requested that the dispute be referred to arbitration, and if the parties' agreement with respect to the arbitrator's identity has not been achieved, the identity of the arbitrator (who shall be a retired District Court judge or retired Supreme Court judge) will be determined by the Chairman of the Israel Bar Association. The Company shall bear the costs of arbitration, including attorney's fees, unless the arbitrator has determined in his ruling that the Officer made *mala fide* use of the arbitration proceeding.
- 4.15 The Company and the Company Attorney shall not agree to a settlement in which the sum exceeds the amount of indemnification to which the Officer is entitled, other than with the Officer's prior written consent, and if the insurer's consent is required – also with the insurer's prior consent.

4.16 Where the Officer seeks to appeal a ruling by a juridical instance with respect to any of the events set forth in the Addendum, the Officer will be required to receive the Company's prior written consent thereto. The Company shall be entitled to refuse such request for pertinent considerations only, which relate to the event.

5. Obligations with Respect to an Act or Omission as Part of Activity in a Related Corporation

For purposes of the Company's Undertaking for Indemnification in connection with an Act or omission performed by an Officer in his capacity as an Officer in a corporation controlled by the Company or in a related corporation of the Company, at the Company's request (hereinafter jointly and severally: the "**Related Corporation**"), the following provisions shall also apply:

5.1 The Company shall not be required under this Letter of Undertaking for Indemnification to pay any amounts which the Officer shall be entitled to receive, and shall in fact receive, from the Related Corporation under an insurance policy made by the Related Corporation and/or under an advance undertaking for indemnification or under a permit for indemnification given by the Related Corporation.

5.2 If the Officer's request to receive indemnification and/or insurance coverage in respect of an Act or omission he performed in his capacity as an Officer in the Related Corporation, which may be indemnifiable according to this Letter of Undertaking for Indemnification, is denied by the Related Corporation or by the Related Corporation's insurance company, as the case may be, the Company shall pay to the Officer, in accordance with this Letter of Undertaking for Indemnification, the amounts whereto the Officer is entitled under this Letter of Undertaking for Indemnification, if he is entitled to such amounts, and the Officer shall assign to the Company his rights to receive monies from the Related Corporation and/or under the Related Corporation's insurance policy, and shall authorize the Company to collect such amounts on his behalf to the extent that such authorization is required for the satisfaction of the provisions of this clause. For this purpose, the Officer covenants to reasonably cooperate with the Company in the Company's acts to collect such amounts on his behalf, including the execution of any documents required by the Company for the assignment of his rights as aforesaid, authorization of the Company to collect the abovementioned amounts on his behalf, giving an affidavit of evidence, etc.

5.3 For clarity and the avoidance of doubt, this Letter of Undertaking for Indemnification shall not grant the Related Corporation and/or any other third party any rights in relation to the Company, including, but without derogating from the generality of the foregoing, the right to claim and/or demand any payment from the Company as a contribution to the indemnification and/or insurance coverage that shall be given to an Officer by the Related Corporation for an Act or omission performed by the Officer in his capacity as an Officer in the liable corporation.

6. Validity of the Undertaking

6.1 The Undertaking for Indemnification shall be valid with respect to Proceedings that shall be instituted against the Officer in the course of his work or service in office, as well as Proceedings instituted against him after the date of termination or expiration of his work or office; provided, however, that they refer to Acts performed by the Officer after the date of his appointment as an Officer, in his capacity as an Officer. The Undertaking for Indemnification shall also inure to the benefit of the Officer's heirs and other legal alternates.

6.2 The Company shall not be required, pursuant to this Undertaking for Indemnification, to pay monies that shall actually be paid to the Officer or for him or in his stead in any way in the framework of insurance bought by the Company or in the framework of insurance bought by a company controlled by the Company or by a Related Corporation of the Company (if the Officer serves as an Officer thereof at the Company's request), or any undertaking for

indemnification from a company controlled by the Company or a Related Corporation or any other party, other than the Company.

Accordingly, if the amount actually paid to an Officer by any party (excluding the Company) has fully covered the amount of the financial obligation imposed upon him, as aforesaid, before he was paid or after he was paid amounts pursuant to this Letter of Undertaking for Indemnification, the Officer shall not be entitled to any further payment from the Company. Additionally, if the amount actually paid to him as aforesaid has not fully covered the amount of the financial obligation imposed upon him and he is entitled to indemnification in accordance with the terms and conditions of this Letter of Undertaking for Indemnification, the Company shall indemnify him for the remaining amount that was not covered (subject to the provisions of par. 2.1-2.3 above), on condition that if he is paid the remainder of the amount from any source (excluding the Company) after having been paid the remainder of the amount by the Company as aforesaid, the Officer shall refund to the Company all monies he had been paid by the Company.

7. **General**

- 7.1 Notwithstanding the wording in the past tense of obligations or expenses that shall apply as a result of the Acts or omissions in which respect the Company has prospectively undertaken to indemnify an Officer as described in par. 2.3.1-2.3.3 above, subject to the provisions of clause 6 above, the provisions of this Undertaking for Indemnification shall be broadened to apply and to be construed also with respect to Acts or omissions that shall occur in the future.
- 7.2 This Letter of Undertaking shall not revoke nor derogate from nor constitute a waiver of any other indemnification whereto the Officer is entitled from any other source under the provisions of applicable law.
- 7.3 This Letter of Undertaking shall not limit the Company nor preclude it from granting the Officer other special indemnification or indemnifications; provided, however, that this shall not derogate from nor harm the undertakings of indemnification contemplated in this Letter of Undertaking.
- 7.4 This Letter of Undertaking shall not limit the Company nor preclude it from increasing the Maximum Amount of Indemnification for the indemnified events, whether due to the insurance amounts under the D&O insurance policy being reduced, due to the Company being unable to procure D&O insurance that covers the indemnified events under reasonable terms and conditions, or for any other reason; provided, however, that such resolution is passed subject to the provisions set forth in the Companies Law.
- 7.5 The Company's obligations pursuant to this Letter of Undertaking shall be construed broadly, and in a manner intended to satisfy them, to the extent permissible by law, for the purpose for which they are intended. In any case of a contradiction between any provision in this Letter of Undertaking and a provision of law which cannot be conditioned, modified or supplemented, such provision of law will prevail, but this shall not harm nor derogate from the validity of the remaining provisions contained in this Letter of Undertaking.
- 7.6 This Letter of Undertaking for Indemnification shall enter into force upon the Officer executing a copy hereof in the place so designated, and delivery of the signed copy to the Company. If the Officer has received a previous Letter of Indemnification from the Company, this Letter replaces and supersedes it.
- 7.7 For the avoidance of doubt, it is hereby confirmed that this Letter of Undertaking does not constitute a contract for the benefit of any third party and is non-assignable, except as required by law.

THE ADDENDUM

And these are the events:

1. An issue or offer of securities by the Company and/or by a subsidiary and/or by a related company of the Company and/or by shareholders of the Company, to the public and/or not to the public, in Israel and abroad (in particular, but without derogation, capital raising by the Company outside of Israel), including, without derogating from the generality of the foregoing, public offerings under a prospectus, offers of securities to institutional investors, private placements, or any other form of securities offering, listing or delisting of securities, tender offers, share buybacks, or any other transactions related to securities, as well as any other transactions involving the Company's equity.
2. A transaction in general, including an extraordinary transaction within its meaning in Section 1 of the Companies Law, including assignment, sale, loan, rental, leasing, or acquisition of assets or liabilities (including securities, real property, or rights), or the grant or receipt of a right in or to any of them, including acquisition or sale transactions (by the Company and/or related companies of the Company), directly and/or indirectly, of assets (including shares) and rights, in Israel and abroad (in particular, but without derogation, incidental to the expansion of the Company's international operations), including the acquisition and sale of "controlling stakes", the receipt of credit, and transactions involved, directly or indirectly, in such transactions, including negotiations, oral and written undertakings, execution of agreements and/or other documents.
3. Exercise of discretion in the approval of transactions with interested parties, as described in Chapter Five of Part VI of the Companies Law.
4. A report or notice furnished by the Company, including but not limited to, pursuant to the Companies Law or the Securities Law, including regulations promulgated thereunder, tax laws, competition laws, labor laws, or any other laws that require a report or announcement by the Company, or under laws and regulations that discuss similar subjects outside of Israel, or under rules or directives in practice in a stock exchange in Israel or abroad, and/or abstention from furnishing such a report or announcement, or a flaw in any disclosure contained therein or in the timing of their submission.
5. Events that affected or that were liable to affect the profitability of the Company and/or subsidiaries and/or related companies of the Company, or their assets or rights or liabilities.
6. An act or omission related to the Company's business areas, including the development, production, sale, marketing and distribution, in Israel or abroad, of branded products in the snack bar category, in the fresh foods category and in the beverage category, and any other acts associated with and/or accompanying any of the above acts, as well as regarding additional business areas, primary or secondary, of the Company, including, but without derogation, incidents concerning arguments, demands or claims by customers and/or consumers with respect or in relation to a defect in a product of the Company, including but not limited to, quality, healthiness, packaging, advertising, labeling, storage, transportation, and kashrut of the products.
7. Incidents associated with investments made in any corporations, including the pre-contract phase, post-contract phase, and also in the follow-up phase, and acts performed on behalf of the Company as a director, officer, employee, or observer on the board of directors of the company in which the investment is made.
8. Acts associated with labor relations and commercial relations, including employees, consultants, agents, independent contractors, subcontractors, customers, suppliers and various service-providers, or any other third party conducting any form of business with the Company, performed by an Officer on behalf of the Company, also including incidents related to the employment conditions of employees and employer-employee relations, including the promotion of employees, insurance and savings funds, the grant of securities and other benefits.

9. Acts concerning monies, including financial investments, financial hedges (*inter alia*, incidental to the Company's operations in different countries, in different currencies), transactions with financial institutions, lenders or creditors, or relating to funds loaned by them, or to the Company's debts to them.
10. Incidents relating to workplace safety, workplace injuries and construction quality, including any claim or demand filed by a third party suffering from bodily injury or property damage or damage to private assets, including loss of use thereof in the course of any act or omission attributed to the Company or, respectively, to its employees, agents, or other persons acting or claiming to act on behalf of the Company.
11. Incidents associated, directly or indirectly, with an omission, in whole or in part, by the Company or by the Officers, managers or employees of the Company, in any matters concerning payment, reporting, the provision of information, representations, documents, professional opinions, or record keeping of documents, to any State authority, foreign authority, municipal authority, or any other report or payment required under Israeli law or the laws of another country, including payment of income tax, sales tax, betterment tax, transfer taxes, excise, value added tax, customs duties, national insurance, wages or withholding employees' wages or other delays, and including any form of interest and increments in respect of linkage.
12. Any act or omission which may be harmful to environmental quality, including construction activities, environmental licenses, permits, or other approvals required under the environmental quality laws of the State of Israel.
13. Any claim or demand brought by buyers, owners, lessors, lessees, or other holders of the Company's property, and any claim or demand brought by contractors or service-providers, for damages or losses related to the property.
14. Any administrative act, public act, judicial action, injunctions, rulings, claims, demands, demand letters, instructions, allegations, inquiries, proceedings or notices of non-compliance or violation of an act of a governing authority or other body claiming non-compliance with the provisions of any law, regulation, decree, order, rule, practice, directive, license, or ruling, by the Company or by the Officers of the Company in their capacity as such.
15. An act or omission relating to the restructuring or reorganization of the Company or any resolution with relating thereto, including, without derogating from the generality of the foregoing, a merger, spinoff, modification of the Company's capital, establishment and dissolution or divestiture of subsidiaries, an allotment or distribution.
16. All acts referring to a resolution or activity by the Company or by an Officer in his capacity as such, including utterances, statements, including the expression of a position or opinion by the Officer made in good faith in the course of his duties and by virtue of his position, including in discussions and decisions made or resolutions passed in meetings of the Board of Directors or any of its committees, or in a vote in General Meetings of corporations and/or other organs of corporations, performed by the Officer as part of his duties in the Company or during conference calls with investors or capital market participants, or through the dissemination or publication of any document, communication, statement, or announcement.
17. Acts relating to the execution of a transaction connected to activities in the insurance field or acts that led to the failure to make proper insurance arrangements, including transactions with agents and/or insurers and/or insureds and/or other clients.
18. Acts relating to the receipt of credit, the transfer, sale, or acquisition of assets and liabilities, including securities, in any manner.

19. Any of the types of events set forth above, relating to the Officer's service in a corporation controlled by the Company or in a Related Corporation of the Company.
20. Acts relating to the execution of a "distribution" (within its meaning in the Companies Law); provided, however, that indemnification for such an act or omission does not involve the violation of any law.
21. Negotiations with third parties, including contacts with state authorities in the Company's business areas.
22. Any claim or demand brought in relation to the appointment or a motion to appoint a receiver over the assets of the Company and/or subsidiaries and/or related companies of the Company or over any part of their assets, and/or a motion to liquidate filed against the Company and/or subsidiaries and/or related companies of the Company, and/or any proceeding for purposes of a settlement or composition with creditors of the Company and/or subsidiaries and/or related companies of the Company.
23. Additionally, without derogating from the foregoing, any act that is contrary to the Company's Articles and/or Memorandum of Association.
24. An event arising from the Company being a public company (within the meaning of this term in the Companies Law), or a reporting corporation (within the meaning of this term in the Securities Law).
25. An act or omission related to an administrative proceeding of any kind, including financial sanctions and administrative arrangements.
26. Acts related to data management, privacy protection, information security, and cyber incidents, including the implementation of information security policy, protection of information systems, compliance with regulatory requirements concerning privacy, and handling cyber incidents.
27. Acts or decisions related to the preparation, compilation, approval, signing or publication of financial statements, immediate and periodic reports, information accompanying financial statements, corporate governance report, and sustainability report, including an assessment of the effectiveness of internal control, decisions regarding the operation and implementation of the Securities Law and the regulations promulgated thereunder, accounting rules, restatements in the financial statements, reliance on accounting assessments and estimates, or forecasts and forward-looking information related to the Company.
28. Violations of the law in Israel or abroad, such as in connection with food labeling, food safety, the Economic Competition Law, the Protection of Privacy Law, the Securities Law, and the Consumer Protection Law.
29. Participation in proceedings related to the Economic Competition Law, including restrictive trade arrangements, mergers and monopolies.
30. For the avoidance of doubt, it is hereby clarified that (a) any provision in this Addendum referring to the performance of a particular act shall be deemed to include the non-performance or omission of such act; (b) all references to events or acts in this Addendum shall apply equally to events or acts occurring outside Israel; (c) all references to authorities, courts, and administrative or other bodies shall be construed to include corresponding entities outside Israel; and (d) all references to laws, regulations, rules, or directives, shall be deemed to include foreign laws and regulations.

IN WITNESS WHEREOF THE COMPANY HAS SIGNED, BY MEANS OF ITS AUTHORIZED SIGNATORIES:

Strauss Group Ltd.

I acknowledge the receipt of this Letter of Indemnification and confirm my consent to the terms and conditions thereof:

Name: _____

Signature: _____

Date: _____