



הבורסה לניירות ערך תל אביב
TEL AVIV STOCK EXCHANGE

November 23, 2021
400898

This is an English translation of a Hebrew Immediate report that was published on November 23, 2021 (hereafter: “the Hebrew Version”).

This English version is only for convenience purposes. This is not an official translation and has no binding force. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

Re: Resolution on Directors’ Remuneration

The company announces that, in the meeting of the Company’s Board of Directors on November 22, 2021 after obtaining the approval of the Audit Committee in its capacity as the Company’s Compensation Committee, the Board of Directors of the Company approved the payment of remuneration to directors, including external directors and independent directors serving in the company as well as to directors who will serve in the company from time to time, with the exception of a chairman of the Board of Directors, who serves under a services agreement, and a director who does not reside in Israel (hereafter: “**the Eligible Directors**”), all as set out below:

Background

1. On August 9, 2018, the Company’s Board of Directors, after obtaining the approval of the company’s Audit Committee, including in its capacity as the Compensation Committee, approved the payment of remuneration to all the directors serving in the Company and that will serve in the company from time to time, including the independent directors (as defined in Section 150B1 of the Securities Law, 1968 (hereafter: “**Section 150B1**”), but excluding the Chairman of the Board of Directors (who was employed under a separate agreement), annual remuneration and participation fees in an amount equal to the “fixed amount” as set forth in the Companies Regulations (Rules regarding Remuneration and Expense Reimbursement of External Directors), 2000 (hereafter: “**the Remuneration Regulations**”), in accordance with the Company’s ranking (hereafter: “**the 2018 Remuneration Resolution**”).
2. Later, on December 4, 2019, after the Company became a public company, the shareholders’ meeting of the Company approved the appointment of Ms. Meirav Ben Cnaan Heller, Mr. Itzhak Halamish and Mr. Yoav Chelouche as external directors in the Company. By this approval, the shareholders’ meeting of the

THE TEL-AVIV STOCK EXCHANGE LTD

2 Ahuzat Bayit St., Tel-Aviv 6525216 Israel • POB 29060, Tel-Aviv 6129001 Israel
Tel: 972-76-8160411 • Fax: 972-3-5105379
www.tase.co.il

Company implicitly approved the payment of remuneration as stipulated in the 2018 Remuneration Resolution.

3. To complete the picture, it should be noted that the 2018 Remuneration Resolution does not apply to the former Chairman of the Board of Directors, who was employed under a separate agreement (and who stepped down at the end of July 2021) and to a director who is a foreign resident, who is entitled to the reimbursement of expenses that are directly involved in his participation in meetings of the Board of Directors or its committees (other than meetings held via remote means of communication and resolutions passed without convening), this in accordance with the resolution of the Company's shareholders' meeting from February 28, 2019.
4. In accordance with the provisions of section 17.1 of the Company's present Compensation Policy for the years 2021-2023 (hereafter: "**the 2021-2023 Compensation Policy**"), as approved by the Company's shareholders' meeting on March 10, 2021, the Company is allowed to pay to directors in the Company (with the exception of the Chairman of the Board of Directors, to the extent that he is employed under a separate agreement) and to a director who does not reside in Israel, including independent directors, as defined in Section 150B1, annual remuneration and participation fees up to the maximum amounts that are stipulated in the Remuneration Regulations.
5. To complete the picture, it should be noted that, in accordance with resolutions passed by the TASE Clearing House and the MAOF Clearing House (hereafter collectively: "**the Clearing Houses**"), the directors (excluding an active Chairman of the Board of Directors) who serve on the Boards of Directors of the Clearing Houses and their committees, are entitled to participation fees (exclusively, with no annual remuneration) in accordance with the amounts that are stipulated in the Remuneration Regulations, as may be approved from time to time.

To date, the directors are entitled to participation fees in an amount equal to the fixed amount stipulated in the Remuneration Regulations.

It was further determined that the participation fees to an external director for participation in a meeting of the Audit Committee and in a meeting of the Risk Management Committees of the Clearing Houses', in the event that such meetings are held on the same day that such meeting is held by TASE, in which similar topics are discussed, will be 30% of the participation fees.

6. It is further noted, that on November 22, 2021 the Board of Directors of the Company approved a framework for equity compensation to directors, in accordance with the provisions of the 2021-2023 Compensation Policy and the Remuneration Regulations and subject to obtaining the approval of the Company's shareholders' meeting. The Company will take actions to convene a shareholders' meeting for the approval of such equity compensation.

The Approved Remuneration

1. Annual remuneration (hereafter: “**the Annual Remuneration**”) to the Eligible Directors, in the amount of the maximum amount, based on the ranking of the Company, as per the Companies Regulations (Rules regarding Remuneration and Expense Reimbursement of External Directors), 2000 (hereafter: “**the Remuneration Regulations**”) and its financial statements;
2. Participation fees for participation in a meeting of the Board of Directors or of a Board of Directors’ committee to the Eligible Directors, in the amount of the maximum amount, based on the ranking of the Company, as per the Remuneration Regulations and its financial statements. For participation in a meeting via remote means of communication, participation fees will be paid at a rate of 60% of the aforesaid amount and for a resolution passed without actual convening, participation fees at a rate of 50% of the aforesaid amount will be paid (hereafter: “**Participation Fees**”)
3. The amount of the Annual Remuneration and the Participation Fees (hereafter collectively: “**the Remuneration**”) will be paid to the Eligible Directors on the dates set out in the Remuneration Regulations and will be linked to the Consumer Price Index in accordance with the provisions of Regulation 8 of the Remuneration Regulations.
4. It is hereby noted that, based on the equity of the Company as per its latest annual financial statements for 2020, the ranking of the Company is D. Accordingly, the proposed Annual Remuneration is NIS 84,850 and the proposed amount of Participation Fees is NIS 3,270 (these amounts are linked to the CPI known on February 1, 2018).
5. It is further noted that this resolution will come into effect upon the first-time appointment of a new external director to the Board of Directors of the Company, this in accordance with the provisions of Regulation 8C of the Remuneration Regulations.
6. It is hereby noted that the directors’ remuneration is paid, at the request of certain directors, to private companies that they control.

Reasoning of the Board of Directors and the Compensation Committee

1. The 2018 Remuneration Resolution was passed prior to the listing of the Company’s securities and its becoming into a public company and a reporting corporation. This change involves an increase in the personal exposure of the directors as well as in the time that they need to dedicate to their duties, primarily due to the disclosure requirements and the enhanced corporate governance rules that apply to a public company and a reporting corporation.
2. The amounts of Remuneration to the Eligible Directors do not exceed the maximum amounts according to Regulations 4 and 5 of the Remuneration Regulations.
3. As a rule, the amounts stipulated in the Remuneration Regulations are an accepted benchmark for determining the remuneration of directors in numerous public companies in Israel.

4. The payment of directors' remuneration according to the stipulated amounts is in conformity with the provisions of the 2021-2023 Compensation Policy.

THE TEL-AVIV STOCK EXCHANGE LTD.

Signed by:

Arik Steinberg, Interim Chairman