

ELRON VENTURES LTD.**(Formerly Elron Electronic Industries Ltd)****(the “Company”)**

March 17, 2022

**Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 9546434****Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit Street
Tel Aviv 6525216****By MAGNA****By MAYA****Re: Immediate Report about convening a special general meeting of shareholders of the Company and an Immediate Report pursuant to the Securities Regulations (Private Placement of Securities of a Registered Company), 5760-2000**

An immediate report is hereby made (hereinafter: the “**Report**”), pursuant to the Companies Law, 5759-1999 (the “**Companies Law**”), the Securities Law, 5728-1968 (the “**Securities Law**”), the Securities Regulations (Immediate and Periodic Reports), 5730-1970, the Companies Regulations (Notice and Announcement of General Meetings and Class Meetings in a Public Company and Adding a Topic to the Agenda), 5760-2000, and the Securities Regulations (Private Placement of Securities of a Registered Company), 5760-2000 (hereinafter: the “**Private Placement Regulations**”), concerning the convening of a special general meeting of the shareholders of the Company, which will be held on **Sunday, April 24, 2022**, at **15:00** (Israel time), in the Company’s offices At 144 Yigal Alon St., TOHA Tower, 27th Floor, Tel Aviv-Yaffo (hereinafter: the “**Company’s Offices**”), the agenda of which meeting will consist of the issues described in this Report below.

Part A - Information about Summoning the General Meeting**1. The Item and Summary of the Resolution on the Agenda**

The following is a summary of the topics and resolutions on the agenda of the general meeting:

1.1. Approval of the Chairman of The Board’s Terms of Office

For more information about this resolution, see **Part B** of this Report below.

Form of Proposed Resolution: To approve the terms of office of Mr. Dan Hoz in consideration of the services of an active Chairman of the board of directors (as a service provider and without employer-employee relations), as described in Part B of the report convening the general meeting of shareholders.

2. The Effective Date

The effective date for the purpose of a shareholder's eligibility to participate in and vote at the meeting and an adjourned meeting, pursuant to section 182 of the Companies Law and Article 3 of the Voting Regulations, is the end of the trading day on the Tel Aviv Stock Exchange ("**Stock Exchange**") occurring on **Sunday, March 27, 2022** (hereinafter: the "**Effective Date**"). If no trading is carried out on the Effective Date, the Effective Date will be the last trading day preceding such date.

3. Legal Quorum and Adjourned Meeting

3.1. A legal quorum will be constituted upon the presence, either in person or by proxy, of at least two shareholders holding, in total, more than 33 $\frac{1}{3}$ % of the issued shares conferring voting rights in the Company, within one half hour of the time scheduled for the opening of the meeting (the "**Legal Quorum**"). If a Legal Quorum is not present at the general meeting at the end of one half hour from the time scheduled for commencement of the meeting, the general meeting will be adjourned to the same day the following week, at the same time and location ("**Adjourned Meeting**"), namely on **Sunday, May 1, 2022** at 15:00. If no Legal Quorum is present at the Adjourned Meeting one half hour after the time scheduled for the meeting, then one shareholder holding at least 25% of the issued share capital of the Company, who is present in person or by proxy, will constitute a legal quorum.

3.2. A general meeting at which a Legal Quorum is present is entitled to resolve to postpone the meeting for another date and place that will be determined. At the Adjourned Meeting, no matter will be discussed except matters that were on the agenda for the original meeting and with respect to which no resolution was passed.

4. Required Majority

The majority required for adoption of the proposed resolutions on the agenda (in accordance with section 1.1 above) is a simple majority of the shareholders entitled to vote and who are participating in the vote, in person or by proxy or by the electronic voting system, without taking into account the abstaining votes.

To the Company's best knowledge, as of the date of this Report, the controlling shareholder of the Company, Discount Investment Corporation Ltd ("**DIC**") holds approximately 60.08% of the Company's issued capital and voting rights, which gives the controlling shareholder the majority required to pass the resolution that is on the agenda, assuming that all other shareholders participate in the vote and vote against.

5. Manner of Voting

5.1. Each shareholder of the Company on the Effective Date is entitled to participate in the meeting and vote, in person or by proxy, in accordance with the Company's articles of association, the provisions of the Companies Law and as described below. A shareholder under section 177(1) of the Companies Law, that is, a shareholder in whose favor a share is registered with a member of the Stock Exchange and that share is included among the shares registered in the shareholders' register (hereafter: "**Unregistered Shareholder**"), may also vote using an electronic ballot that will be sent to the Company through the electronic voting system that operates under Article B of Chapter G2 of the Securities Law (hereinafter: "**Electronic Voting**", "**Electronic Voting System**" and "**Electronic Ballot**", respectively).

5.2. Proxy for voting – a document appointing a proxy for voting (the “**Letter of Appointment**”), as well as an original power of attorney by virtue of which the Letter of Appointment was signed (if any), must be signed by the appointer or by the person authorized in writing, and if the appointer is a corporation, the Letter of Appointment will be prepared and signed in a manner which is binding upon the corporation and deposited at the Company’s registered office at least 48 hours before the time scheduled for the meeting. The Company has the right to require that it will be handed over with a confirmation in writing, confirming, to its satisfaction, the authority of the signatories to bind the corporation. The Letter of Appointment will state both the full names of the principal and of his proxy, as appears at the Registrar of Companies or in the I.D. card (as the case may be), their number at the Registrar of Companies or their I.D. numbers (as the case may be), and the place of their incorporation or their passport country (as the case may be).

6. Confirmation of Ownership

6.1. Pursuant to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at the General Meeting), 5760-2000 (“**Confirmation of Ownership Regulations**”), an Unregistered Shareholder, who wishes to vote at the meeting, in person or by proxy, will provide the Company with confirmation of his ownership of the share on the Effective Date, which must be received from the Stock Exchange member with which his right to the share is registered, as required by the Confirmation of Ownership Regulations (“**Confirmation of Ownership**”).

6.2. A shareholder whose shares are registered with a Stock Exchange member may receive confirmation of the ownership from the Stock Exchange member through which he holds his shares, at a branch of the Stock Exchange member or by mail to his address, if he so requests, provided that a request in this regard will be made in advance for a specific securities account. It is noted that according to the Confirmation of Ownership Regulations, an electronic message approved under section 44K5 of the Securities Law, concerning the data of users of the Electronic Voting System, is deemed a confirmation of ownership for every shareholder included therein.

7. Voting through the Electronic Voting System

7.1. As provided above, an Unregistered Shareholder may vote on the resolutions that are on the agenda by an Electronic Ballot.

7.2. A shareholder in whose favor a share is registered with a member of Tel Aviv Stock Exchange Ltd. is entitled to receive from the Stock Exchange member an identifying number and an access code as well as additional information with respect to the meeting, and after a secure identification process, will be able to vote through the Electronic Voting System. A shareholder voting through the Electronic Ballot is not required to furnish the Company with a Confirmation of Ownership in the manner specified above.

7.3. The Electronic Ballot will be available for voting at the end of the Effective Date. Voting by the Electronic Voting System will end **6 hours before the time of the Meeting** (that is, on **Sunday, April 24, 2022, at 9:00 AM**), at which time the Electronic Voting System will be locked.

7.4. The Electronic Vote may be modified or revoked until the Electronic Voting System is locked and may not be modified through the Electronic Voting System after such time. If a shareholder will have voted by more than one method, his later vote will be counted. For this purpose, the vote of a shareholder in person or by proxy will be deemed later to a vote by Electronic Ballot.

8. **Changes in the agenda; The deadline for submitting an application to add an item to the agenda by a shareholder**

- 8.1. After the publication of this Report, there may be changes in the agenda, including adding an item to the agenda. In such a case, it will be possible to review the latest agenda and position statements in the Company's reports that will be published on the Distribution Website and on the TASE Website.
- 8.2. A shareholder's request under section 66(b) of the Companies Law to include an item in the agenda of the general meeting will be furnished to the Company up to seven days after the general meeting is convened. If such a request is made, the item may be added to the agenda and its details will appear on the Distribution Website. In such a case, the Company will publish a revised summons, no later than seven days after the deadline for the submission of a shareholder's request to include an item on the agenda, as stated above.

9. **Inspection of documents**

- 9.1. A copy of this Report and the relevant documents pertaining to a resolution that is on the agenda, and the language of the proposed resolution are available for inspection at the Company's Offices, by prior telephone appointment with the Company's secretariat, at +972-3-6075555, on Sundays through Thursdays (excluding holiday eves and holidays) between 9:00 and 16:00, until the date of convening the meeting, and on the Distribution Website and on the TASE Website.
- 9.2. In addition, the language of the English translation of this Report will also appear on the Company's website at: <http://elronventures.com>
- 9.3. The representatives of the Company for handling this Report are Mr. Niv Levy, the Company's CFO and/or Adv. Ofer Hanoach and Adv. Tamir Lazarov of the firm Gross & Co. whose address is 1 Azrieli Center (the Round Tower, 39th floor), Tel Aviv, Telephone +972-3-6074510; fax. +972-3-6914164.

Part B - More information about the Resolution in Section 1.1 – Approval of the Terms of Office of the Company’s Chairman of the Board

10. **Background**

- 10.1. On November 14, 2021, Mr. Dan Hoz began serving as the Chairman of the Board of Directors of the Company. Prior to his appointment as the Chairman of the Board of Directors, Mr. Hoz served as an alternate director, beginning in June 2021.
- 10.2. On March 10, 2022, the Company’s Board of Directors, following approval of the Compensation Committee and on its recommendation, approved the terms of office of Mr. Dan Hoz as active Chairman of the Board (as providing services without employee-employer relations). It is noted that the Company’s compensation policy, which was approved by the general meeting of shareholders of the Company on December 27, 2021 (see the report convening a meeting published by the Company on November 22, 2021 (reference number: 2021-01-100414) and an immediate report on the results of a meeting published by the Company on December 27, 2021 (reference number: 2021-01-114616) (hereinafter: the “**Compensation Policy**”), allows payment of compensation to an active Chairman of the Board of Directors corresponding to the provisions of the policy applicable to the CEO. The terms of office presented for approval are in accordance with said Compensation Policy. The terms of office of Mr. Hoz as aforesaid are brought to the approval of the meeting as described below.

11. **Below is a description of the Chairman’s proposed terms of office:**

- 11.1. Mr. Hoz will serve as an active Chairman of the Company’s Board of Directors at a scope of position as stated below, as a service provider to the Company without employee-employer relations and under the provisions of law.
- 11.2. The term of office of the Chairman is for an indefinite period of time. The parties will have the right to terminate their relations at any time by giving written notice to the other party, and the term of office will terminate as agreed between the parties, subject to the restrictions stated in the Compensation Policy.
- 11.3. In consideration of his services, it is proposed to approve, for the Chairman of the Company’s Board of Directors, as a service provider without an employee-employer relationship, in a 35% scope position, terms of office as follows:
 - 11.3.1. Monthly management fee of NIS 40,013 per month plus VAT as required by law;
 - 11.3.2. 646,100 non-tradable options exercisable into ordinary shares of the Company of NIS 0.003 par value each (hereinafter in this Part B: the “**Options**” or the “**Option Grant**”) as part of a plan to grant options to employees and officers of the Company which was approved by the Company’s Board of Directors on November 21, 2018 and consistent with the terms of the plan (hereinafter: the “**Options Plan**”). The number of Options was calculated at the end of the trading day preceding the approval of the Board of Directors (March 9, 2022) as a derivative of fair value based on an economic opinion of an external consultant specializing in executive compensation according to the Black & Scholes model and the assumptions underlying the fair value as set forth in Section 15.4 below.

- 11.4. The allotment of the Options under the Options Plan will be made as a grant in the capital gain track through a trustee, as defined in section 102(b)(2) of the Income Tax Ordinance (New Version), 5721-1961 (hereinafter: the “**Ordinance**” and the “**Tax Track**”), and subject to the Income Tax Rules (Tax Relief in Allotment of Options to Employees), 5763-2003, as updated from time to time (hereinafter: “**Income Tax Rules**”), and the Options will be granted in accordance with the Options Plan and the Compensation Policy.
- 11.5. Scope of grant, value and quantity of the Options – The scope of grant of the Options to be granted to the Chairman of the Board as set forth in section 11.3 above reflects a percentage holding of approximately 1.23% of the Company’s capital (after the grant).
- 11.6. Approval and date of grant – Mr. Hoz’s terms of office, including the allotment of options, were approved by the Compensation Committee and the Company’s Board of Directors, and are subject to the approval of the general meeting of shareholders by a simple majority. The grant date of the Options will be on the day of the general meeting’s approval, provided that all approvals for the grant are received (and if these approvals are not received before the meeting’s approval date, the actual grant date will be determined one business day after all the approvals are received)¹. As stated, the grant is subject to receipt of all approvals required by law, including the approval of the Tax Authority (including tax decisions), as required, and the approval of the Stock Exchange for listing all the shares resulting from the exercise of the Options. For the avoidance of doubt, the amount of the Options allotted as aforesaid was determined according to the price known at the date of approval of the Board of Directors and will not be adjusted for change in share price until the date of the meeting.
- 11.7. The options will be granted to the Chairman of the Board in accordance with the terms of the Options Plan and the Company’s Compensation Policy.

12. Information pursuant to the Private Placement Regulations

The allotment of Options to the Chairman of the Board is a “Material Private Placement” as defined in Article 1 of the Private Placement Regulations.

12.1. Offeree Identity

Mr. Dan Hoz, the Chairman of the Company’s Board of Directors (hereinafter, the “**offeree**”). The offeree, is not an “Interested Party”, as defined in section 270 of the Companies Law. The offeree is an interested party in the Company by virtue of his position, as this term is defined in the Securities Law.

- 12.2. The terms of the securities offered to be issued, their quantity and the percentage they will constitute of the voting rights and the issued and paid-up share capital of the Company after the allotment and on a fully diluted basis.

The offeree will be allotted 646,100 Options, which, subject to the vesting terms, will be exercised into up to 646,100 shares, constituting 1.23% of the Company’s capital (after the allotment) (1.12% fully diluted).²

¹ For the purpose of determining the exercise price, see section 12.3.2.

² It is clarified that this is the maximum number of exercise shares and a maximum percentage holding in the capital and voting rights deriving from the exercise shares. In practice, the holdings will be lower in view of the net exercise

As stated above, the number of Options to be granted to the offeree was determined on March 10, 2022.

12.2.1. Rights as shareholder

The shares that will result from the exercise of any Options exercised under the Options Plan (hereinafter: the “**Exercise Shares**”) will have equal rights to the Company’s shares for all intents and purposes and will be entitled to any dividend or other benefit, such that the date determining the right to receive them applies on the date of allotment of the Exercise Shares or thereafter.

In any event where the offeree is entitled to receive rights and/or bonus shares and/or any other right granted to the offeree by virtue of the Options and/or the Exercise Shares (hereinafter: the “**Rights**”), in accordance with the provisions of the Options Plan, and provided that on the record date on which the Rights were allocated, the Options and/or the Exercise Shares were held by the trustee, then the Rights (if any) will be transferred to the trustee, which will withhold tax at source according to applicable law, if and as applicable, and all the Rights will be allocated to the trustee for the benefit of the offeree and will be held by the trustee at least until the end of the blocking period (as defined in section 8.2 to the Options Plan) of the Options with respect to which the Rights were granted, and the tax route terms will apply to these additional Rights.

In any event that the Company distributes a cash dividend and on the record date for the dividend distribution, the trustee held Exercise Shares for the offeree, the Company will pay the dividend to the trustee in respect of such shares. The trustee who receives the dividend in respect of the said shares for each offeree will deduct tax, if and to the extent that it has not yet been deducted, and will transfer the dividend it received for each share to the offeree for which it is held, in accordance with the instructions of the administrator of the plan, subject to the provisions of the law, to terms of section 102 and to the rules of section 102 and in accordance with the tax authorities guidelines.

For adjustments in respect of the distribution of a dividend prior to exercise of an option, see section 12.2.2 below.

12.2.2. Adjustments

12.2.2.1. Should the Company distribute to its ordinary shareholders, during the Option Period (as defined in section 12.3.6 in this section below), bonus shares, the rights of the offeree will be reserved as follows: immediately after the record date of the distribution of the bonus shares (hereinafter for this section the “**Effective Date**”), the number of shares resulting from the exercise of Options will increase by the number of shares that the offeree would have been entitled to as bonus shares had he exercised the Options (which were not yet exercised) prior to the Effective Date for the distribution of the bonus shares. The exercise price of each option will not

mechanism as stated in section 12.3.5 below. In addition, the fully diluted holding rate takes into account 467,508 options that were approved for the Company’s CEO at the general meeting of shareholders dated March 13, 2022 (see immediate report regarding the results of the meeting dated March 13, 2022, ref no. 2022-01-024756) and which will be actually granted upon receipt of the approval of the Stock Exchange.

change as a result of the increase in the number of Exercise Shares to which the offeree is entitled following the distribution of bonus shares.

Unless previously expired under the provisions of the Options Plan, any option granted but not exercised under the Options Plan, including a vested option, will be exercisable from the date of its vesting and will expire and be revoked at the end of five (5) years from the grant date (hereinafter: the “**Option Period**”). Subject to approvals required by law, the Options Plan Administrator may decide, at its sole discretion, that certain circumstances warrant an extension of the Option Period, subject to the Compensation Policy.

It is hereby clarified that the number of Exercise Shares to which the offeree is entitled will be adjusted only in the event of the distribution of bonus shares, as stated in this subsection above, but not in the case of any other offerings (including issuances to interested parties). It is also clarified that the offeree’s right to increase the number of shares due to the distribution of bonus shares as aforesaid will apply in practice only in respect of Options actually exercised by the offeree under the terms of the Options Plan.

The Company will maintain a sufficient number of ordinary shares of NIS 0.003 par value in its registered capital, to ensure the execution of the right to exercise the Options offered by it and, if necessary, increase its registered capital. The said provisions will be subject to a tax ruling of the Tax Authority, if any. It is also clarified that other provisions in the Options Plan relating to the Exercise Shares will also apply to the bonus shares which will be added to the Exercise Shares as aforesaid, *mutatis mutandis*.

12.2.2.2. Unless otherwise determined in accordance with the authority of the Administrator under the Options Plan, in any case of a merger, split and/or other restructuring of the Company, the Options or the Exercise Shares held by the trustee, which were allotted under the Options Plan will be canceled and/or sold and/or exchanged and/or converted in exchange for cash or in exchange for alternative options and/or an alternative share of the Company or of the new company, as the case may be, and following a merger, split and/or other restructuring of the Company as aforesaid, an action and/or adjustment will be made in connection with the Options or the Exercise Shares held by the trustee, and their terms (including the possibility to pay in consideration thereof a certain sum as determined by the Board of Directors), all subject to the absolute discretion of the Company’s Board of Directors, subject to the provisions of the options grant letter and to additional approvals as required by law, and without obtaining the consent of the offeree, including with respect to one or more of the following:

- (a) If and how the vesting period of the unvested Options will be accelerated and if the Options whose vesting period is not accelerated, will be canceled, sold, redeemed by the Company or exchanged for options of another company, and to accordingly perform changes in

the exercise price, if and to the extent required;

- (b) If and how vested Options (including Options whose vesting period has been accelerated as aforesaid) will be canceled, exercised, exchanged and/or sold by the trustee or the Company (as the case may be) for the offeree;
- (c) How the Exercise Shares held for the benefit of the offeree by the trustee will be exchanged and/or sold and/or converted by the trustee for the offeree; and also
- (d) Prescribe any instruction and carry out any action and/or adjustment in connection with the Options and their terms, to the extent required by its discretion.

12.2.2.3. In the event of an issuance of rights by the Company to the shareholders, the exercise price will be adjusted to the rights' benefit component, such that the exercise price will be divided by the rights' benefit component. For this purpose, the "rights benefit component" means: the ratio between the closing price of the share on the Stock Exchange on the last trading day before the "x" date and the base price of the share "x rights".

12.2.2.4. If the Company distributes a cash dividend to all of its shareholders, and the date determining the right to receive this dividend applies after the date of grant of the Options, but before their actual exercise date, the exercise price of each option not exercised before the end of the above effective date will be reduced by the full amount of the gross dividend per share which was distributed. It is hereby clarified that if the Company distributes a cash dividend as stated in foreign currency, the gross amount of the dividend per share that will be deducted as aforesaid from the exercise price will be calculated in the currency in which the exercise price was determined, at the representative rate of the said effective date or alternatively at the representative rate on the payment date of the dividend. For the avoidance of doubt, the exercise price will in no event be less than the par value of the share.

12.2.2.5. In any event of a split or consolidation of the Company's share capital, the Company will make the necessary changes or adjustments to prevent dilution or an increase in the offeree's rights under the Options Plan with respect to the number of Exercise Shares in respect of Options not yet exercised by the offeree and not yet expired and/or in relation to the exercise price of each Option.

12.2.2.6. In the event that as a result of an adjustment specified above, the Company is required to allocate fractions of a share, the Company will not allocate fractions of a share, and the number of rights allocated to the offeree will be rounded to the nearest whole number (upward or downward, as the case may be).

12.2.2.7. It is hereby clarified that no conversion of Options into shares of the Company will take place on the record date for distribution of bonus shares,

dividend distribution, rights offering, capital consolidation, split or capital reduction (each of which will be called a “**Company Event**”).

Moreover, it is clarified that where the x-day of a Company Event occurs prior to the record date of a Company Event, no conversion will be made on the aforesaid “x-day”.

12.2.2.8. It is clarified that the aforesaid in section 12.2.2 above is subject to the instructions of the Stock Exchange and of any other stock exchange on which the Company’s shares will be traded, as will be from time to time.

12.3. The price of the offered securities and their price on the Stock Exchange of the same series on the day preceding the date of publication of the Report, and the ratio between them

12.3.1. The Options will be allotted to the offeree for no consideration at the time of their allotment and the exercise of the Options into shares.

12.3.2. In accordance with the resolutions of the Compensation Committee’s and Board of Directors, the exercise price of all Options as set forth in section 12.3.3 below, will be an additional 10% above the higher of: (a) the average price of the Company’s share on the Stock Exchange in the 30 trading days prior to the approval of the Board of Directors, i.e., NIS11.51 (the “**Exercise Price**”); or (b) the price of the Company’s share on the date of grant. The ratio of the share price on the Stock Exchange on March 17, 2022, to the exercise price is 1:1.16.

12.3.3. Vesting periods and Option Tranches

Subject to Mr. Hoz serving as an active Chairman of the Board and/or as an officer in a different position in the Company’s Group³ (if approved by the Compensation Committee and the Board of Directors), upon the vesting date of each tranche (unless the termination of the term of service was the result of death or disability (as defined in the Options Plan) as stated in section 12.3.7 below)⁴:

12.3.3.1. 1/3 of the Options will vest after one year of their allotment date;

12.3.3.2. 1/3 of the Options will vest after two years of their allotment date;

12.3.3.3. 1/3 of the Options will vest after three years of their allotment date;

The number of Options in every tranche will be rounded down for each fraction of an option lower than 0.5 and rounded up for each fraction of an option equal to or greater than 0.5.

³ The “Company’s Group” is defined in the Company’s current Compensation Policy as “the Company and/or a subsidiary and/or related companies and/or held companies and/or controlling shareholder in the Company and/or partnerships held and/or managed by the Company, including dedicated investment fund/s in which the Company and/or corporations from the Company’s Group will hold at least 40% of the issued and paid-up capital of their general partner and/or will manage them.

⁴ In accordance with the provisions of the Options Plan, any period during which the offeree is on unpaid leave (except in cases of maternity leave, illness or absence due to military reserve service) will be added to the vesting period above, and the vesting dates will be postponed accordingly.

12.3.4. Accelerated Vesting

The grant letter to be provided to the Chairman will state that, without derogating from the powers of the Options Plan's Administrator, in the event the CEO's position is terminated within 12 months of the date of a "Change of Control" event in the Company, all the Options allotted to the Chairman in accordance with the Options Plan and which have not yet vested, will vest.

For the purpose of this section, "**Change of Control**" is any of the following:

- 12.3.4.1. In any case where the current controlling shareholder of the Company (DIC) ceases to be the controlling shareholder of the Company. "**Control**" is as defined in the Securities Law.
- 12.3.4.2. Merger of the Company with another entity and/or sale of the Company or of most of the Company's assets. "**most of the Company's assets**" – asset and/or assets which are not liquid resources and are not Cartiheal (2009) Ltd, whose total value constitutes at least 50% of the total balance sheet in the most recent consolidated financial statements (reviewed or audited) that it published before such sale.

Also, upon termination of the engagement of the Chairman with the Company due to death or disability, the vesting will be accelerated for all the Options allotted and which have not yet reached their vesting date.

12.3.5. Manner of exercising Options

- 12.3.5.1. Options will be exercised by way of net exercise (that is, by the value of the benefit inherent in them "cashless"), so that the exercise price will be theoretical only, for the purpose of calculating the value of the benefit in accordance with the provisions of the Options Plan and will not be actually paid by the Chairman of the Board of Directors.
- 12.3.5.2. Exercise of the Options by the offeree will be done by sending a written exercise notice signed by the offeree to the Company's registered office and to the trustee, which will include, among other things, the offeree's name and ID number, and the number of Options the offeree wishes to exercise and the exercise price for them (hereinafter: the "**Exercise Notice**"). The Exercise Notice will be delivered to the Company and to the trustee (as the case may be) on a trading day only until 13:00 and in such case the Exercise Notice will be deemed received on that trading day, and if received after 13:00, the Exercise Notice will be deemed to be received on the first trading day thereafter (hereinafter: the "**Exercise Notice Receipt Date**"). The Options Plan Administrator may change the wording of the Exercise Notice or the manner of its delivery.
- 12.3.5.3. On the first trading day after the Exercise Notice Receipt Date (hereinafter: the "**Exercise Day**"), the Company will allot the Exercise Shares to the trustee (depending on the appropriate trust period) or the offeree, as the case may be, provided that the Exercise Notice is received complete and signed by the offeree and the exercise consideration is paid in full. In accordance

with the net exercise mechanism, the number of Exercise Shares will be calculated according to the following formula:

$$\frac{(A \times B) - (A \times C)}{B}$$

- A** = Number of Options that the offeree seeks to exercise and is stated in the Exercise Notice;
- B** = The closing price in NIS of the Company's share on the Stock Exchange on the trading day preceding the Exercise Day;
- C** = The exercise price in NIS for each Option as stated in the grant letter;

12.3.5.4. In any case where as a result of the above calculation, the Company will be required to allot share fractions, the Company will not allot share fractions and the number of shares allotted to the offeree will be rounded down for each share fraction less than 0.5, and upwards for each share fraction that is equal to or higher than 0.5. The following is a numerical example for illustration only: assuming the exercise of 100 options by an offeree, where the exercise price of each option is NIS 64 and the closing price of the Company's share on the Stock Exchange on the trading day that preceded the Exercise Day is NIS 80, then the number of Exercise Shares that will be allocated to the offeree will be 20 shares.

12.3.5.5. In each allotment of Exercise Shares, the Company will capitalize to share capital the par value of the Exercise Shares to be allotted, from Profits, as defined in section 302(b) of the Companies Law, from share premiums or from any other source included in shareholders' equity, in its financial statements, all according to and subject to the provisions of section 304 of the Companies Law.

12.3.6. Option period

The Options granted to Mr. Hoz will be exercisable from the date of their vesting and up to 5 years from the date of grant.

12.3.7. In the event of termination of the active Chairman's engagement with the Company as a result of death or disability, the vesting of the Options will be accelerated in respect of all the Options that were allotted and for which vesting date has not yet been reached.

12.3.8. End of Contract

12.3.8.1. In the event of termination of employment of, or service by, the offeree to the Company for any reason (hereinafter: "**End of Engagement**") that is not explicitly described in this section 12.3.8, then the offeree's right to exercise Options granted to him under the Options Plan shall only be for such Options for which the right to exercise has been vested until the date of termination

of the employment or service, and they may be exercised if they have not expired earlier, on the earlier of: (a) 90 days from the date of termination of the employment or service, as the case may be; or (b) the expiration date of the Option Period. The offeree's entitlement to the remaining Options granted to him shall expire.

12.3.8.2. Termination of employment or services resulting from death or disability

In the event of termination of the employee-employer relations between the offeree and the Company or with one of its affiliated companies as a result of disability (where the definition of an offeree as suffering from disability shall be made at the absolute discretion of the Administrator) or in the event of death of an offeree, the offeree or his heirs, as the case may be, shall be entitled to exercise within a period of 12 months from the occurrence of the said disability or death, or until the end of the Option Period, whichever is earlier (hereinafter: the "**Additional Period**"), the Options that the offeree was entitled to exercise by himself at any point in time in the Additional Period, which is not later than the end of the Option Period, as well as to receive the Exercise Shares from the trustee. The entitlement to the remaining Options allotted in favor of the offeree shall expire at the time of the end of the employer-employee relationship. In the event of transfer of the Exercise Shares to the heirs of the offeree, the heirs shall be subject to taxation pursuant to applicable law. Options that the offeree or heirs of the offeree were entitled to exercise under this section, and which were not exercised by the end of the Additional Period, shall expire at the end of this period or at the end of the Option Period, whichever is earlier.

12.3.8.3. Termination of employment or service for Cause

The Options Plan Administrator may prescribe limitations on the exercise of Options, including provisions regarding cancellation of grant of Options, whether vested or not, granted to the offeree, if his employment by or service to the Company (or any related company, as the case may be) is terminated for Cause.

12.3.8.4. Change of place of employment

Unless otherwise determined by the Options Plan Administrator, the offeree's right to the Options granted to him under the Options Plan or the right to its vesting shall not end or expire only as a result of the fact that the offeree has relocated to serve as an employee or officer or service provider at the Company and/or a related company or vice versa or from a related company to another related company.

12.3.8.5. Exceptions

In exceptional cases relating to the end of employment relations between the Company or a related company and a specific offeree or events related to the Company itself, the Options Plan Administrator may, at its sole discretion, extend the periods specified in sections 12.3.8.1 to 12.3.8.4

above.

12.3.9. The Trust Arrangement and the Offeree's Taxation

- 12.3.9.1. The Options shall be allocated to the offeree in accordance with the provisions of section 102 of the Ordinance and the rules thereof according to the capital gains through a trustee tax track, as defined in section 102(b)(2) of the Ordinance. According to the Company's Options Plan and Compensation Policy, including the provisions under section 8.2 of the Options Plan regarding the provisions pertaining to tracks of grant through a trustee, the Options shall be allotted to a trustee who shall hold the Options in trust for the offeree and the Exercise Shares following the exercise of the Options.
- 12.3.9.2. The blocking period of the Options for the purposes of the tax provisions, and without derogating from the provisions of section 21.8.7 above, shall be 24 months from the date of allotment of the Options to the trustee for the benefit of the offeree, or for a different period, as shall be determined in any amendment to section 102 of the Ordinance and the rules that shall apply to the offeree (hereinafter "**Trust Period**" or "**Blocking Period**").
- 12.3.9.3. During the Trust Period and subject to the terms of section 102 and to the rules, an offeree shall not be able to receive from the trustee Options or Exercise Shares granted and/or exercised pursuant to the Options Plan, to sell such Options or Exercise Shares, or to perform any action with respect to the Options or the Exercise Shares as aforesaid, including following their vesting period, unless an appropriate approval has been received from the tax authorities, including confirmation of the continued application of the exemption under section 102 of the Ordinance with regard to the said Options and/or Exercise Shares. If the offeree will instruct to sell or transfer from the trustee the Options or the Exercise Shares as aforesaid before the end of the period (hereinafter: "**Breach**"), the Offeree shall pay all the taxes due to the Breach pursuant to section 7 of the section 102 rules. Until all taxes are paid pursuant to section 7 of the section 102 rules, such rights may not be transferred, assigned, pledged or mortgaged, and the offeree shall not be able to grant any power of attorney or transfer deed, whether for immediate or future use, except for actions as stated in section 21.8.20.5 below and subject to its provisions.
- 12.3.9.4. The Exercise Shares and the additional rights that were allotted by the Company to the trustee shall be held by the trustee in favor of the offeree for a period not to exceed 3 years from the date of termination of the Option Period. The Options Plan Administrator shall instruct the trustee as to the manner of transfer of the Exercise Shares and the aforesaid additional rights to the offeree.
- 12.3.9.5. The Options Plan will be subject to, construed by and shall comply with all the requirements of the Ordinance as a whole, and section 102 and the section 102 rules in particular, and any written approval from the Israeli tax authorities. All tax implications in accordance with any law deriving from it, inter alia, as a result of the grant or allocation of Options (or any other

security that is allocated under the Options Plan) by or for the offeree, shall be paid by the offeree. The offeree shall indemnify the Company and/or the trustee and/or a related company, as the case may be, and shall hold them harmless for any liability for any payment of any tax or fine, interest or indexation. If the Company chooses to grant Options under the terms of the income tax route without a trustee, and if before the exercise of any or all of the aforesaid Options, the offeree ceases to be an employee, service provider, officer or director of the Company or of the related company, the offeree shall submit the Company with a guarantee or any other security required by law for securing the payment of the appropriate tax upon the exercise of the said Options.

12.3.10. The issued and paid-up capital of the Company

The issued share capital of the Company prior to the allotment specified in this report is 51,920,867 ordinary shares of the Company of NIS0.003 par value each.

12.3.11. The holdings of interested parties and officers in the Company as of the Report date

Holder	As of March 17, 2022 (prior to allotment of the Options stated in this Report) ⁵		After the private placement allotment and on the assumption of exercise (by the offeree) of all the options offered		Fully diluted (exercise of all the Company's convertible securities existing and being offered) ⁶	
	Number of shares	% of capital and voting	Number of shares	% of capital and voting	Number of shares	% of capital and voting
Discount Investment Corporation Ltd.	31,194,982	60.08	31,194,982	59.34	31,194,982	53.84
Excellence - Mutual Fund loyalty	764,548	1.47	764,548	1.45	764,548	1.32
The Phoenix - Provident Fund	4,350,868	8.38	4,350,868	8.28	4,350,868	7.15
The Phoenix – Nostro	92,863	0.18	92,863	0.18	92,863	0.16
Excellence - Market Making	927	0.00	927	0.00	927	0.00
Epsilon - Mutual Fund	76,911	0.15	76,911	0.15	76,911	0.13
Dan Hoz	-	-	646,100	1.23	646,100	1.12
Yaron Elad	43,000	0.08	43,000	0.08	1,767,875	3.05
Niv Levy	34,600	0.07	34,600	0.07	1,050,666	1.81
Elik Etzion	-	-	-	-	375,616	0.65

⁵ The data immediately following the issuance set forth in this report is identical.

⁶ Including the exercise of options to Mr. Yaron Elad, the Company's CEO, the allocation of which was approved by the general meeting of shareholders but is still subject to the approval of the Stock Exchange which has yet to be received, as stated in footnote 2 above.

12.3.12. The fair value of the options

12.3.12.1. The calculation of the number of Options is done upon approval of the Board of Directors, as a derivative of the fair value of the Options to the Chairman, which is NIS 1,370 thousand, according to the Black & Scholes model (hereinafter in this section 12.3.11: the “**Fair Value**”). To calculate the number of options that derives from the Fair Value, the Company based its calculation on an economic opinion from an external advisor that specializes in executive compensation.

12.3.12.2. The calculation of the number of Options, considering the Fair Value, is based on the following assumptions:

- (a) In accordance with the resolutions of the Compensation Committee and the Board of Directors, the exercise price of each tranche as set forth in section 12.3.3 above will be the higher of the average Company share price on the Stock Exchange during the 30 trading days that preceded the date of the Board’s approval and the Company’s share price at the end of the trading day that preceded the Board’s approval, i.e., NIS 10.466 plus 10%.
- (b) Accordingly, the exercise price of the options – NIS 11.51.
- (c) The expected life of the options – the Options granted to the Chairman have a contractual term of 5 years from the grant date. It was assumed that the Options will be exercised on average on the date that will be the middle of the term between the vesting date and the expiration date.
- (d) Option Tranches – the Options will vest in three equal tranches over three years.
- (e) Expected volatility – the Company’s historical standard deviation was used for a period corresponding to the expected life of the Options to the date of allocation. The volatility that was used in calculating the Fair Value of the Option is 37.3% - 40.1%.
- (f) The exercise price of the Options is subject to adjustments for distributions of dividend and bonus shares and as such it was assumed that the expected dividend rate is 0%.
- (g) Risk-free interest rate – the interest rate take corresponds to the expected life of the Options and is based on non-CPI linked Israeli government bond data. The interest rate used in calculating the Fair Value of the Option is 0.84% - 0.96%.

12.3.12.3. The value of the Option is approximately NIS 2.12.

12.4. Details of the compensation

The Options will be allocated to the Chairman without any monetary compensation as part of the terms of office. As stated above, the exercise price is theoretical only and will not actually be paid to the Company. The calculation of the number of Options proposed to be granted to the Chairman took into account the number of options that can be granted the CEO in accordance with the Company’s Compensation Policy and instead of the conditional grant possible under the Compensation Policy (a total of 15 gross salaries of the CEO per year), with this amount being given for three years when multiplied by the scope of the Chairman’s position (i.e., 35% position).

- 12.5. The name of any substantial shareholder or officer of the Company which, to the best of the Company's knowledge, has a personal interest in the consideration and the nature of the personal interest of each of them

To the best of the Company's knowledge, except for the Chairman's personal interest in the allotment of the Options, no substantial shareholder or other officer of the Company has a personal interest in the compensation.

- 12.6. The required approvals or the conditions set for executing the allotment under the offer, were they accepted or met and if not, when are they expected to be accept or met.

The allotment of the Options to the Chairman pursuant to this Report will be made after receiving the cumulative approvals listed below, of which receipt is a necessary prerequisite for making the allotment to the offeree:

12.6.1. Certifications of the relevant institutions in the Company as required by law. On March 10, 2022, the Company's Board of Directors approved the terms of office of Mr. Dan Hoz including the allotment of the Options, following the approval of the Compensation Committee. Accordingly, the approval of the general meeting of shareholders, being convened under this Report, is required.

12.6.2. Receipt of all required approvals from the Stock Exchange, including listing for trading of the Exercise Shares that will result from the exercise of the Options.

- 12.7. Information about agreements between the offeree and the shareholders or with other offerees in the Company

To the best of the Company's knowledge, there are no agreements between the Chairman and a shareholder in the Company regarding the purchase or sale of the Company's securities or regarding voting rights therein.

12.7.1. Description of prevention or restriction in carrying out transactions with the securities offered which will apply on the offeree, in accordance with the Stock Exchange bylaws, in accordance with law or a commitment undertaken by the offeree, to the Company's best knowledge

12.7.1.1. Pursuant to the provisions of the Securities Law and the Securities Regulations (Details regarding sections 15A to 15C of the Law), 5760-2000, the offeree will be subject to restrictions on the resale of the shares that will derive from the exercise of the offered Options pursuant to the provisions of section 15C of the Securities Law and the said Securities Regulations as shall be from time to time, when the allotment to the offeree will be deemed an allotment under section 15A(a)(1) of the Law.

12.7.1.2. Subject to what is stated in the Options Plan, the trustee will not perform any transaction or action with the Options and/or the Exercise Shares, will not transfer, assign, withdraw, foreclose or pledge them voluntarily and will not issue a power of attorney or a deed of transfer for them, whether with immediate or future effect, other than a transfer by virtue of a probate will or by law, except following payment of the applicable tax due from their allotment or after securing such tax payment; If the shares were transferred

by virtue of a probate will or by law, the provisions of section 102 and the provisions of the rules will apply to the offeree's heirs or transferees, as the case may be. The trustee will not transfer the Options to any third party, including the offeree, except in accordance with instructions received from the Options Plan Administrator.

12.7.1.3. The Options and all the other rights of the offeree under the Options plan, and during the Blocking Period – the Exercise Shares and any rights deriving from them – may not be transferred, assigned, sold, pledged or foreclosed, and no right may be granted to any third party other than to transfer to heirs by law subject to the terms of the Options Plan and the Options and subject to the Blocking Period and the provisions of section 102 and the rules.

12.7.1.4. Prior to the payment of the applicable tax as stated in section 102 to the Ordinance and the rules, or prior to securing its payment, Options or Exercise Shares may not be transferred, assigned, pledged, foreclosed or otherwise voluntarily encumbered, and no power of attorney or transfer deed, whether immediate or of future effect, may be issued, except by virtue of a probate will or by law; If the Options or the Exercise Shares were transferred by virtue of a probate will or by law as aforesaid, the provisions of section 102 to the Ordinance and the rules will apply to the offeree's heirs or transferees.

12.7.1.5. Transfer of Options or Exercise Shares granted under this plan and/or rights deriving from them pursuant to a probate will or in accordance with the law will be valid and binding on the Company only after the Company has been furnished with the following notarized documents:

- (a) Written application for transfer and a copy of a legal document that creates or confirms the right of such person to act in relation to the offeree's estate and which creates or approves the right of the transferee;
- (b) Written consent by the transferee to pay any amount in respect of the Options or the Exercise Shares and consent to pay any payment required in accordance with the provisions of the Options Plan and consent to comply with all the provisions of the Options Plan and the Options grant letter;
- (c) Any other evidence required by the Administrator in order to establish the right to transfer the Options or the Exercise Shares granted under the Options Plan and/or any right deriving from them, and the validity of the transfer.

12.8. Options Grant Date

The grant date will be on the day of the general meeting's approval, provided that all the approvals for the grant are received (and if these approvals have not been received before that date, the actual grant date will be determined as one business day after all the approvals are granted. The grant is subject to receipt of all the approvals required by law, including that of the Tax Authority (including tax decisions), as required, and the approval of the Stock Exchange for listing of all the shares that will result from the exercise of the Options.

12.9. The Plan Administrator's Powers

Subject to the provisions of the Law, the Company's Articles of Association, the Compensation Policy and any other resolution of the Company's Board of Directors, the Administrator or a Board of Directors' committee so authorized by the Board of Directors, will be authorized, in its sole discretion, to exercise all powers and authorities (subject to Board of Directors' approval, if such an approval is required by law) and to interpret, whether such powers and authorities have been expressly given to them in the Options Plan or whether such powers or powers are required or desirable for the purpose of administering the Options Plan, including:

12.9.1. To determine:

- (a) Who will be the offerees under the Plan, number of Options to be granted to each offeree in accordance with the Compensation Policy, the vesting conditions, the vesting and lock-up periods for each offeree and the exercise price of the Options (subject to the approval of the authorized organs, if such approval is required by law);
- (b) Date(s) at which Options will be granted;
- (c) Whether, to which extent and under which circumstances, will it be possible to repay, cancel, foreclose, replace, return to the Company or waive Options or an underlying share held in trust;
- (d) Any provision or condition according to which Options are granted, in addition to those specified in the Options Plan;
- (e) Whether the Exercise Shares (all or part thereof) will be allocated out of treasury shares of the Company, including those that the Company intends to purchase for this purpose;
- (f) To resolve whether to deposit shares, in advance, in trust in the hands of the trustee, that are to be purchased for the purpose of offerees as exercise shares;
- (g) To approve adjustments in the terms of the Options whose manner of execution was not explicitly determined in accordance with the provisions of the Options Plan;
- (h) Take any measures or actions necessary or desirable for the management and implementation of the Options Plan.

12.9.2. Interpret any provision of the Options Plan and take any action required as a result of this interpretation, including:

- (a) In accordance with the provisions of the Options Plan for vesting acceleration, to accelerate the dates according to which the Options are to be vested;
- (b) Exercise the powers vested in it in accordance with the provisions of the Options Plan;
- (c) If necessary, to interpret and guide how each of the provisions of the Options Plan has to be implemented.

Notwithstanding the foregoing, any interpretation, resolution or action of the Administrator will not contradict the provisions of section 102 and the rules, and any waiver or amendment of a term of the Options Plan, which are not set forth under the Options Plan or under the grant letter, will not significantly derogate from the rights of the offerees under the Option granted under the Options Plan, unless consented in advance by those offerees.

13. Summary of terms of office

- 13.1. Following is a summary of the Chairman's expected compensation, according to the proposed terms of office, insofar as they will be approved by the general meeting of shareholders, under the assumption that the Chairman will serve for a full calendar year and under the assumption the Chairman will serve until the end of the year (in thousands of NIS):

Compensation recipient				Compensation for services								Total
Name	Position	Scope of position	Holding rate in Corporation's equity (%)	Salary	Annual bonus	Special bonus	Equity remuneration	Management fee	Consulting fee	Com-mision	Other	
Dan Hoz	The Chairman of the Company's Board of Directors	35%	-	-	-	-	457	480	-	-	-	937

- 13.2. It is noted that Mr. Hoz will be entitled to indemnification, exemption and insurance as existing and/or as approved by the Company from time to time to all directors and/or officers. In addition, in accordance with the accepted terms in the market for this position, the Company will pay Mr. Hoz reimbursement of parking expenses at the Company's Offices as well as reasonable expenses he will actually incur in the performance of his duties. Mr. Hoz will be paid against presenting an invoice to the Company, and there will be no employee-employer relations between the Company and the Chairman of the Board, and therefore the Chairman of the Board is not entitled to social benefits such as pension fund, executive insurance, etc. Mr. Hoz undertook to take care of all his own social benefits and to pay for them, and he will make all necessary payments at his own expense. The offered terms of office are instead of the directors' compensation to which Mr. Hoz is entitled.

13.3. The ratio between variable components and fixed components

The ratio between the annual cost of the variable components and the annual total cost of the Chairman's compensation terms for 2022 will be approximately 49%.

13.4. The ratio between the terms of office of the Active Chairman and the terms of employment of the Company's employees

The cost of Mr. Hoz's terms of office that are expected for 2022 (standardized to a 100% position) is 3.1 times the average cost and 4.45 times the median cost of the terms of employment of the

Company's employees⁷ (including other officers in the Company excluding the active Chairman, based on the data expected for 2022).

14. **Process of approving the resolution on the approval of the terms of office of the CEO and the grounds for approval by the Remuneration Committee and the Board of Directors**

14.1. In the meetings of the Compensation Committee and the Board of Directors, data and information were reviewed and examined as follows:

14.1.1. The Compensation Policy and the Options Plan;

14.1.2. The terms of office of the Chairman;

14.1.3. The employment of Company employees (including the data required for reference under the Companies Law);

14.2. A comparative compensation data document prepared by a consulting firm, which collects and analyzes data with respect to the fixed compensation components and their scope in the compensation terms of chairmen of boards of directors of public companies traded on the Tel Aviv Stock Exchange with similar characteristics to the Company (the "**Comparative Document**").

14.3. The members of the Compensation Committee who attended the committee meeting that approved the terms of office are: Lee-Bath Nelson (Chairman and external director), Shalom Turgeman (independent director) and Barak Mashraki (external director).

14.4. The members of the Board of Directors who attended the Board meeting that approved the terms of office are: Doron Haim Cohen, Lee-Bath Nelson, Barak Mashraki and Shalom Turgeman.

14.5. The following are the grounds cited by the Compensation Committee and the Board of Directors for approving the terms of office of the active Chairman:

14.5.1. Mr. Hoz has proven, diverse managerial, business and financial experience of many years including in the fields of technology.

14.5.2. In view of the nature of the Company's activity in the areas of venture capital and of Mr. Hoz's request to be rewarded with equity compensation in options only, the Board of Directors believes that such compensation under the circumstances is reasonable and creates a full link between the Chairman's compensation and the shareholders' return on investment, and constitutes an appropriate incentive for maximizing value to the shareholders, taking into account, among other things, the risk management policy.

14.5.3. The approval of the grant of the options to Mr. Hoz is consistent with the Options Plan and is intended to incentivize and increase the alignment of the interests between Mr. Hoz and the shareholders and to create a commitment by Mr. Hoz to the Company in the long term. Granting such Options is consistent with the wellbeing of the Company

⁷ The Company does not regularly employ contract workers, except rarely and for limited, definite periods of time. Accordingly, an examination of the ratio between the terms of office of the Chairman and the terms of employment of the contract employees is irrelevant.

and will increase Mr. Hoz's sense of identification with the Company. The scope of the grant and its value are reasonable and acceptable under the circumstances.

14.5.4. The recommendation to approve the grant of options to the Chairman was made after reviewing and addressing the relationship between the Chairman's terms of service and the wage cost of the Company's other employees. The Compensation Committee and Board of Directors assess that disparity in compensation will have no effect on the labor relations in the Company, inter alia because of the complexity of the Chairman's responsibilities and the fact that the options granted, as detailed, instead of the goals-based compensation. The position of the Compensation Committee and the Board of Directors with respect to the reasonability of the compensation to Mr. Hoz is based on, among others, the Comparative Document, from which arises, among others, that the allocation rate of the equity component, which constitutes Mr. Hoz's entire compensation, is within the acceptable range in the companies presented in the document, which operate in areas similar to the Company's area of activity.

14.5.5. In view of the entirety of the above considerations, the approval of the terms of office offered to the Chairman of the Board of Directors by way of granting Options is reasonable and fair under the circumstances.

14.5.6. There were no objections to the approval of the proposed terms of office in the Compensation Committee and in the Company's Board of Directors.

15. **The identity of the controlling shareholder and the rights conferring control**

DIC is considered to be the controlling shareholder of the Company, by virtue of DIC's holdings, as of the date of this Report, of 60.08% of the issued share capital of the Company and of the voting rights in the Company (and approximately 54.45% of the above rights on a fully diluted basis). DIC is a publicly-held Company of which shares are traded on the Tel Aviv Stock Exchange.⁸

16. **Directors with a personal interest and the nature of their personal interest**

Except for the Chairman of the Board of Directors of the Company, whose terms of office as Chairman of the Company's Board of Directors are brought for approval in the resolution stated in section 1.1 above, none of the members of the Board of Directors has a personal interest in the resolution.

Sincerely,

Elron Ventures Ltd.

The identities of the signatories of the Report on behalf of the Company and their titles:

Yaron Elad, CEO

Niv Levy, CFO

⁸ For more information about the holdings in DIC, see the immediate report on holdings of stakeholders and senior officials, published by DIC on January 6, 2022 (reference number: 2022-01-003936).