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Keystone Infra Ltd.

April 15, 2026

To:	To:	
Israel Securities Authority	Tel Aviv Stock Exchange Ltd.	
22 Kanfei Nesharim Street,	2 Ahuzat Bayit Street,	
<u>Jerusalem</u>	<u>Tel Aviv</u>	<u>Via the MAGNA System</u>

Dear Sir/Madam,

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

which also includes a report on a private offering and a transaction between a company and a controlling shareholder thereof, in accordance with the Securities Regulations (Private Offering of Securities in a Listed Company), 5760-2000 and the Securities Regulations (Transaction Between a Company and a Controlling Shareholder Thereof), 5761-2001

Pursuant to the provisions of the Companies Law, 5759-1999 (the “**Companies Law**”), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “**Reporting Regulations**”), the Securities Regulations (Private Offering of Securities in a Listed Company), 5760-2000 (hereinafter: the “**Private Offering Regulations**”), the Securities Regulations (Transaction Between a Company and a Controlling Shareholder Thereof), 5761-2001 (hereinafter: the “**Controlling Shareholders Regulations**”), the Companies Regulations (Notice and Announcement of a General Meeting and Class Meeting in a Public Company and Addition of an Item to the Agenda), 5760-2000 and the Companies Regulations (Written Ballot and Position Statement), 5766-2005 (the “**Written Ballot Regulations**”), Keystone Infra Ltd. (the “**Company**”) is hereby honored to notify of the convening of a special general meeting of the shareholders of the Company, to be held on Wednesday, May 20, 2026, at 2:00 pm, at the offices of the Company at 4 Ariel Sharon Street, Givatayim (the “**Meeting**”).

1. **General Background**

The Company was established in 2019 as an infrastructure investment fund, against the background of the recommendations of the report of the Committee for the Promotion of the Establishment of Traded Infrastructure Investment Funds from June 2019 (the “**Report**”), which were intended to encourage the establishment of traded infrastructure investment funds. The Company was first offered to the public in accordance with the recommendations of the Report, in June 2021 (the “**Offering**”).

The Company is managed by an external management company - N.K. Keystone Ltd. (the “**Management Company**”), pursuant to a management agreement (the “**Management Agreement**”). The Management Company is a corporation controlled by Messrs. Aharon

(Roni) Naftali Biram (“**Biram**”), Gil and Esther Deutch (“**Deutch**”) and Navot Bar (“**Bar**”)¹, who are defined as Controlling Shareholders of the Company by virtue of rights granted in the Management Agreement (the “**Controlling Shareholders**”). According to its provisions, the Management Agreement shall remain in effect until the end of seven years from the Offering (the “**Initial Agreement Period**”). After the Initial Agreement Period, the term of the Management Agreement may be extended for additional periods of up to seven years each. The Management Agreement and the Articles of Association of the Company also anchor compensation rights for the Management Company in any case where the Management Agreement is not extended, according to its terms, for additional periods until the end of 14 years from the Offering (the “**Compensation**”).

Given the definition of Messrs. Biram, Deutch, and Bar as Controlling Shareholders, it is required under the Companies Law and the Companies Regulations (Relief in Transactions with Interested Parties), 5760-2000 to approve the Management Agreement no later than 5 years after the Offering, i.e. - by June 1, 2026. With a forward-looking perspective, and in order to ensure continued continuity and managerial stability for the long term and for the benefit of the Company, the Company, starting from August 2024, examined various alternatives regarding its management structure. In this framework, the Audit Committee of the Company, through the negotiation team mentioned below, accompanied, supervised, and mediated negotiations between the major institutional shareholders of the Company and the Management Company, and also conducted negotiations with the Management Company in connection with the proposed outline. Under the supervision of the Audit Committee, the negotiation team, in consultation with the institutional entities and with the Management Company and with their consent, formulated the comprehensive outline brought for approval within the framework of this General Meeting (the “**Proposed Outline**” or the “**Management Structure Change**”). As a result, the Altshuler Shaham Group, holding approximately 19.6% of the share capital of the Company, the Clal Insurance Enterprises Holdings Group, holding approximately 7.83% of the share capital of the Company (the “**Institutional Entities**”) as well as Avraham Rubinstein & Co. Construction Company Ltd., holding approximately 10.43% of the share capital of the Company, who are not interested parties in the decisions on the agenda and are not among the Controlling Shareholders, notified the Company that they will vote in favor of the Proposed Outline on the agenda.

For further details regarding the work of the Audit Committee, its various advisors and the Board of Directors of the Company, as well as fairness opinions regarding the fairness of the consideration (Fairness Opinion) (the “**Fairness Opinions**”), see, respectively, **Appendices A and B** to this Report.

If the Proposed Outline is approved: (1) the Company will cease to be managed by an external Management Company (as has been the case until now); (2) continued continuity and managerial stability in the Company for the long term and for the benefit of the Company will be ensured, while retaining all its managers and employees; (3) the Management Agreement will be transferred from the Management Company to a wholly owned subsidiary of the

¹ The management company is held through private companies – Telfox Ltd. (a company under the control and full ownership of Biram and Deutch – 56.4%; and Rabtovan Management Ltd., under the control and full ownership of Bar – 37.6%) (the “**Shareholders in the Management Company**”).

Company so that management services will be provided to the Company through the subsidiary that will be owned and controlled by the Company; (4) as a result of all the above, the Company will, over time, achieve significant economic savings and cash flow improvement, as detailed in the Fairness Opinions. As stated in the Fairness Opinions, the total savings for the Company from the date of the change and onwards, as a result of the Proposed Outline (the transfer of the obligation to pay ongoing management fees, other benefits, and the Compensation from the Management Company to the subsidiary) less expected costs of internal management, is estimated (based on the assumptions taken in the Fairness Opinions) in the range between NIS 106 million and NIS 283 million. (5) the Controlling Shareholders, defined as such from the date of the Offering (by virtue of special rights granted to them in the Management Agreement), will continue to be considered Controlling Shareholders of the Company, by virtue of their existing holdings in the shares of the Company, which together with shares to be allocated to the Management Company within the framework of the Proposed Outline, will bring them to a holding rate in the issued share capital and voting rights in the General Meeting exceeding 25% (the “**Control Group**”).

The Management Structure Change, subject to its approval and the fulfillment of the conditions precedent detailed in Section 2.1.2(D) below, will enter into effect on the Completion Date (as defined below), but retroactively from June 1, 2026 (the “**Change Date**”), and will be carried out as detailed below:

- 1) The Management Company will transfer to a new wholly owned subsidiary (the “**New Company**” or the “**Subsidiary**”), all management rights, engagements, and existing agreements for the purpose of managing the Company as of the Change Date. In addition, until the Completion Date, the Management Company will invest in the Subsidiary an amount of approximately NIS 52 million (the “**Additional Amount**”). The Additional Amount will be invested, at the discretion of the Management Company, in cash and/or in shares of the Company and/or in options for shares of the Company. This, by means of an asset transfer agreement between the Management Company and the New Company in accordance with and subject (inter alia) to the provisions of Section 104A of the Income Tax Ordinance (the “**Asset Transfer Agreement**” and the “**Ordinance**”, respectively);
- 2) Immediately after the completion of the Asset Transfer Agreement, a merger will be carried out by way of a share swap, between the Company and the Management Company, in accordance with the provisions of Section 103T of the Ordinance (the “**Merger**”). Within the framework of the Merger, the Management Company will transfer to the Company the entire share capital of the New Company, in exchange for and against the allocation of shares of the Company to the Management Company (the “**Allocation**”), at a rate of 5% of the issued share capital of the Company immediately after the completion of the Merger (the “**Share Swap Agreement**” and the “**Allocated Shares**”, respectively). The date of completion of the Share Swap Agreement shall hereinafter be called: the “**Completion Date**.”

For further details regarding the Asset Transfer Agreement and the Share Swap Agreement, see Sections 2.1.1 and 2.1.2 below.

- 3) An updated compensation policy for the Company will be approved, matching its new management structure; for further details see Section 7 and **Appendix D** below.
- 4) The office holders and managers employed by the Management Company will be employed by the Company, directly or indirectly. In this framework, updated compensation terms will be set for the Chairman of the Board and the CEO of the Company for a fixed period of 3 years from the Change Date. For further details see **Appendices E and F** below.
- 5) A new Articles of Association, suitable for the new management structure, will be adopted. For further details see Section 2.2 **and Appendix C** below.
- 6) The Controlling Shareholders, defined as such from the date of the Offering (by virtue of special rights granted to them in the Management Agreement), will continue to be considered Controlling Shareholders of the Company, by virtue of their existing holdings in the shares of the Company which, together with the Allocated Shares, will bring them to a holding in the Control Group. Approval of the Proposed Outline at the General Meeting that is the subject of this Report shall also constitute approval for the purpose of Section 328(B)(1) of the Companies Law.

2. **The Items on the Agenda of the Meeting and the Proposed Resolutions**

The vote on the resolutions that are the subject of this Report shall be conducted in stages according to the order detailed in Section 2 herein. If a certain proposal does not receive the required majority, as detailed in Section 4 below, the vote on the remaining items on the agenda shall not continue, and all resolutions on the agenda shall be deemed not to have been adopted.

If all the resolutions detailed below are approved, they shall enter into effect on the Completion Date, and shall apply retroactively from the Change Date. This shall be the case, except for the arrangements during the interim period (the period from the Change Date until the Completion Date) detailed in Section 2.1.2(G) below, which shall have immediate effect, from the Change Date and onwards.

2.1. **Change of the Management Structure of the Company**

The change of the management structure of the Company is regulated by two agreements - the Asset Transfer Agreement and the Share Swap Agreement, whose main points are as follows:

2.1.1. **Main Points of the Asset Transfer Agreement:**

- a. In accordance with the Asset Transfer Agreement, the Management Company shall transfer to the New Company the Management Agreement, the agreements and engagements into which the Management Company has entered for the purpose of managing the Company, including agreements with employees, suppliers, consultants, service providers, and any other third party, as well as equipment and fixed assets (of non-material value) used by the Management Company – and all with retroactive effect as of the Change Date (the “**Transferred Assets**”).

- b. The transfer of the Transferred Assets shall be carried out on the Completion Date, with retroactive effect from the Change Date. The Transferred Assets shall be transferred in their condition as at the Completion Date, and shortly after the Completion Date, a retroactive accounting to the Change Date shall be performed, such that all rights, assets, funds, debts, and obligations arising from the Transferred Assets whose cause originated in the period prior to the Change Date shall belong to or be imposed upon the Management Company, as the case may be; whereas with respect to the period from the Change Date and thereafter, all of the foregoing shall belong to or be imposed upon the Subsidiary, as the case may be. To the extent that it is not possible to assign or transfer an obligation or debt, then the Subsidiary shall be responsible for fulfilling such obligation or paying such debt to the Management Company, back-to-back, as if the Subsidiary were the obligor thereof; and vice versa, with respect to rights as of the Change Date.
- c. The transfer of the Transferred Assets from the Management Company to the Subsidiary shall be carried out, inter alia, in accordance with and subject to the provisions of Section 104A of the Ordinance.
- d. Concurrently with the transfer of the Transferred Assets, the Management Company shall invest the Additional Amount in the Subsidiary. The Additional Amount shall be invested, at the discretion of the Management Company, in cash and/or in shares of the Company (according to their market value at the time of their transfer to the Subsidiary) and/or in options for shares of the Company (the value of which shall be determined according to the “Black–Scholes” formula based on the market value of the Company's shares as of the date of publication of this Report).

2.1.2. Main Points of the Share Swap Agreement:

- a. The Company's engagement in a Merger Agreement by way of share swap with the Management Company, whereby the Company shall acquire and receive all (100%, on a fully diluted basis) of the issued and paid-up share capital of the Subsidiary, such that on the Completion Date they shall be clean and free from any lien, pledge, attachment, or other third-party right. In consideration, the Company shall allocate to the Management Company shares of the Company in a rate of 5% of its issued share capital immediately after completion of the Merger, all subject to the fulfillment of the Conditions Precedent (as detailed below).
- b. According to the understandings reached with the Institutional Entities, the value of the Company for the purpose of the Merger shall be calculated at a rate of NIS 12.425 per ordinary share of the Company, which is the average price of the Company's share during the 60 trading days preceding March 15, 2026 (the date of the understandings with the Institutional Entities) (the “**Agreed Company Value for the Purposes of the Merger**”). The Agreed Company Value for the Purposes of the Merger shall be fixed and shall not change

whether the price of the Company's share rises or falls until the Completion Date.

- c. The Completion Date shall occur within five business days after the fulfillment (or waiver of fulfillment, as detailed below) of all the Conditions Precedent in the Share Swap Agreement.
- d. The Merger shall be carried out in accordance with and subject to the provisions of Section 103T of the Ordinance.
- e. Conditions Precedent to the Transaction – the Parties' obligations to complete the transaction are subject to the fulfillment of each of the following Conditions Precedent (the “**Conditions Precedent**”) by August 31, 2026 (the “**Final Date**”), unless the Parties have waived in writing the fulfillment of a certain Condition Precedent, in whole or in part, to the extent such waiver is permitted by law:
 - 1) Receipt of approval of the Company's general meeting for the resolutions brought for its approval pursuant to this Report, prior to the Change Date;
 - 2) Receipt of approval of the Competition Authority for the transaction, if required;
 - 3) Receipt of approval of the Stock Exchange for the listing for trading of the shares allocated to the Management Company;
 - 4) Receipt of a tax ruling, in a form and under conditions that shall not include material onerous conditions on any of the parties to the Share Swap Agreement that are not customary in such tax rulings (“**Tax Ruling**”); and it is clarified, (A) that if a Tax Ruling is received that includes material onerous conditions as stated in this Section, the parties shall in good faith examine the possibility of carrying out the transaction on the basis of an alternative Tax Ruling, provided that this shall not materially affect the economic rights of the parties under the agreement, and (B) that it is expected that the Tax Ruling will impose on the Company and on its holdings in the transferred shares restrictions and conditions, as required by the provisions of Part E'2 of the Income Tax Ordinance (Structural Change and Merger), and the Company agrees to accept and comply with such restrictions and conditions;
 - 5) No order of a competent court or any other binding judicial decision shall be in effect at the time of fulfillment of the last of the other Conditions Precedent and which prohibits completion of the transaction.

If the Conditions Precedent are not fulfilled by the Final Date, the Share Swap Agreement shall expire, without any of the parties having any claim, demand, or cause of action against the other or anyone on its behalf, except in the case of a willful breach of the Share Swap Agreement by any of the parties.

In the Share Swap Agreement, the Company was granted, in the event that any of the Conditions Precedent, including if the Tax Ruling is not received, is not fulfilled by August 31, 2026 (inclusive), the right to extend, by unilateral decision of the Audit Committee (without the need to reconfirm this decision at the general meeting), the Interim Period, from time to time, such that the Final Date shall be postponed to no later than February 28, 2027. For further details regarding the arrangements during the Interim Period, see Section (G) below.

- f. The Share Swap Agreement includes a settlement clause between the parties with respect to the Interim Period, as set forth below.
- g. It is further provided in the Share Swap Agreement that the Management Company shall indemnify and hold harmless the Company, in full, until the end of the statute of limitations period, immediately upon its first demand, for any direct damage, including: for any loss, liability, payment, expense, fine, or claim (including reasonable attorneys' fees), that shall be caused to the Company and/or to the Subsidiary as a result of and/or in connection with:
 - 1) Any claim or demand in connection with the Subsidiary, the cause of which arose prior to the Change Date and/or in connection with the Management Company's rights in the transferred shares;
 - 2) In connection with any tax liability, to the extent imposed on the Company in connection with the execution of the transactions under this agreement and the Asset Transfer Agreement – whether the Company became aware of their existence before the Completion Date or thereafter, except as a result of a breach of the provisions of law or the Tax Ruling by the Company.

In addition, the shareholders of the Management Company have undertaken to provide indemnification to the Company, proportionally according to their holdings in the Management Company, for any indemnification liability as aforesaid.

- h. Until the Completion Date, the Management Company shall continue to provide management services to the Company during the advance notice period set forth in the existing Management Agreement, namely – for a period of up to 6 months commencing on June 1, 2026 and ending, at the latest, on November 30, 2026 (the “**Interim Period**”). In the event that the Tax Ruling is not received by the Final Date, the Company has been granted the right to extend, by unilateral decision of the Audit Committee (without the need to reconfirm this decision at the general meeting), the Interim Period, from time to time, such that the Final Date shall be postponed to no later than February 28, 2027.

During the Interim Period, the Management Company shall be entitled to receive payments (the “**Arrangements during the Interim Period**”), such that all profit arising from the provision of management services during the Interim Period shall be in the hands of the Subsidiary, all as detailed below:

- 1) As of the beginning of the Interim Period, the Company shall not pay management fees to the Management Company (or any other consideration to which the Management Company is entitled in connection with the Management Agreement), and instead, from that date and thereafter, shall pay on an ongoing basis to the Management Company “back-to-back” the employment costs of its employees and office holders, as well as all other costs borne by the Management Company under the Management Agreement for the Company (the “**Base Costs**”). If the Merger is completed by the end of the Interim Period, the Management Company shall be entitled to receive, for the CEO and the Chairman, a supplement to the total Compensation due to them for the Interim Period, in accordance with the new Compensation terms that shall come into effect on the Completion Date. The Management Company shall not be entitled to any other payments for its services, except as provided in Section 2.1.2(G)(1) herein.
- 2) If the Merger is not completed during the Interim Period, due to non-receipt of a Tax Ruling to the satisfaction of the Company and the Management Company, the Management Company shall be entitled to receive, at the end of the Interim Period, management fees for the Interim Period in an amount equal to the average between annual management fees of NIS 18 million (plus VAT) and the management fees to which the Management Company is entitled during said period under the existing Management Agreement, less the Base Costs.
- 3) If the Merger is not completed for any other reason, the Management Company shall be entitled to receive, at the end of the Interim Period, the full amount of management fees to which it is entitled under the Management Agreement (or any other consideration to which the Management Company is entitled in connection with the Management Agreement), less the Base Costs.

In addition, in order to maintain continuity and managerial stability during the Interim Period, the validity of the Company's existing Compensation policy (the “**Existing Compensation Policy**”) shall be extended until the Completion Date; however, during the Interim Period the Company shall not pay amounts or grant Compensation to its Office Holders, unless such amount or Compensation is permitted both under the Existing Compensation Policy and under the Updated Compensation Policy, as defined below.

To the extent that the Company decides on a dividend distribution during the Interim Period, the Management Company shall be entitled to receive its theoretical share in such dividend, as if it held 5% of the Company's share capital at each such distribution date (the “**Dividend Entitlement**”). The Company and the Management Company shall act in concert in order to arrange the tax treatment of the amounts received by the Management Company by virtue of the Dividend Entitlement within the framework of the Tax Ruling, so

that it shall resemble as much as possible the tax result that would have been obtained had the amount been distributed as a dividend directly to the Management Company.

- i. Subject to completion of the Merger and the provisions of the Share Swap Agreement, each party to the Share Swap Agreement hereby waives, finally and irrevocably, any claim, argument, or demand of any kind or nature whatsoever against the other party to this Agreement in connection with the period preceding the Completion Date, without derogating from the rights of third parties under law and/or agreements. It is clarified that this waiver does not derogate from the Company's indemnification rights towards the Management Company as set forth in Section F above, as well as from the parties' rights arising from breach of representations, warranties, or undertakings given in the Agreement. For the avoidance of doubt, it is further clarified hereby that nothing in the Share Swap Agreement shall reduce or limit the liability of the Management Company for any act or omission performed by it as an Office Holder in the Company prior to the Completion Date, if and to the extent that such cause of action is discovered after the date of signing this Agreement, nor shall it reduce or limit the rights of the Management Company (including exemption, indemnification, or insurance coverage) in connection with any act or omission performed by it as an Office Holder in the Company and in connection with its professional liability prior to the Completion Date.
- j. Within the framework of the Share Swap Agreement, the Management Company declared and undertook towards the Company that the Subsidiary was incorporated on March 18, 2026 as a special purpose company for the purpose of executing the transactions contemplated by the Share Swap Agreement and the Asset Transfer Agreement, and that from the date of its incorporation until the date of signing the Agreement, the Subsidiary has no business activity or obligations, and that as of the Completion Date, the Subsidiary shall have the following assets and liabilities (and only these assets and liabilities): (A) the Transferred Assets (as defined above); (B) the Additional Amount.

The Management Company also declared in the Share Swap Agreement that on the Change Date, the Company's obligations in respect of the Transferred Assets together with the obligations in respect of the new Compensation terms of the Company's CEO and Chairman of the Board of Directors, which shall enter into effect on the Completion Date (retroactively from the Change Date), shall not exceed a cumulative amount of NIS 18 million per year plus VAT as applicable. For the avoidance of doubt, nothing in this declaration shall prevent any changes, including by signing agreements and entering into new engagements or by making changes to existing agreements and engagements, which may increase the Company's obligations beyond the aforementioned amount (except for the CEO and Chairman agreements, which shall not be changed during the specified period stated in their agreements, except with the approval of the

General Meeting), as may be required for the Company's needs, from the Change Date onwards and all subject to the approvals required by law.

- k. The Company confirmed and undertook in the Share Swap Agreement that it shall adopt and assume the same arrangements for exemption from liability, indemnification, and insurance of Office Holders and professional liability, so as to maintain full continuity and complete identity in these matters for the Management Company and the other Office Holders who served in the Company on behalf of the Management Company. The Company undertook that if any claim is filed against any of the above and/or if any argument is raised against any of the above in connection with any act or omission of theirs in the Company prior to the Completion Date, it shall act to defend against such claims and arguments, and shall invest efforts and resources in this matter, in the same manner as would have been done had it been an employee of the Company or directly employed by it at that time. This undertaking shall also be deemed an undertaking in favor of the directors and Office Holders in the Management Company who served in the Company on behalf of the Management Company.

In addition, the Company undertook to maintain in force a combined policy for professional liability insurance and directors and officers liability insurance, which shall also be arranged for the Management Company (the “**IMI Policy**”) such that the IMI Policy shall cover all directors and Office Holders in the Company, including the Management Company in its capacity as an Office Holder (as renewed from time to time), with liability limits and coverage terms in accordance with the provisions of the Company's Compensation policy and which are not less than the existing liability limits and coverage terms, and this until the Completion Date.

From the Completion Date and for a period of seven (7) years thereafter, the Company undertook to include Run-Off coverage within the IMI Policy for the directors and Office Holders of the Company, including the Management Company in its capacity as an Office Holder (as renewed from time to time), which shall cover their liability for acts or omissions that occurred prior to the Completion Date. Such coverage shall be in accordance with the provisions of the Company's Compensation policy and on terms (including scope of coverage, exclusions, extensions, and conditions) that are not less than those in effect under the Company's IMI Policy prior to the transaction Completion Date and on terms identical to those that shall apply from time to time to the directors and Office Holders of the Company.

In the event that the IMI Policy is not renewed, is canceled, or ceases to provide the required coverage as stated above, at any time during this seven (7) year period, the Company shall purchase, at its own expense, a Run-Off policy for the remainder of this seven (7) year period to cover the liability of the directors and Office Holders (including the Management Company, in its capacity as an Office Holder) with liability limits and coverage terms in accordance with the

provisions of the Company's Compensation policy and which are not less than the existing liability limits and coverage terms.

This undertaking shall also be deemed an undertaking in favor of the directors and Office Holders in the Management Company who served in the Company on behalf of the Management Company.

- l. It was further determined in the Share Swap Agreement that after the date of signing the Share Swap Agreement, decision-making and implementation of the Company's contractual rights and obligations under the Share Swap Agreement (including but not limited to all matters relating to dispute resolution) shall be carried out exclusively through the Company's Audit Committee, however, nothing herein shall prevent the Company's Audit Committee from requesting to receive relevant information and data on these matters and also from requesting to hear the position of the Company's management in relation thereto, without derogating from the exclusive discretion of this committee.
- m. From an accounting perspective, the value of the Allocated Shares shall be attributed to share capital and premium, as follows:
 - 1) To the extent that the Additional Amount is invested in the Subsidiary in cash, it shall be presented as cash against the issuance of capital; and to the extent that the Additional Amount is transferred to the Subsidiary in shares or options for shares of the Company – the value of this part shall be presented as a deduction from the Company's equity as the cost of acquiring treasury shares;
 - 2) The remaining value of the Allocated Shares shall reduce the Company's retained earnings.

It is possible that part or all of the consideration for the Allocated Shares shall be deemed a "Distribution," as this term is defined in the Companies Law. As of December 31, 2025, the Company's retained earnings balance stands at approximately NIS 1.5 billion, and the completion of the Proposed Outline does not impair the Company's ability to meet its existing and expected obligations as they become due.

- n. Approval of the Proposed Outline at the General Meeting to which this Report relates shall also constitute approval for the Controlling Shareholders to hold a Control Group for the purposes of Section 328(b)(1) of the Companies Law.

2.1.3. **Summary of the proposed resolution wording:**

“To approve (including for the purposes of Section 328(b)(1) of the Companies Law) the Company's entry into the Share Swap Agreement – the consideration for which shall, for the sake of caution, be deemed an exceptional private Allocation of the Allocated Shares – and as a result of which the Controlling Shareholders shall become a Control Group in the Company as detailed in Section 2.1 of the Notice of the Meeting; and including

to approve the performance of all the Company's obligations under the Share Swap Agreement, including the arrangements for the Interim Period and the obligations related to the exemption, indemnification, and insurance arrangements IMI and Run-off, as detailed in Section 2.1 of the Notice of the Meeting.”

2.2. Amendment of the Company's Articles of Association

2.2.1. Within the framework of the Management Structure Change of the Company, it is proposed to adopt new articles of association for the Company which shall be adapted to a regular corporate structure and shall set forth (inter alia) new mechanisms for the appointment of the Company's Board of Directors, in the wording attached to this Report **as Appendix C** (the “**New Articles**”).

Upon adoption of the New Articles, the existing articles of association shall be canceled and replaced, thereby (inter alia) canceling the current provisions in the Company's articles of association regarding the Management Company and the Management Agreement, including the Management Company's right to appoint directors, to receive management fees, the allocation of options to the Management Company in the event that the Company allocates shares, the mechanism for selecting a new Management Company and the payment mechanism to the Management Company in the event of non-renewal of the Management Agreement for an additional period, the mechanism for appointing a CEO, restrictions on shareholding and on distribution policy, and more.

2.2.2. **Summary of the proposed resolution wording:**

“To approve the adoption of the New Articles for the Company, in the version attached as Appendix C to the Notice of the Meeting.”

2.3. Approval of Updated Compensation Policy

2.3.1. It is proposed to approve the Updated Compensation Policy of the Company, attached as **Appendix D** to this Report (above and below: the “**Updated Compensation Policy**”), in accordance with the provisions of Section 267A of the Companies Law, for a period of three years commencing on June 1, 2026.

In addition, in order to maintain continuity and managerial stability during the Interim Period, the validity of the Existing Compensation Policy of the Company shall be extended until the Completion Date; however, during the Interim Period the Company shall not pay amounts or grant Compensation to its Office Holders, unless such amount or Compensation is permitted both under the Existing Compensation Policy and under the Updated Compensation Policy. For further details see Section 7 below.

For the avoidance of doubt, it is clarified, with respect to options held by the Management Company, that the adoption of the new policy does not alter the right of the Management Company under the Existing Compensation Policy to

choose between “net exercise in shares” (“Cash less”) and exercise by payment of the exercise price of the said options in cash.

2.3.2. **Summary of the Proposed Resolution Text:**

“To approve the Updated Compensation Policy of the Company in the version attached as Appendix D to the Notice of the Meeting, for a period of three years; and to further approve that during the Interim Period (as defined in the Notice of the Meeting) the Existing Compensation Policy of the Company shall remain in effect, however, during this period, the Company shall not pay amounts or grant Compensation to its Office Holders, unless such amount or Compensation is permitted both under the Existing Compensation Policy and under the Updated Compensation Policy.”

2.4. **Approval of Terms of Office of the Chairman of the Board of Directors**

2.4.1. It is proposed to approve the terms of office of the Chairman of the Board of Directors, Mr. Aharon (Roni) Naftali Biram, who is one of the Controlling Shareholders of the Company, for a fixed period of three years. For details see **Appendix E** to this Report.

2.4.2. **Summary of the Proposed Resolution Text:**

“To approve the terms of office of Mr. Aharon (Roni) Naftali Biram, Chairman of the Board of Directors of the Company, as detailed in Appendix E to the Notice of the Meeting, for a fixed period of three years.”

2.5. **Approval of Terms of Office of the CEO of the Company**

2.5.1. It is proposed to approve the terms of office of the CEO of the Company, Mr. Navot Bar, for a fixed period of three years. For details see **Appendix F** to this Report.

2.5.2. **Summary of the Proposed Resolution Text:**

“To approve the terms of office of Mr. Navot Bar, CEO of the Company, as detailed in Appendix F to the Notice of the Meeting, for a fixed period of three years.”

3. **Type of Meeting, Its Date and Place of Convening**

Notice is hereby given that on Wednesday, May 20, 2026 at 2:00 pm, a Special General Meeting of the shareholders of the Company will convene at the offices of the Company at 4 Ariel Sharon Street, Givatayim, the agenda of which is to adopt resolutions on the matters detailed in Section 2 above.

4. **The Majority Required for Approval of the Resolutions on the Agenda**

Pursuant to Sections 275 and 267A(b) of the Companies Law, the majority required for the adoption of the resolutions detailed in Sections 2.1 and 2.3 through 2.5 (inclusive) above, is a

majority of the votes of the shareholders present at the Meeting, entitled to participate in the vote, provided that one of the following is met:

- (a) In the count of the majority votes at the Meeting, a majority of all the votes of shareholders who are not Controlling Shareholders of the Company or who do not have a personal interest in the approval of the resolution, participating in the vote, shall be included; in the count of all the votes of such shareholders, abstaining votes shall not be taken into account; the provisions of Section 276 of the Companies Law, with the necessary changes, shall apply to anyone who has a personal interest;
- (b) The total number of opposing votes among the shareholders referred to in paragraph (A) does not exceed two percent of all the voting rights in the Company.

The majority required for the amendment of the Articles, as stated in Section 2.2 above, is a majority of at least 75% of the votes of the shareholders participating and voting at the General Meeting of the Company.

It should be noted that the Altshuler Shaham Group, which holds approximately 19.6% of the share capital of the Company, the Clal Insurance Business Holdings Group, which holds approximately 7.83% of the share capital of the Company, and Avraham Rubinstein & Co. Construction Company Ltd., which holds approximately 10.43% of the share capital of the Company, who are not interested parties in the resolutions on the agenda and are not among the Controlling Shareholders, have notified the Company that they will vote in favor of the proposed outline on the agenda.

5. Additional Details Required under the Private Offering Regulations

5.1. Name of the Offeree, Names and Holdings of the Controlling Shareholders in the Offeree

As stated in Section 2.1 above, the Management Structure Change of the Company includes an Exceptional Private Offering², as defined in the Private Offering Regulations, pursuant to which ordinary shares of NIS 0.1 par value of the Company, constituting 5% of its issued share capital and voting rights after completion of the Merger, will be allocated to the Management Company (the “Offeree”). The number of Allocated Shares will be updated close to the Completion Date, in accordance with the issued share capital of the Company as it will be on the Completion Date.

The Controlling Shareholders hold, as of the date of this Report, 47,328,619 ordinary shares of the Company (also, as of the date of this Report, the Management Company also holds 8,774,533 non-tradable options for shares of the Company). Therefore, as a result of the Allocation, the Controlling Shareholders will become the Control Group of the Company (i.e., will hold shares of the Company conferring more than 25% of all voting rights at the General Meeting).

² For the avoidance of doubt, it is noted that the classification of the private placement as an irregular private placement was made as a precaution, since it is possible that, in light of the Management Company being a controlling shareholder in the Company (by virtue of the provisions of the Management Agreement) even prior to the merger, the placement does not meet the definition of an "Irregular Private Placement" under the Private Placement Regulations, but rather the definition of a "Material Private Placement."

To the best of the Company's knowledge, the Offeree is held by the shareholders of the Management Company³.

As stated above, as of the date of this Report, the Management Company holds 8,774,533 non-tradable options of the Company, exercisable into 8,774,533 ordinary shares of the Company, on the theoretical assumption of exercise of each option warrant into one share, i.e., without taking into account the net exercise mechanism. Pursuant to the provisions of the Management Agreement and the Existing Compensation Policy, the Management Company is entitled, at its discretion, to choose between “net exercise in shares” (“**Cash less**”) and exercise by payment of the exercise price of the options in cash. It is noted that the adoption of the Updated Compensation Policy does not derogate from the above provision.

5.2. Interested Party – To the best of the Company's knowledge, as of the date of this Report, the Offeree is an Interested Party as defined in Section 270(5) of the Companies Law, due to its being a material shareholder (as defined in the Companies Law).

5.3. Securities Proposed to be Issued and Their Terms

The Allocated Shares shall immediately upon their allocation constitute approximately 5% of the issued share capital of the Company and its voting rights, and approximately 4.79% of the issued and paid-up share capital of the Company and its voting rights on a fully diluted basis⁴.

According to the understandings reached with the Institutional Entities, the Agreed Company Value for the Purposes of the Merger will be calculated at a rate of NIS 12.425 per ordinary share of the Company, which is the average price of the Company's share during the 60 trading days preceding March 15, 2026 (the date of the understandings with the Institutional Entities). The Agreed Company Value for the Purposes of the Merger shall be fixed and shall not change whether the price of the Company's share rises or falls until the Completion Date.

5.4. Data Regarding the Company's Shares; Holdings of the Offeree and Interested Parties in the Issued Share Capital and Voting Rights of the Company

The rights attached to the Offered Shares will grant the Offeree the rights attached to the existing ordinary shares of the Company.

Below is a table detailing the holdings of the Offeree and other Interested Parties in the Company, to the best of the Company's knowledge, in the issued and paid-up share capital of the Company and its voting rights before the Allocation, after the Allocation, and on a fully diluted basis (assuming exercise of 9,290,550 non-tradable options, of which 8,774,533 non-tradable options are held by the Management Company):

³ See Footnote 1 above.

⁴ Assuming full exercise of all existing option warrants in the Company as of the date of this Report.

The Offeree and Interested Parties in the Company	Before the Allocation				After the Allocation			
	Ordinary Shares	Non-tradable Options	Holding Percentage in Capital and Voting Rights	Holding Percentage in Capital and Voting Rights on a Fully Diluted Basis	Ordinary Shares	Non-tradable Options	Holding Percentage in Capital and Voting Rights	Holding Percentage in Capital and Voting Rights on a Fully Diluted Basis
N.K. Keystone Ltd.	14,885,543	8,774,533	7.28%	11.07%	25,643,067 ⁵	8,774,533	11.92%	15.33%
Telfox Ltd.	22,026,400	-	10.78%	10.31%	22,026,400	-	10.24%	9.81%
Aharon (Roni) Naftali Biram	5,204,588	-	2.55%	2.44%	5,204,588	-	2.42%	2.32%
Gil Deutch	5,212,088	-	2.55%	2.44%	5,212,088	-	2.42%	2.32%
Clal Insurance Business Holdings Ltd.	15,809,524	-	7.73%	7.4%	15,809,524	-	7.35%	7.04%
Clal Insurance Business Holdings Ltd.	195,000	-	0.1%	0.09%	195,000	-	0.09%	0.09%
Altshuler Shaham Provident and Pension Ltd.	37,788,828	-	18.49%	17.68%	37,788,828	-	17.56%	16.84%
Altshuler Shaham Mutual Fund Management Ltd.	2,259,932	-	1.11%	1.06%	2,259,932	-	1.05%	1.01%
Netz Gidur Ltd. (General Partner)	3,460	-	0%	0%	3,460	-	0%	0%
Altshuler Shaham Yanshuf Gidur Ltd. (General Partner)	100	-	0%	0%	100	-	0%	0%
Avraham Rubinstein & Co. Contractor Company Ltd.	21,311,290	-	10.43%	9.97%	21,311,290	-	9.91%	9.5%
Other Shareholders	79,696,212	375,895	38.98%	37.54%	79,696,212	375,895	37.04%	35.74%
Total	204,392,965	9,150,428	100%	100%	215,150,489	9,150,428	100%	100%

5.5. Details of the Consideration and the Manner in Which It Was Determined

For the manner of formulating the Proposed Outline, inter alia, following the understandings reached with the Institutional Entities, see Appendix B to this Notice of the Meeting and the Fairness Opinions.

5.6. Additional Details Regarding Article 9 of the Private Offering Regulations

The Subsidiary was incorporated on March 18, 2026 as a designated company for the purpose of executing the transactions subject to the Share Swap Agreement and the Asset Transfer Agreement. As of the date of publication of this Notice of the Meeting, all shares of the Subsidiary are held by the Management Company, and as of the Completion Date all shares of the Subsidiary will be held by the Company. As of the Completion Date, the sole activity of the Subsidiary, unless otherwise decided, will be the provision of management services to the Company in accordance with the Management Agreement.

From the date of its incorporation until the Completion Date, the Subsidiary has not had and will not have any business activity, it has not had and will not have any assets, it has not had and will not have any employees, subcontractors or consultants, and it has not entered into and will not enter into any agreement whatsoever until the Completion Date,

⁵ As stated above, on the Completion Date, the Management Company shall be allocated ordinary shares constituting 5% of the issued share capital of the Company and of the voting rights therein following completion of the merger. The number of shares to be allocated shall be updated close to the Completion Date, in accordance with the issued share capital of the Company as it shall be on the Completion Date.

it will not acquire assets or rights and will not assume any debts or obligations whatsoever; except for the signing of the Asset Transfer Agreement and the Share Swap Agreement, which will enter into effect on the Completion Date (retroactively from the Change Date), and by virtue of which the Subsidiary will have the Transferred Assets and the Additional Amount on the Completion Date.

The Transferred Assets include the following agreements:

- 1) The Management Agreement between the Company and the Management Company. For details regarding the Management Agreement, see Section 16 of the Description of the Corporation's Business chapter and Note 12A(1) to the Company's annual financial statements for 2025, attached to the Company's periodic report for 2025.
- 2) Agreements and engagements entered into by the Management Company in the ordinary course of business, including: engagements with approximately ten employees, a lease agreement for the Management Company's headquarters, engagements with consultants in non-material amounts, as well as equipment and fixed assets (of non-material value) used by the Management Company. With respect to agreements entered into by the Management Company with Office Holders in the Company, see Article 21 of the Additional Details about the Corporation chapter, attached to the Company's periodic report for 2025 (as well as the engagements submitted for approval within the framework of this Meeting).

The Company's obligations in respect of the Transferred Assets together with the obligations in respect of the new Compensation terms of the CEO and Chairman of the Board of Directors of the Company, which will enter into effect on the Completion Date (retroactively from the Change Date), shall not exceed on the Change Date a cumulative amount of NIS 18 million per year, plus VAT, if applicable.

The financial statements of the Subsidiary as of March 18, 2026, are attached **as Appendix G** to this Notice of the Meeting.

5.7. The Name of Each Material Shareholder or Office Holder in the Company Who, to the Best of the Company's Knowledge, Has a Personal Interest in the Consideration, and the Nature of Their Personal Interest

The Controlling Shareholders, the Management Company, and Telfox Ltd. have a personal interest in the proposed resolutions detailed in Sections 2.1 and also 2.3 through (and including) 2.5 above. This is due to the Controlling Shareholders' control of the Offeree, and due to their personal interest in the terms of office and employment of Messrs. Biram and Bar, who serve as Chairman of the Board of Directors and CEO of the Company (respectively), and in relation to the Updated Compensation Policy that will apply, inter alia, to Controlling Shareholders who serve as Office Holders in the Company.

5.8. Share Prices of the Company

- a. The average adjusted closing price of the Company's share during the six months preceding the date of publication of the Report is 1,207 agorot.

- b. The average adjusted closing price of the Company's share at the end of the 60 trading days prior to March 15, 2026 (the date on which the share price was calculated for the purposes of the Merger) is 1,242.5 agorot, and the adjusted closing price of the Company's share on the last trading day before March 15, 2026 is 1,384 agorot.
- c. The adjusted closing price of the Company's share on April 13, 2026, which is the trading day immediately prior to the Board of Directors' resolution (dated April 14, 2026) to approve the Allocation subject to this Report, is 1,950 agorot.
- d. The adjusted closing price of the Company's share on April 14, 2026, which is the trading day prior to the publication of this Report, is 2,105 agorot.

5.9. Required Approvals

- a. Approval of the Audit Committee and the Board of Directors of the Company for entering into the Share Swap Agreement, including for the execution of the Allocation, which were received on April 14, 2026.
- b. Approval of the General Meeting of the Company's shareholders subject to this Report.
- c. In addition, it is emphasized that a condition for the execution of the Allocation is the completion of the Share Swap Agreement by the Final Date (including the fulfillment of the Conditions Precedent for its completion).

5.10. Agreements to Which the Offeree Is a Party Regarding Its Holding in the Company's Shares

To the best of the Company's knowledge, after inquiries made in this matter with the Offeree, as of the date of this Report there are no agreements between the Offeree and a shareholder in the Company or between the Offeree and others, regarding the purchase or sale of securities of the Company or regarding voting rights therein. For a description of the existing Management Agreement between the Offeree and the Company, which includes, inter alia, a right of the Company to receive options for shares of the Company, see Section 16 of the chapter Description of the Corporation's Business and Note 12A(1) to the Company's annual financial statements for 2025, attached to the Company's periodic report for 2025.

5.11. Details of Any Prohibition or Restriction on the Performance of Transactions in the Offered Securities That Will Apply to the Offeree, Pursuant to the Bylaws of a Stock Exchange in Israel, Pursuant to Any Law or Pursuant to an Undertaking Assumed by the Offeree, to the Best of the Company's Knowledge

There are restrictions on sale during trading on the stock exchange of the Allocated Shares that will apply to the Offeree by virtue of the provisions of Section 15C(a) of the Securities Law, 5728-1968 and the provisions of the Securities Regulations (Details Regarding Sections 15A to 15C of the Law), 5760-2000.

5.12. The Names of the Directors Who Participated in the Board of Directors' Discussion on the Approval of the Allocation, Indicating Which of Them Is an External Director of the Company

- a. At the meeting of the Audit Committee (sitting as a Compensation Committee) in which the engagements as detailed in Section 2.1 on the agenda were approved, Oded Setter (External Director), Liza Singer (External Director), and Nir Dror (External Director) participated.
- b. At the meeting of the Board of Directors in which the engagements as detailed in Section 2.1 on the agenda were approved, Oded Setter (External Director), Liza Singer (External Director), and Nir Dror (External Director) participated.

5.13. Date of Allocation of the Securities

The allocation of the Allocated Shares will be carried out subject to the completion of the Share Swap Agreement and all as detailed in Section 2.1 above.

5.14. Authority of the Israel Securities Authority

Within 21 days from the date of submission of this Report, the Israel Securities Authority or an employee authorized by it may instruct the Company to provide, within a period to be determined, an explanation, details, information, and documents regarding the Offering or the engagement, as the case may be, subject of the Report, and may also instruct the Company to amend the Report in the manner and at the time to be determined. If an instruction is given to amend the Report as aforesaid, the Authority may instruct to postpone the date of the General Meeting to a date that shall not be earlier than three business days and not later than 35 days from the date of publication of the amendment to the Report. The Company shall submit an amendment in accordance with such instruction in the manner prescribed in the Controlling Shareholders Regulations, shall send it to all its shareholders to whom this Report was sent, and shall also publish a notice in this matter in the manner prescribed in the Controlling Shareholders Regulations, all unless the Authority instructs otherwise. If an instruction is given regarding the postponement of the date of the General Meeting, the Company shall notify in an immediate report of the instruction.

6. **Additional Details in Accordance with the Controlling Shareholders Regulations**

6.1. Name of the Controlling Shareholders Who Have a Personal Interest in the Approval of the Transaction and the Nature of Such Interest

The Controlling Shareholders, the Management Company, and Telfox Ltd. have a personal interest in the approval of the resolutions in Sections 2.1, 2.2, 2.4, and 2.5 on the agenda. This is due to the Controlling Shareholders' control of the Offeree, and due to their personal interest in the terms of office and employment of Messrs. Biram and Bar, who serve as Chairman of the Board of Directors and CEO of the Company (respectively), and in relation to the Updated Compensation Policy that will apply, inter alia, to Controlling Shareholders who serve as Office Holders in the Company.

6.2. Details of Transactions of the Type of the Engagements on the Agenda or Similar Transactions That Were Signed Within the Last Two Years or That Are Still in Effect at the Time of the Board of Directors' Approval

In the two years preceding the approval of the Proposed Outline that is the subject of this Report by the Board of Directors of the Company, no transactions of the type described above or similar to the Proposed Outline were entered into between the Company and the Controlling Shareholders thereof or in which the Controlling Shareholders had a personal interest, and as of the date of this Report there are no such transactions in effect, except as detailed below:

- 1) For details regarding the Management Agreement of the Management Company with the Company, see Note 12 to the financial statements of the Company as of December 31, 2025, attached to the periodic report of the Company for 2025, which was published on March 24, 2026 (Reference No.: 2025-01-021092) (the “**Periodic Report for 2025**”).
- 2) For details regarding the Existing Compensation Policy of the Company, see Section 1 **in Appendix D** to this Report.
- 3) For details regarding the existing terms of office of Mr. Biram, see Section 2 **in Appendix E** to this Report.
- 4) For details regarding the existing terms of office of Mr. Navot Bar, see Section 2 **in Appendix F** to this Report.
- 5) For arrangements of exemption, indemnification, and insurance to which the Management Company and Office Holders in the Company employed by the Management Company are entitled, see in the chapter Additional Details about the Corporation attached to the Periodic Report of the Company for 2025 as well as in the Existing Compensation Policy of the Company.

6.3. **Names of the directors who have a personal interest in the approval of the resolutions on the agenda and the nature of such interest**

The directors Messrs. Aharon (Roni) Naftali Biram and Navot Bar have a personal interest in the approval of the resolutions on the agenda, as detailed in Section 6.1 above.

In addition, all directors have a personal interest in the approval of the Updated Compensation Policy.

6.4. **Additional details regarding Article 6 of the Controlling Shareholders Regulations**

For additional details regarding the Subsidiary and the assets to be transferred to it, as well as the financial statements of the Subsidiary, see Section 5.6 above and in **Appendix G** to this Notice of the Meeting.

7. **Additional details regarding the Compensation Policy**

Within the framework of the Management Structure Change, it is proposed to approve the Updated Compensation Policy.

- 7.1. The Existing Compensation Policy of the Company entered into effect concurrently with the Company becoming a public company in May 2021, for a period of five years, and amendments thereto were approved at a General Meeting of the Company held in May 2023 (see Notice of the Meeting dated April 2, 2023, Reference No.: 2023-01-037344).

The Existing Compensation Policy was prepared in accordance with the management structure of the Company at the time of the offering, according to which the Company was managed by the Management Company through the Management Agreement, pursuant to which the Management Company bore itself and at its own expense the Compensation costs (of all its components) of the Office Holders serving on its behalf in the Company. In addition, the Existing Compensation Policy included unique provisions regarding the consideration to which the Management Company is entitled under the Management Agreement, separately from the breakdown of Compensation components to which the Office Holders are entitled.

- 7.2. In order to ensure continuity and management stability in the Company upon completion of the Proposed Outline and as part thereof, it is proposed to adopt an Updated Compensation Policy that will enter into effect on the Change Date and apply retroactively, which will be adapted to the new management structure of the Company. Within this framework, the Updated Compensation Policy will not include provisions currently existing in the Existing Compensation Policy regarding the rights of the Management Company and the Management Agreement. In addition, the Updated Compensation Policy is adapted to changes that have occurred in the Company and in the business environment in which it operates in recent years, in particular the significant increase in the scope of its assets and in the scope of the resource system required for its management, as well as the accumulated experience in the Company from the implementation of the Compensation Policy during the period of the Existing Compensation Policy.
- 7.3. As part of its preparation for the adoption of an Updated Compensation Policy after completion of the Management Structure Change, the Audit Committee engaged an external consultant with experience in the field, who conducted a comparative data survey (Benchmark) for the Compensation of Office Holders in the Company, including the Chairman of the Board of Directors and the CEO of the Company, who are among the Controlling Shareholders of the Company, in relation to comparative Compensation data of Office Holders in the peer companies examined (“**Comparative Data Survey**”). In addition, the Audit Committee was assisted by external legal advisors, for the purpose of formulating a proposal for the wording of the Updated Compensation Policy, as well as for the review and re-approval of the Compensation terms of Office Holders who are Controlling Shareholders in the Company, and for accompanying the members of the Audit Committee (also serving as the Compensation Committee) and the Board of Directors of the Company in such process.
- 7.4. Within the process of formulating and approving the Updated Compensation Policy, the Audit Committee (also serving as the Compensation Committee) and the Board of Directors of the Company examined, inter alia, the criteria listed in Section 267B(a) of the Companies Law, while referring to the matters detailed in Part A and Part B of the First Addendum A to the Companies Law, the Existing Compensation Policy and the need to update it or to update certain components thereof, as well as the data and background materials presented to them, including the Comparative Data Survey, including a comparative review of the main provisions of the Compensation Policy of the Company

in relation to the Compensation Policy of the peer companies examined, data regarding the Compensation of Office Holders in the Company and the manner of compliance with the provisions of the Compensation Policy (including the ratio between the actual Compensation and the Compensation ceilings set in the Compensation Policy and the ratio between the variable components and the fixed components in the employment terms of the Office Holders) as well as data regarding the existing ratio between the cost of the terms of office and employment of the Office Holders in the Company and the average and median salary cost of all employees of the Group (including employees of the Company and employees of the Subsidiaries of the Company and the investee companies thereof (the “**Group**”)), based on data for 2025.

- 7.5. On April 9, 12, 13, and 14, 2026, the Audit Committee (also serving as the Compensation Committee) held discussions on the Compensation Policy, and after reviewing the data presented to it, and considering, inter alia, the considerations required under the Companies Law, decided to approve and recommend that the Board of Directors of the Company approve the Updated Compensation Policy.
- 7.6. On April 14, 2026, the Board of Directors of the Company discussed the Compensation Policy and, after reviewing the data presented to it and the recommendations of the Compensation Committee, including the wording of the Updated Compensation Policy, and considering, inter alia, the considerations required under the Companies Law, the Board of Directors decided to approve the Updated Compensation Policy as stated.
- 7.7. The full text of the Updated Compensation Policy submitted for approval by the General Meeting of the Company, as approved by the Audit Committee and the Board of Directors, is attached **as Appendix D** to this Report.
- 7.8. For the avoidance of doubt, it is clarified, with respect to options allocated to the Management Company under the Existing Compensation Policy, that according to such policy the Management Company is entitled to choose between “net exercise in shares” (“**Cash less**”) and settlement by payment of the exercise price of the options in cash; and that the adoption of the Updated Compensation Policy, within which the provisions relating to the Management Company were removed, does not derogate from the aforesaid right of choice of the Management Company.
- 7.9. The material updates made in the Updated Compensation Policy

The Updated Compensation Policy is based for the most part on the Existing Compensation Policy. Below is a summary of the main material changes in the Updated Compensation Policy compared to the Existing Compensation Policy (divided according to the chronological order in the Updated Compensation Policy)⁶:

⁶ It is emphasized that this constitutes a concise summary of the proposed changes to the updated Compensation Policy, and review of this summary does not constitute a substitute for review of the full Compensation Policy.

Subject	Section in Existing Compensation Policy	Section in Updated Compensation Policy	Nature of the Change
Provision of management services by the Management Company	1, 16	15	Adjustment of the provisions of the Compensation Policy so that they are suited to the provision of management services by the Subsidiary, instead of the Management Company.
The ratio between the variable and fixed components in the Compensation package of the Office Holder	6	5	The portion of the variable Compensation components shall not exceed 65% of the total Compensation package for an Office Holder (instead of 60% in the Existing Compensation Policy).
Base salary ceilings	7	6	The gross base salary ceiling of an active Chairman of the Board of Directors shall not exceed NIS 2,040 thousand per year (instead of NIS 3,000 thousand per year in the Existing Compensation Policy) ⁷ ; the base salary ceiling of the CEO of the Company shall not exceed NIS 2,340 thousand per year (instead of NIS 3,000 thousand per year in the Existing Compensation Policy) ⁸ ; the base salary ceiling of other Office Holders shall not exceed NIS 1,600 thousand per year (instead of NIS 2,000 thousand per year in the Existing Compensation Policy). In addition, it was added that the salary of Office Holders may be linked to the increase in the Consumer Price Index and that a deviation of up to 10% from the ceilings set above, including due to a non-material change in the employment terms of the Office Holders, shall not be considered a deviation or as a departure from the provisions of the Compensation Policy.
Ancillary conditions and benefits	8	7	With respect to social conditions, the provision was deleted according to which such conditions would be determined according to the provisions of the law as they may be from time to time.
Termination of the Engagement	10	9	Section 9.3 was added regarding the termination of the engagement of the Chairman of the Board of Directors and the CEO prior to the end of the engagement period, which includes Compensation of the breaching party to the other party in the event of termination of the engagement prior to the end of the engagement period, and in addition, payment of an adaptation grant to the

⁷ It is noted that as of the date of approval of this Compensation Policy, the Chairman of the Company provides services through a management company, such that the estimated cap of the monthly management fees in respect of the base salary, including social benefits derived from these caps, amounts to approximately NIS 213 thousand per month and approximately NIS 2.56 million per year, for a 100% position.

⁸ It is noted that as of the date of approval of this Compensation Policy, the CEO of the Company may provide his services through a management company, such that the estimated cap of the monthly management fees in respect of the base salary, including social and ancillary benefits derived from these caps, amounts to approximately NIS 280 thousand per month and approximately NIS 3.4 million per year, for a 100% position.

Subject	Section in Existing Compensation Policy	Section in Updated Compensation Policy	Nature of the Change
			<p>manager. In Section 9.4, the possibility was added for a one-time retirement/adaptation grant to Office Holders in an amount not to exceed 6 months of monthly employment cost for fixed Compensation, provided that retirement/adaptation grants will be approved for an Office Holder on condition that the departure of the Office Holder is not due to circumstances justifying the denial of severance pay. Notwithstanding the foregoing, the total Compensation for the notice period during which the Office Holder did not actually work and for the retirement/adaptation grant, together, shall not exceed 12 months of monthly employment cost for fixed Compensation.</p>
Grants	11	10	<p>Considering the nature of the Company's activity and the significant impact that exogenous events may have on the Company's activity, Section 10.2 of the Updated Compensation Policy added the possibility to re-examine the targets during the year in light of implications arising from exogenous events that were not included when setting the targets and to approve the necessary adjustments to the targets as a result. In addition, the list of examples of measurable organizational and personal targets that may be set was updated, and the limitation on the weighting of the organizational and personal targets was canceled. In Section 10.3 of the Updated Compensation Policy, it was determined that the annual grant to Office Holders subordinate to the CEO according to non-measurable criteria will be limited to up to three times the fixed Compensation (instead of six times in the Existing Compensation Policy). In Section 10.5 of the Updated Compensation Policy, it was clarified that the possibility to approve partial variable Compensation according to a pro rata portion of the calendar year also applies to an Office Holder who began serving in his position in the Company during a calendar year. In Section 10.9 of the Updated Compensation Policy, the possibility was added to the special grant for Office Holders directly subordinate to the CEO to provide a retention grant to an existing Office Holder or a signing grant in the case of a new engagement with an Office Holder. The retention grant and/or signing grant as stated will be conditional on a minimum term of office of two years from the date of its approval, and if the actual term of office is shorter, its relative portion will be returned. The ceiling of the special grant was updated to a multiple of six times the fixed Compensation (instead of three times in the Existing Compensation Policy). It was also added that the special grant, if it is decided to grant it, is subject to the total ceiling of possible variable Compensation together according to Sections 10.6 and 11.2 of the Updated</p>

Subject	Section in Existing Compensation Policy	Section in Updated Compensation Policy	Nature of the Change
			<p>Compensation Policy (so that the total variable Compensation to Office Holders subordinate to the CEO in the relevant grant year for the annual grant, the special grant, and the annual equity Compensation, shall not exceed the total ceilings together, cumulatively, according to Sections 10.6 and 11.2 of the Updated Compensation Policy). Section 11.10 of the Existing Compensation Policy, according to which the annual grant to Office Holders subordinate to the CEO could be a grant based entirely on a discretionary grant, was deleted.</p>
Equity Compensation	12	11	<p>It was added that if restricted shares and/or restricted share units are allocated, their vesting will be conditional on targets to be set by the Compensation Committee and the Board of Directors, except in the case where the value of the grant for each vesting year does not exceed 3 months of the fixed Compensation cost or 25% of its value at the grant date, whichever is higher. The obligation that the equity Compensation for Office Holders will be determined, as far as possible, in advance and within the framework of the approval of the terms of employment, was also canceled. Regarding the terms of the equity Compensation, the Updated Compensation Policy determined that the exercise price will be set according to the average closing price of the Company's share on the stock exchange during a period of not less than 30 trading days and not more than 60 trading days prior to the date of approval of the grant by the Company's Board of Directors, at the discretion of the Compensation Committee and the Company's Board of Directors. (Instead of 30 trading days in the existing policy). In addition, a fair value of equity Compensation for the Chairman of the Board of Directors and the CEO was added, not to exceed a multiple of nine times the monthly fixed Compensation for the Chairman of the Board of Directors and the CEO of the Company, and it was clarified that this ceiling is subject to the annual grant ceiling according to Section 10.6 of the Updated Compensation Policy. In addition, a provision was added regarding the expiration date of the options within 10 years from the grant date, the possibility for the Company to include in the equity Compensation plan a cashless mechanism (Section 11.3 of the Updated Policy), and a clarification that the entitlement of an Office Holder to share-based Compensation upon termination of employment and upon a change of control in the Company, as well as acceleration of the exercise period, will be in accordance with the definitions of the share-based Compensation plans to be adopted by the Company's Board of Directors from time to time and subject to all the provisions required by law. However, regarding</p>

Subject	Section in Existing Compensation Policy	Section in Updated Compensation Policy	Nature of the Change
			acceleration of vesting, the Company will be entitled to determine full acceleration of the equity Compensation for an Office Holder only in the case of death, disability, medical reasons, and also the cessation of trading in the Company's shares. In addition, if the Company wishes to determine acceleration as a result of termination of employment or dismissal due to a change of control in the Company, acceleration will be allowed for the tranches that were supposed to vest during the 12 months following the end of the term, except with respect to the CEO of the Company. In addition, the equity Compensation sections for Office Holders employed by the Management Company were deleted.
Directors' Compensation	13	12	It was clarified that members of the Board of Directors who are not employed by the Company (including through a company) will be entitled to Compensation in accordance with the Companies Regulations (Rules regarding Compensation and Expenses for an External Director), 5760-2000 (and not only independent directors, including external directors, as stated in the Existing Compensation Policy).
Office Holders Insurance	15.3	14.3	The section on Office Holders insurance was updated, inter alia, regarding the liability limit under the insurance policies, so that it shall not exceed USD 25 million per case and in aggregate for the insurance period (instead of USD 20 million in the Existing Compensation Policy) plus reasonable legal defense expenses in Israel beyond the liability limit.
Terms of Office of the Chairman of the Board of Directors and CEO	-	16	A provision was added whereby the terms of office of the Chairman of the Board of Directors of the Company and the CEO of the Company, as approved by the General Meeting of the Company from time to time, constitute an integral part of the Compensation Policy.
Non-material Change in the Terms of Office of an Office Holder Subordinate to the CEO of the Company	-	24	A provision was added whereby a non-material change in the terms of office and employment of an Office Holder subordinate to the CEO of the Company shall not require approval of the Compensation Committee if approved by the CEO of the Company. Non-material change means that the total changes in the terms of office and employment shall not exceed (in real terms) 10% or 15% in aggregate, in relation to the maximum annual cost of all the terms of office of the Office Holder as originally approved by the Compensation Committee.
Non-material Change in the Terms of Office of the CEO of the Company	-	24	A provision was added whereby non-material changes, as defined above, in the terms of office and employment of the CEO of the Company as originally approved by the required organs, shall require prior approval of the Compensation Committee only, if it has approved that this is a non-material change in the terms of employment, provided that the terms of office and

Subject	Section in Existing Compensation Policy	Section in Updated Compensation Policy	Nature of the Change
			employment are consistent with the Compensation Policy.

7.10. Details regarding the implementation of the Existing Compensation Policy during the policy period

The employment agreements of the Office Holders in the Company and the actual Compensation of the Office Holders comply with the provisions of the Existing Compensation Policy.

With respect to the Compensation of the Chairman of the Board of Directors of the Company: the ratio between the monthly management fees paid to the Chairman of the Board of Directors by the Management Company during the period of the Existing Policy (on average for the years 2022 to 2025), for management services at a scope equivalent to 40% position, and the ceiling of the fixed component in cost terms in the Existing Compensation Policy⁹ for a 40% position, was approximately 79% (the Chairman of the Board of Directors of the Company is not entitled to any variable Compensation according to the Existing Compensation Policy).

With respect to the CEO of the Company: (A) the ratio between the monthly management fees paid to the CEO of the Company by the Management Company during the period of the Existing Policy and the ceiling of the fixed component¹⁰ in terms of fixed cost in the Existing Compensation Policy for a full-time position was approximately 60% (the CEO of the Company is not entitled to any variable Compensation according to the Existing Compensation Policy).

7.11. Reasons of the Compensation Committee and the Board of Directors of the Company for approving the Updated Compensation Policy

Based on the data presented to the Compensation Committee and the Board of Directors, and taking into account the standards, parameters, and considerations listed in Section 267B of the Companies Law and detailed in the First Addendum A of the Companies Law, the Compensation Committee decided to approve and recommend that the Board of Directors of the Company approve the adoption of the Updated Compensation Policy of the Company, and the Board of Directors of the Company approved the adoption of the Updated Compensation Policy of the Company, in light of the considerations and reasons detailed below:

- 1) Against the background of the Management Structure Change, within the framework of which the Office Holders serving in the Company will be transferred to be employed (or service providers) in the New Company, and with the aim of ensuring continuity and managerial stability in the Company upon completion of the Proposed Outline and as part thereof, there is a need to adopt an Updated Compensation Policy

⁹ Assuming a rate of social and ancillary benefits of 40%.

¹⁰ Assuming a rate of social and ancillary benefits of 40%.

that will apply retroactively from the Change Date, which will be suitable for the corporate structure of public companies.

- 2) The Updated Compensation Policy of the Company has been updated and adopted in light of the accumulated experience from the implementation of the Existing Compensation Policy during the period of the Existing Policy, and the significant developments in the scope of the Company's business activity during this period. Thus, within a few years, the Company has established its status as a central player in the infrastructure sector, and has succeeded in translating its investment strategy into building a significant portfolio that includes essential and central infrastructure assets in the Israeli (and global) market in the scope of approximately NIS 4.7 billion. The Company has led business and financial moves in its existing assets, which have been translated into increased cash flow and value creation for its shareholders. At the same time, the Company has recently deepened its activity in the initiation and development of infrastructure assets, which has also begun to be reflected in the value of its assets in the financial statements. These are significant achievements that attest to the expertise, unique experience, and proven execution ability of the Office Holders serving in the Company.
- 3) The Updated Compensation Policy of the Company advances the goals and objectives of the Company as determined within the framework of the multi-year strategy adopted by the Company for growth.¹¹
- 4) In the Company's assessment, the Updated Compensation Policy of the Company creates a fair, reasonable, and appropriate incentive system for the Office Holders in the Company, taking into account, inter alia, the characteristics of the Company, its business activity, its size, its risk management policy, and the resource system required for its management from an overall perspective.
- 5) The Updated Compensation Policy of the Company provides the Company with managerial tools that grant effective ability to recruit, incentivize, retain, and motivate talented and skilled managers with potential for further advancement, suitable to lead the Company to sustainable long-term success, and who will lead the Company to achieve its vision and business objectives.
- 6) The Updated Compensation Policy of the Company defines the appropriate ratio between the fixed compensation and the variable compensation of the Office Holders, according to their position and rank, in a manner that advances the objectives of the Company and creates an appropriate incentive for the Office Holders in the Company and is consistent with the risk policy of the Company.
- 7) The Updated Compensation Policy of the Company maintains a reasonable and appropriate ratio between the compensation of the Office Holders and the average and median salary of the other employees of the Company, which is intended to maintain proper labor relations in the Company.

¹¹ For details regarding the Company's strategy, see Section 3 of the Description of the Corporation's Business chapter attached to the Company's 2025 Periodic Report.

- 8) The Updated Compensation Policy of the Company anchors the fixed compensation component of the Office Holders in the Company (base salary, ancillary conditions, and retirement conditions) and limits its scope in an appropriate and reasonable manner, allowing the scope of the fixed compensation to be adapted to the characteristics of the position and the personal characteristics of the Office Holder, taking into account comparative salary data surveyed by an external surveyor and subject to reasonable ceilings for the scope of the Office Holders' salary.
- 9) The entitlement of the Office Holders to an annual bonus is based on meeting objectives and appropriate business parameters that are consistent with the Company's business plan, and, as applicable, also taking into account, subject to the limitations set forth by law, the personal assessment of the Office Holder and his or her personal contribution to the Company in achieving the Company's objectives and maximizing its profits, all in order to create an appropriate long-term incentive for the Office Holders in the Company.
- 10) The Updated Compensation Policy of the Company limits the maximum compensation amounts to which the Office Holders in the Company will be entitled to a reasonable and fair range, including taking into account the compensation levels customary among the comparison companies.
- 11) The Updated Compensation Policy enables the Company to grant equity compensation to Office Holders in the Company, in a manner that serves the interests of the Company, and provides the Company with an additional managerial tool to retain its Office Holders over time and also to incentivize the Office Holders in the Company to maximize the Company's profits from a long-term perspective.
- 12) For Office Holders in the Company who are Controlling Shareholders, uniform quantitative parameters have been set, which are consistent with the Company's business plan, in order to create a defined, structured, and uniform incentive, while aligning as much as possible between the Company's business objectives and the objectives and compensation components of the said Office Holders.
- 13) The Updated Compensation Policy grants the Board of Directors of the Company the authority to examine the reasonableness of the annual bonus and to reduce it if necessary, thereby enabling the Compensation Committee and the Board of Directors to adjust the scope of the compensation of the Office Holders, inter alia, in the event of a decrease in the value of the Company or its assets, or taking into account the state of the economy as a whole.
- 14) The Updated Compensation Policy of the Company is consistent with the provisions of the law and the principles established in the Companies Law, and properly and appropriately anchors the entirety of the compensation to which the Office Holders in the Company are entitled.

Taking into account all the parameters, considerations, and reasons detailed above, the members of the Compensation Committee and the Board of Directors are of the opinion that the Updated Compensation Policy of the Company is appropriate, reasonable, and serves the

interests of the Company and its shareholders from a long-term perspective, inter alia, taking into account the Company's plans, its business objectives, and its risk management policy.

It should be noted that the decision of the Audit Committee and the Board of Directors regarding the adoption of the Updated Compensation Policy was made with the consent of all members of the Compensation Committee as well as all members of the Board of Directors, based on the reasons and considerations detailed above.

8. **Legal Quorum and Adjourned Meeting**

A legal quorum shall be met, in accordance with the provisions of Section 76.2 of the Articles of Association of the Company, when at least two (2) shareholders holding together at least forty percent (40%) of the voting rights in the Company are present, in person or by their proxies. If, after half an hour from the time set for the Meeting, the legal quorum is not present, the Meeting shall be adjourned by one week to the same day and at the same time and at the same place (the “**Adjourned Meeting**”), without a renewed notice regarding the holding of the Adjourned Meeting, or to a day, time, and place to be determined by the Board of Directors in the notice of the General Meeting. If at the Adjourned Meeting a legal quorum is not present after half an hour from the time set for the Meeting, the Meeting shall be held with any number of participants whatsoever, exactly one week after the time set for the Adjourned Meeting, except with respect to a resolution on amending the Articles, in which case the legal quorum at the Adjourned Meeting shall be shareholders holding at least 30% of the issued share capital of the Company.

9. **Effective Date**

The Effective Date for determining the entitlement of a shareholder in the Company to vote at the Meeting, as stated in Section 182 of the Companies Law and Section 3 of the Written Ballot Regulations, is Monday, April 20, 2026 (the “**Effective Date**”).

10. **Manner of Voting**

10.1. **Confirmation of Ownership**

In accordance with the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at the General Meeting), 5760-2000, a shareholder in whose favor a share in the Company is registered with a member of the Tel Aviv Stock Exchange Ltd. (the “**Stock Exchange**”), and such share is included among the shares of the Company registered in the register of shareholders in the name of a nominee company (“**Unregistered Shareholder**”) and who wishes to vote at the Meeting, shall provide the Company with confirmation from the Stock Exchange member with whom his right to the share is registered, regarding his ownership of the share, on the Effective Date, in accordance with Form 1 in the appendix to the said regulations.

An Unregistered Shareholder is entitled to receive the confirmation of ownership from the Stock Exchange member through whom he holds his shares, at the branch of the Stock Exchange member or by mail to his address for delivery fees only, if he so requested, and a request in this regard shall be given in advance for a specific securities account.

10.2. Voting by Proxy (Power of Attorney)

A shareholder entitled to participate and vote at the Meeting may vote in person or by proxy in accordance with the provisions of the Articles of Association of the Company. A shareholder wishing to vote by proxy, as stated above, shall deposit the power of attorney (“**Power of Attorney**”) at the registered office of the Company or at the place designated for the convening of the Meeting not less than 48 hours before the time set for the commencement of the Meeting or the Adjourned Meeting, however, the Chairman of the Meeting may waive this requirement for any of the participants for any Meeting, and accept their Power of Attorney or a copy thereof, to the satisfaction of the Chairman of the Meeting, also at another time.

10.3. Voting by Written Ballot¹²

With respect to the resolutions on the agenda of the Meeting as stated above, a shareholder may vote at the Meeting by written ballot. Voting by written ballot shall be done by means of the second part of the written ballot, attached to this Report. A shareholder may contact the Company directly and receive from it the text of the written ballot and position statements.

The website addresses of the Israel Securities Authority and the Stock Exchange where the text of the written ballot and position statements, as defined in Sections 87 and 88 of the Companies Law, may be found are the distribution site of the Israel Securities Authority: <https://www.magna.isa.gov.il> (the “**Distribution Site**”); and the website of the Tel Aviv Stock Exchange Ltd. <https://maya.tase.co.il>.

A Stock Exchange Member shall send by email, free of charge, a link to the text of the Written Ballot and to the 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 Stock Exchange Member, if the Shareholder has notified that he is interested in this, provided that the notice was given with respect to a specific securities account and prior to the Effective Date. A Shareholder whose shares are registered with a Stock Exchange Member is entitled to receive the Ownership Confirmation from the Stock Exchange Member through which he holds his shares, at the branch of the Stock Exchange Member or by mail to his address for delivery fees only, if he so requested, and provided that a request in this matter is given in advance for a specific securities account.

The Written Ballot and the documents to be attached thereto (the “**Attached Documents**”), as detailed in the Written Ballot, must be delivered to the offices of the Company up to 4 hours before the time of convening the Meeting. For this purpose, the “delivery time” is the time at which the Written Ballot and the Attached Documents arrived at the offices of the Company.

¹² In light of the security situation affecting the State of Israel, temporary difficulties may arise in accessing the information systems and computing infrastructure of the Israel Securities Authority from abroad. In such case, the other voting methods detailed in this Report may be used, or alternatively, contact may be made with the system support center at telephone 077-2238333.

A Shareholder may, up to 24 hours before the time of convening the Meeting, contact the address of the Company and, after proving his identity to the satisfaction of the Secretary of the Company or another employee appointed for this purpose, withdraw his Written Ballot and Ownership Confirmation.

10.4. Voting by means of the Electronic Voting System

A Shareholder not registered as defined in Section 177(1) of the Companies Law, may vote by means of a Written Ballot to be transmitted to the Company via the Electronic Voting System (as defined below), all in accordance with and subject to the conditions set forth in the Written Ballot Regulations.

After the Effective Date, upon receipt of an identifying number and access code from the Stock Exchange Member and after an identification process, an unregistered Shareholder may vote in the electronic system operating pursuant to Chapter G2, Part B of the Securities Law, 5728-1968 (the “**Electronic Voting System**” and the “**Securities Law**”, as the case may be). The address of the Electronic Voting System is <https://votes.isa.gov.il>.

In accordance with and subject to the conditions set forth in the Voting Regulations and the instructions of the Israel Securities Authority in this matter, voting by means of the Electronic Voting System shall be possible up to six (6) hours before the time of convening the Meeting, or at an earlier time to be determined by the Israel Securities Authority, provided that it shall not exceed 12 hours before the time of convening the Meeting (the “**System Lock Time**”). It is clarified that voting by means of the Electronic Voting System may be changed or canceled up to the System Lock Time and it will not be possible to change it through the system after this time.

If a Shareholder voted in more than one way as stated, his later vote shall be counted, whereby a vote of a Shareholder himself at the Meeting or by proxy shall be considered later than a vote by means of a Written Ballot.

11. **Final date for submission of Position Statements and inclusion of an item on the agenda by a Shareholder**

- 11.1. The final date for submission of Position Statements is no later than ten (10) days before the date of the Meeting.
- 11.2. The final date for submission of a request by a Shareholder pursuant to Section 66(b) of the Companies Law to include an item on the agenda of the Meeting is up to seven (7) days after the convening of the Meeting.

It should be noted that if a request under this Section above has been submitted – there may be changes to the agenda of the Meeting, including the addition of an item to the agenda or the addition of a Position Statement, and it will be possible to review the updated agenda and the Position Statement in the Company’s reports on the Distribution Site.

12. **Representatives of the Company and review of documents**

- 12.1. The representatives of the Company for handling this Report are Attorneys Itay Geffen, Sharon Werker-Sagy, and Sharon Strauss from the law firm Gornitzky & Co., 20 HaHarash Street, Tel Aviv, telephone 03-7109191 and fax 03-5606555.
- 12.2. The full text of the proposed resolutions as well as the other documents relating to the matters on the agenda of the Meeting, which is the subject of this Report, may be reviewed at the offices of the Company at 4 Ariel Sharon Street, Givatayim, 5344730, Sunday through Thursday, between the hours of 9:00 am and 3:00 pm, by prior arrangement at telephone 03-5170122, until the time of convening of the Meeting. In addition, this Report, the Written Ballot, and the Position Statements, if any, may be reviewed on the Distribution Site of the Israel Securities Authority at <https://www.magna.isa.gov.il> and on the website of the Tel Aviv Stock Exchange Ltd. at <https://maya.tase.co.il>.

Sincerely,

Keystone Infra Ltd.

Appendix A – Fairness Opinions

Fairness Opinion regarding the Merger Transaction (by way of share swap) between Keystone Infra Ltd. and the management company N.K. Keystone Ltd.

April 2026



To:
Members of the Audit Committee of Keystone Infra Ltd.
4 Ariel Sharon, Givatayim, 5320045

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April 14, 2026

**Re: Fairness Opinion regarding the Merger Transaction (by way of share swap) between
Keystone Infra Ltd. and the management company N.K. Keystone Ltd.**

Executive Summary

Background and Structure of the Transaction: At the request of the Audit Committee of the Board of Directors of Keystone Infra Ltd. (the “**Keystone**” or the “**Company**”), we have examined, from an economic perspective, the fairness of the terms of the merger transaction by way of share swap (the “**Merger**”) between the Company and its management company N.K. Keystone Ltd. (the “**Management Company**”). According to the information provided to us, the Merger will consist of two stages: (1) the Management Company will transfer to a new wholly owned subsidiary (the “**New Company**” or the “**Subsidiary**”) all management rights, engagements, and agreements existing for the purpose of managing the Company (the “**Transferred Assets**”). In addition, the Management Company will invest in the Subsidiary an amount of approximately NIS 52 million (the “**Additional Amount**”) (together: the “**Asset Transfer Agreement**”). The Additional Amount will be invested, at the discretion of the Management Company, in cash and/or in shares of the Company and/or in options for shares of the Company. (2) Immediately after completion of the Asset Transfer Agreement, a share swap will be carried out between the Company and the Management Company within the framework of a merger agreement by way of share swap (the “**Merger Agreement**”). Within the framework of the Merger Agreement, the Management Company will transfer to the Company the entire share capital of the New Company, in exchange for and against the allocation of shares of the Company to the Management Company (the “**Allocation**”), at a rate of 5% of the issued share capital of the Company after completion of the Merger (the “**Allocated Shares**”). According to the understandings reached with the institutional entities who are the major shareholders in the Company (the “**Institutional Entities**”), the value of the Company for the purpose of the Merger will be calculated at a rate of NIS 12.425 per ordinary share of the Company, which is the average rate of the Company’s share during the 60 trading days preceding March 15, 2026 (the date of formulation of the understandings with the Institutional Entities) (the “**Agreed Company Value with the Institutional Entities for the Purpose of the Merger**”). The Agreed Company Value with the Institutional Entities for the purpose of the Merger will be fixed and will not change whether the Company’s share price rises or falls until the completion date.

The process under review includes a fundamental change in the Company’s management structure, such that the Company will cease to be managed through an external management company (as has been the case until now).

Review Methodology: The fairness of the consideration within the Merger was examined based on an economic comparison between two main components:

1. The cost to the Company: the value of the economic consideration transferred (the value of the Allocated Shares, net of the Additional Amount).
2. The savings to the Company: the present value of the management fees and compensation mechanisms that will be saved by the Company as a result of the transfer of the existing management agreement from the Management Company to the Subsidiary.

Estimate of the Cost to the Company (Fixed in All Alternatives): The Additional Amount stands at approximately NIS 52 million. After deducting it from the value of the Allocated Shares (which were estimated according to a 60-day average rate, 5 days, and accounting equity), the net economic cost to the Company is estimated in the range of NIS 70 to 101 million.

Estimate of the Savings to the Company and Weighting of the Alternatives: In light of the uncertainty regarding the manner and timing of the termination of the management agreement, the savings to the Company were examined under three reasonable alternatives for the continuation or termination of the engagement. In addition, weights were assigned to each alternative according to the likelihood of its realization for the purpose of presenting a weighted alternative:

- a. **Alternative A (Long-term Extension until 2035 without Compensation)** – the weight assigned for the weighted alternative - 20%. The savings derive from the cancellation of payment of management fees¹ to an external management company, net of alternative internal management costs. The net economic savings are estimated at approximately NIS 283 million. After deducting the cost of the Allocated Shares, the net economic savings to the Company are estimated at approximately NIS 182 to 213 million.
- b. **Alternative B (Short-term Extension until 2028 and Payment of Compensation)** – the weight assigned for the weighted alternative - 30%. The savings derive from the cancellation of management fees² to an external management company, net of alternative internal management costs until 2028, and from the cancellation of the obligation to pay compensation components at the time of non-renewal of the management agreement, as detailed below. The net economic savings are estimated at approximately NIS 169 million. After deducting the cost of the Allocated Shares, the net economic savings to the Company are estimated at approximately NIS 69 to 100 million.
- c. **Alternative C (Immediate Termination and Immediate Payment of Compensation)** – the weight assigned for the weighted alternative - 50%. The savings derive from the cancellation of the obligation to pay immediate compensation components, as detailed below. The economic savings are estimated at approximately NIS 106 million. After deducting the cost of the Allocated Shares, the net economic savings to the Company are estimated at approximately NIS 6 to 36 million.

Our findings indicate that in each of the analysis alternatives, as well as in their weighted expected value (which weights all three alternatives together), the economic value of the

¹ Including future equity-based compensation costs.

² Including future equity-based compensation costs.

savings in costs and cancellation of future obligations, net of alternative internal management costs, exceeds the net economic cost of the Allocated Shares in the transaction.

In light of the above, our conclusion is that the transaction for the allocation of shares and the merger of the New Company reflects, from an economic perspective, a **transaction conducted at a fair and reasonable value (Fair and Reasonable)** for Keystone.

1. Purpose of the Work

At the request of the Audit Committee of Keystone, we were asked to provide our professional opinion regarding the fairness of the Merger consideration.

The main purpose of this work is to examine, from an economic perspective, the fairness of the allocation of the Allocated Shares to the Management Company, as a result of the merger of the New Company into the Company.

The cut-off date for examining the fairness of the Merger transaction was set for March 15, 2026 (the “**Valuation Date**”). This date was set at the request of the Audit Committee, as it represents the cut-off date preceding the final agreements with the Institutional Entities, and the approval of the investment committees of these entities for the understandings in connection with the Merger.

This opinion details the methodology, main assumptions, and economic analyses that we used to examine the fairness of the transaction. However, the description presented in the document does not purport to be complete and detailed with respect to all relevant facts or procedures that were applied by us in the course of the work.

For the avoidance of doubt, it is clarified that this document does not constitute a recommendation, of any kind, to carry out or not to carry out the Merger transaction and the allocation of shares.

It is clarified that our role in this work was limited to examining the fairness of the consideration in the Merger transaction from an economic perspective only. In the course of our work, we were not requested, and in any event did not advise the Company or the Audit Committee, regarding the conduct of negotiations, the examination of other strategic or commercial alternatives available to the Company, or the legal and tax implications arising from the implementation of the outline. This opinion is submitted subject to all the assumptions and conditions detailed in Appendix A (the “**Limiting Conditions**”) attached to this document.

2. Sources of Information

For the purpose of preparing this opinion, we relied, among other things, on the following sources of information:

- a. Audited and reviewed financial statements of the Company and immediate reports of the Company.
- b. The agreement for the provision of management services signed between Keystone and the Management Company on September 12, 2019, effective as of February 18, 2019.
- c. Financial statements of the Management Company for the years 2023-2024 and the draft financial results of the Management Company for 2025.
- d. The memorandum of understanding with Altshuler Shaham, from March 2026.
- e. Documents of the work of the Audit Committee of Keystone and comparison of transaction structures.
- f. The Company’s articles of association.

- g. Calculations prepared by the economic advisors of the Audit Committee analyzing the value of the various consideration components due to the Management Company as a result of the termination of the management agreement.
- h. Conversations and meetings with the Company's management and with representatives of the Audit Committee.
- i. Various financial data collected from the S&P CapitalQ system.
- j. Supplementary information collected by us from public sources, such as websites and newspaper articles.

3. Terms of the Existing Management Agreement (the "Existing Management Agreement")

3.1. General

According to the Company's articles of association, which were published in the Company's immediate reports to the stock exchange on March 31, 2024, and according to the terms anchored in the management agreement, at any time the Company operates as an infrastructure investment fund, the Company shall enter into a management agreement with the Management Company, such that the Company will be managed by the Management Company, which will provide the Company with management services pursuant to the agreement for the provision of management services. The first Management Company with which the Company entered into the management services agreement was the Management Company. In addition, according to the Company's articles of association, the Management Company will continue in this role even after the public offering of the Company's shares, without any need for any approval or decision, and at least until the lapse of 7 years from the date of the public offering.

3.2. Management Services

According to the terms of the management agreement, the Management Company provides the Company with management services, which include the following services:

1. Locating investments for the Company, examining their feasibility, and negotiating agreements in connection with these investments.
2. Managing the realization of investments.
3. Providing economic and financial advice for the execution of investments by the Company.
4. Advising the Company in connection with entering into investment agreements and other agreements related to the Company's investments.
5. Accompanying, supervising, and managing the Company's investments and reporting on the status of the investments.
6. Accompanying and handling agreements for the sale or realization of investments made by the Company.
7. Consulting and assistance in raising equity and debt for the Company.

The management services are provided through persons on behalf of the Management Company, and in particular through those appointed by it as directors in the Company, the Chairman of the

Board of Directors, the CEO of the Company, the CFO, and the legal counsel of the Company. Notwithstanding the aforesaid, employees required for the ongoing operation and management of the Company's assets shall be employed by the Company and not by the Management Company.

3.3. Costs of the Management Company

The Management Company bears itself and at its own expense the following costs:

1. The costs of employing the employees and service providers who will be employed by it;
2. The cost of the offices of the Management Company;
3. The costs of raising funds prior to the listing of the Company's shares for trading on the Stock Exchange;
4. Communication and IT services costs, except for costs arising from the Company being a public fund;
5. To the extent that the establishment expenses of the Company (as defined in the Management Agreement) exceed NIS 2 million, the Management Company shall bear itself and at its own expense the costs exceeding this amount, except for the costs of raising funds within the framework of the public offering.

It is clarified that the Management Company does not bear the costs of engagement with consultants, service providers, and external contractors (such as attorneys, accountants, financial advisors, brokers, etc.) involved in the execution of transactions or in the examination of transactions for the Company. These costs are paid by the Company directly to the consultants, service providers, and contractors.

In addition, the Management Agreement includes a provision regarding reimbursement of expenses to the Management Company for direct expenses in a reasonable amount incurred by it for the advancement of the Company's business, in accordance with the Company's procedures and the approvals determined for this purpose.

According to its financial statements for 2024, the total management costs of the Management Company amounted to approximately NIS 13.5 million in 2024 and approximately NIS 11.6 million in 2023. Also, according to the draft financial statements for 2025 of the Management Company, the total management costs amounted to approximately NIS 14 million.

3.4. Term of the Management Agreement

As stated, the Management Agreement entered into force on February 18, 2019 and shall remain in force until the date falling seven years after the date of listing the Company's shares for trading on the Stock Exchange ("**Initial Term**").

After the end of the Initial Term, the Company may extend the term of the Management Agreement, on the same terms, for additional periods of up to seven years each. For this purpose, it is clarified that as long as the Management Company is defined as a controlling shareholder in the Company, the agreement with the Management Company shall be approved from time to time according to law, including in accordance with the Companies Regulations (Relief in Transactions with Interested Parties), 5760 – 2000, when the current term of the agreement is until June 2026.

3.5. Compensation mechanism for the Management Company in case of non-renewal of the Management Agreement

The Management Agreement sets forth provisions for compensation to the Management Company, in the event that at any time the agreement is not renewed or approved for a total period of 14 years from the date of the Company's public offering (June 1, 2021):

- a. Advance notice** – Advance notice of 6 months from the end of the term of the Management Agreement (during which the Management Company shall be entitled to all payments and rights due to it under the agreement, but shall not provide actual management services to the Company, unless and to the extent that the Board of Directors of the Company requests otherwise);
- b. Reduction of the exercise price of the options** – A reduction of 50% in the exercise price of the options held by the Management Company; and
- c. Cash compensation** – The right of the Management Company to receive cash compensation from the Company, in an amount equal to the amount of the management fees as a percentage of the asset volume to which the Management Company is entitled for 6 months, plus the amount of the management fees as a percentage of the asset volume to which the Management Company is entitled for one month, multiplied by the number of full years (or partial years) that have elapsed from the effective date of the Management Agreement until its expiration.

3.6. Consideration payments to the Management Company

Below are the components of the consideration payments that the Management Company is entitled to receive from the Company:

- a. Management fees as a percentage of the asset volume** – According to the Management Agreement, in consideration for the management services, the Company shall pay annual management fees derived from the value of the Company's assets as presented in the books, including cash and cash equivalents, calculated periodically, according to the balance of assets included in the latest published financial statements (audited or reviewed) of the Company for that period, at an annual rate of 1% plus VAT.

In this regard, it is clarified that if any asset is not presented in the statement of financial position of the Company at fair value, but its fair value is presented in the notes to the financial statements, the value of such asset shall be calculated according to the fair value as presented in the notes as aforesaid. If the fair value of the asset is also not presented in the notes to the financial statements, the Company and the Management Company shall, by agreement, make the necessary adjustments in the calculation of the management fees in order to achieve an identical or as close as possible economic result to the calculation made in the case where the fair value of the asset appears in the financial statements. In the event of a dispute between the parties, the parties shall refer the matter to an agreed accounting adjudicator whose decision shall be binding on the parties.

- b. Allocation of options** – In addition to management fees derived as a percentage of the asset volume, the Management Agreement provides that in any case where the Company allocates shares, whether within the framework of a public offering or within the framework of a private

allocation, the Company shall allocate to the Management Company, without any additional consideration, options which may be exercised, all or part, at any time during a period of seven years from the date of allocation, for the purchase of shares of the Company, at a rate equal to 5% (five percent) of the total shares to be allocated within the allocation. Subject to the adjustments detailed in the agreement, each option may be exercised for one share of the Company. The exercise price of the options as aforesaid shall be the same price determined in that private allocation, or, in the case of a public offering, the price specified in the immediate report published by the Company in connection with the results of the offering, and in any event shall not be less than an amount to be determined by the Stock Exchange or another authority as the minimum exercise price of each option for each exercise share (the management fees as a percentage of the assets and the allocation of the options together: **“Management Fees”**).

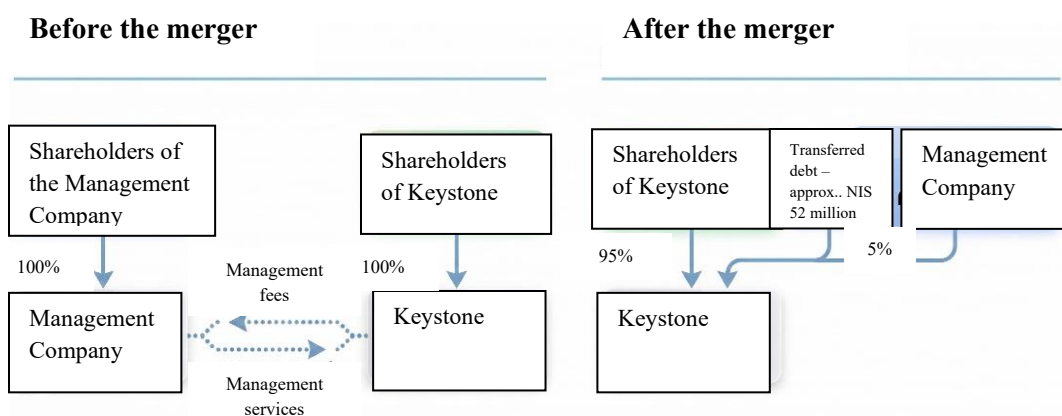
4. The Merger transaction between Keystone and the Management Company

According to information provided to us and information appearing in Note 12 to the audited financial statements of Keystone for 2025, the Company is examining the possibility of a fundamental change in the manner of the Company’s management structure, as a result of which the Company will cease to be managed through an external Management Company (N.K. Keystone Ltd.) (the **“Structural Change”**). Accordingly, no further management fees and additional benefits will be paid to an external Management Company. Within the framework of the said structural change process, a Merger will be carried out by way of a share swap transaction, according to Chapter Three of the Income Tax Ordinance, within which the entire share capital of the New Company will be transferred to Keystone, and in return, shares of Keystone will be allocated to the Management Company at a rate of **5%** of the issued share capital of Keystone after the Merger (above and hereinafter: the **“Allocated Shares”**) (above and hereinafter: the **“Merger”**). It was further determined that the Subsidiary will include the Additional Amount as defined above.

Below is a schematic description of the Merger transaction:

Diagram 1

Schematic structure of the Merger transaction



5. The process of approving the Merger transaction and the work of the Audit Committee

Below is a concise description of the process for examining the approval of the Merger, as provided to us by representatives of the Audit Committee:

- **Appointment of the Audit Committee and independent advisors** – The Audit Committee of the Company, through its negotiation team as defined below, accompanied, mediated, and supervised negotiations between the Institutional Entities and the Management Company and even conducted negotiations with the Management Company in connection with the Merger. Under the supervision of the Audit Committee, the negotiation team, in coordination with the Institutional Entities **and with their consent**, formulated the Merger outline. The Audit Committee was composed solely of external directors, with no connection to the Management Company or its controlling shareholders, and acted independently to determine its work procedures. For the purpose of examining the outline, the committee appointed a number of professional and independent advisors: Herzog Fox & Neeman Law Office as legal advisors, Prof. Assaf Hamdani as an additional legal advisor, Clear Structure as economic advisors, and our services were also retained to provide fairness opinions. In addition, Adv. Ehud Sol and Adv. Ilanit Landesman-Yogev were appointed as the negotiation team through whom the committee accompanied and mediated the negotiations between the Management Company and the Institutional Entities, resulting in the proposed outline (“**Negotiation Team**”).
- **Committee Work Process and Examination of Alternatives** – According to the information provided by representatives of the Audit Committee, the negotiation process was intensive and lasted for more than a year and a half (approximately 20 months), during which the Committee held approximately 40 meetings that were documented in protocols. In light of the characteristics of the transaction, the Committee reached the conclusion that the lengthy negotiation conducted between the Institutional Entities and the Controlling Shareholders constitutes an “other process” (and not a “competitive process” as defined in the Companies Law), which provides a proper process intended to maximize the consideration for the Company. In the course of its discussions, the Committee examined various alternatives to the Merger structure, including: (1) termination of the Existing Management Agreement and identification of an alternative Management Company or alternative management; (2) negotiation for the extension of the Existing Management Agreement under its current terms; and (3) waiver of rights by the Controlling Shareholders. The Committee’s conclusion was that there is a decisive importance to maintaining management continuity while reducing the resources that the Company will be required to bear in order to achieve this goal, especially in light of the control permits and licenses required for the Company’s operations.
- **Advantages of the Merger Transaction Structure** - The Audit Committee listed, inter alia, the following advantages of the Merger transaction:
 - Significant savings and improvement in cash flow - According to the proposed structure, the management costs that were paid until now to the Management Company were significantly reduced, in exchange for a one-time Allocation of shares of the Company. Accordingly, in the Committee’s assessment, the significant reduction in management costs will lead to significant economic savings over time and to a significant improvement in the Company’s cash flow.

- Reduction of uncertainty (management continuity) - The proposed structure provides a significant advantage in the continuity and management continuity in the Company, through the parties who have led the Company to very impressive achievements over its years of activity and who have experience and deep familiarity with the Company's operations, its plans, and its business environment, as well as extensive connections in the Israeli capital market. Such a move has the potential to ensure that their deep familiarity with the Company's business operations, alongside their expertise, connections, and experience, which constitute critical components in the Company's success and continued development in the infrastructure sector, will be retained in the Company for an additional period. Beyond the above, maintaining management continuity is of significant importance to the Company's operations, considering the control permits and licenses required in relation to part of the Company's operations.
- Agreed and "final" update - In the Committee's assessment, unlike other structures adopted by other public funds, the proposed structure leads to an agreed and "final" simplification of the Company's management structure, obviating the need for further examination of the Company's management structure and for approval of a new Management Agreement by the Company's competent organs at the end of each management period, alongside the preservation of the Company's operations and continuity.
- Support from significant shareholders - The proposed structure can be completed with a high degree of certainty - the support of the Institutional Entities, which was obtained after a long and thorough negotiation between the Management Company and the Institutional Entities, constitutes, in the Committee's assessment, another significant indication of the fairness and reasonableness of the consideration. In addition, such support constitutes a significant indication of the likelihood of approval of the proposed structure by the minority shareholders of the Company. In addition to the above, for the completion of the transaction there are material conditions precedent, and in the Company's assessment, in accordance with the position of the Company's legal advisors and those of the Management Company, there are significant indications that the proposed structure may be completed.

6. Methodology

6.1. Alternatives for Continued Management Operations

The Merger transaction being formulated is expected to generate significant economic savings for Keystone, resulting from the fact that the Company will cease to be managed by an external Management Company (as has been the case until now) and the transfer of the Management Agreement to the Subsidiary.

In light of this, the methodology for examining the fairness of the Merger transaction is based on an estimate of the present value of the expected financial savings for Keystone. This saving was calculated based on the Company's avoidance of future Management Fees payments to the Management Company, plus the saving resulting from the non-activation of compensation mechanisms to which the Management Company is entitled under certain conditions (such as cash compensation and reduction of exercise price for options), as detailed in the Management Agreement.

For the purpose of substantiating this estimate, we were requested by the Audit Committee of the Company to examine the move under three reasonable alternatives relating to the continuation or termination of the engagement with the Management Company:

- 1. Alternative A (Long-term extension without compensation)** - In this alternative, the economic saving was examined under the assumption that the Management Agreement would be extended until the end of the maximum period for which the Management Company is entitled to compensation (i.e., 14 years from the date of the Company's share issuance to the public). This means completion of the first period of the agreement (approximately two more years until June 1, 2028), plus its extension by an additional 7 years (until June 1, 2035). It was assumed that at the end of these two periods, the engagement would end without the Management Company being entitled to any compensation mechanism ("**Alternative A**").
- 2. Alternative B (Short-term extension and payment of compensation at its end)** - In this alternative, the economic saving was examined under the assumption that the Management Agreement would be extended by only two additional years, for the completion of the first period of 7 years from the date of the issuance, and would end on June 1, 2028 (without a further 7-year extension). Accordingly, it was assumed that upon termination of the Management Agreement at the end of this period, the Management Company would be entitled to receive the full compensation, as set forth in the provisions of the Management Agreement ("**Alternative B**").
- 3. Alternative C (Immediate termination and immediate payment of compensation)** - In this alternative, the economic saving was examined under the assumption of immediate termination (no extension) of the existing Management Agreement. Under this scenario, it was assumed that the Management Company would be immediately entitled to payment of the compensation for termination of the agreement, in accordance with the provisions of the Management Agreement ("**Alternative C**").

The net saving expected for the Company under each of the alternatives was estimated as the difference between the following two components:

- 1. The cost to the Company** - The value of Keystone shares to be Allocated to the Management Company (net of the Additional Amount).
- 2. The saving to the Company** - The present value of the costs that Keystone would have been expected to bear for the continued existence of the existing Management Agreement until its expected end date under each of Alternatives A and B, less the costs of alternative internal management or for the immediate termination of the Management Agreement according to Alternative C.

6.2. Weighting of the Alternatives

Since the continuation of the engagement with the Management Company or its termination is subject to future decisions of the competent organs in the Company and is affected by market conditions, there is inherent uncertainty regarding the exact scenario that would materialize in practice if the Merger transaction does not proceed.

In order to address this uncertainty and to reflect the weighted economic value of the expected saving to the Company under the range of possible scenarios, probabilities (weights) were assigned to each of the three alternatives. These weights reflect the Audit Committee's assessment of the likelihood of their realization, in light of the provisions of the Management Agreement and the dynamics with the Institutional Entities.

Below are the weights assigned to each of the alternatives:

- **Alternative A (Continuation of the Management Agreement until the end of the period for which the Management Company is entitled to compensation - until June 1, 2035) - weight of 20%.**
- **Alternative B (Continuation of the Management Agreement for a short period of only two additional years until June 1, 2028) - weight of 30%.**
- **Alternative C (Immediate termination and non-extension of the Management Agreement) - weight of 50%.**

These weights in practice reflect the assessment regarding the likelihood of realization of each of the options available to the Company in accordance with the provisions of the Management Agreement.

The rationale for determining these weights is based on the following considerations:

- a. Equal weight between the scenario of termination of the agreement and the scenario of its continuation** - A weight of 50% was assigned to the possibility of immediate termination of the Management Agreement (Alternative C), versus a cumulative weight of 50% for the possibility of its continuation (composed of Alternatives A and B together). This division reflects, on the one hand, the upcoming exit point available to the Company and the preference for cancellation of the external management mechanism. On the other hand, it takes into account the advantages of management continuity, which might have led the Company to choose to continue the engagement in its existing format in the absence of a Merger transaction.
- b. Preference for short-term extension over long-term under the scenario of continuation of the agreement** - Of the total weight of 50% assigned to the continuation of the Management Agreement, a higher probability (30%) was assigned to the extension of the agreement for a short period of approximately two additional years (Alternative B), compared to a lower probability (20%) for its extension for a long term of approximately 9 additional years until 2035 (Alternative A).

7. Estimate of the cost to the Company

7.1. General

This section estimates the total economic cost to Keystone in the context of the Merger transaction for the cancellation of the external management mechanism. It is clarified that “the cost to the Company” is a fixed figure, which does not change between the analysis alternatives that will be presented in the following sections.

The net cost was estimated as the difference between the value of 5% of Keystone shares to be Allocated to the Management Company, and the Additional Amount to be received by the Company.

7.2. Summary of the results of the cost estimate to the Company

The value of the Keystone shares to be Allocated to the Management Company in the context of the Merger transaction (net of the Additional Amount) was estimated in the range between **NIS 70 to 101 million**, as detailed in the table below:

Table 1

Net value of the rights in the merged Company received by the Management Company as a result of the Merger

NIS thousands	According to average price 60 days prior to March 15, 2026	According to stock exchange price 5 days prior to March 15, 2026	According to latest known accounting equity of Keystone
Value of 5% of Keystone’s shares	126,940	145,340	152,767
Less illiquidity premium (for the six-month lock-up period)	(5,078)	(5,814)	
Less the additional amount (the Management Company’s investment in the subsidiary)	(51,940)	(51,940)	(51,940)
Net value of the rights received by the shareholders of the Management Company	69,922	87,586	100,827

7.3. Main assumptions used for the estimate of the cost to the Company

Below is a breakdown of the main assumptions used for the estimate of the cost to the Company:

- a. Average price of 60 trading days (NIS 12.425 per share)** – This parameter reflects the commercial agreements as anchored in the memorandum of understanding with the Institutional Entities in March 2026. It was agreed that for the purpose of the Merger transaction, the Company value would be derived from the average share price over the 60 trading days preceding March 15, 2026, and that this value would be fixed and would not be affected by market fluctuations until the completion of the Merger (upwards or downwards).
- b. Average price of 5 trading days (NIS 14.226 per share)** – This indication was also examined, in order to reflect the market value close to the Valuation Date.

We wish to address the increases that occurred in the Company’s share price on the stock exchange after the cut-off and Valuation Date (March 15, 2026). As anchored in the memorandum of understanding with the Institutional Entities, it was agreed that the terms of the Merger transaction are final and that the consideration structure will not change. According to these agreements with the Institutional Entities, the Company value for the purpose of the

Allocation of shares is derived from the average share price over the 60 trading days preceding the Valuation Date.

It was agreed that this value would be fixed and would not be affected by market fluctuations until the actual completion of the Merger – whether these are fluctuations upwards (price increases) or downwards (price decreases). Naturally, share prices in the capital market are subject to volatility and any scenario can occur for the share – it can rise and it can just as well fall. Fixing the value at the time of decision-making and commercial agreements is intended to neutralize background noise and provide business certainty to the Company, the Institutional Entities, and the Management Company. Moreover, the impact of fluctuations in the share price was examined within the sensitivity analysis chapter detailed in this document.

- c. **Discount for illiquidity** – Since the consideration in the Merger transaction is given to the Management Company by way of a private Allocation of Keystone shares, these shares are defined as “blocked shares” in accordance with the provisions of the Securities Law. This means that they are subject to a statutory liquidity restriction, which includes a full lock-up period of half a year, after which there is a gradual release period subject to the pace of daily trading turnover on the stock exchange.

In light of the statutory liquidity restriction preventing the shareholders from realizing the shares immediately in the free market, an economic reduction was made to the value of the Allocated Shares. For this purpose, the Finnerty Model was applied, which is an accepted model for assessing the cost of illiquidity for fixed periods. Based on this model, a discount for illiquidity at a rate of 4% was applied.

- d. **Accounting equity** – The rationale for choosing the accounting equity as a parameter reflecting the fair value of Keystone derives from the fact that the Company measures in its books and financial statements all its assets and investments at fair value. Since the balance sheet value of the Company’s assets (as an infrastructure fund) is in practice based on economic valuations, the resulting accounting equity constitutes a proper, consistent, and good estimate of the fair value of the Company. The accounting equity of Keystone attributable to the shareholders as of December 31, 2025, was taken into account, plus the Additional Amount to be invested by the Management Company in the Subsidiary, and less the gap between the fair value of the Company’s bonds and their balance in the books.

8. Estimate of the savings to the Company according to Alternative A

8.1. General

Below are the main assumptions included in the calculation of the expected savings to the Company in Alternative A, which assumes the execution of the Merger instead of the possibility of extending the Existing Management Agreement until June 1, 2035 (the end of the period for which the Management Company is entitled to compensation):

8.2. Present value of the costs expected to be borne by Keystone due to the continued existence of the Existing Management Agreement until its expected end date in Alternative A – June 1, 2035:

The total present value of the costs expected to be borne by Keystone due to the continued existence of the Existing Management Agreement until its expected end date in Alternative A (June 1, 2035), less the costs of alternative internal management, was estimated **at approx. NIS 283 million**, as detailed in the table below:

Table 2

Estimate of present value of costs borne by the Company as a result of the Management Agreement according to Alternative A

Period No. in NIS thousands	1	2	3	4	5	6	7	8	9	10
Period beginning on	15/03/2026	15/03/2027	15/03/2028	15/03/2029	15/03/2030	15/03/2031	15/03/2032	15/03/2033	15/03/2034	15/03/2035
And ending on	15/03/2027	15/03/2028	15/03/2029	15/03/2030	15/03/2031	15/03/2032	15/03/2033	15/03/2034	15/03/2035	01/06/2035
Total managed assets	5,210,958	5,598,740	6,149,916	6,518,911	6,910,045	7,324,648	7,764,127	8,229,975	8,723,773	8,833,080
Management fees	52,110	55,987	61,499	65,189	69,100	73,246	77,641	82,300	87,238	18,876
Management company costs – exc. Chairman and CEO compensation	(10,000)	(10,200)	(10,404)	(10,612)	(10,824)	(11,041)	(11,262)	(11,487)	(11,717)	(2,554)
Fair compensation of Chairman and CEO	(9,000)	(9,180)	(9,364)	(9,551)	(9,742)	(9,937)	(10,135)	(10,338)	(10,545)	(2,299)
Profit from operation of the management rights	33,110	36,607	41,732	45,026	48,534	52,269	56,244	60,475	64,976	14,024
Number of years for capitalization	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.11
Capitalization factor	1.06	1.20	1.35	1.52	1.71	1.93	2.17	2.45	2.76	2.96
Profit from operation of the management rights, capitalized	31,198	30,607	30,977	29,666	28,383	27,123	25,913	24,730	23,584	4,734
Total value of operating rights	256,915									
Plus - value of the right to allocate options to the Management Company in accordance with the Agreement	26,313									
Total present value of the costs that Keystone is expected to bear absent the Merger Agreement	283,228									

Below are the main assumptions used to determine the present value of the costs expected to be borne by Keystone due to the continued existence of the Management Agreement until its expected end date according to this scenario (June 1, 2035):

- **Expected Management Fees payments** - As stated above, the Management Fees payments paid by the Company are derived from the value of the Company's assets as presented in the books, including cash and cash equivalents, as presented in the latest statement of financial position of the Company (audited or reviewed), at a rate of 1%, plus VAT. In order to estimate the value of the Company's assets at the end of each quarter, a pro forma balance sheet model was prepared, based on the main assumptions received from the economic advisors of the Audit Committee, as follows:
 - Cash and cash equivalents – The cash and cash equivalents cycle of Keystone changes over the years as a result of the following payments: Management Fees paid by the Company, operating costs at Keystone not through the Management Company in the amount of approx. 3 million per quarter, financing costs for external credit (calculated

according to the weighted interest rate on Keystone’s bonds), receipt of dividends from investee companies, and payment of dividends to the shareholders of Keystone.

- Investments in investee companies and loans – The value of investments in investee companies appearing in the Company’s books was taken according to the latest published report of the Company (for 2025), and it was assumed that the value of the investee companies would increase by approx. 3% each quarter, based on the weighted cost of capital (Re) of the investee companies (approx. 12.7%), according to the valuations appearing in Keystone’s financial statements as of December 31, 2025.
- **Cost Structure** – A breakdown of the costs of the Management Company was received. The actual costs in 2024 amounted to approximately NIS 13.5 million. The actual costs for 2025 amounted (according to unaudited data) to approximately NIS 14 million. This amount includes the Management Fees paid by the Management Company to the Chairman and the CEO of approximately NIS 4 million per year. For the purpose of the model, it was assumed that the “fair salary” of the Chairman and the CEO (which includes, inter alia, an increase in the Chairman’s employment percentage from 40% currently to 90%) will amount to approximately NIS 9 million per year instead of the actual salary which stood at approximately NIS 4 million for both of them (part of which is attributed to the increase in the employment percentage of the Chairman of the Board from 40% to 90% and part of which is an adjustment to a fair salary). The above is based on benchmark data for executive compensation received by the Company (and was not examined by us).
- **Discount Rate** – A discount rate of 12.7% was assumed, based on the average cost of capital (Re) of the investee companies held by Keystone, according to the valuations appearing in Keystone’s financial statements as of December 31, 2025, as detailed below:

Table 3

Estimate of Return on Equity Rate

Company Name	Fair Value	Re	Weight	Result
Keystone Power	1,278,617	11.50%	29%	3%
Eranovum	270,026	17.50%	6%	1%
Desalination Facility	131,700	7.0%	3%	0%
Egged Partnership	2,770,000	13.0%	62%	8%
Return on Equity Rate			100.0%	12.7%

- **Value of the Right to Allocate Options** – As stated, in addition to Management Fees derived as a percentage of the asset volume, the Management Agreement provides that in any case where the Company allocates shares, whether within the framework of a public offering or within the framework of a private allocation, the Company shall allocate to the Management Company, without any additional consideration, options which may be exercised, all or part thereof, at any time during a period of seven years from the date of allocation, to purchase shares of the Company, at a rate equal to 5% (five percent) of the total shares to be allocated within the allocation. Subject to the adjustments detailed in the agreement, each option may be exercised for one share of the Company. The exercise price of the options as stated, is the same price determined in that private allocation, or, in the case of a public offering, the price specified in the immediate report published by the Company in connection with the results of

the offering, and in any event shall not be less than an amount to be determined by the stock exchange or another authority as the minimum exercise price of each option for each exercised share.

The value of the right to allocate future options was estimated at approximately NIS 26 million, according to the B&S model. Below are the main parameters taken into account in the application of the B&S model:

1. Number of options – It was assumed that each year the Management Company will be entitled to receive approximately 1 million options convertible into 1 million ordinary shares of the Company. The number of options was estimated based on historical fundraising volumes (the derivative of 5% of the expected fundraising volume).
2. Standard deviation – 27% (according to the historical standard deviation of Keystone).
3. Share price – NIS 13.84 (according to the share price of Keystone as of March 15, 2026).
4. Lifespan – 7 years from the date of the offering.
5. Risk-free interest rate – approximately 4%, according to the yield to maturity rate of Israeli government bonds.

8.3. Estimate of the Expected Savings for the Management Company as a Result of the Execution of the Merger Transaction in Alternative A

Below is a table summarizing the calculation of the total expected savings for Keystone as a result of the execution of the Merger transaction, according to the assumptions applied in Alternative A and detailed in Sections 8.1-8.2 above:

Table 4

Estimate of the Expected Savings for Keystone as a Result of the Merger Transaction with the Management Company – Alternative A

NIS thousands	Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
Net value of the rights received by the shareholders of the Management Company	69,922	87,586	100,827
Present value of the management costs according to the existing Management Agreement	283,228	283,228	283,228
Estimated savings to Keystone as a result of the Merger Agreement with the Management Company	213,306	195,642	182,402

According to this data, the total difference between the value of the Allocated Shares to the Management Company (net of the Additional Amount) and the present value of the costs that Keystone is expected to bear due to the continued existence of the existing Management Agreement until its expected termination date less alternative internal management costs, according to Alternative A (June 1, 2035) is estimated at approximately NIS 182-213 million.

9. Estimate of the savings for the Company according to Alternative B

9.1. General

Below are the main assumptions used to estimate the expected savings for the Company under Alternative B, which assumes the execution of a Merger transaction instead of the possibility that the existing Management Agreement will be extended for only two additional years until June 1, 2028 (the date of completion of the first period), and at the end of which it will not be renewed and the full compensation will be paid to the Management Company:

9.2. Present value of the costs that Keystone is expected to bear due to the continued existence of the existing Management Agreement until its expected termination date in Alternative B – June 1, 2028:

The total present value of the costs that Keystone is expected to bear due to the continued existence of the existing Management Agreement until its expected termination date in Alternative B (June 1, 2028), less alternative internal management costs, was estimated **at approximately NIS 169 million**, as detailed in the table below:

Table 5

Estimate of the Present Value of Costs Incurred by the Company as a Result of the Management Agreement According to Alternative B

Period No. NIS thousands	1	2	3
Period beginning on	15/03/2026	15/03/2027	15/03/2028
And ending on	15/03/2027	15/03/2028	01/06/2028
Total managed assets	5,210,958	5,598,740	5,845,895
Management fees	52,110	55,987	12,458
Management Company costs - excluding Chairman and CEO compensation	(10,000)	(10,200)	(2,217)
Fair compensation of Chairman and CEO	(9,000)	(9,180)	(1,996)
Profit from operation of the management rights	33,110	36,607	8,246
Number of years for capitalization	0.50	1.50	2.11
Capitalization factor	1.06	1.20	1.29
Profit from operation of the management rights, capitalized	31,198	30,607	6,413
Total value of operating rights	68,218		
Plus cash compensation, capitalized	80,668		
Incremental value from a 50% reduction in the exercise price, capitalized (price as of March 15, 2026)	11,678		
Plus - value of the right to allocate options to the Management Company in accordance with the Agreement	8,876		
Total present value of the costs that Keystone is expected to bear absent the Merger Agreement	169,441		

Below are the main assumptions used to determine the present value of the costs that Keystone is expected to bear due to the continued existence of the Management Agreement until its expected termination date according to this scenario (June 1, 2028):

- **Expected Management Fee payments and discount rate** – see the assumptions detailed in Section 8.2 above.
- **Cash compensation, discounted to present value** – As stated, the Management Agreement sets forth provisions for compensation to the Management Company, in the event that at any

time the agreement is not renewed or approved for a total period of 14 years from the date of the Company's public offering (June 1, 2021):

- **Advance notice** – Advance notice of 6 months from the end of the Management Agreement period (during which the Management Company will be entitled to all payments and rights due to it under the agreement, but will not provide actual management services to the Company, unless and to the extent that the Board of Directors of the Company requests it);
- **Cash compensation** – The right of the Management Company to receive cash compensation from the Company, in an amount equal to the amount of Management Fees as a percentage of the asset volume to which the Management Company is entitled for 6 months, plus the amount of Management Fees as a percentage of the asset volume to which the Management Company is entitled for one month, multiplied by the number of full years (or fractions of years) that have elapsed from the effective date of the Management Agreement until its expiration date.

Below is a table presenting the calculation of the present value of the cash compensation payments, according to the compensation formula set forth in the Management Agreement:

Table 6

Calculation of the Present Value of Cash Compensation Payments According to Alternative B, According to the Compensation Formula Set Forth in the Management Agreement

NIS thousands	01/06/2028
Total assets under management at the end date of the Management Agreement	5,845,895
Estimated annual management fees	58,459
Estimated monthly management fees	4,872
Number of months of prior notice	6.00
Number of months for determining cash compensation	<u>15.29</u>
Total number of months of compensation	<u>21.29</u>
Estimated cash compensation	103,718
Number of years for capitalization	2
Capitalization factor	1
Estimated cash compensation, capitalized	80,868

According to the assumptions based on the structure of the compensation mechanism set forth in the Existing Management Agreement, the estimated cash compensation is assessed at approximately NIS 81 million in this alternative.

- **Reduction of Exercise Price by 50% for Existing Options** – As stated, the Management Agreement sets forth provisions for compensation to the Management Company, in the event that at any time the agreement is not renewed or approved for a total period of 14 years from the date of the Company's public offering (June 1, 2021), and it includes a reduction of 50% in the exercise price of the existing options held by the Management Company.

The value of the compensation resulting from the reduction of the exercise price for the existing options held by the Management Company was assessed at approximately NIS 12

million, according to the difference in the value of the options as per the B&S model. Below are the main parameters taken into account in the application of the B&S model:

1. Number of options – all options currently held by the Management Company were taken, whose expiration date falls after June 1, 2028. In total, this concerns 5,907,253 options convertible into 5,907,253 ordinary shares of the Company.
2. Standard deviation – 27% (according to the historical standard deviation of Keystone).
3. Share price – NIS 13.84 (according to the share price of Keystone as of March 15, 2026).
4. Risk-free interest rate – approximately 4%, according to the yield to maturity of Israeli government bonds.

Below is a table presenting the calculation of the present value of the compensation to which the Management Company is entitled as a result of the reduction of the exercise price supplement of the options:

Table 7

Calculation of the present value of the compensation to the Management Company resulting from the reduction of the exercise price supplement for the options

NIS thousands			Original exercise price	Reduced exercise price	Value based on original exercise price	Value based on reduced exercise price
Issue date	Quantity	Expiration date				
11/11/2021	1,750,000	11/11/2028	8.19	4.10	11,616	17,800
26/07/2022	2,255,425	26/07/2029	5.33	2.66	20,806	25,992
27/07/2022	752,180	26/07/2029	5.33	2.66	6,939	8,668
12/03/2024	1,149,648	12/02/2031	4.12	2.06	12,069	13,984
Total	5,907,253				51,430	66,445
Difference						15,015
Number of years for capitalization						2.11
Capitalization factor						1.29
Estimated compensation from the reduction of the exercise price of the options, capitalized						11,678

According to the assumptions based on the structure of the compensation mechanism set forth in the Existing Management Agreement, the estimated compensation resulting from the reduction of the exercise price supplement for the options is assessed at approximately NIS 12 million in this alternative.

- **Value of the right to allocation of options** – As stated, in addition to Management Fees derived as a percentage of the asset volume, the Management Agreement provides that in any case where the Company allocates shares, whether in a public offering or in a private allocation, the Company shall allocate to the Management Company, without any additional consideration, options that may be exercised, in whole or in part, at any time during a period of seven years from the date of allocation, to purchase shares of the Company, at a rate equal

to 5% (five percent) of the total shares to be allocated in the allocation. Subject to the adjustments detailed in the agreement, each option may be exercised for one share of the Company. The exercise price of such options shall be the same price determined in that private allocation, or, in the case of a public offering, the price specified in the immediate report published by the Company in connection with the results of the offering, and in any event shall not be less than an amount to be determined by the stock exchange or another authority as the minimum exercise price of each option for each exercised share.

The value of the right to allocation of future options was assessed at approximately NIS 9 million in this alternative, according to the B&S model. Below are the main parameters taken into account in the application of the B&S model:

1. Number of options – it was assumed that each year the Management Company would be entitled to receive approximately 1 million options convertible into 1 million ordinary shares of the Company. The number of options was estimated based on historical fundraising volumes (the derivative of 5% of the expected fundraising volume).
2. Standard deviation – 27% (according to the historical standard deviation of Keystone).
3. Share price – NIS 13.84 (according to the share price of Keystone as of March 15, 2026).
4. Lifespan – 7 years from the date of issuance.
5. Risk-free interest rate – approximately 4%, according to the yield to maturity of Israeli government bonds.

9.3. Estimated savings expected for the Management Company as a result of the execution of the Merger transaction in Alternative B

Below is a table summarizing the calculation of the total expected savings for Keystone as a result of the execution of the Merger transaction, according to the assumptions applied in Alternative B and detailed in Sections 9.1-9.2 above:

Table 8

Estimated savings expected for Keystone as a result of the Merger transaction with the Management Company – Alternative B

	According to the average price 60 days before March 15, 2026	According to the stock exchange price 5 days before March 15, 2026	According to the latest known accounting equity of Keystone
NIS thousands			

NIS thousands	According to the average price 60 days before March 15, 2026	According to the stock exchange price 5 days before March 15, 2026	According to the latest known accounting equity of Keystone
Net value of the rights received by the shareholders of the Management Company	69,922	87,586	100,827
Present value of the management costs according to the existing Management Agreement	169,441	169,441	169,441
Estimated savings to Keystone as a result of the Merger Agreement with the Management Company	99,518	81,854	68,614

According to these data, the total difference between the value of the shares allocated to the Management Company (net of the Additional Amount) and the present value of the costs that Keystone is expected to bear due to the continued existence of the Existing Management Agreement until its expected termination date according to Alternative B (June 1, 2028) less alternative internal management costs is estimated at NIS 69-100 million.

10. Estimated savings for the Company according to Alternative C

10.1. General

Below are the main assumptions used for the estimate of the expected savings for the Company under Alternative C, which assumes the execution of a Merger transaction instead of the possibility of immediate termination (and non-renewal) of the Existing Management Agreement, and payment of full compensation to the Management Company:

10.2. Present value of the costs that Keystone is expected to bear due to the immediate termination of the Existing Management Agreement:

The total present value of the costs that Keystone is expected to bear due to the immediate termination of the Management Agreement was assessed **at NIS 106 million**, as detailed in the table below:

Table 9

Estimate of the present value of the costs borne by the Company as a result of the immediate termination of the Management Agreement according to Alternative C

NIS thousands	15/03/2026
Estimate of cash compensation	80,186
Incremental value from a 50% reduction in the exercise price, capitalized (price as of March 15, 2026)	26,140
Total present value of the costs that Keystone is expected to bear absent the Merger Agreement	106,326

Below are the main assumptions used to determine the present value of the costs that Keystone is expected to bear due to the continued existence of the Management Agreement until its expected termination date according to this scenario (June 1, 2028):

- **Cash compensation, discounted** – As stated, the Management Agreement sets forth provisions for compensation to the Management Company, in the event that at any time the

agreement is not renewed or approved for a total period of 14 years from the date of the Company's public offering (June 1, 2021):

- **Advance notice** – Advance notice of 6 months from the end of the term of the Management Agreement (during which the Management Company shall be entitled to all payments and rights due to it under the agreement, but shall not provide actual management services to the fund, unless and to the extent that the Board of Directors of the Company requests it);
- **Cash compensation** – The right of the Management Company to receive cash compensation from the Company, in an amount equal to the amount of the Management Fees as a percentage of the asset volume to which the Management Company is entitled for 6 months, plus the amount of the Management Fees as a percentage of the asset volume to which the Management Company is entitled for one month, multiplied by the number of full years (or fractions of years) that have elapsed from the effective date of the Management Agreement until its expiration date.

Below is a table presenting the calculation of the present value of the cash compensation payments, according to the compensation formula set forth in the Management Agreement:

Table 10

Calculation of the present value of the cash compensation payments according to Alternative C, according to the compensation formula set forth in the Management Agreement

In thousands of NIS	15/03/2026
Total assets under management at the end date of the Management Agreement	4,988,875
Estimated annual Management Fees	49,889
Estimated monthly Management Fees	4,157
Number of months of advance notice	6.00
Number of months for determining cash compensation	<u>13.29</u>
Total number of compensation months	19.29
Estimated cash compensation	80,186

In accordance with the assumptions based on the structure of the compensation mechanism set forth in the Existing Management Agreement, the estimated cash compensation is assessed at approximately NIS 80 million in this alternative.

- **Reduction of Exercise Price by 50% for Existing Options** – As stated, the Management Agreement sets forth provisions for compensation to the Management Company, in the event that at any time the agreement is not renewed or approved for a total period of 14 years from the date of the Company's public offering (June 1, 2021), and it includes a reduction of 50% in the exercise price of the existing options held by the Management Company.

The value of the compensation resulting from the reduction of the exercise price for the existing options held by the Management Company was assessed at approximately NIS 26 million, according to the difference in the value of the options as per the B&S model. Below are the main parameters taken into account in the application of the B&S model:

1. Number of options – all options currently held by the Management Company were taken. In total, this concerns 8,774,533 options convertible into 8,774,533 ordinary shares of the Company.
2. Standard deviation – 27% (according to the historical standard deviation of Keystone).
3. Share price – NIS 13.84 (according to the share price of Keystone as of March 15, 2026).
4. Risk-free interest rate – approximately 4%, according to the yield to maturity of Israeli government bonds.

Below is a table presenting the calculation of the present value of the compensation to which the Management Company is entitled as a result of the reduction of the exercise price supplement for the options:

Table 11

Calculation of the present value of the compensation to the Management Company resulting from the reduction of the exercise price supplement for the options

Issuance date	NIS thousands		Expiration date	Original exercise price	Reduced exercise price	Value based on original exercise price	Value based on reduced exercise price
	Quantity						
26/02/2020	1,500,000		06/11/2028	8.19	4.10	8,964	14,852
24/12/2020	302,500		07/11/2028	8.49	4.25	1,826	2,993
07/04/2021	252,928		08/11/2028	8.59	4.30	1,536	2,503
25/04/2021	240,423		09/11/2028	8.64	4.32	1,455	2,375
01/06/2021	571,429		10/11/2028	8.69	4.35	3,459	5,642
11/11/2021	1,750,000		11/11/2028	8.19	4.10	11,616	17,800
26/07/2022	2,255,425		26/07/2029	5.33	2.66	20,806	25,992
27/07/2022	752,180		26/07/2029	5.33	2.66	6,939	8,668
12/03/2024	1,149,648		12/02/2031	4.12	2.06	12,069	13,984
Total	8,774,533					68,670	94,809
Difference							26,140

In accordance with the assumptions based on the structure of the compensation mechanism set forth in the Existing Management Agreement, the estimate of the compensation resulting from the reduction of the exercise price supplement for the options is assessed at approximately NIS 26 million in this alternative.

10.3. Estimate of the Expected Savings to the Management Company as a Result of the Execution of the Merger Transaction in Alternative C

Below is a table summarizing the calculation of the total expected savings to Keystone as a result of the execution of the Merger transaction according to the assumptions applied in Alternative C and detailed in Sections 10.1-10.2 above:

Table 12

Estimate of the expected savings to Keystone as a result of the Merger transaction with the Management Company – Alternative C

NIS thousands	Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
Net value of the rights received by the shareholders of the Management Company	69,922	87,586	100,827
Present value of management costs according to the Existing Management Agreement	106,326	106,326	106,326
Estimate of the savings to Keystone as a result of the Merger Agreement with the Management Company	36,404	18,740	5,500

According to these data, the total difference between the value of the Allocated Shares to the Management Company (net of the surplus amount) and the costs that Keystone is expected to bear due to the immediate termination of the Management Agreement is estimated according to Alternative C at NIS 6-36 million.

11. Results of the savings estimates and sensitivity analyses

11.1. Expected Economic Savings According to the Weighted Average of the Examined Alternatives

Below is a summary of the net savings estimates expected for the Company (the gap between the cost to the Company and the savings in costs, in present value terms), under each of the alternatives and according to their weighting:

Table 13

Estimate of the expected savings to Keystone as a result of the Merger transaction with the Management Company – weighting of the alternatives according to the selected weights

NIS thousands	Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
Savings estimate to Keystone based on Alternative A (estimated likelihood – 20%)	213,306	195,642	182,402
Savings estimate to Keystone based on Alternative B (estimated likelihood – 30%)	99,518	81,854	68,614
Savings estimate to Keystone based on Alternative C (estimated likelihood – 50%)	36,404	18,740	5,500
Estimated savings to Keystone based on weighing of results above	90,718	73,055	59,814

The weighting of the three alternatives (according to the weights of 20%, 30% and 50% respectively), yields a positive net economic savings for the Company.

11.2. Sensitivity Analyses

We performed sensitivity analyses in relation to the main underlying assumptions used in the savings and cost estimation model. The purpose of the sensitivity analyses is to examine how changes in macro and micro scenarios affect the economic gap between the cost to the Company

(the value of the Allocated Shares) and the savings to the Company (the present value of the termination of the engagement).

Below is a detailed description of the sensitivity analyses performed and the results obtained in each of the above analyses:

1. **Return on Equity Rate (Re)** – The base scenario assumed a return on equity rate of 12.7% reflecting the risk profile of the Company’s assets. Below is a sensitivity analysis examining deviations in the range of +/- 1% from the above base capitalization rate:

Table 14

Sensitivity analysis for the expected weighted savings estimate depending on the return on equity rate

NIS thousands	Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
11.7%	93,621	75,957	62,717
12.2%	92,098	74,434	61,194
12.7%	90,718	73,055	59,814
13.2%	89,270	71,606	58,366
13.7%	87,857	70,194	56,953

2. **Keystone Share Price on the Stock Exchange** – Below is the sensitivity analysis presenting the effect of fluctuations in the share price around the base rate (NIS 12.425 per share according to the average price of 60 days preceding March 15, 2026, and NIS 14.226 per share according to the average price of 5 days preceding March 15, 2026):

Table 15

Sensitivity analysis for the expected weighted savings estimate depending on the volatility in the share price of Keystone

NIS thousands	Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
-10.0%	102,905	87,007	59,814
-5.0%	96,812	80,031	59,814
0%	90,718	73,055	59,814
+5.0%	84,625	66,078	59,814
+10.0%	78,532	59,102	59,814

3. **Growth Rate of Managed Assets** – The base scenario of the pro forma balance sheet assumed a quarterly growth of 3% in the value of the investee companies. Below is a sensitivity analysis in which the effects of deviations in the range of +/- 1% from the base growth rate on the weighted savings estimate were examined:

Table 16

Sensitivity analysis for the expected weighted savings estimate depending on the growth rate of the managed assets

NIS thousands	Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
+2.0%	80,632	62,968	49,727
+2.5%	88,643	70,979	57,739
+3.0%	90,718	73,055	59,814
+3.5%	99,467	81,803	68,562
+4.0%	101,738	84,074	70,834

4. Probability attributed to each alternative – Below is a sensitivity analysis in which the effects of the probabilities attributed by the Audit Committee to each of the alternatives on the weighted savings estimate were examined:

Table 17

Sensitivity analysis for the estimate of the expected weighted savings depending on the probability attributed to each alternative

NIS thousands			Based on average price 60 days prior to March 15, 2026	Based on stock exchange price 5 days prior to March 15, 2026	Based on latest known accounting equity of Keystone
<u>Alternative A probability</u>	<u>Alternative B probability</u>	<u>Alternative C probability</u>			
28%	42%	30%	112,444	94,781	81,540
24%	36%	40%	101,581	83,918	70,677
20%	30%	50%	90,718	73,055	59,814
16%	24%	60%	79,856	62,192	48,951
12%	18%	70%	68,993	51,329	38,088

12. Summary and Conclusions

We examined the fairness and reasonableness of the terms of the Merger transaction between Keystone and the Management Company. The process under review includes a fundamental change in the operational structure of the Company, including a fundamental change in the operational structure of the Company, such that the Company will cease to operate through an external Management Company (as has been done until now), the transfer of payment of the Management Fees from the Management Company to the wholly owned Subsidiary of the Company, and the cancellation of the possible future liability for payment of compensation or other benefits to the Management Company in the event of termination or non-renewal of the Management Agreement between the Management Company and the Company. As part of the Merger transaction, 5% of the issued share capital of the Company after the Merger will be Allocated to the shareholders of the Management Company, where the merging Management Company will include within it an investment of the Additional Amount in the sum of approximately NIS 52 million.

The fairness of the transaction was examined based on a comparison of the cost to the Company (the economic value of the shares Allocated to the shareholders of the Management Company, net of the Additional Amount) versus the savings to the Company (the present value of the costs and compensation that will be saved by Keystone as a result of the termination of the Management Agreement).

The analysis was performed under three reasonable alternatives for the continuation or termination of the existing engagement. In light of the uncertainty regarding the timing and manner of the future termination of the engagement, the Audit Committee chose to attribute weights to each of the alternatives according to the assessment of the likelihood of their realization. These weights reflect an equal division (50/50) between a scenario of termination of the agreement and a scenario of its continuation.

After examining the data received, performing the economic analyses detailed in this Opinion and applying accepted valuation methodologies, we found that in the alternatives analyzed and also in their weighted expectation, the economic value of the savings in costs and cancellation of the future liabilities of the Company exceeds the economic value of the shares Allocated as part of the Merger.

In light of the above, it appears that the transaction of Allocation of the shares of Keystone to the Management Company reflects, from an economic point of view, a transaction conducted at a fair and reasonable (Fair and Reasonable) value for Keystone.

Sincerely,
Fahn Kanne Consulting Ltd.
Grant Thornton Israel

Appendix A – Limiting Conditions

This document is intended for the Audit Committee of Keystone. The document is not intended for public (or private) media channels, without our prior written consent. This work or any part thereof, summary or abstract thereof, may not be made public through the media channels of the Company or its Controlling Shareholder. However, at your request, we agree that our work may be attached (including by way of incorporation by reference), if required to be published, within the framework of the notice of the general meeting of shareholders for the purpose of approving the Merger transaction.

This work is based, among other things, on data and estimates received from representatives of the Audit Committee. Responsibility for the reliability of the information, data, representations, assessments, and various explanations provided to us in connection with the performance of this work lies with the providers of this information, and we cannot confirm the accuracy, completeness, and fairness of this data. It is emphasized that this work does not include due diligence and does not include examination and verification of the aforementioned data. Therefore, our work shall not be considered and shall not constitute confirmation of the correctness, completeness, and accuracy of the data provided to us.

In no event shall we be liable for any loss, damage, cost, or expense caused in any manner and way by acts of fraud, misrepresentation, deception, provision of incorrect information, or withholding of information from us.

It is possible that we have reached certain historical financial data, which we used for this work, from unaudited financial data, which are the responsibility of the Company. We have not independently verified the correctness or completeness of the data on which we relied (including their comparison to the data appearing in the audited financial statements of the Company) and we do not express an opinion or give any assurance of any kind regarding the data we used or regarding the financial statements of the Company.

This work does not constitute legal advice or a legal opinion. The interpretation of various documents we reviewed was done solely for the purposes of this economic Opinion. The information appearing in our work does not purport to include all the information that a potential investor may require and is not intended to assess the value of the Company for another investor, as different investors may have different objectives and considerations as well as different methods of examination, based on other assumptions. Accordingly, the estimate of the economic value on the basis of which different parties may carry out economic actions may be different.

Furthermore, changes in market conditions may result in valuations that are materially different from those stated as of the valuation date. We do not assume any responsibility for changes in market conditions after the valuation date and we are not obligated to update our work, our analysis, our conclusions, or other documents relating to our services after the valuation date, for any reason whatsoever.

It is agreed that you and others for whom the services will be provided according to the terms of engagement (including any third parties) are not entitled to receive from us, whether by contract or in tort, by Law or otherwise, compensation for cumulative damages and losses in an amount exceeding three times the fee paid for the services that directly caused the damage or loss in

connection with claims arising from this Agreement or otherwise related to the provision of the services.

According to the indemnity letter, if we are required to pay any amount to a third party in connection with the performance of the services subject to this Opinion in legal proceedings or in another binding proceeding, Keystone undertakes to indemnify us for any such amount paid by us, beyond an amount equal to three times our fee, all except in cases of willful misconduct or gross negligence.

It is agreed that you are not entitled to file a claim or initiate legal proceedings in connection with the services or otherwise under this Agreement against our owners, managers, or employees except if an act of willful misconduct or fraud was committed by any of them.

It is agreed that the work is intended for you only and we shall have no obligation towards any third party unless we have approved the reliance of the third party on the report in writing.

It is hereby clarified that the conclusions of this work, insofar as they are conveyed to the client within the framework of the transfer of information, are only an expression of opinion and that any decision in connection with the services provided, whether it included the assumptions and conclusions of this work or not, shall be made by the client alone and is his sole responsibility.

Due to the performance of calculations in electronic spreadsheets, rounding differences may occur.

We wish to note that we have no personal interest in the shares of the Company.

For the purpose of the work, we assumed that the data provided to us are accurate, complete, and fair, and nothing has come to our attention that would indicate the unreasonableness of the data we used. If it turns out otherwise, our recommendation will change accordingly. Therefore, we reserve the right to revisit and update it in light of new data that was not presented to us prior to the provision of the recommendations of the work.

Appendix B – Details of the Preparer of the Work

Fahn Kanne Consulting is a Subsidiary of the firm Fahn Kanne & Co., Certified Public Accountants, which is among the six largest firms in Israel.

Fahn Kanne Consulting constitutes the Advisory services arm of the global Grant Thornton network, specializing in leading international transactions, performing valuations and consulting in the execution of transactions, listing companies on stock exchanges worldwide, and management consulting and project financing.

CPA Shlomi Bartov, Partner and CEO of Fahn Kanne Consulting, holds a master's degree in business administration (MBA) and a bachelor's degree in economics and accounting, both from Tel Aviv University.

Mr. Bartov has extensive experience in accompanying and advising some of the largest companies in the economy.

CPA Roman Fleck, Partner at Fahn Kanne Consulting, holds a master's degree in economics (MA) and a bachelor's degree with honors in economics and accounting, both from Tel Aviv University.

Appendix C – Concise Description of the Company and its Activities

a. General Background

Keystone was incorporated in 2019 and is a public company whose shares are traded on the Tel Aviv Stock Exchange. The Company operates as an infrastructure investment fund, whose purpose is the investment, management, and enhancement of income-generating infrastructure assets that produce stable and predictable cash flows over the long term.

As of December 31, 2025, the equity of the Company amounts to approximately NIS 3.04 billion, and its total assets are estimated at approximately NIS 4.98 billion. The net profit attributable to the shareholders of the Company for 2025 amounted to approximately NIS 941 million.

b. Investment Portfolio and Areas of Activity

The investment portfolio of Keystone is diversified across several key infrastructure sectors:

- **Transportation** - As of the end of 2025, the Company held (indirectly) approximately 65% of the shares of the Egged Group. Egged is engaged in the operation of public transportation by buses in Israel and Europe, and is also a partner in the operation of the light railways in the Tel Aviv metropolitan area (the Red, Purple, and Green lines). In January 2026, the Egged Partnership (held by the Company) completed the purchase of the shares of the selling shareholders in Egged within the framework of the PUT/CALL option (the second phase), in consideration for a total of approximately NIS 593 million. In March 2026, the exercise of the second purchase option was completed, which brought Keystone to a holding of 91.4% (through a chain of holdings) in Egged. It should also be noted that in March 2026, Keystone sold 10% of the Egged Partnership to Meitav Gemel and Pension at a value of approximately NIS 6 billion for Egged.
- **Energy (Keystone Power)** - At the end of 2025, the Company completed a restructuring process, within the framework of which it consolidated all its energy sector investments under the wholly owned Subsidiary “Keystone Power Ltd.” This activity includes holdings in conventional power stations (Ramat Hovav, Hagit East, and IPM Be’er Tuvia) as well as activity in renewable energies through a holding of approximately 55.17% in the public company Sunflower, which operates in the wind and solar sectors in Poland and Israel.
- **Water** - The Company holds 50% of the shares of VID Ltd., which operates the Desalination Facility in Ashkelon, with a production capacity of approximately 120 million cubic meters of water per year.
- **Telecommunications** - The Company holds 30% of the “Centurion” venture, which is engaged in the deployment of a submarine fiber optic cable between Europe and India, and is also active in the field of initiating data centers.

For the removal of doubt, it is clarified that the information presented in this Annex is concise and intended to serve as general background only. For full, comprehensive and up-to-date information regarding the Company, its investment strategy, its assets, its liabilities, and the risk factors affecting its activity, we refer to the audited financial statements of the Company for 2025, as well as its immediate and current reports published on the Tel Aviv Stock Exchange system.

Appendix B – Work of the Audit Committee and Its Advisors

1. Background to the activity of the Committee and its authorities

On August 27, 2024, the Audit Committee (the “**Audit Committee**” or the “**Committee**”) was authorized by the Board of Directors of the Company (in a composition identical to that of the Committee) to examine the Proposed Outline and the possible alternatives available to the Company, while maintaining continuity and managerial stability in the Company¹³. The members of the Audit Committee are: Mr. Oded Setter (External Director and Chairman of the Committee), Mr. Nir Dror (External Director), and Ms. Liza Singer (External Director). For further details regarding the members of the Committee, see Article 26 of Part D of the Periodic Report for 2025 of the Company published on March 24, 2026 (reference number: 2026-01-026078), which is hereby incorporated by reference.

It is noted, for the avoidance of doubt, that the members of the Committee have no connection to the Management Company or to any of the Controlling Shareholders, and they have no personal interest in the Proposed Outline.

The Board of Directors of the Company authorized the Committee to approve the optimal alternative possible in the circumstances and to reject the other alternatives (and even to condition its approval on conditions, as it sees fit) and to transfer its decision regarding the Proposed Outline to the Board of Directors of the Company. In this framework, the Committee was also authorized to manage, accompany, and supervise the negotiation process between the Management Company and the Controlling Shareholders and the Institutional Entities, as well as to examine its terms and ensure that they are for the benefit of the Company. In the framework of its authorization, the Audit Committee examined the fairness of the process, possible alternatives, and various outlines, taking into account the nature of the Proposed Outline, all at the discretion of the Committee and in accordance with the benefit of the Company and its Shareholders.

The Committee was also authorized to appoint advisors required for the examination of the Proposed Outline, including, inter alia, financial and legal advisors, who are not dependent on the Controlling Shareholders or the Company, as well as to receive opinions from them and to determine the terms of engagement with them.

Pursuant to its authorization as stated, on August 27, 2024, the Audit Committee of the Company convened and authorized the advisors (as defined below) to accompany the process on its behalf, including for the purpose of holding meetings of the negotiation team and the economic advisors with the Management Company, on the one hand, and with the Institutional Entities, on the other hand, to examine the feasibility of the alternatives.

2. Process of the Committee’s work

The Committee acted to realize the authority granted to it from the date of its authorization until the date of approval of the Proposed Outline by the Board of Directors of the Company and the signing of the Share Swap Agreement shortly before the publication of this Report. The

¹³ It is noted that, within the framework of examining the proposed outline as stated above, Prof. Assaf Hamdani expressed his opinion regarding the process for formulating the terms of employment and their approval.

Committee conducted a thorough, full, and in-depth work process, which began in August 2024 and continued for more than a year and a half (about 20 months), for the purpose of making informed decisions in connection with the process of approval of the Proposed Outline. In the framework of this process, the Committee held about 40 meetings (physical and by conference means) which were documented in protocols. In addition, the advisors conducted many conversations, on an ongoing basis, throughout the process, inter alia with members of the Audit Committee, for the purpose of managing and supervising the process. In addition, the negotiation team and the economic advisors, on behalf of the Committee, held many meetings and conversations with the Management Company on the one hand, and representatives of the Institutional Entities on the other hand, in order to try and bring about an agreed Proposed Outline.

The process of the Committee's work was composed of the following parts:

2.1. Appointment of legal and economic advisors –

- 2.1.1. The legal advisor of the Committee was appointed as the law firm Herzog Fox Neeman & Co. (the “**Legal Advisors**”);
- 2.1.2. The Committee was also accompanied by Prof. Assaf Hamdani, an expert in corporate governance, in connection with the process of formulating the terms of the transaction and its approval, who also gave his opinion on these matters (“**Prof. Hamdani**”);
- 2.1.3. The economic advisor of the Committee was appointed as Clear Structure Ltd. (the “**Economic Advisors**”); the Committee also received Fairness Opinions in connection with the fairness of the consideration, from the firm Fahn Kanne & Co. (the “**Fairness Opinions**”);
- 2.1.4. Attorney Ehud Sol and Attorney Ilanit Landesman-Yogev served as the negotiation team on behalf of the Audit Committee (the “**Negotiation Team**”), through whom the Committee accompanied and mediated the negotiations between the Controlling Shareholders and the Institutional Entities, resulting in the Proposed Outline.

(all together – the “**Advisors**”).

The process of appointing the advisors was carried out after examining, inter alia, the experience of the said advisors in similar transactions and proceedings, as well as in light of the personal and professional impression of the members of the Committee, and after verifying that they are not dependent on the Company or the Controlling Shareholders.

2.2. Guidelines for the work of the Committee –

- 2.2.1. Since the beginning of its work, the Committee acted according to work procedures it adopted, as well as according to the instructions of its Legal Advisors and Prof. Hamdani, after they reviewed and recommended to it the guidelines for its activity.
- 2.2.2. The Committee independently determined its work arrangements, meeting times, agenda for meetings, identity of invitees to meetings, required working documents,

manner of documenting meetings, and any other matter relating to its mode of operation.

- 2.2.3. Already in its initial meetings, the Committee adopted a tentative action procedure for its activity within the process, and examined the discussion topics for its meetings.
 - 2.2.4. In addition, the Committee ensured the holding of periodic status meetings for the purpose of monitoring the progress of the process and the issues arising from developments in the process.
 - 2.2.5. The Committee was updated on an ongoing basis, by the Negotiation Team, regarding the negotiations between the Management Company and the Institutional Entities and supervised them, and also conducted negotiations with the Management Company in connection with the Proposed Outline. In the contacts with the Management Company, the Committee was represented by its Advisors, without the involvement of the Company or other parties on its behalf.
 - 2.2.6. The Committee held a separate and structured discussion regarding the reasons why the Proposed Outline is for the benefit of the Company.
- 2.3. Economic Work and Fair Consideration – As detailed in Section 2.1 above, the Committee engaged the Economic Advisors for the purpose of providing economic and financial support to it and to the Negotiation Team, inter alia, within the framework of the negotiations between the Management Company and the Institutional Entities. In addition, the Committee also engaged Fahn Kanne, an independent Economic Advisor, for the purpose of obtaining the Fairness Opinions, attached as Appendix A to this Report. For the purpose of the work of the Economic Advisors and the Fairness Opinions, the Committee (itself or through its Advisors) was assisted by the management of the Company in order to obtain the required data, for the purpose of substantiating the assumptions underlying the work of the Economic Advisors and the Fairness Opinions. The members of the Committee and its Advisors exercised particular caution and confidentiality in their contacts with the management of the Company in the course of its work processes, including at the stage of collecting information for the work of the Economic Advisors and the Fairness Opinions.
- 2.4. Committee Discussions – The Committee held approximately 40 meetings (physical and by means of conference) and additional consultation calls, within which the Committee, itself and through its external Advisors as stated, examined the Proposed Outline and its implications. The Committee meetings were held at the offices of the Company since the participation of parties on behalf of the Company was required at their offices or by means of visual conference as stated (except for a limited number of meetings held at the offices of the Legal Advisors of the Committee). The meetings were documented in protocols recording the discussions and the decisions made.
- 2.5. The Committee held discussions on the Proposed Outline and its terms, including the rationale underlying it, various alternatives to the Proposed Outline (see in this context Section 2.6 below), the assumptions underlying the work of the Economic Advisors, the

Fairness Opinions, the forecasts and the methodology underlying them. Inter alia, in its discussions, the Committee addressed the following topics:

- a. Examination of the benefit to the Company in connection with the Proposed Outline;
- b. The Committee examined, on a principled level, whether there are realistic alternatives to the Proposed Outline, including alternatives relating to the termination of the Management Agreement and the identification of an alternative Management Company and/or alternative management, conducting negotiations in connection with the terms of the current Management Agreement upon its termination for the purpose of its extension and/or the possibility of the Controlling Shareholders waiving their control rights in the Company, all taking into account the implications of each of the above alternatives on the Company and its benefit and its Shareholders (including with respect to the implications of replacing the Management Company).
- c. Examination of the manner of approval of the transaction in the organs of the Company and the required majority, including based on advice provided by Prof. Hamdani;
- d. Examination of the existing arrangements, including the offering prospectus, the existing Management Agreement, analysis of the entitlement of the Management Company to Compensation in the event of early termination of the Management Agreement and the relevant employment agreements;
- e. Examination of the proposed indemnification arrangements in relation to the activity of the Management Company prior to completion of the transaction, to the extent completed.
- f. Receipt of a review from the management of the Company regarding the strategic plan of the Company in light of the Proposed Outline;
- g. Examination of the accounting implications of the transaction;
- h. Examination of the terms of Compensation of the management after completion of the transaction, with the assistance of a benchmark study conducted by an external consultant with experience in the field;
- i. Analysis of the impact of the Proposed Outline on the existing agreements and licenses of the Company, including examination of the terms of the bonds issued by the Company and financing agreements in the Group's corporations, as well as on the insurance arrangements of the Company after completion of the transaction;
- j. Examination of the non-competition undertaking of the Management Company and its Controlling Shareholders serving as Office Holders, towards the Company;
- k. Examination of the legal implications arising from Amendment Bill 38 to the Companies Law on the Company, in light of the Proposed Outline;
- l. Examination of the tax implications arising from the transaction on the Company and its Shareholders;

- m. Examination of the operational aspects of the transition from a management format via an external Management Company to an internal management format, including the impact of the transaction on the employees of the Management Company.

In accordance with the procedures adopted by the Committee, only Committee members and its Advisors were present at its meetings and when making its decisions, unless the Chairman of the Committee determined that the presence of a non-Committee member was required for the presentation of a particular topic or provision of certain data, but in any event, the decisions were made not in their presence.

Even to the extent that the presence of management representatives was required within the framework of the Committee meetings or the discussions with the Economic Advisors, in light of the existing identity between the management members of the Company and the management members of the Management Company, the Legal Advisors of the Committee were also present at the meeting.

- 2.6. Conducting an 'Alternative Process' and Examination of Alternatives – Within the framework of its discussions, in light of the provisions of Section 117(1B) of the Companies Law, the Committee reached the conclusion that, in the circumstances under discussion of the Proposed Outline, and taking into account the type of transaction and its circumstances, it is not possible to conduct a “competitive process”, and therefore, the Committee is of the opinion that the process conducted between the Management Company and the Institutional Entities, alongside its activity and negotiation in connection with the Proposed Outline, in its various iterations, constitute an “alternative process” and not a “competitive process” as these terms are defined in Section 117(1B) of the Companies Law; and that in the circumstances of the matter, the lengthy and significant negotiations conducted between the Institutional Entities and the Controlling Shareholders with the accompaniment and mediation of the Negotiation Team under the supervision of the Committee, the various alternatives examined, all in consultation with and reliance on opinions of external advisors, and in light of the results of the negotiations conducted in relation to the opening positions of the relevant parties at the beginning of the process, are sufficient in the circumstances and ensure a proper process intended to maximize the consideration for the Company.

The Committee held a discussion on the various existing techniques for implementing the Proposed Outline in the Company, analyzing the advantages and disadvantages inherent in the Proposed Outline.

- 2.7. Accompaniment and Mediation of the Negotiations between the Institutional Entities and the Controlling Shareholders for the Formulation of the Proposed Outline and Conducting Negotiations with the Management Company for the Formulation of the Principles of the Share Swap Agreement – The Committee (through the Negotiation Team and its Economic Advisors) mediated and accompanied the contacts with the Institutional Entities and with the Management Company, for the purpose of formulating the consideration within the framework of the Proposed Outline. The negotiations between the Institutional Entities and the Management Company lasted about a year and a half, within which various consideration alternatives were discussed, where the consideration proposed under

the Proposed Outline is materially different from the positions of the parties at the beginning of the process and is significantly improved for the benefit of the Company. In addition to the above, the Committee (itself and through its Legal and Economic Advisors) conducted negotiations with the Management Company, within which the principles of the Share Swap Agreement and its terms were discussed. In order to conduct the negotiations effectively, inter alia, prior to the commencement of the negotiations, the Committee formulated a position regarding the main legal standards relating to the transaction. Among the documents which were prepared and/or examined and/or negotiated by the Committee and its Advisors, the following are noted: (A) memorandum of understandings with the Institutional Entities; (B) the Share Swap Agreement and the Asset Transfer Agreement; (C) new terms of engagement for the Chairman of the Board of Directors and the CEO of the Company and related expenses for management purposes after completion of the transaction; (D) New Articles adapted to the format of a company without an external Management Company, including the composition of the Board of Directors and the manner of its election; and (E) new Compensation Policy.

3. Committee Recommendations

In light of and in accordance with all of the above, the Committee approved that the Proposed Outline, including approval of the Share Swap Agreement, are for the benefit of the Company and its Shareholders, and decided to recommend that the Board of Directors of the Company approve the engagement in the Proposed Outline, on the basis of the following main reasons:

- 3.1. Significant savings and improvement in cash flow – According to the Proposed Outline, the management costs that were paid to date to the Management Company were significantly reduced, against a one-time allocation of shares of the Company. Accordingly, in the Committee's assessment, the significant reduction in management costs will lead to significant economic savings over time and to a significant improvement in the Company's cash flow. In this context, and as stated in the opinion attached as **Appendix A** to this Report, the ongoing payments that will be saved for the Company as a result of the proposed structure change are estimated in the range between NIS 106 million and NIS 283 million per year.
- 3.2. Reduction of uncertainty (management continuity) – The Proposed Outline provides a significant advantage in continuity and management continuity in the Company, through the parties who have led the Company to very impressive achievements over its years of activity and who have experience and deep familiarity with the Company's activity, its plans and its business environment, as well as extensive connections in the Israeli capital market. Such a move has the potential to ensure that their deep familiarity with the Company's business activity, alongside their expertise, connections and experience, which constitute critical components in the Company's success and continued development in the infrastructure field, will be retained in the Company for an additional period. Beyond the above, maintaining management continuity is of significant importance to the Company's activity, in light of the control permits and licenses required in relation to part of the Company's activity.

- 3.3. Strengthening the equity interest of the Controlling Shareholders – the Proposed Outline strengthens the significant equity interest of the Controlling Shareholders in the Company and turns them into Controlling Shareholders by virtue of their holdings. In the Committee's assessment, the move may strengthen the connection between the Controlling Shareholders and the Company, for the long term, regardless of the period of the Management Agreement and its extension/termination or its terms.
- 3.4. Agreed and “final” update – in the Committee's assessment, unlike other outlines adopted by other public funds, the Proposed Outline brings about an agreed and “final” simplification of the management structure of the Company, obviating the need for further examination of the management structure in the Company and for approval of a new Management Agreement by the competent organs of the Company at the end of each management period, alongside the preservation of the Company's activity and its continuity.
- 3.5. Support from significant shareholders; the Proposed Outline can be completed with a high degree of certainty – the support of the Institutional Entities and the shareholder as detailed in Section 1 above, which was achieved after lengthy and thorough negotiations between the Management Company and the Institutional Entities, constitutes in the Committee's assessment another significant indication of the fairness and reasonableness of the consideration. Furthermore, such support constitutes a significant indication of the feasibility of approval of the Proposed Outline by the minority shareholders in the Company. In addition to the foregoing, for the completion of the transaction there are material Conditions Precedent (as detailed in Section 2.1.2(D) above), and in the Company's assessment, in accordance with the position of the Legal Advisors of the Company and of the Management Company, there are significant indications that the Proposed Outline may be completed.
- 3.6. Sufficient mechanisms regarding the past period – in view of the mechanisms set forth in the Share Swap Agreement in relation to the past period, including the guarantees provided to the Company in connection with the indemnification mechanisms for the past period, the Committee is of the opinion that the Proposed Outline does not expose the Company to liability for actions of the Management Company in relation to the past period (beyond the Company's liability under the existing exemption and indemnification letters granted to the Management Company and its Office Holders prior to the completion of the Proposed Outline).
- 3.7. Implementation of the Company's strategic plan – in view of the multi-year strategic plan adopted by the Company for growth in 2025¹⁴, whose purpose, inter alia, is to expand the Company's activity in its core areas, to develop new growth engines, to deepen its activity in the markets in which it operates, and to continue enhancing its assets in such a way that the Company's equity will double by 2030 to an amount of NIS 4 billion in accordance with the strategic target set, the Committee was provided with sufficient explanations regarding the implications of the Proposed Outline on the Company's ability to implement

¹⁴ For details regarding the Company's strategy, see Section 3 of the Description of the Corporation's Business chapter attached to the Company's 2025 Periodic Report.

the said strategy, in view of the holding rates of the Control Group after completion of the Proposed Outline.

- 3.8. Implications of non-extension of the Management Agreement – the Committee examined the implications of non-extension of the existing Management Agreement, including the Compensation to which the Management Company is entitled due to its non-extension, the need to locate an alternative Management Company, as well as possible implications for the control permits and licenses held by the Company (i.e., the need to obtain updated permits and licenses if control in the Company were to change). The Committee is of the opinion that it is of decisive importance to find a solution that will bring about management continuity while reducing the resources that the Company will be required to bear in order to achieve this goal. Furthermore, the Proposed Outline does not detract from the advantages inherent in the fund structure.
- 3.9. The Committee determined that the Proposed Outline, including the consideration under the Share Swap Agreement, is fair and reasonable, inter alia, based on the Fairness Opinions, and in view of the negotiations conducted between the Management Company and the Institutional Entities and the understandings reached in its framework. The understandings reached in the negotiations between the Institutional Entities and the Management Company reflect a transaction between unrelated parties (at arm's length).
- 3.10. It is possible that part or all of the consideration in the transaction will be considered a “Distribution,” as this term is defined in the Companies Law; however, as of December 31, 2025, the Company has distributable profits in the amount of approximately NIS 1.5 billion, and the transaction has no implications that impair the Company's ability to meet its obligations.

Based on the foregoing, the members of the Committee determined that the Proposed Outline is for the benefit of the Company and that the Share Swap Agreement and the consideration therefor are fair.

Following the Committee's decision and its recommendations, on April 14, 2026, a meeting of the Board of Directors of the Company was held, in which the Board of Directors adopted the Committee's recommendations and reasoning, and determined that, based on the considerations and reasoning detailed above, the Proposed Outline is for the benefit of the Company and that the Share Swap Agreement and the consideration therefor are fair. Also, to the extent that the transaction includes a “Distribution” as this term is defined in the Companies Law, it constitutes a permitted Distribution.

Appendix C – New Articles of Association

The Companies Law, 5759-1999
A Company Limited by Shares

Articles of Association
of
Keystone Infra Ltd.

Definitions

In these Articles, the following terms shall have the meanings set forth beside them, unless the context requires otherwise:

“Shareholder”	A person who is a shareholder on the effective date as stated in Section 182 of the Companies Law, if an effective date exists for that matter.
“Registered Shareholder”	A Shareholder registered in the register of shareholders of the Company.
“Unregistered Shareholder”	A Shareholder as defined in Section 177(1) of the Companies Law.
“Law”	Any law in force in the State of Israel, which shall be valid from time to time.
“Director” or “Directors”	A member or members of the Board of Directors elected pursuant to these Articles and serving at such time.
The “Exchange”	The Tel Aviv Stock Exchange Ltd.
The “Board of Directors”	The Board of Directors established pursuant to these Articles from time to time.
The “Company”	Keystone Infra Ltd.
“Administrative Enforcement Proceeding”	A proceeding under Chapters H3 (imposition of a monetary sanction by the Israel Securities Authority), H4 (imposition of administrative enforcement measures by the Administrative Enforcement Committee) or I1 (arrangement for refraining from or ceasing proceedings, subject to conditions) of the Securities Law; a proceeding under Section D of Chapter Four of Part Nine of the Companies Law; a proceeding under the Law for Enhancement of Enforcement in the Capital Market (Legislative Amendments), 5771-2011; a proceeding under Chapters J, J1 and K1 of the Joint Investment Trust Law, 5754-1994; a proceeding under Chapters G1, G2 and H1 of the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995; a proceeding under Chapter I1 of the Supervision of Financial Services (Insurance) Law, 5741-1981; a proceeding under Chapter H of the Supervision of Financial Services (Provident Funds) Law, 5765-2005; a proceeding under Chapter G1 of the Economic Competition Law, 5748-1988; a proceeding under the Law for Enhancement of Enforcement of Labor Laws, 5772-2012; and

subject to any law, any similar proceeding to the above, whatever its name may be, whether under existing law or as may be legislated in the future; all as may be amended from time to time.

The “Companies Law”	The Companies Law, 5759-1999, as amended from time to time, as well as all regulations enacted or to be enacted thereunder, as amended from time to time.
“Securities Law”	The Securities Law, 5728-1968, as amended from time to time, as well as all regulations enacted or to be enacted thereunder, as amended from time to time.
“Register of Shareholders”	The register of shareholders of the Company, which must be maintained in accordance with the Companies Law.
“Aggrieved Party”	As stated in Section 52(54)(a)(1)(a) of the Securities Law.
“Ordinary Majority”	A majority of more than half of all the votes of the Shareholders present at the general meeting, entitled to vote and who voted therein, without taking into account abstaining votes.

1. **Interpretation**

- 1.1. Any term in these Articles not defined above shall have the meaning ascribed to it in the Companies Law, and if the term is not defined in the Companies Law, then it shall have the meaning ascribed to it in the Securities Law, all unless the wording and/or context require a different interpretation.
- 1.2. The provisions of these Articles in the singular shall also mean the plural, and vice versa; the masculine shall also mean the feminine, and vice versa; references to persons shall also refer to corporations; all unless the wording requires a different interpretation.
- 1.3. The section headings in these Articles are for convenience only and shall not serve as an aid to the interpretation or construction of these Articles.
- 1.4. Wherever in these Articles it is provided that its provisions shall apply subject to the provisions of the Companies Law and/or the Securities Law and/or subject to the provisions of any law, the intention is to the provisions of the said laws that cannot be stipulated otherwise, unless the context requires otherwise.
- 1.5. In the event of a conflict between the provisions of the law that cannot be stipulated otherwise and any of the provisions of these Articles – the provisions of the law shall prevail in that matter, without prejudice to the validity of the other provisions of the Articles.
- 1.6. It is clarified that so long as the shares of the Company are listed for trading on the Exchange: (A) the provisions of Section 46B of the Securities Law shall apply to the Company; (B) at the time of listing the shares of the Company for trading, there

shall be only one class of shares in the share capital of the Company, conferring equal voting rights (without derogating from the right of the Company to issue preference shares subject to the provisions of any law); (C) all the shares in the issued share capital of the Company, all shares to be issued in the future and all shares to be derived from the exercise of unregistered options shall be registered in the register of shareholders of the Company in the name of the nominee company in accordance with the Exchange regulations and shall be fully paid shares; and (D) the provisions of the Articles shall apply subject to the provisions of the Exchange regulations and its guidelines, including the by-laws of the Exchange clearing house, as they may be from time to time and shall apply to the Company (“**Exchange Rules**”), including the allocation of securities and their registration for trading on the Exchange, the distribution of bonus shares and the distribution of dividends, which shall be made subject to the Exchange Rules.

2. **Name of the Company**

The name of the Company is as follows:

In English: Keystone Infra Ltd.

3. **Objectives of the Company**

The objectives of the Company are to engage in any lawful business and, inter alia, to act as an entity for investment in infrastructure by investing funds for returns from capital appreciation, from investment income or from both.

4. **Limitation of Liability**

The liability of each of the Shareholders is limited to the full payment of the amount required to be paid in respect of the shares of the Company allotted to him.

5. **Registered Share Capital**

The registered share capital of the Company is one billion (1,000,000,000) ordinary shares of NIS 0.1 par value each (“**Ordinary Shares**”).

6. **Donations**

The Company may donate, from time to time, reasonable amounts for worthy purposes, even if the donations are not within the business considerations of the Company. The Board of Directors is authorized to determine, at its discretion, the amounts of the donations, the purposes for which they will be made, the identity of the recipient of the donation and any other condition in connection therewith.

7. **Amendment of the Articles**

The Company may amend these Articles by a resolution adopted at the general meeting of the Company, by an Ordinary Majority of the Shareholders, unless otherwise provided in these Articles.

Share Capital of the Company

8. **Ordinary Shares**

All the ordinary shares of the Company shall have equal rights among them and each ordinary share shall confer upon its holder the following rights:

- 8.1. The right to participate in all general meetings of the Shareholders of the Company and to vote therein on any matter raised at the meeting, where each ordinary share confers upon its holder one vote at such vote;
- 8.2. The right to receive dividends and bonus shares, if distributed, in accordance with the provisions of these Articles and the provisions of the Companies Law; and
- 8.3. The right to participate upon the liquidation of the Company, in the distribution of the surplus assets of the Company, in proportion to the par value of each share, without regard to any premium paid thereon, all subject to the provisions of these Articles.

9. **Share Capital of the Company, Increase and Cancellation of Registered Capital**

- 9.1. The general meeting may, from time to time, by a resolution adopted at the general meeting, by an Ordinary Majority:
 - 9.1.1. Increase the registered share capital of the Company;
 - 9.1.2. Cancel registered share capital not yet allotted, provided that there is no obligation of the Company, including a contingent obligation, to allot the shares;
 - 9.1.3. Consolidate its shares, all or some of them, and divide them into shares of a greater par value than the par value of its existing shares;
 - 9.1.4. Divide its shares, all or some of them, into shares of a lesser par value than the par value of its existing shares; and
 - 9.1.5. Reduce the capital of the Company as well as a reserve fund for capital redemption.

For the purpose of implementing any resolution as aforesaid, the Board of Directors may resolve, at its discretion, any difficulty that may arise in connection therewith.

- 9.2. Unless otherwise provided in the resolution approving the change in share capital, new shares shall be subject to the provisions of these Articles regarding payment calls, forfeiture, transfer, delivery and the like, which apply to the existing shares in the share capital of the Company.
- 9.3. Without derogating from the generality of the authority of the Board of Directors of the Company as stated above, if as a result of the consolidation or division of shares, as stated above, Shareholders are left with fractional shares, the Board of Directors of the Company may, at its sole discretion, act, inter alia, as follows:
 - 9.3.1. Determine that fractional shares that do not entitle their holders to a whole share shall be sold by the Company and the proceeds of the sale shall be paid to the entitled parties, on such terms and in such manner as shall be determined;

- 9.3.2. Determine the manner in which the amounts to be paid for the shares allotted as stated in Article 9.3.1 above shall be paid, including the manner in which the amounts may be paid on account of bonus shares;
- 9.3.3. Allot to any Shareholder, whose consolidation and/or division has left him with a fractional share, shares of the class of shares that existed in the share capital of the Company prior to the consolidation and/or division, in such number, which when consolidated with the fraction shall create one consolidated, whole share, and such allotment shall be deemed valid immediately prior to the consolidation or division, as the case may be;
- 9.3.4. Determine that holders of fractional shares shall not be entitled to receive a whole share in respect of a fraction of a share;
- 9.3.5. To determine that holders of fractional shares shall not be entitled to receive a whole share in respect of a fraction of a whole share of a certain par value or less, and shall be entitled to receive a whole share in respect of a fraction of a whole share whose par value is higher than the said par value;

10. **Issuance of Shares and Other Securities**

- 10.1. The Board of Directors of the Company may issue shares and other securities, including convertible and/or exercisable securities into shares, up to the limit of the registered share capital of the Company; for this purpose, securities that are convertible or exercisable into shares shall be deemed to have been converted or exercised, as the case may be, at the time of their issuance.
- 10.2. Without derogating from the generality of the foregoing, the Board of Directors shall be entitled to issue the shares and the other securities, as stated above, to grant rights of option to purchase them, including options, or to grant them in any other manner, all to such persons as it shall determine and at such times, at such prices and on such terms as it shall determine, and also to determine any other provision related thereto, including provisions regarding the methods for the allocation of the shares and securities to be issued by the Company, among their purchasers, including in the event of oversubscription, all at the discretion of the Board of Directors.
- 10.3. Without derogating from the generality of the foregoing, and subject to the provisions of the Companies Law and these Articles, the Board of Directors may determine that the consideration for the shares shall be paid in cash or in kind, including in securities or in any other manner, at its discretion, or that the shares shall be allotted as bonus shares, or that the shares shall be allotted for consideration equal to their par value or lower than their par value or higher than their par value, whether in units or in series, all on such terms and at such times as shall be determined by the Board of Directors, at its discretion.
- 10.4. The Board of Directors may resolve to pay a commission, including underwriting fees, to any person, in consideration for underwriting, marketing or distribution

services of securities of the Company, whether conditional or unconditional, and all on such terms as shall be determined by the Board of Directors. Likewise, the Board of Directors may, in any case of issuance of securities of the Company, resolve to pay brokerage fees; all in cash, in shares of the Company, or in other securities issued by the Company, or in any other manner, or partly in one manner and partly in another manner, all subject to the provisions of any Law.

- 10.5. Subject to the provisions of the Companies Law and any Law, the Company may issue redeemable securities on such terms and in such manner as shall be determined by the Board of Directors, at its discretion.

Shareholders and Share Certificates

11. Shareholder in the Company

- 11.1. A Shareholder in the Company is a Registered Shareholder as well as an Unregistered Shareholder (as these terms are defined above).
- 11.2. Except as stated in Article 11.1 above, no person (or other legal entity) shall be recognized by the Company as having any right in a share, and the Company shall not be bound by nor recognize any benefit or trust relationship or equitable, future or partial right, except only the right of a Shareholder, in the share in its entirety, all unless a competent court or the provisions of Law shall otherwise order.
- 11.3. If two or more persons are registered as joint owners of a share:
- 11.3.1. With respect to voting, proxies, and the giving of notices, the Shareholder whose name appears first in the Register of Shareholders shall be deemed the sole Shareholder, unless expressly provided otherwise in these Articles;
- 11.3.2. Each of them shall be entitled to give a valid receipt to all the joint holders for any dividend, other monies or property received from the Company in respect of the share, and the Company shall be entitled to pay the full dividend, the other monies or transfer the full property as aforesaid in respect of the share, to one or more Shareholders among the joint holders of the share, at its choice.
- 11.4. A Shareholder who is a trustee shall be registered in the Register of Shareholders, with an indication of his trusteeship, and shall be deemed a Shareholder. The Company shall recognize the trustee as a Shareholder, for all intents and purposes, and shall not recognize any other person, including the beneficiary, as having any right in the share.

12. Register of Shareholders and Share Certificates

- 12.1. The Company shall maintain the Register of Shareholders, in accordance with the requirements of the Companies Law.
- 12.2. A Registered Shareholder in the Register of Shareholders is entitled to receive from the Company a certificate evidencing his ownership of the share.

- 12.3. Subject to the provisions of the Companies Law, a share certificate shall include the number of shares for which it is issued, their serial number and their par value, if any such par value exists as aforesaid.
- 12.4. Share certificates shall bear the seal of the Company or its printed name, and the signatures of two Directors of the Company or of one Director and the Chief Executive Officer of the Company, or the signatures of two office holders of the Company who shall be appointed for this purpose by the Board of Directors.
- 12.5. Except where the terms of the issuance of shares provide otherwise:
- 12.5.1. Every Registered Shareholder shall be entitled to receive from the Company, upon his request, within a period of two months after the allotment or registration of the transfer, as the case may be, one certificate evidencing his ownership of the shares registered in his name, or, with the consent of the Company, several such certificates (against the return to the Company of the replaced share certificates, if relevant).
- 12.5.2. A nominee company shall be entitled to receive from the Company, upon its request, within a period of two months after the allotment or registration of the transfer, as the case may be, one certificate evidencing the number of shares and the type of shares registered in its name in the Register of Shareholders, against the return to the Company of the replaced share certificates.
- 12.6. A share certificate relating to a share registered in the names of two or more persons shall be delivered to the person whose name appears first in the Register of Shareholders among the names of the joint owners of that share, unless all the registered owners of that share instruct the Company in writing to deliver the share to another registered owner.
- 12.7. If a share certificate is defaced, lost or damaged, the Board of Directors or any person authorized by the Board of Directors may order its cancellation and issue a new certificate in its place, provided that the share certificate has been delivered to the Company and destroyed by it, or it has been proven to the satisfaction of the Board of Directors or any person authorized by the Board of Directors that the certificate was lost or destroyed and the Company has received guarantees to the satisfaction of the Board of Directors or any person authorized by the Board of Directors for any possible damage. The Company may require that for each share certificate issued under this Article a reasonable sum as determined by the Board of Directors or any person authorized by the Board of Directors, from time to time, be paid; all at the discretion of the Board of Directors.

13. **Payment Demands**

- 13.1. A Shareholder shall not be entitled to a dividend or to participate in the allocation of bonus shares and shall not be entitled to exercise any right of a Shareholder in the Company, before he has paid all the amounts and payment demands which he

owes to the Company up to that time in respect of each of the shares of the Company held by him, whether by himself or jointly with another person.

- 13.2. From time to time, the Board of Directors of the Company may, at its discretion, submit to Shareholders payment demands for monies not yet paid for the shares in their possession, and which according to the terms of the allotment of the shares are not due at fixed times. Accordingly, each Shareholder shall pay the Company the amount of the payment demand submitted to him, at the time and place as determined by the Board of Directors of the Company. The Board of Directors of the Company may require that the payment be made in installments. Such payment demand shall be deemed to have been submitted to a Shareholder on the date on which the resolution of the Board of Directors of the Company regarding the submission of the payment demand was adopted.
- 13.3. A payment demand shall be delivered by written notice, at least fourteen (14) days before the requested payment date. The payment demand shall specify the amount to be paid and the manner of its execution. The Board of Directors of the Company may cancel and/or change the said payment demand and its terms, provided that the payment date specified in the notice has not yet passed.
- 13.4. Joint owners of a share shall be jointly and severally liable for the payment of all amounts and liabilities arising from the share held by them jointly. Without derogating from the generality of the foregoing, a payment demand delivered to one of the joint owners of a share shall be deemed to have been delivered to each of the Shareholders.
- 13.5. If, according to the terms of the issuance of a share or in any other manner, a Shareholder is required to pay a certain amount at a fixed time or in installments at fixed times, whether the payment is made on account of the share capital or as a premium, then any such amount or installment shall be paid by the Shareholder as if an appropriate payment demand had been delivered to him by the Board of Directors of the Company, and all the provisions of these Articles relating thereto shall apply to any such amount or installment.
- 13.6. If the amount of the payment demand or the required payment rate was not settled on the date set for its repayment or earlier, then the Shareholder in respect of whom the payment demand was submitted or in respect of whom the liability for the payment rate exists, as the case may be, shall be required to pay additional interest on the amounts owed by him (including on the amount of the Company's expenses in connection with the payment demand or the payment rate, to the extent that there are such expenses), and this shall be at the interest rate to be determined by the Board of Directors of the Company. The additional interest shall be calculated in relation to the period beginning on the original date set for payment and ending on the date on which full payment is made, however, the Board of Directors of the Company may waive the payment of the interest, in whole or in part.

The provisions of this Article shall not derogate from the remedies and reliefs to which the Company shall be entitled under this Articles of Association and under any Law.

- 13.7. The Board of Directors of the Company may decide that the Company shall accept from a Shareholder an early payment for his shares (or part thereof) that has not yet been demanded from him, and shall pay him interest for such early payment, for the period beginning on the provision of such early payment and ending on the date set for payment had it not been advanced, at a rate to be jointly determined by the Board of Directors of the Company and the Shareholder.

14. **Forfeiture**

- 14.1. A Shareholder who has not fully paid an amount, whether on account of the nominal value or in the form of a premium, which is to be paid pursuant to a payment demand or on the date set for its repayment, the Board of Directors of the Company may provide him with a written notice demanding that he pay the amount that has not yet been paid, together with the Company's expenses in connection with the non-payment and the payment demand, as well as with additional interest on these amounts as stated in Section 13.6 above.
- 14.2. In such notice, a final date for payment shall be set, which shall be at least seven (7) days after the date of sending the notice, and it shall also specify that if the amount to be paid is not paid by this date, the share in respect of which the payment was demanded shall be forfeited.
- 14.3. If the requirements of the notice as stated were not fulfilled, and all the amounts required to be paid (including the amount of the Company's expenses in connection with the payment demand and the additional interest) were not paid, the Board of Directors of the Company may decide on the forfeiture of the shares in respect of which the notice was given, at any time after the date set in the notice for payment. Such forfeiture shall also apply to dividends, bonus shares, rights offerings, as well as any other distribution and also to participation in the distribution of the Company's surplus assets upon liquidation, which were determined in relation to the forfeited shares, for which the amounts in respect thereof were not paid prior to the forfeiture.
- 14.4. Any share forfeited as stated above shall be considered the property of the Company, and the Board of Directors of the Company shall be entitled, subject to the provisions of the Companies Law and this Articles of Association, to sell it, transfer it, or re-allocate it in such manner, on such terms, and in such way as the Board of Directors shall deem fit. With respect to a share forfeited as stated above and not yet sold, transferred, or re-allocated, the provisions of Section 308 of the Companies Law shall apply.
- 14.5. As long as nothing has been done with a forfeited share, the Board of Directors of the Company may cancel the forfeiture on such terms as it shall determine.

- 14.6. A Shareholder whose shares have been forfeited shall cease to be the Shareholder of the forfeited shares, and upon such forfeiture, all his rights in the Company and any claim or demand against the Company in respect of the shares, which applied to him by virtue of the forfeited shares, shall be cancelled, except for those rights and obligations expressly excluded under this Articles of Association and/or which apply to a former Shareholder under any Law.
- 14.7. However, a Shareholder whose shares have been forfeited shall continue to bear his liability to pay and shall pay to the Company, without delay, all the amounts, interest, and expenses due in respect of those shares or in relation thereto at the date of forfeiture, together with interest from the date of forfeiture until actual payment as stated in Section 13.6 above, provided that in any case where the forfeited shares were resold, the liability of the Shareholder whose shares were forfeited shall be reduced by the amount actually received from their resale, less the expenses incurred by the Company in connection with the sale of the shares.
- 14.8. In the case of the sale, transfer, or allocation of a forfeited share, the Board of Directors of the Company shall be entitled to appoint a person to sign the share transfer deed for the sold share and to ensure the registration of the transferee in the Register of Shareholders as the new Shareholder. A person to whom the share was sold, transferred, allocated, or transferred as stated shall be registered as the Shareholder and shall not be responsible for what is done with the sale proceeds, if received. The right of the transferee in the share shall not be affected by any defect or flaw that occurred in the forfeiture, sale, allocation, or transfer proceedings, and after his registration in the Register as the Shareholder, no such claim shall be heard, and the validity of the sale or transfer shall not be challenged.
- 14.9. A duly executed affidavit by a Director of the Company, stating that a certain share of the Company was duly forfeited on the date specified in the affidavit, shall serve as conclusive evidence of its contents against any person claiming a right in the share. The said affidavit, together with a receipt of the Company for the consideration, if received, for the share, upon its sale or transfer, shall confer a right in the share to the transferee.
- 14.10. In any case where the shares of a Shareholder have been forfeited and subsequently sold, transferred, or re-allocated, the consideration received by the Company in the course of such process shall be used for the discharge of the debts and obligations of the said Shareholder towards the Company (including debts, obligations, and undertakings whose time for discharge or performance has not yet arrived), after deducting from the consideration the expenses of the Company incurred in connection with such process.
- 14.11. The provisions of this Article 14 shall not derogate from the remedies and reliefs to which the Company shall be entitled under this Articles of Association and under any Law.

15. **Lien and Charge**

- 15.1. The Company shall have a first fixed and preferred lien and charge on all shares for which the consideration has not been fully paid, registered in the name of any Shareholder (alone or jointly with another), as well as on the proceeds of their sale, as security for the repayment of what is due to the Company in respect of the shares. The aforesaid lien and charge shall also apply to all dividends that may be declared from time to time on such shares. Notwithstanding the above, the Board of Directors may at any time declare any share to be released from the provisions of this Article.
- 15.2. For the purpose of realizing a lien and/or charge as detailed above, the Board of Directors may sell the liened and/or charged shares in such manner as it deems fit, provided that no sale shall be made except after the time for repayment, fulfillment, or performance of the debts as stated has passed, and after written notice has been given to such Shareholder, or to the person who acquired a right to the shares by reason of his death, bankruptcy, or liquidation of the Shareholder, of the intention to sell them and he has not paid the debts, within seven (7) days from the date of the notice.
- 15.3. For the purpose of carrying out a sale for the realization of a lien and/or charge, the Board of Directors may appoint a person to prepare the share transfer deed for the sold shares, sign it, and cause the registration of the buyer's name in the Register as the owner of the sold shares.
- 15.4. The consideration from any sale as stated above, after deducting the sale expenses, shall be used by the Company for the discharge of those debts of the said Shareholder, including debts, obligations, and undertakings whose time for discharge or performance has not yet arrived. The balance (if any) shall be paid to him or to his successors, but this is subject to the existence of a lien and/or charge in favor of the Company – similar to the lien and/or charge that existed on the shares before the sale – on the said balance, for debts whose time for repayment has not yet arrived and which, notwithstanding the above, the Board of Directors has decided to discharge at that time.
- 15.5. An affidavit executed by a Director of the Company stating that a lien and/or charge on a share was realized lawfully shall serve as conclusive evidence of its contents against any person claiming a right in the share, and this affidavit together with a receipt of the Company for the consideration, if received, for the share, upon its sale or transfer, shall confer a right in the share to the transferee.
- 15.6. A person to whom the share was sold or transferred as stated shall be registered as the Shareholder and is not responsible for what is done with the sale proceeds, if received. His right in the share shall not be affected by any defect or flaw that occurred in the forfeiture, sale, or transfer proceedings, and after his registration in the Register as a Shareholder, no such claim shall be heard, and the validity of the sale or transfer shall not be challenged.
- 15.7. The provisions of this Articles of Association regarding forfeiture of shares, lien, charge, and sale shall apply to non-payment of any amount to be paid on a fixed

date according to the terms of the share allocation, whether on account of the share or in the form of a premium, as if it were an amount to be repaid by virtue of a payment demand and a notice thereof duly given.

- 15.8. Nothing in the provisions of this Articles of Association regarding lien and charge shall derogate from any remedy that the Company may have against the Shareholder under any Law.

Transfer of Shares and Endorsement Thereof

16. Transfer of Shares

- 16.1. Subject to the provisions of this Articles of Association or to the terms of the allocation of shares of any class, the shares in the share capital of the Company that have been fully paid shall be transferable without the need for approval of the Board of Directors.
- 16.2. Any transfer of shares of the Company registered in the register of shareholders of the Company in the name of a Registered Shareholder, including a transfer by the nominee company or to it, shall be made in writing, as detailed in Section 16.4 below, provided that the transfer deed is signed by the transferor and by the transferee, and is delivered to the registered office of the Company or to any other place determined by the Board of Directors for this purpose.
- 16.3. Subject to the provisions of the Companies Law, a transfer of shares as stated in Section 16.2 above shall not be registered in the Register of Shareholders, except after a share transfer deed, as stated above, has been delivered to the Company; the transferor shall continue to be considered as the holder of the transferred shares, until the registration of the transferee as the holder of the transferred shares in the Register of Shareholders.
- 16.4. A share transfer deed shall be made in writing, in the form detailed below or in a form as similar as possible, or in another manner as shall be approved by the Board of Directors of the Company:

Share Transfer Deed

I/We the undersigned _____ of _____, ID No. _____ (the “**Transferor**”), hereby transfer(s) to _____ of _____, ID No. _____ (the “**Transferee**”), _____ shares _____ of NIS _____ par value each of Keystone Infra Ltd. (the “**Company**”), and they shall be held by the Transferee, his estate manager, guardian and/or by anyone deriving rights from him, according to the terms under which I/we held the shares of the Company immediately prior to the signing of this Share Transfer Deed, and I/we the Transferee(s) agree to accept the shares into my/our possession under these terms.

In witness whereof we have hereunto set our hands this ____ day of _____ year _____

Signature of Transferor _____

Signature of Transferee _____

- 16.5. Every share transfer deed shall be submitted to the registered office of the Company or to any other place as determined by the Board of Directors, for registration, together with the Share Certificates to be transferred, if such have been issued, and all other proofs as may be required by the Board of Directors or by anyone authorized by the Board of Directors regarding the ownership right of the transferor or his right to transfer the shares. A transfer deed that is registered shall remain with the Company, but any transfer deed that the Board of Directors, or anyone authorized by the Board of Directors, refused to register, shall be returned to the person who submitted it, upon his request.
- 16.6. The Company may close the Register of Shareholders for such period as shall be determined by the Board of Directors, provided that it shall not exceed, in total, thirty (30) days in any year. While the Register is closed, no transfer of shares shall be registered in the Register. Without derogating from the above, while the Register is closed, the Board of Directors may determine a record date so that the Company may determine which of the Shareholders is entitled to notice or entitled to vote at a general meeting, or to receive payment of a dividend or allocation of any rights or for any other lawful purpose.
- 16.7. The Company shall be entitled to collect a fee for the registration of the transfer, in an amount to be determined by the Board of Directors, from time to time, and which shall be reasonable, considering the circumstances of the matter.
- 16.8. The Company may destroy Share Transfer Deeds after the lapse of seven (7) years from the date of registration in the Register of Shareholders. Likewise, the Company may destroy Share Certificates that have been canceled, after the lapse of seven years from the date of their cancellation, and there shall be a presumption that all transfer deeds and certificates so destroyed were fully valid and that the transfers, cancellations, and registrations, as the case may be, were lawfully made.
17. **Endorsement of Shares**
- 17.1. The guardians and estate managers of a sole Shareholder who has died, or, where there are no estate managers or guardians, the heirs of the sole Shareholder who has died, shall be the only persons whom the Company shall recognize as having rights in a share that was registered in the name of the deceased.
- 17.2. Any person who becomes entitled to shares by reason of the death of a Shareholder shall be entitled, after presenting to the Company evidence satisfactory, at its discretion, that he is entitled to the shares of the deceased Shareholder, to be registered as a Shareholder in respect of those shares, or may, subject to the provisions of these Articles, transfer those shares.
- 17.3. If a share is registered in the names of two or more owners, the Company shall recognize only the surviving partner or surviving partners as the persons entitled to the share or any benefit therein, and this shall not relieve the estate of a joint owner of a share from any liability in respect of the share he held jointly. If a share is

registered in the names of several joint owners as stated, each of them shall be entitled to transfer his right.

- 17.4. The Company may recognize a receiver or trustee of a Shareholder that is a corporation in liquidation or insolvency proceedings, or a trustee or any receiver of a Shareholder in insolvency proceedings, as the persons entitled to the shares registered in the name of such Shareholder. The receiver or trustee of a Shareholder that is a corporation in liquidation or insolvency proceedings, or the trustee or any receiver of a Shareholder in insolvency proceedings, may, after providing such evidence as may be required by the Board of Directors, evidencing that he is entitled to the shares of the Shareholder in liquidation or insolvency proceedings, be registered as a Shareholder in respect of those shares, or may, subject to the provisions of these Articles, transfer those shares.
- 17.5. Subject to the provisions of any Law and the provisions of these Articles, if it is proven to the Company to the satisfaction of the Board of Directors and in the manner determined by it, that the conditions prescribed by Law for the endorsement of the right in shares registered in the Register of Shareholders in the name of a Registered Shareholder have been fulfilled, the Company shall recognize the endorsee, and him alone, as the person entitled to the said shares. The person entitled to a share as stated shall be entitled to other dividends paid in respect of the shares as if he were the registered owner of the share, but before being registered as a Shareholder in respect of that share, he shall not be entitled by virtue of that share to any right of a Shareholder regarding meetings of the Company.
- 17.6. Subject to the provisions of any Law and the provisions of these Articles, the Company shall change the registration of ownership in shares in the Register of Shareholders if a court order for correction of the Register is delivered to the Company or if it is proven to the Company, to the satisfaction of the Board of Directors and in the manner determined by it, that the conditions prescribed by Law for the endorsement of the right in shares have been fulfilled, and the Company shall not recognize any right of a person in shares, before his right has been proven, as stated above.
- 17.7. Subject to the provisions of any Law and the provisions of these Articles, a person who becomes entitled to a share as stated in Section 17.5 above, shall be entitled to effect a transfer of the shares as the registered owner himself would have been entitled to do before the endorsement of the right. The Board of Directors may refuse to effect the transfer or delay it, as it would have been entitled to do had the registered owner himself transferred the share before the endorsement of the right.
- 17.8. Notwithstanding the above, the Board of Directors may, at any time, require the person entitled to a share as stated in Section 17.5 above, to register himself in the register or to transfer the share to another. If the said requirement is not fulfilled within sixty (60) days from the date of its delivery, the Board of Directors may withhold dividends or other rights in respect of the share, until the requirement is fulfilled.

If such a requirement is presented, it shall be deemed as the approval of the Board of Directors to register the person entitled to the share as its owner in the Register of Shareholders, however, the right of the Board of Directors to refuse to approve the transfer of the share to another in accordance with the provisions of Section 17.7 above shall be preserved.

General Meetings

18. The powers of the general meeting shall be as detailed in the Companies Law and in these Articles.
19. Annual general meetings of the shareholders shall be called “**Annual Meetings**” and all other general meetings of the shareholders of the Company shall be called “**Special Meetings**”.
20. The provisions set forth in these Articles regarding General Meetings shall apply, with the necessary changes, to Class Meetings.
21. The Company shall hold an Annual Meeting every year and no later than fifteen (15) months after the last Annual Meeting, at such time and place as shall be determined by the Board of Directors.
22. **Notices of Meeting**
 - 22.1. The Board of Directors shall convene a Special Meeting by its decision, as well as according to the provisions of the Law.
 - 22.2. The agenda at a general meeting shall be determined by the Board of Directors, according to the provisions of the Law and may also include a matter as stated in Section 22.3 below.
 - 22.3. A Shareholder, one or more, holding at least one percent (1%) of the voting rights at the general meeting, may request the Board of Directors to include a matter on the agenda of a future general meeting, provided that the matter is appropriate to be discussed at a general meeting, subject to the provisions of the Companies Law. Such request shall be submitted to the Company in accordance with the provisions of the Companies Law, and shall be accompanied by the text of the resolution proposed by the Shareholder, unless otherwise determined by any Law. The request shall include:
 - 22.3.1. His name, business address, telephone and facsimile number or email address of the Shareholder, and, in the case that the Shareholder is a corporation, the names of the persons controlling and managing the corporation;
 - 22.3.2. The number of Ordinary Shares held by the Shareholder, directly or indirectly, and if some of the said Ordinary Shares are held indirectly, an explanation of the manner of their holding and by whom they are held, and if the Shareholder is not the Registered Shareholder of such Ordinary Shares, a certificate signed by the Registered Shareholder or by a bank, member of the Exchange, nominee company or other authorized

- representative, as the case may be, stating the number of Ordinary Shares the Shareholder is entitled to vote in respect of as of a date not more than 10 days prior to the date of receipt of the request by the Company;
- 22.3.3. All agreements, arrangements, understandings or relationships between the Shareholder and any other person in relation to any securities of the Company or to the subject of the request;
- 22.3.4. The reason for which the Shareholder is submitting the request;
- 22.3.5. A written declaration signed by the Shareholder detailing whether he has a personal interest in the proposal, and if so, a description to be provided with reasonable detail, of such personal interest;
- 22.3.6. Insofar as the proposal is for the appointment of a candidate to the Board of Directors of the Company by the Annual Meeting, the proposal shall also include: (1) a declaration signed by the candidate together with the candidate's curriculum vitae and any additional information required in accordance with the Companies Law; (2) a representation by the candidate, whether he meets the criteria regarding an Independent Director and/or External Director in accordance with the provisions of any Law, insofar as he is a suitable candidate for these positions, and whether he has professional competence and/or accounting and financial expertise, and if he does not meet them, an explanation as to why not, as well as any document required to be provided in order to prove that he fulfills the above; (3) details of any relationship and understandings between the Shareholder and the candidate; (4) a declaration signed by the candidate that he agrees that his name will be mentioned in the Company's notices and in the notice of the convening of the general meeting, insofar as they are sent or published, and if appointed, his consent to serve as a Director in the Company; and (5) any other information required at the time of submitting the application pursuant to any applicable Law. In addition, the Shareholder shall provide the Company, without delay, any other information that the Company shall reasonably require. The Company shall be entitled to publish any information submitted to it by the Shareholder in accordance with this Article, and the Shareholder shall bear responsibility for the accuracy of the information.
- 22.4. Notice of a general meeting shall be delivered to the Shareholders as required by Law, and the publication of the notice shall be made in accordance with the provisions of the Companies Law and the Securities Law and their regulations regarding the publication of a notice of the convening of a general meeting in a public company.
- 22.5. The notice of a general meeting shall specify the place, date, and time at which the general meeting will convene, and it shall include the agenda as well as a summary of the proposed resolutions and any other details required by Law.

- 22.6. In its decision regarding the convening of a general meeting, the Board of Directors may determine the manner of detailing the matters on the agenda of the meeting, which shall be delivered to the Shareholders entitled to participate in the meeting, all at the discretion of the Board of Directors and subject to the provisions of the Law.
- 22.7. Without derogating from the powers of the Board of Directors as stated in this Article 22 and without derogating from the generality of the provisions of these Articles and/or the Law regarding the transfer of powers by the Board of Directors, the Board of Directors shall be entitled to transfer its powers as stated in this Article 22, to a Board committee and/or to an office holder in the Company, whether for a specific general meeting or for a period.
23. Subject to the provisions of the Law, a defect in the convening of the general meeting or in its conduct, including a defect arising from the non-fulfillment of a provision or condition set forth in the Law or in these Articles, including regarding the manner of convening the general meeting or its conduct, shall not invalidate a resolution adopted at the general meeting and shall not impair the discussions held therein.
24. **Discussions at the General Meetings**
- 24.1. No discussion shall be opened at the general meeting unless a legal quorum is present. A legal quorum shall be constituted when there are present, in person or by proxy or by means of a voting instrument or in any other manner permitted by Law, two or more Shareholders holding at least twenty-five percent (25%) of the voting rights in the Company, within half an hour from the time set for the opening of the meeting.
- 24.2. If after half an hour from the time set for the meeting a legal quorum is not present, it shall be adjourned to the same day in the following week, at the same time and at the same place, or to a later or earlier date, if specified in the original notice of the meeting (“**Adjourned Meeting**”). If at the Adjourned Meeting a legal quorum is not present after half an hour from the time set for the meeting, then the meeting shall be held with any number of participants whatsoever.
- 24.3. At an Adjourned Meeting, one Shareholder shall constitute a legal quorum for the opening of the meeting, regardless of the extent of his holdings in the shares of the Company.
- 24.4. The Chairman of the Board of Directors, or one appointed for this purpose by the Board of Directors, shall preside at the general meeting of the Company. In the absence of a Chairman of the Board of Directors or a person so appointed by the Board of Directors, or if at any meeting none of them is present, or if they refuse to serve as Chairman of the meeting, the Shareholders present at the meeting, in person or by proxy, shall choose one of the Shareholders or the proxy of a Shareholder, who is present at the meeting, to preside at the meeting. The Chairman of the meeting shall not have an additional or casting vote.

- 24.5. A general meeting with a legal quorum may decide to adjourn the meeting, the discussion, or the adoption of a resolution on a matter specified on the agenda, to another date and to a place to be determined. At an Adjourned Meeting, only a matter that was on the agenda and for which no resolution was adopted may be discussed.
- 24.6. The Company shall prepare minutes of the proceedings at the general meeting, which shall include the following details:
 - 24.6.1. The names of the Shareholders participating in the general meeting and the number of shares held by them;
 - 24.6.2. The matters discussed at the general meeting and the resolutions adopted.
- 24.7. Minutes signed by the Chairman of the General Meeting shall serve as prima facie evidence of the contents thereof.

25. **Voting and Adoption of Resolutions at the General Meetings**

- 25.1. A Shareholder wishing to vote at the general meeting shall prove to the Company his ownership of the share, as required by the provisions of the Law. Without derogating from the above, the Board of Directors may determine provisions and procedures regarding proof of ownership of shares in the Company.
- 25.2. A minor Shareholder, as well as a Shareholder whom a competent court has declared legally incapacitated, may vote only through a trustee or legal guardian.
- 25.3. A Shareholder may vote at a general meeting or at a Class Meeting, in person, by proxy, by means of a voting instrument, or in any other manner permitted by Law, provided that at least seventy-two (72) hours before the time of the meeting, confirmation of his ownership of his shares is received at the offices of the Company; all in accordance with the provisions of these Articles and subject to the provisions of any Law.
- 25.4. The voting instrument need not specify that the vote regarding each candidate for the office of Director shall be conducted separately.
- 25.5. Subject to the provisions of any Law, in the case of joint owners of a share, each of them may vote at any meeting, in respect of such share, as if he were the sole entitled party thereto. If more than one of the joint owners of a share participates in the meeting, the vote of the one whose name appears first in the Register of Shareholders in respect of the share, or in the confirmation of his ownership of the share, or in another document to be determined by the Board of Directors for this purpose, shall be accepted. Several guardians or several executors of the estate of a deceased Registered Shareholder shall, for the purposes of this Article, be regarded as joint owners of such shares.
- 25.6. Any person entitled to a share pursuant to Article 17 above, may vote by virtue thereof at any general meeting in the same manner as if he were the Registered Shareholder of such shares, provided that he proves, to the satisfaction of the Board of Directors, his right to the share at least seventy-two (72) hours before the time of

the general meeting or the Adjourned Meeting, as the case may be, at which he intends to vote.

- 25.7. Each of the ordinary shares of the Company entitles its holder to participate in the general meeting of the Company and to one vote in the voting.
- 25.8. A resolution to be voted on at a general meeting shall be decided by a count of the votes cast; the counting of votes shall be conducted in a manner to be determined for this purpose by the Chairman of the meeting. In the event of a dispute as to whether to accept or disqualify any vote, the Chairman of the meeting shall decide the matter, and his decision, made in good faith, shall be final and conclusive.
- 25.9. The declaration of the Chairman of the meeting that a resolution at the general meeting has been adopted or rejected, whether unanimously or by any majority, and a note recorded in this regard in the minutes of the meeting, shall serve as prima facie evidence of the contents thereof, and it shall not be necessary to prove the number of votes (or their relative portion) cast for or against a proposed resolution.
- 25.10. Subject to the provisions of the Companies Law and the provisions of these Articles regarding another majority, resolutions of the general meeting shall be adopted by an Ordinary Majority. In the event that the number of votes for and against is equal, the Chairman of the meeting shall not have an additional or casting vote. If the votes are tied, the proposed resolution on which the Shareholders voted shall be deemed rejected.
- 25.11. The Board of Directors of the Company may from time to time determine the matters in respect of which it will be possible to vote by means of a voting instrument. Unless the Board of Directors determines otherwise, it shall be possible to vote by means of a voting instrument on all resolutions of the general meeting, subject to the provisions of the Companies Law and its regulations.

26. **Appointment of a Proxy for Voting**

- 26.1. A Shareholder may appoint a proxy to participate in the meeting and to vote in his place. A proxy for voting need not be a Shareholder in the Company.
- 26.2. The document appointing a proxy for voting (“**Letter of Appointment**”) shall be made in writing and signed by the appointer, and if the appointer is a corporation, the Letter of Appointment shall be made in writing and signed in a manner binding the corporation; the Board of Directors or a person authorized for this purpose by the Board of Directors may require that, prior to the convening of the meeting, written confirmation, to its satisfaction, regarding the authority of the signatories to bind the corporation, be delivered to the Company. The Board of Directors of the Company may also determine provisions and procedures in connection therewith.
- 26.3. The Letter of Appointment or a suitable copy thereof, to the satisfaction of the Board of Directors or whoever is authorized for this purpose by the Board of Directors, shall be deposited at the registered office of the Company or at another place, as shall be determined by the Board of Directors from time to time, generally

or in relation to a specific case, at least seventy-two (72) hours before the commencement of the meeting or the Adjourned Meeting, as the case may be, at which the proxy intends to vote on the basis of such Letter of Appointment. Notwithstanding the aforesaid, the Chairman of the meeting may, at his discretion, accept such Letter of Appointment even after the said time, if he deems it appropriate, at his discretion. If the Letter of Appointment is not received as stated in this Article, it shall have no validity at such meeting.

- 26.4. A proxy for voting shall be entitled to participate in the discussions at the general meeting and to be elected as Chairman of the meeting as the Shareholder appointing him would have been entitled, provided that it is not otherwise specified in the Letter of Appointment.
- 26.5. The Letter of Appointment appointing a proxy for voting shall be in the customary form in Israel or in any other form approved by the Board of Directors.
- 26.6. The Letter of Appointment shall specify the general meeting for which the Letter of Appointment is given. Notwithstanding the aforesaid, a Registered Shareholder may give a Letter of Appointment for a period, whether fixed or indefinite.
- 26.7. The Letter of Appointment shall specify the type and number of shares for which it is given. If the Letter of Appointment does not specify the number of shares for which it is given or specifies a number of shares greater than the number of shares registered in the name of the Shareholder or stated in the ownership certificate, as the case may be, the Letter of Appointment shall be deemed to have been given for all the shares of the Shareholder.
- 26.8. If the Letter of Appointment is given for a number of shares less than the number of shares registered in the name of the Shareholder or stated in the ownership certificate, as the case may be, the Shareholder shall be deemed to have refrained from being present at the vote in respect of the balance of his shares and the Letter of Appointment shall be valid for the number of shares specified therein.
- 26.9. Without derogating from the provisions of these Articles regarding the appointment of a proxy for voting, a Shareholder holding more than one share shall be entitled to appoint more than one proxy, subject to the following provisions:
 - 26.9.1. Each Letter of Appointment shall specify the type and number of shares for which it is given;
 - 26.9.2. If the total number of shares of any type specified in the Letters of Appointment given by one Shareholder exceeds the number of shares of that type registered in his name or stated in the ownership certificate, as the case may be, all the Letters of Appointment given by such Shareholder shall be void.
- 26.10. A vote in accordance with the provisions of the document appointing an attorney-in-fact shall be valid notwithstanding the death of the appointer, or the revocation of the Letter of Appointment or the transfer of the share in respect of which the vote

was cast as aforesaid, unless written notice of the death, revocation or transfer, as the case may be, was received at the office of the Company or by the Chairman of the General Meeting before the vote. Notwithstanding the aforesaid, the Chairman of the meeting may accept such notice at the commencement of the general meeting and act accordingly.

- 26.11. A Letter of Appointment shall also be valid for any Adjourned Meeting of a meeting to which the Letter of Appointment relates, provided that it is not otherwise specified in the Letter of Appointment.

The Board of Directors

27. The number of Directors in the Company shall not be less than three (3) and shall not exceed five (5) Directors (including the External Directors, as required by Law).
28. Without derogating from the provisions of Article 27 above, the Board of Directors may, by a resolution adopted by the Board of Directors, appoint up to two (2) additional Directors, so that the number of members of the Board of Directors shall not at any time exceed seven (7) Directors (including the External Directors, as required by Law).
29. The proposal of candidates for service as Directors shall be made prior to and within the framework of the Annual Meeting, where the Directors shall be appointed at the Annual Meeting and shall serve until the end of the next Annual Meeting and as long as an Annual Meeting has not been convened, unless their office is vacated earlier in accordance with the provisions of the Companies Law or these Articles. Directors whose term of office has ended may be reappointed. The aforesaid shall not apply in relation to External Directors, with respect to whom the provisions of the Companies Law and its regulations shall apply.
- 29.1. The vote at the Annual general meeting for the appointment of Directors shall be in accordance with the following provisions:
- 29.1.1. The vote shall be for each candidate for office separately;
- 29.1.2. Subject to any Law, the resolutions shall be adopted by an Ordinary Majority; in counting the votes of those participating in the vote, abstentions shall not be taken into account;
- 29.1.3. If the number of candidates for office as Directors exceeds the number of vacant positions for such office, the candidates who received the highest number of supporters at the general meeting shall be elected, without taking into account the votes of the opponents;
- 29.1.4. In the event that a decision is required between candidates who received an equal number of votes at the general meeting, and among these candidates is a Director standing for election for an additional term, he shall be deemed to have received the highest number of supporters in the vote at the general meeting, and if two candidates who so received the highest number of supporters in the vote stood for election for an additional term – the candidate who served for a longer period until the date of the meeting shall be elected from among them;

- 29.1.5. In the event that two candidates are Directors standing for a first election, or who have served for identical periods, and the difference between the number of supporting votes and the number of opposing votes is equal, the Board of Directors shall determine which of them shall be elected or how the election shall be conducted.
- 29.2. The proposal of a candidate for appointment as Director at the general meeting, including an External Director, shall be made with the approval of the Board of Directors and/or in accordance with Law.
- 29.3. Transitional provision – It is hereby clarified that the term of office of Directors, excluding External Directors, who were appointed prior to the approval of these Articles, shall expire at the end of the next Annual Meeting to be held after the approval of these Articles, and they may be reappointed.
30. The Board of Directors may, from time to time, by a resolution adopted by at least a majority of the Directors in the Company, appoint an additional Director or Directors to the Company, whether to fill the office of a Director whose office has been vacated for any reason whatsoever, whether as an additional Director or Directors, and also in any case where the number of members of the Board of Directors has fallen below the minimum number specified in Article 27 above, provided that the total number of Directors shall not exceed the maximum number of members of the Board of Directors specified in Article 27 above. A Director appointed as aforesaid shall end his term at the end of the Annual Meeting held after his appointment and may be reappointed.
31. The Annual Meeting or the Board of Directors, as the case may be, may determine that the term of office of a Director appointed by them, as the case may be, shall commence at a date later than the date of approval of his appointment.
32. Notwithstanding all the aforesaid, the general meeting may, at any time, by a resolution by an Ordinary Majority, remove from office any Director, except for an External Director, before the end of his term of office, provided that the Director is given a reasonable opportunity to present his position before the general meeting. The appointment of a Director in place of a Director who has been removed from office shall be made in accordance with Article 30 above.
33. The Board of Directors may remove from office a Director appointed by it pursuant to Article 30 above, before the end of his term of office, provided that the Director is given a reasonable opportunity to present his position before the Board of Directors. The Board of Directors may also appoint, in place of a Director so removed from office, another person as Director. A Director appointed as aforesaid shall serve in his position until the end of the Annual Meeting held after his appointment and may be reappointed.
34. If the office of a Director is vacated, the Board of Directors may continue to act in all matters as long as the number of Directors is not less than the minimum number of Directors specified in Article 27 above. If the number of Directors falls below this number, the Board of Directors shall not be entitled to act, except solely for the purpose of making a

decision on exceptional matters for which a decision cannot be delayed or for the purpose of appointing a Director in accordance with Article 30 above, but not for any other purpose.

35. A Director may resign by giving notice to the Board of Directors, the Chairman of the Board of Directors or to the registered office of the Company, subject to the provisions of the Companies Law, and the resignation shall take effect on the date the notice is delivered, unless a later date is specified in the notice. A Director shall state the reasons for his resignation.
36. Subject to the provisions of the Companies Law, the Company may pay the Directors remuneration for the performance of their duties as Directors and also reimbursement of reasonable expenses related to their participation in meetings of the Board of Directors and in the performance of their duties as Directors.
37. Alternate Director
 - 37.1. Subject to the provisions of Law, a Director may appoint an alternate (“**Alternate Director**”). Notwithstanding the aforesaid, no person who is not qualified to be appointed as a Director, as well as anyone serving as a Director in the Company or as an Alternate Director to a Director in the Company, shall be appointed or serve as an Alternate Director.
 - 37.2. The status of an Alternate Director shall be as that of the Director for whom he was appointed as an alternate, and he shall be entitled to be present at meetings of the Board of Directors and/or Board committees, to participate and vote therein, as the Director who appointed him would have been entitled to do.
 - 37.3. A Director who appointed an Alternate Director may, subject to the provisions of Law, revoke the appointment at any time. In addition, the office of an Alternate Director shall be vacated whenever the office of the Director who appointed him as Alternate Director is vacated in any manner whatsoever.
 - 37.4. Any appointment of an Alternate Director or cancellation of the appointment, as stated above, shall be made by written notice of the appointing Director, which shall be delivered to the Alternate Director and to the Company, and shall enter into effect immediately after delivery of the notice as stated, or at another date specified therein, whichever is later.
 - 37.5. Subject to the provisions of the Companies Law, the Company may pay an Alternate Director remuneration for his participation in meetings of the Board of Directors.
 - 37.6. The appointment of an Alternate Director does not derogate from the responsibility of the Director for whom he is acting as alternate, and such responsibility shall apply, taking into account the circumstances of the matter, including the circumstances of the appointment of the Alternate Director and the duration of his term.

External Directors

38. The election of External Directors to the Company, their number, their qualification requirements, their term of office and its termination, and their remuneration, shall be in accordance with the provisions of the Companies Law and the regulations enacted thereunder.

Powers and Duties of the Board of Directors

39. The Board of Directors shall have all the powers and authorities vested in it under these Articles, under the Companies Law, and under any Law. Without derogating from the generality of the foregoing, the Board of Directors of the Company may determine that a transaction of the Company with an office holder therein, or a transaction of the Company with another person in which an office holder of the Company has a personal interest, and which are not extraordinary transactions (but excluding transactions relating to the terms of office and employment of an office holder), shall be approved by the Audit Committee. Subject to any Law, such approval may be given by granting a general approval for a certain type of transactions.
40. A power of the Company not granted by Law or by these Articles to another organ, the Board of Directors may exercise.
41. The Board of Directors may decide that powers vested in the Chief Executive Officer shall be transferred to its authority, all with respect to a certain matter, or for a certain period of time.
42. Without derogating from the above, the Board of Directors may instruct the Chief Executive Officer how to act with respect to a certain matter. If the Chief Executive Officer does not comply with the instruction, the Board of Directors may exercise the power required to carry out the instruction in his stead.
43. If the Chief Executive Officer is unable to exercise his powers, the Board of Directors may exercise them in his stead.
44. Subject to the provisions of the Companies Law, the Board of Directors may delegate its powers to the Chief Executive Officer, to an office holder in the Company, to another person, or to committees of the Board of Directors. The delegation of the power of the Board of Directors may be for a certain matter or for a certain period of time and may be general, all at the discretion of the Board of Directors.

Chairman of the Board of Directors

45. The Board of Directors of the Company shall appoint one of the members of the Board of Directors to serve as Chairman of the Board of Directors (“**Chairman of the Board of Directors**”). In the event that the Chairman of the Board of Directors ceases to serve as a Director in the Company, for any reason whatsoever, his position as Chairman of the Board of Directors shall also immediately and automatically terminate. The general meeting shall be entitled to remove the Chairman of the Board of Directors from his position.
46. The Chairman of the Board of Directors shall preside over meetings of the Board of Directors and conduct them. If the Chairman of the Board of Directors is absent from a

meeting of the Board of Directors, the Directors present shall choose one of themselves as Chairman of the meeting.

Convening Meetings of the Board of Directors

47. Subject to the provisions of the Companies Law and these Articles, the Board of Directors may convene for the performance of its duties and postpone its meetings and regulate its actions and discussions, as it deems fit.
48. The Board of Directors shall convene for its meetings according to the needs of the Company and in accordance with the provisions of the Companies Law.
49. The Chairman of the Board of Directors may convene the Board of Directors at any time, and determine the place and time for holding a meeting of the Board of Directors.
50. Without derogating from the above, the Chairman of the Board of Directors shall be required to convene the Board of Directors upon the occurrence of one of the cases specified in the Companies Law.
51. Advance notice of the convening of the Board of Directors shall be given to all members of the Board of Directors, at least 48 hours before the time of the meeting. Notwithstanding the foregoing, the Board of Directors may, in urgent cases and with the consent of the majority of the Directors, convene a meeting without such notice.
52. The agenda of meetings of the Board of Directors (“**Agenda**”) shall be determined by the Chairman of the Board of Directors, and it shall include matters determined by the Chairman of the Board of Directors, matters for which the Chairman of the Board of Directors is required to convene a meeting of the Board of Directors in accordance with Article 50 above, and any matter that a Director or the Chief Executive Officer requested from the Chairman of the Board of Directors, at least 24 hours prior to the convening of a meeting of the Board of Directors, to include in the Agenda.
53. The notice of the convening of the Board of Directors shall specify the time of the meeting and the place where it will be convened, as well as a reasonable description of the matters to be discussed at the meeting, according to the Agenda of the meeting.
54. Notice of a meeting of the Board of Directors may be given orally, by telephone conversation, in writing (including by letter, facsimile, or by electronic mail), or by any other means of communication, according to the contact details of the Director provided in advance to the Company, unless the Director requested that the notice be delivered to him by another means.
55. The legal quorum for opening a meeting of the Board of Directors shall be a majority of the Directors serving at the time of the meeting. If half an hour has passed from the time set for the meeting of the Board of Directors and the legal quorum is not present, the meeting of the Board of Directors shall be postponed by twenty-four (24) hours exactly, at the same time and place, or to another time determined by the Chairman of the Board of Directors (which in any case shall not be less than twenty-four (24) hours).
56. In a vote of the Board of Directors, each Director shall have one vote. Decisions of the Board of Directors shall be adopted by a majority of the votes of the Directors present at the

meeting and voting therein, without taking into account abstaining votes. The Chairman of the Board of Directors, or the person chosen to conduct the meeting in his stead, shall not have an additional or casting vote. If the votes are tied, a proposed resolution on which the Directors voted shall be deemed rejected.

57. The Board of Directors may hold meetings by means of any means of communication, provided that all Directors participating can hear each other simultaneously. The Board of Directors may regulate the manner and ways of conducting a meeting by means of communication. The provisions of this chapter shall apply to such a meeting with the necessary changes according to the matter.
58. The Board of Directors may adopt resolutions in writing, even without actually convening, provided that all Directors entitled to participate in the discussion and vote on the matter brought for resolution have agreed thereto. The Directors may sign the resolutions also by facsimile and/or electronic mail. The provisions of this chapter shall apply to such a resolution, with the necessary changes, according to the matter. A resolution adopted pursuant to this Article shall be valid for all intents and purposes as if it had been adopted at a duly convened and conducted meeting of the Board of Directors.

Committees of the Board of Directors

59. Subject to the provisions of the Companies Law, the Board of Directors may, as it deems fit, establish committees of the Board of Directors.
60. The provisions of these Articles regarding the actions of the Board of Directors, including the convening of meetings of the Board of Directors, the manner of their conduct and voting therein, and the appointment of a chairman and the powers vested in him, shall apply, with the necessary changes, also to committees of the Board of Directors, unless replaced by provisions given by the Board of Directors in this regard, and all subject to the provisions of the Companies Law and these Articles.
61. The chairman of a committee of the Board of Directors, if one is appointed, shall not have an additional vote in votes of the committee.
62. A committee of the Board of Directors shall report to the Board of Directors on an ongoing basis regarding its decisions and recommendations. Decisions and recommendations of a committee of the Board of Directors that require the approval of the Board of Directors shall be brought to the attention of the Directors a reasonable time before the discussion in the Board of Directors.
63. Subject to the provisions of the Companies Law, a decision made or an act done by a committee of the Board of Directors pursuant to a power of the Board of Directors delegated to it, shall be as valid as a decision made or an act done by the Board of Directors, unless expressly determined otherwise by the Board of Directors, for a certain matter or with respect to a certain committee. The Board of Directors may from time to time expand, reduce, or cancel the delegation of powers to a committee of the Board of Directors, but the reduction or cancellation of such powers shall not affect the validity of a decision of a committee that the Company has acted upon with respect to another person who was not aware of its cancellation.

64. Subject to the provisions of the Companies Law, the legal quorum for opening a meeting of a committee of the Board of Directors shall be a majority of the members of the committee serving at the time of the meeting.
65. **Audit Committee**
- 65.1. The Board of Directors shall appoint from among its members an Audit Committee. The number of members of the Audit Committee and their qualifications shall comply with the requirements set forth for this matter in the Companies Law.
- 65.2. The duties of the Audit Committee shall be as set forth in the Companies Law, including any other duty imposed upon it by the Board of Directors.
- 65.3. Subject to the provisions of the Companies Law, the Audit Committee shall elect one of its members to serve as Chairman of the Audit Committee by an Ordinary Majority, by the members of the Audit Committee present at the meeting. The term of office of the Chairman of the Audit Committee shall be until the decision of the Audit Committee to terminate his term and appoint a Chairman of the Audit Committee in his place. However, it is clarified that a Chairman of the Audit Committee whose term has ended may be re-elected.
66. **Committee for the Examination of Financial Statements**
- 66.1. The Board of Directors shall appoint from among its members a committee for the examination of the financial statements of the Company, as defined in the Companies Regulations (Provisions and Conditions regarding the Procedure for Approval of Financial Statements), 5770-2010, as shall be from time to time and any Law that may replace them. The duties of the committee for the examination of financial statements shall be as set forth in the above regulations, including any other duty imposed upon it by the Board of Directors. Subject to the provisions of the Law, an Audit Committee that meets the conditions required by Law for the lawful existence of a committee for the examination of financial statements may also serve as a committee for the examination of financial statements.
67. **Compensation Committee**
- 67.1. The Board of Directors shall appoint from among its members a Compensation Committee. The number of members of the Compensation Committee and their qualifications shall comply with the requirements set forth for this matter in the Companies Law.
- 67.2. The duties of the Compensation Committee shall be as set forth in the Companies Law.

Protocols

68. The Company shall prepare minutes of the proceedings at meetings of the Board of Directors. The minutes shall include, inter alia, the names of the Directors participating and other attendees at each meeting of the Board of Directors, the main matters discussed at the meetings of the Board of Directors, and the resolutions adopted.

69. Each set of minutes shall be signed by the Chairman of the Board of Directors or by the Chairman of the meeting, as the case may be; minutes that have been approved and signed as aforesaid shall serve as prima facie evidence of the contents thereof.
70. The provisions of Articles 68 and 69 above shall also apply with respect to meetings of any committee of the Board of Directors, to a meeting held by means of communication, as stated in Article 57 above, and to the adoption of resolutions of the Board of Directors without convening, as stated in Article 58 above.

Chief Executive Officer

71. The Board of Directors shall appoint, from time to time, a Chief Executive Officer for the Company, and it may appoint more than one Chief Executive Officer (each of whom shall be referred to hereinafter as: the “**Chief Executive Officer**”). The Board of Directors may also dismiss the Chief Executive Officer or replace him at any time it deems appropriate.
72. The Chief Executive Officer is not required to be a Shareholder of the Company and is not required to be a Director.
73. The Chief Executive Officer shall be responsible for the ongoing management of the affairs of the Company, within the framework of the policy determined by the Board of Directors and subject to its supervision and instructions.
74. The Chief Executive Officer shall have all management and execution powers not conferred by Law or by these Articles or by virtue thereof, including by resolution of the Board of Directors, upon another organ of the Company, except for powers that shall be transferred from him to the Board of Directors, in accordance with the provisions of Articles 41 and 42 above (to the extent transferred).
75. Subject to the provisions of the Companies Law and the provisions of these Articles, the Board of Directors may, from time to time, delegate and grant to the Chief Executive Officer powers vested in the Board of Directors, as it shall deem fit, and it may grant such powers for such period, for such purposes, on such terms and with such limitations as the Board of Directors shall deem fit, and the Board of Directors may grant such powers, whether without waiving its powers in this regard or in place thereof or instead thereof, all or part thereof, and it may from time to time revoke, withdraw, and amend such powers, all or part thereof.
76. The Chief Executive Officer may, with the approval of the Board of Directors, delegate his powers, to another or others, subordinate to him; such approval may be given either as a general approval or for a specific matter.
77. office holders in the Company, except for Directors and the Chief Executive Officer, shall be appointed and dismissed by the Chief Executive Officer.
78. Without derogating from the provisions of the Companies Law and any Law, the Chief Executive Officer shall submit to the Board of Directors reports on matters, at times and to the extent, as shall be determined by the Board of Directors, whether by a specific resolution or within the framework of the procedures of the Board of Directors.

79. Subject to the provisions of any Law, the salary of the Chief Executive Officer may be paid by way of salary and/or agency fees and/or participation in profits and/or by the grant of securities and/or the right to acquire them and/or in any other manner.

Auditor

80. An Auditor or Auditors shall be appointed at each Annual Meeting, and shall serve in their position until the end of the next Annual Meeting thereafter.
81. Notwithstanding the aforesaid, the general meeting may appoint an Auditor or Auditors for a longer period, which shall not extend beyond the end of the third Annual Meeting following the one at which he or they were appointed, as the case may be.
82. If an Auditor is appointed for the Company, the Board of Directors shall determine his remuneration for the audit activity, at the discretion of the Board of Directors.
83. The remuneration of the Auditor for additional services to the Company that are not audit activity shall be determined by the Board of Directors, at its discretion.

Internal Auditor

84. The Board of Directors of the Company shall appoint an Internal Auditor for the Company, upon the recommendation of the Audit Committee.
85. The organizational supervisor of the Internal Auditor shall be the Chairman of the Board of Directors or the Chief Executive Officer, as determined by the Board of Directors. If the Board of Directors does not determine otherwise, the Chairman of the Board of Directors shall be the organizational supervisor of the Internal Auditor.
86. The Internal Auditor shall submit for the approval of the Board of Directors or for the approval of the Audit Committee, as determined by the Board of Directors, a proposal for an annual or periodic work plan, and the Board of Directors or the Audit Committee, as the case may be, shall approve it with such changes as they deem fit. So long as the Board of Directors does not determine otherwise, the work plan shall be submitted to the Board of Directors and approved by it.

Validity of Actions and Approval of Transactions that are not Extraordinary

87. Subject to the provisions of any Law, all actions taken by the Board of Directors or by a committee of the Board of Directors or by any person acting as a Director or as a member of a committee of the Board of Directors or by the Chief Executive Officer, as the case may be – shall be valid even if it is subsequently discovered that there was any defect in the appointment of the Board of Directors, the committee of the Board of Directors, the Director, the committee member, or the Chief Executive Officer, as the case may be, or that any of the said office holders was disqualified from serving in his position.
88. Subject to the provisions of the Companies Law, a general notice given to the Board of Directors by an office holder or a Controlling Shareholder of the Company, regarding his personal interest in a certain entity, detailing his personal interest, shall constitute disclosure by the office holder or the Controlling Shareholder to the Company, regarding his personal

interest as aforesaid, for the purpose of any engagement with such entity, in a transaction that is not extraordinary.

89. Subject to the provisions of the Companies Law and the regulations promulgated thereunder, a non-extraordinary transaction of the Company with an office holder therein or with a Controlling Shareholder therein, or a non-extraordinary transaction of the Company with another person in which an office holder in the Company or a Controlling Shareholder in the Company has a personal interest, except for a transaction relating to the terms of office and employment of office holders or of Controlling Shareholders in the Company and their relatives, shall be approved by the Audit Committee or as determined by it. The approval of the Audit Committee may be given by way of a general approval for a certain type of transactions or by approval of a specific transaction.
90. Extraordinary transactions with an office holder or Controlling Shareholder in the Company, or with another person in which the office holder or Controlling Shareholder has a personal interest in their approval, as well as transactions relating to the terms of office of office holders and to the terms of office of Controlling Shareholders and their relatives, shall be approved in the manner prescribed by Law.

Signing on behalf of the Company

91. Subject to the provisions of the Companies Law and the provisions of these Articles, the Board of Directors may authorize any person to act and sign on behalf of the Company, whether alone or together with another person, whether generally or for specific matters.
92. Unless otherwise determined by the Board of Directors, the signing of a document shall not bind the Company unless it is signed by those authorized to sign on behalf of the Company together with the Company's stamp or its printed name.

Appointment of Attorneys-in-Fact

93. Subject to the provisions of the Companies Law, the Board of Directors may at any time empower any person to be an attorney-in-fact of the Company, for such purposes and with such powers and discretion, for such period and subject to such conditions, all as the Board of Directors shall deem fit.
94. The Board of Directors may grant such person, inter alia, the power to transfer to another, in whole or in part, the powers, authorities, and discretion conferred upon him.

Exemption, Indemnification, and Insurance

95. Subject to the provisions of any Law, and subject to the provisions of Article 96 below, the Company may exempt in advance and retroactively an office holder therein, from his liability, in whole or in part, due to damage as a result of a breach of the duty of care towards it.
96. Notwithstanding the provisions of Article 95 above, the Company may not exempt in advance a Director from his liability towards it due to a breach of the duty of care in a distribution.

97. The Company may stipulate in the exemption letters that the exemption as stated in Article 95 above shall not apply to a resolution or transaction in which the Controlling Shareholder or any office holder in the Company has a personal interest (even if the personal interest is that of another office holder than the office holder to whom the exemption is granted).
98. Subject to the provisions of any Law, the Company may enter into a contract to insure the liability of an office holder therein, in whole or in part, due to liability, payment, or expense imposed on him or incurred by him as a result of an act performed by him by virtue of being an office holder therein, in any of the following:
 - 98.1. Breach of the duty of care towards the Company or towards another person, unless committed intentionally or recklessly;
 - 98.2. Breach of the duty of loyalty towards the Company, provided that the office holder acted in good faith and had reasonable grounds to assume that the act would not harm the interests of the Company;
 - 98.3. A financial liability imposed on him in favor of another person;
 - 98.4. Expenses, including reasonable litigation expenses, including attorney's fees, incurred by the office holder, in connection with an Administrative Enforcement Proceeding conducted in his matter;
 - 98.5. Payment to the Aggrieved Party as stated in Section 52(54)(a)(1)(a) of the Securities Law;
 - 98.6. Expenses incurred by the office holder in connection with proceedings under Chapters H3, H4, or I1 of the Securities Law, as amended from time to time, under Section D of Chapter Four of Part Nine of the Companies Law, and/or under Chapter G1 of the Economic Competition Law, 5748-1988, including reasonable litigation expenses, including attorney's fees;
 - 98.7. Any other event for which it is permitted and/or will be permitted to insure the liability of an office holder.
99. Subject to the provisions of any Law, the Company may indemnify an office holder therein, for liability, payment, or expense as detailed in Articles 99.1 to 99.7 below, imposed on the office holder or incurred by the office holder as a result of an act performed by him by virtue of being an office holder in the Company:
 - 99.1. A monetary liability imposed on him in favor of another person pursuant to a judgment, including a judgment given in compromise or an arbitral award approved by the court;
 - 99.2. Reasonable litigation expenses, including attorney's fees, incurred by an office holder due to an investigation or proceeding conducted against him by an authority authorized to conduct an investigation or proceeding, and which ended without the filing of an indictment against him and without a monetary liability being imposed on him as an alternative to criminal proceedings, or which ended without the filing of an indictment against him but with the imposition of a monetary liability as an alternative to criminal proceedings for an offense that does not require proof of

criminal intent or in connection with a monetary sanction; in this paragraph – **“conclusion of proceedings without the filing of an indictment in a matter in which a criminal investigation was opened”** and **“monetary liability as an alternative to criminal proceedings”** – as defined in Section 260(a)(1a) of the Companies Law.

- 99.3. Reasonable litigation expenses, including attorney’s fees, incurred by the office holder or imposed on him by the court, in proceedings brought against him by the Company or on its behalf or by another person, or in a criminal charge from which he was acquitted, or in a criminal charge in which he was convicted of an offense that does not require proof of criminal intent;
 - 99.4. Expenses, including reasonable litigation expenses, including attorney’s fees, incurred by the office holder in connection with an Administrative Enforcement Proceeding conducted in his matter;
 - 99.5. Payment to an Aggrieved Party as stated in Section 52(54)(a)(1)(a) of the Securities Law;
 - 99.6. Expenses incurred by the office holder in connection with proceedings under Chapters H3, H4, or I1 of the Securities Law, as amended from time to time, under Section D of Chapter Four of Part Nine of the Companies Law, and/or under Chapter G1 of the Economic Competition Law, 5748-1988, including reasonable litigation expenses, including attorney’s fees;
 - 99.7. Any other liability or expense imposed on him or incurred by him, due to an act performed by virtue of his being an office holder therein, for which it shall be possible at that time to indemnify in accordance with the provisions of any Law, including by way of advance indemnification.
100. The Company may, from time to time, and subject to the provisions of any Law:
- 100.1. Give an advance undertaking to indemnify an office holder therein, in any of the following:
 - (1) As detailed in Article 99.1 above, provided that the undertaking to indemnify shall be limited to events which, in the opinion of the Board of Directors, are foreseeable in light of the actual activities of the Company at the time the undertaking to indemnify is given, and also to an amount or criterion that the Board of Directors has determined to be reasonable under the circumstances, and that the undertaking to indemnify shall specify the events which, in the opinion of the Board of Directors, are foreseeable in light of the actual activities of the Company at the time the undertaking to indemnify is given, as well as the amount or criterion that the Board of Directors has determined to be reasonable under the circumstances.

The maximum indemnification amount that the Company shall pay to all office holders in aggregate, for a single case and in aggregate for all cases, under all indemnity letters issued or to be issued by the Company, for monetary liability

as detailed in Article 99.1 above, shall not exceed an amount equal to 25% of the Company's equity according to its most recent consolidated, audited or reviewed (as applicable) financial statements, as they shall be at the time of the occurrence of the indemnifiable event.

(2) As detailed in Articles 99.2 to 99.7 above.

- 100.2. To indemnify an office holder therein after the occurrence of the event subject to indemnification.
101. Subject to the provisions of the Companies Law and the provisions of any other Law, the Company may exempt from liability, insure and/or indemnify (whether indemnification retroactively or by way of giving an advance undertaking to indemnify) a person who has served, is serving, or will serve as an office holder and/or was, is, or will be employed on behalf of the Company in another company in which the Company holds securities, directly or indirectly, or in which the Company has any interest (the "**Other Company**"), due to liability, payment, or expense imposed on him or incurred by him due to an act performed by virtue of his being an office holder or employee in the Other Company, and for this purpose Articles 95 to 100 (inclusive) above shall apply with the necessary adjustments.
102. Subject to the provisions of any Law, the above provisions are not intended, and shall not be construed, to limit the Company in any way regarding its engagement in an insurance contract, exemption, or indemnification:
- (1) in connection with persons who are not office holders in the Company, including employees, contractors, or consultants of the Company who are not office holders therein, as well as office holders and employees on behalf of the Company in corporations in which the Company holds their securities;
 - (2) in connection with office holders in the Company – insofar as the insurance, exemption, or indemnification is not prohibited by any Law;
 - (3) and in connection with its agreement to indemnify retroactively any office holder.
103. The provisions of Articles 95 to 101 (inclusive) above shall also apply with respect to an Alternate Director.
104. It is clarified that the resolution of the general meeting to grant exemption and indemnification to office holders as may be from time to time shall also apply with respect to any office holder (including a Director) who shall be appointed to office in the Company by virtue of a resolution of the Board of Directors (including as stated in Articles 28 and 30 above).

Dividends, Funds, and Capitalization of Funds and Profits

105. The Board of Directors may, before deciding on the distribution of a dividend, as stated in Article 106 below, set aside from the profits any amounts, as it deems fit, to a general fund or a fund reserved for the distribution of dividends, for the distribution of bonus shares, or for any other purpose as determined by the Board of Directors at its discretion.

106. Until use is made of the said funds, the Board of Directors may invest the amounts set aside as aforesaid in any investment, as it deems fit, manage these investments, change them, or make other use thereof, and it may divide the reserved fund into special funds, and use any fund or part thereof for the business purposes of the Company, without holding it separately from the other assets of the Company, all at the discretion of the Board of Directors and under such conditions as it may determine.
107. A resolution of the Company on the distribution of a dividend and/or the allocation of bonus shares shall be adopted by the Board of Directors of the Company. The Board of Directors of the Company shall decide on the date for payment of the dividend, provided that such date shall be after the date of the resolution on the distribution of the dividend. The Board of Directors may withhold any dividend, benefit, rights, or amounts payable in respect of shares for which the Company has a payment demand and/or Lien and Charge and/or pledge, and use any such amount or realize any benefit or right and use the proceeds of realization for the discharge of the debts of the Shareholders in respect of whom the Company has a payment demand and/or Lien and Charge and/or pledge.
108. The Board of Directors may decide that the dividend shall be paid, in whole or in part, in cash or by way of distribution of assets in kind, including securities or in any other manner, at its discretion.
109. Subject to the provisions of the Companies Law, the Board of Directors may decide on the allocation of bonus shares, and convert into share capital part of the Company's profits, as defined in Section 302(b) of the Companies Law, from share premium or from any other source included in its equity, as stated in its most recent financial statements, in an amount to be determined by the Board of Directors and which shall not be less than the par value of the bonus shares. Bonus shares allocated pursuant to this Article shall be deemed fully paid.
110. The Board of Directors deciding on the allocation of bonus shares may decide that the Company shall transfer to a special fund, designated for the future distribution of bonus shares, such amount that its conversion into share capital will be sufficient to allocate to any person who at that time, for any reason, is entitled to purchase shares in the Company (including a right exercisable only at a later date), bonus shares which would have been due to him had he exercised the right to purchase the shares on the eve of the date determining the right to receive the bonus shares (in this Article: the "**Effective Date**"). If after the Effective Date the said right holder exercises his right to purchase the shares or part thereof, the Company shall allocate to him bonus shares, with a par value, which would have been due to him had he exercised, on the eve of the Effective Date, the right to purchase the shares he actually purchased.
111. The bonus shares shall entitle their holders to participate in the distribution of dividends from the date to be determined by the Board of Directors. For the purpose of determining the amount to be transferred to the said special fund, any amount transferred to this fund in respect of previous distributions of bonus shares shall be deemed to have already been capitalized and shares entitling the right holders to purchase shares, in bonus shares, have been allocated therefrom.

112. Subject to the provisions of these Articles, a dividend or bonus shares shall be distributed to the Shareholders in proportion to the par value of each share, without regard to any premium paid thereon.
113. A dividend or bonus shares shall be distributed to the Shareholders in proportion to the number of shares held by them.
114. For the purpose of implementing a resolution regarding the distribution of a dividend or the allocation of bonus shares, the Board of Directors may resolve, at its discretion, any difficulty that may arise in connection therewith, including dealing with fractional shares, and may make any arrangement or settlement as it deems necessary to enable the allocation or distribution, as the case may be.
115. A dividend or other rights of enjoyment in respect of shares shall not bear interest or any linkage differentials of any kind.
116. The Board of Directors may withhold any dividend or bonus shares or other rights of enjoyment in respect of a share for which the consideration determined for it, in whole or in part, has not been paid to the Company, and collect any such amount or consideration received from the sale of any such bonus shares or other right of enjoyment, on account of the debts or obligations in respect of the said share, whether the said share is owned exclusively by the Shareholder in debt or jointly with other Shareholders.
117. The Board of Directors may withhold any dividend or bonus shares or other rights of enjoyment in respect of a share regarding which a person is entitled to be registered as its owner in the Register or is entitled to transfer it, pursuant to Articles 17.6 or 17.7 above, as the case may be, until such person is registered as the owner of the share or until he transfers it lawfully, as the case may be.
118. The Board of Directors may determine, from time to time, the methods of payment of dividends or allocation of bonus shares or their transfer to those entitled thereto, as well as instructions, procedures, and arrangements in connection therewith, both with respect to Registered Shareholders and with respect to Unregistered Shareholders. Without derogating from the generality of the foregoing, the Board of Directors may determine as follows:
 - 118.1. Subject to the provisions of Sub-Article 117.2 below, a dividend or funds to be distributed to Registered Shareholders shall be paid to a Registered Shareholder, by sending a check by mail to his address, as registered in the Register of Shareholders. Any sending of such a check shall be at the risk of the Registered Shareholder; without derogating from the foregoing, the Board of Directors may determine that a dividend amount lower than a certain amount to be determined by the Board of Directors shall not be sent by check, as stated above, and the provisions of Sub-Article 117.2 below shall apply to it.
 - 118.2. The Board of Directors may determine that payment of a dividend or funds to be distributed to Registered Shareholders shall be made at the office or at any other place to be determined by the Board of Directors.

- 118.3. A dividend to be distributed to Unregistered Shareholders shall be transferred to the said Shareholders through the nominee company or in any other manner to be determined by the Board of Directors.
119. The Board of Directors may invest any dividend amount not claimed for one year after it was declared, or use it otherwise for the benefit of the Company until it is claimed. The Company shall not be required to pay interest or linkage for an unclaimed dividend.
120. A dividend or bonus shares shall be distributed to whoever is registered in the register of shareholders of the Company on the date to be determined in that resolution. Notwithstanding the foregoing, a dividend, the payment of which is not demanded within a period of seven (7) years from the date of the resolution on its distribution, shall be deemed to have been waived by the person entitled thereto, and it shall revert to the ownership of the Company.

Obtaining Credit and Providing Guarantees

121. Without derogating from any authority vested in the Board of Directors, the Board of Directors may, from time to time, at its discretion, decide on:
- 121.1. Obtaining credit by the Company in any amount and securing its repayment, in any manner it deems appropriate;
- 121.2. The credit facility that the Company may take and actions resulting therefrom;
- 121.3. Providing guarantees, securities, and sureties of any kind;
- 121.4. Issuing a series of bonds, including capital notes or debentures, and including bonds, capital notes, or debentures that are convertible or exercisable into shares, as well as determining their terms, and mortgaging the assets of the Company, in whole or in part, whether in the present or in the future, whether by floating charge or fixed charge. Bonds, capital notes, debentures, or other securities, as stated above, may be issued, whether at a discount, at a premium, or in any other manner, whether with deferred rights or with special rights and/or preferential rights and/or other rights, all as shall be determined by the Board of Directors, at its discretion.
122. The provisions of Article 120 above do not derogate from the authority of the Chief Executive Officer or anyone authorized by him to decide on obtaining credit by the Company and to provide undertakings and securities on its behalf, within the limits of the credit facility determined by the Board of Directors.

Company Documents

123. Shareholders shall have the right to inspect the Company's documents in accordance with the provisions of the Companies Law, subject to the conditions set for this.
124. Subject to the provisions of any Law, any book, register, or record that the Company is required to maintain, by Law or by these Articles, may be maintained by technical, mechanical, or other means, as decided by the Board of Directors.

Financial Statements

125. Subject to the provisions of the Law, the financial statements of the Company shall be approved by the Board of Directors and signed as required by Law.

Merger, Liquidation, and Reorganization of the Company

126. **Merger**

A merger requires approval as detailed in the Companies Law and/or any other Law.

127. **Liquidation**

127.1. If the Company is liquidated, whether voluntarily or otherwise, the trustee may, with the approval of the general meeting, distribute in kind among the Shareholders the assets of the Company or any part thereof, and may also deliver any such asset to a trustee for the benefit of the Shareholders, as the trustee deems appropriate.

127.2. Subject to special rights of shares, if shares have been issued with special rights, the shares of the Company shall have equal rights among them in relation to the amounts of capital paid or credited as paid on the nominal value of the shares, in all matters relating to the return of capital and participation in the distribution of the surplus assets of the Company upon liquidation.

128. **Reorganization of the Company**

128.1. Subject to the provisions of any Law, in the event of the sale of the Company's assets, the Board of Directors, or the trustees (in the case of liquidation), if authorized by a resolution to be adopted by the general meeting of the Company by Ordinary Majority, may receive fully or partially paid shares, bonds, or securities of another company, Israeli or foreign, whether incorporated or about to be incorporated for the purpose of purchasing the Company's assets, or part thereof, and the Directors (if the profits of the Company permit) or the trustees (in the case of liquidation), may distribute among the Shareholders the shares or securities mentioned above or any other property of the Company without realizing them, or may deposit them with trustees for the Shareholders.

128.2. The general meeting may, by a resolution to be adopted by Ordinary Majority, decide on the valuation of the securities or property mentioned above at such price and in such manner as the general meeting shall decide, and all Shareholders shall be required to accept any valuation or distribution so authorized as aforesaid and to waive their rights in this regard, except, in the event that the Company is about to be liquidated or is in the process of liquidation, for such legal rights (if any) which according to the provisions of the Law may not be altered or derogated from.

Notices

129. Giving notices or delivering documents to Shareholders as well as to the nominee company, pursuant to the provisions of the Law or pursuant to these Articles, shall be done in one of the ways mentioned below in this chapter.

130. Without derogating from the foregoing, the Company may deliver a notice or document to a Shareholder, by delivery by hand or by facsimile or by sending by mail or by electronic

mail; sending by mail shall be according to the address of the Shareholder, as registered in the register of shareholders of the Company, or if there is no such registered address, according to the address provided by him to the Company for the purpose of sending notices to him. A notice delivered by facsimile shall be sent to the Shareholder, according to the facsimile number provided by him to the Company. A notice delivered by electronic mail shall be sent to the Shareholder according to the electronic mail address provided by him to the Company.

131. A notice or document delivered to the hands of a Shareholder shall be deemed to have been delivered at the time of its delivery to his hands. A notice or document sent by mail shall be deemed to have been duly delivered if delivered for dispatch at a post office bearing the correct address and properly stamped. The delivery shall be deemed to have been made at the time when the letter would have been delivered in the ordinary course by the mail, and not more than two (2) days from the date on which the letter containing the said notice was delivered at the post office. A notice sent by facsimile or by electronic mail shall be deemed delivered twenty-four (24) hours after its dispatch.
132. Nothing in the foregoing shall impose on the Company an obligation to deliver a notice to a Shareholder who has not provided an address for delivery of notices.
133. Without derogating from the foregoing, the Company may deliver a notice to the Shareholders by publishing the notice once, in two daily newspapers published in Israel, in the Hebrew language, both in addition to and instead of delivering the notice as stated in Article 129 above. The date of publication in the newspaper shall be deemed the date on which the notice was received by the Shareholders.
134. The Company may notify of the delivery of a document at its registered office or at any other place determined by the Board of Directors or in any other manner, including via the internet.
135. To joint owners of a share, the Company may deliver a notice or document by sending it to the Shareholder whose name is mentioned first in the Register of Shareholders, with respect to that share.
136. Delivery of a notice or document to one of the family members residing with the person to whom they are intended shall be deemed delivery to that person.
137. Any person who has come into possession of a right to any share, by virtue of Law, by transfer or otherwise, shall be bound by any notice in respect of that share, duly delivered to the person from whom his right to that share was derived, before his details were registered in the Register.
138. Any document or notice delivered to a Shareholder in the Company in accordance with the provisions of these Articles shall be deemed to have been duly delivered notwithstanding the death, insolvency proceedings, or liquidation of such Shareholder or the transfer of the right in the shares, by law (whether or not the Company was aware thereof), so long as no other person has been registered in his place as the Shareholder, and such delivery or dispatch shall, for all purposes, be deemed sufficient with respect to any person interested in

such shares and/or entitled thereto by virtue of the transfer of the right, by law, whether together with such Shareholder or by virtue of him or in his place.

139. Subject to the provisions of any Law, a Shareholder, Director, or any other person entitled to receive notice under these Articles or under the Law, may waive receipt thereof, whether in advance or retroactively, whether for a specific case or generally, and upon doing so, it shall be deemed as if the notice was duly given, and any proceeding or action for which the notice should have been given shall be deemed valid and in force.
140. A written confirmation signed by a Director or by an office holder in the Company regarding the delivery of a document or the giving of a notice in any of the manners specified in these Articles shall be deemed conclusive evidence with respect to every detail included in such confirmation.
141. Whenever advance notice of a number of days is required to be given or a notice that is valid for a certain period, the day of delivery shall be included in the count of the number of days or the period, unless otherwise specified. If notice was given by more than one of the methods specified above, it shall be deemed to have been received at the earliest time at which it is considered delivered, as stated above.

Appendix D – Updated Compensation Policy

Keystone Infra Ltd. (the “Company”)
Compensation Policy for Office Holders

Update - April 2026

Part A – Purposes and Principles

1. Purposes of the Compensation Policy

- 1.1. The Compensation Policy is intended to promote the purposes of the Company, the business strategy of the Company and its policy from a long-term perspective and the realization of the Company’s objectives and its work plan.
- 1.2. Additionally, the purpose of the Compensation Policy is to enable the recruitment, retention, and motivation of the Office Holders of the Company, taking into account, inter alia, the risk management policy of the Company, while creating appropriate incentives for the Office Holders of the Company.
- 1.3. The Compensation Policy creates performance-based compensation, links the performance and contribution of the Office Holders to the achievement of the Company’s objectives, and creates appropriate incentives for the Office Holders of the Company to maximize the Company’s profits, all while maintaining an appropriate balance in the risk management of the Company.
- 1.4. The Compensation Policy was prepared, adapted, and formulated in accordance with the characteristics and nature of the Company’s activities.

2. Validity and Applicability of the Compensation Policy

- 2.1. The Compensation Policy of the Company applies to the Office Holders of the Company (as defined in the Companies Law, 5759-1999 (the “**Companies Law**”)), who serve or will serve from time to time in the Company and in private companies under its full control and ownership.

The Compensation Policy does not apply to senior officers (who are not Office Holders as stated) or to Office Holders in investee companies of the Company. However, insofar as Office Holders of the Company serve in the investee companies of the Company, are entitled to receive, or receive, compensation for their service in the investee companies, all such compensation shall be assigned and transferred (as the case may be) to the Company; except for reimbursement of expenses incurred by the Office Holder and ancillary terms of a personal nature (vehicle, mobile phone, holiday gift, participation in customary welfare activities, etc.), which shall remain with the Office Holder and shall not be transferred to the Company.

- 2.2. The Compensation Policy shall enter into effect retroactively on June 1, 2026 for a period of three (3) years.
- 2.3. The Compensation Committee shall examine from time to time the need to update or amend the Compensation Policy.

- 2.4. It is emphasized that nothing in this document shall constitute an agreement for the benefit of any third party, nor shall it create any right whatsoever for the Office Holders in the Company, and no Office Holder in the Company shall have a vested right, by virtue of the mere adoption of this Compensation Policy, to receive any of the compensation components detailed in the Compensation Policy.
- 2.5. The specific compensation components of each Office Holder in the Company and their terms have been or will be determined within the framework of the individual arrangements agreed or to be agreed between the Company and the Office Holder in connection with the terms of service and employment of the Office Holder. Nothing in the Compensation Policy shall derogate from the provisions of existing agreements or prior understandings or compensation that was approved prior to the approval of the Compensation Policy.
- 2.6. Approval of employment terms and changes in the compensation plans of the Office Holders within the framework of the policy shall be discussed and approved by the competent organs of the Company in accordance with the provisions of the Compensation Policy and subject to the provisions of the law.

Part B – Total Compensation

3. Considerations in Determining the Compensation of the Office Holders

In examining the proposed total compensation terms for an Office Holder, including the fixed compensation (i.e., base salary, including social benefits) (the “**Fixed Compensation**”) and the variable compensation (annual bonus, special bonus, and equity compensation), the following matters, inter alia, shall be examined by the relevant organs in the Company, all taking into account the financial condition of the Company and the scope of its activities as they shall be at that time:

- a. The education, skills, expertise, professional experience, and achievements of the Office Holder, including the Office Holder’s familiarity with the Company and with the market in which the Company operates;
- b. The position of the Office Holder and his/her areas of responsibility;
- c. The scope of employment of the Office Holder;
- d. Previous salary agreements signed with him (if any were signed);
- e. The personal actions of each Office Holder, the degree of his investment and contribution to the success of the Company and its activities;
- f. Special challenges of importance to the Company with which the Office Holder has dealt;
- g. Examination of the ratio between the employment terms of the Office Holder and the salary of the other employees of the Company, including additional Office Holders in the Company at identical or similar management levels (if any), and in particular the ratio between the compensation proposed for that Office Holder and the average salary and the median salary of the other employees of the Company and contractor employees

employed by the Company (if any), and the impact of the gaps between them on labor relations in the Company.

h. The composition of the total compensation proposed for the Office Holder.

4. **Components of the Total Compensation**

The total compensation of the Office Holders shall be composed of several components (all or some), as detailed below: fixed compensation and variable compensation; benefits in connection with termination of employment; as well as exemption, indemnification, and insurance arrangements as detailed in this policy.

It is clarified that the existence of this Compensation Policy does not indicate the entitlement of any of the Office Holders in the Company to receive any of the total compensation components detailed below; and that in the event that an Office Holder receives compensation that does not include some of the compensation components detailed in this Compensation Policy, this shall not be considered a deviation or departure from the Compensation Policy of the Company.

5. **The Ratio Between the Variable and Fixed Components in the Compensation Package of the Office Holder**

In order to create a balanced total compensation package, the portion of the variable compensation components shall not exceed 65% of the total compensation package for an Office Holder.

Part C – Fixed Compensation Component

6. **Base Salary**

6.1. The ceiling for the gross base salary of the Office Holders in the Company, for a 100% position, shall be as detailed below (the amounts detailed below shall be linked to the increase in the Consumer Price Index known at the time of approval of the Compensation Policy):

6.1.1. Active Chairman of the Board of Directors of the Company – up to the amount of NIS 2,040 thousand per year.¹

6.1.2. CEO of the Company – up to the amount of NIS 2,340 thousand per year.²

6.1.3. Other Office Holders – up to the amount of NIS 1,600 thousand per year.

6.2. The organs of the Company shall be entitled to update from time to time the salaries of the Office Holders in accordance with the principles detailed in this policy, and

¹ It is noted that as of the date of approval of this Compensation Policy, the Chairman of the Company provides services through a management company, such that the estimated cap of the monthly management fees in respect of the base salary, including social benefits derived from these caps, amounts to approximately NIS 213 thousand per month and approximately NIS 2.56 million per year, for a 100% position.

² It is noted that as of the date of approval of this Compensation Policy, the CEO of the Company may provide his services through a management company, such that the estimated cap of the monthly management fees in respect of the base salary, including social and ancillary benefits derived from these caps, amounts to approximately NIS 280 thousand per month and approximately NIS 3.4 million per year, for a 100% position.

the salaries of the Office Holders may also be linked to the increase in the Consumer Price Index.

- 6.3. Due to the nature of the Office Holders' positions, the Hours of Work and Rest Law, 5711-1951, shall not apply to the Office Holders and they shall not be entitled to additional compensation for overtime work or during the weekly rest period.
- 6.4. A deviation of up to 10% from the ceilings set forth above, including due to a non-material change in the employment terms of the Office Holders, shall not be considered a deviation or departure from the provisions of the Compensation Policy.

7. **Ancillary Terms and Benefits**

Below is a list of the ancillary terms and benefits which (all or some) may be part of the compensation for the Office Holders:

- 7.1. Social benefits, such as: contributions to a pension fund/manager's insurance, contributions to severance pay, loss of working capacity, study fund, vacation days and redemption of vacation days, sick pay, convalescence pay, etc.
- 7.2. Additional ancillary terms and benefits, such as: vehicle and bearing the costs of its maintenance (such as fuel, insurance, maintenance, fees, toll road and fast lane travel fees, etc.) (and the Office Holder may choose to waive the provision of the vehicle for his use and receive an addition to the fixed salary in lieu of the provision and maintenance of the vehicle for his use), travel expenses, membership fees to professional organizations (if relevant), tuition reimbursement, newspapers, professional training and conferences, participation in meals, mobile phone, internet and other communication expenses, holiday gift, participation in customary welfare activities of the Company, etc. The grossing up of the value of the above benefits, in whole or in part, as required by law, shall be at the discretion of the management of the Company.
- 7.3. Expense reimbursement – the Office Holder shall be entitled to reimbursement of business expenses incurred during his work (such as flight expenses, transportation, accommodation, per diem, etc.), in accordance with the Company's procedures, as they shall be from time to time.
- 7.4. Exemption, indemnification, and insurance – for details see Part F of the policy.

8. **Advance Notice**

- 8.1. In the event of termination of employment (except in the event of termination of employment by the Company in circumstances granting, by law, the right to dismiss an employee without severance pay), the Office Holder shall be entitled to an advance notice period as shall be determined in the employment agreement (or management agreement, as the case may be) between the Company and the Office Holder, and in any event, the advance notice period shall not exceed a period of twelve (12) months.
- 8.2. The advance notice period shall be counted as part of the Office Holder's period of employment for all intents and purposes (including for the purpose of entitlement to

the various compensation components, including ancillary terms, annual bonus, and vesting of equity compensation).

- 8.3. During the advance notice period, the Office Holder shall be required to continue to fulfill his position, unless the Company decides to release him from this obligation, without prejudice to the Office Holder's rights to receive compensation (including by way of redemption) in accordance with his agreement during the advance notice period.

9. **Termination of Employment**

- 9.1. In the event of termination of employment (except in the event of termination of employment by the Company in circumstances granting, by law, the right to dismiss an employee without severance pay), the Office Holder shall be entitled to severance pay. The Company shall be entitled to determine the severance pay in accordance with Section 12 or Section 14 of the Severance Pay Law, 5723-1963.
- 9.2. In the event of termination of employment, the Office Holder shall be entitled to redeem the vacation days accrued to him (the redemption payment shall be made based on the base salary (gross) only, without ancillary terms).
- 9.3. **Termination of Employment of the Chairman of the Board of Directors and CEO Prior to the End of the Engagement Period** – Insofar as any of the Company (or its subsidiary, as the case may be) or the Chairman of the Board of Directors / the CEO (or a company under their control, as the case may be) (hereinafter in this Section: the “**Manager**”) (for this matter: “**Breaching Party**”) brings about the termination of the engagement as Chairman of the Board of Directors / as CEO prior to the end of the engagement period, not due to incapacity (such as, loss of work capacity or health condition of the Manager or a first-degree relative), the Breaching Party shall be obligated to pay compensation to the other party, as follows: (A) In the event that the Breaching Party is the Manager, the amount of compensation shall be equal to the gross salary³ in the last month prior to the end of the tenure, multiplied by the number of months remaining until the end of the engagement period, and the Manager shall not be entitled to an adaptation grant, and (B) In the event that the Breaching Party is the Company, the amount of compensation shall be equal to the sum of NIS 325,000 for the Chairman of the Board of Directors / the sum of NIS 425,000 for the CEO⁴, multiplied by the number of months remaining until the end of the engagement period.

In addition, upon termination of the engagement, the Manager shall be paid an adaptation grant in a one-time amount equal to the last monthly management fees for a period of six (6) months, as detailed in Section 9.4 below.

³ With respect to an engagement with a service provider, the gross monthly salary, for this purpose only, shall be calculated by deducting 40% from the monthly management fees.

⁴ The total maximum annual compensation, divided by 12. The amount is linked to increases in the Consumer Price Index, according to the last known index, where the base index is the index published on May 15, 2026.

The Company shall not be obligated to pay the compensation amount or adaptation grant in the event that the termination of the engagement is effected under circumstances which, according to law, do not entitle an employee to severance pay.

- 9.4. **Retirement/Adaptation Grant** – Office Holders may be entitled, subject to the approvals required by law, to a one-time retirement/adaptation grant in an amount not to exceed six months of monthly employment cost for Fixed Compensation. Retirement/adaptation grants shall be approved for an Office Holder provided that the departure of the Office Holder is not associated with circumstances justifying the denial of severance pay. Notwithstanding the foregoing, the total compensation for the period of Advance Notice during which the Office Holder did not actually work and for the retirement/adaptation grant, together, shall not exceed 12 months of monthly employment cost for Fixed Compensation.

Part D - Variable Compensation (Annual Bonus, Special Bonus and Equity Compensation)

10. **Bonuses**

- 10.1. The Company may grant the Office Holders an annual cash bonus, intended to reward and incentivize the Office Holder for achieving the Company's long-term objectives, and reflects the connection between the Office Holder's success in their position and the compensation.
- 10.2. The annual bonus is contingent upon meeting pre-determined targets as well as a discretionary component. The targets for the Office Holders shall be determined once a year by the Compensation Committee and the Board of Directors of the Company, which shall discuss annually the targets for which the Office Holder shall be entitled to variable compensation up to and no later than the date of approval of the financial statements for the preceding year.⁵

Considering the nature of the Company's activity and the significant impact that exogenous events may have on the Company's activity, the Compensation Committee and the Board of Directors of the Company shall be entitled to re-examine during the year the targets in light of implications arising from exogenous events that were not included at the time the targets were set, including, inter alia: (A) Changes in accounting standards and/or in their application and their impact on the financial results; (B) Changes in tax rates and/or in tax laws and/or in tax rulings applicable to the Company; (C) Changes in legislation and/or in regulation applicable to the Company and/or in its application and/or in regulatory or legal decisions applicable to the Company; (D) Exogenous events that led to a cessation and/or material reduction of activity; (E) Changes in the Company's ownership structure and/or in the scope and type of activities in the course of new acquisitions and/or realizations and/or other structural changes such as split, merger, distribution of dividend in kind, issuance, and the like; and to approve the necessary adjustments in the targets as a result.

⁵ Or at a later date, if required, for example in the case of commencement of tenure of an Office Holder during the year.

The determination of the targets for the Office Holders shall be based on measurable parameters, except for the discretionary component of the bonus, according to the work plan and the long-term strategy of the Company. The targets shall be divided into organizational targets (such as budget targets, capital/debt raising, cash flow targets, net profit, profit before tax, annual return on equity or on assets targets, NAV targets, FFO, EBITDA, dividend yield, receipts from investee companies, share yield, leverage ratios, yield to maturity, profitability and efficiency indices, execution of investments and realizations, capital gains (losses), and the like); and personal targets (such as expansion of activity, efficiency targets, transaction execution targets, financing raising targets, obtaining approvals, implementation and initiation of audit and control programs, and the like).

The number of targets for each Office Holder shall not exceed ten targets per year.

- 10.3. Notwithstanding the above, the Compensation Committee and the Board of Directors may determine an annual bonus for Office Holders subordinate to the CEO according to non-measurable criteria and taking into account the contribution of the Office Holder to the Company, in lieu of or in addition to the annual incentive, in an amount of up to three times the Fixed Compensation (or monthly management fees, as the case may be) of the Office Holder in a calendar year, provided that in any case, the ceiling of the annual bonus as stated shall not exceed the amount stated in Section 10.6 of the Policy.
- 10.4. A payment that shall be paid to an Office Holder for entitlement to variable compensation (annual bonus and special bonus), if paid, is not and shall not be considered part of the Fixed Compensation of the Office Holder and shall not serve as a basis for calculation, entitlement, or accrual of any right, including in the payment of vacation pay, severance pay, social contributions, and the like.
- 10.5. The Compensation Committee and the Board of Directors of the Company shall be entitled to approve partial variable compensation for an Office Holder who ceased to serve in their position in the Company, provided that the employment of the Office Holder did not come to an end under circumstances that would deny their right to severance pay according to law, or who began to serve in their position in the Company during a calendar year, according to the proportional part of the calendar year in which they served in their position, for which the variable compensation is granted.
- 10.6. Annual Bonus Ceiling – The annual bonus ceiling shall not exceed a total of nine times the monthly Fixed Compensation (or monthly management fees, as the case may be), of the Office Holder, for the month of December of the year for which the bonus is granted.
- 10.7. Repayment of Amounts – The Office Holder shall be obligated to repay the Company amounts paid to them as variable compensation, if it is found that the database used for calculating the variable compensation is erroneous and as a result it is required to restate the Company's financial statements. Such repayment shall not apply in the case of restatement of the financial statements resulting from changes in accounting

policy following changes in accounting standards or in reporting rules, which occurred after the date of publication of the financial statements for which the variable compensation was granted. The repayment of the above amounts shall be effected by offsetting from the bonus in the following year and the balance, if any, shall be settled in 12 equal monthly payments. In the event that the repayment amount is less than 20% of the variable compensation in that year, the Compensation Committee may determine that the Office Holder is not required to repay it. In the event that the Office Holder no longer serves as an Office Holder in the Company, the Office Holder shall be required to repay at the discretion of the Compensation Committee.

- 10.8. Reduction of Annual Bonus at the Discretion of the Board of Directors – The Board of Directors of the Company, after receiving the recommendation of the Compensation Committee, shall have the authority to reduce up to 100% of the variable compensation amount in relation to a certain year, taking into account the reasonableness of the variable compensation to which the Office Holder would have been entitled for meeting the targets in that year compared to the contribution of the Office Holder to their achievement and the business and financial condition of the Company.
- 10.9. Special Bonus in Special Circumstances for Office Holders Directly Subordinate to the CEO and the Special Bonus Ceiling – The Board of Directors may decide, after receiving the recommendation of the Compensation Committee and the CEO of the Company and subject to obtaining the approvals required by law, to grant a one-time bonus to an Office Holder subordinate to the CEO for an exceptional contribution to the Company or significant efforts by the Office Holder in the Company, including in a case where the annual bonus for that Office Holder for the past year does not, in the opinion of the members of the Compensation Committee and the Board of Directors of the Company, reflect the contribution of the Office Holder to the Company in that year and/or to grant a retention bonus to an existing Office Holder and/or to grant a signing bonus in the case of a new engagement with an Office Holder (hereinafter: “**Special Bonus**”). Such Special Bonus shall not exceed a multiple of six times the Fixed Compensation/monthly management fees, as the case may be, of the said Office Holder. In addition, a retention bonus and/or signing bonus as stated shall be conditional upon a minimum tenure of two years from the date of its approval, and if the actual tenure is shorter, its proportional part shall be returned. It is noted that the Special Bonus, if its grant is decided, is subject to the total ceiling of possible variable compensation together according to Sections 10.6 above and 11.2 below (i.e., the total variable compensation for Office Holders subordinate to the CEO in the relevant bonus year for the annual bonus, the Special Bonus, and the annual equity compensation, shall not exceed the total ceilings together, cumulatively, according to Sections 10.6 above and 11.2 below). It is also noted that the Special Bonus may be granted to an Office Holder also at a different time from the time of granting the annual bonus.

11. Equity Compensation

Part A – Compensation for Office Holders Employed by the Company

- 11.1. The Company shall be entitled to grant to the Office Holders employed by the Company (including those providing services through a management agreement) Equity Compensation based on shares, such as: restricted shares, restricted share units, options for ordinary shares, “phantom” shares (options that may be settled in cash), all in accordance with a long-term compensation plan to be formulated and adopted by the Company, subject to the provisions of the law, as shall be from time to time, and as an appropriate mechanism for the retention of human capital for the long term, for the creation of alignment of interests between the Office Holders and the shareholders, and for balancing between short-term considerations and long-term considerations. To the extent that restricted shares and/or restricted share units are allocated, their vesting shall be conditioned on targets to be determined by the Compensation Committee and the Board of Directors, except with respect to part of the allocation made through these components, namely: restricted shares and/or restricted share units, the value of which at the grant date for each vesting year does not exceed three months of the Fixed Compensation cost or 25% of its value at the grant date, whichever is higher.
- 11.2. Equity Compensation to Office Holders shall include, inter alia, the following conditions: the required period until full vesting of the Equity Compensation to be granted to an Office Holder shall not be less than a period of three years from the date of grant of the Equity Compensation; the exercise price shall be determined according to the average closing price of the Company’s share on the stock exchange during a period not less than 30 trading days and not more than 60 trading days prior to the date of approval of the grant by the Board of Directors of the Company, at the discretion of the Compensation Committee and the Board of Directors of the Company; the maximum fair value (at the date of approval of the grant by the Board of Directors of the Company) of the Equity Compensation, according to one of the accepted valuation methods, divided by the number of vesting years, shall not exceed a multiple of nine times the monthly Fixed Compensation or monthly management fees, as the case may be, of the Chairman of the Board of Directors and the CEO of the Company, and eight times the monthly Fixed Compensation/monthly management fees, as the case may be, of Office Holders subordinate to the CEO, according to a calculation to be made at the date of approval of the grant of the Equity Compensation by the Board of Directors of the Company. With respect to the position of Chairman of the Board of Directors and CEO of the Company, the annual Equity Compensation ceiling as stated, in the amount of nine times the monthly Fixed Compensation/monthly management fees, is subject to the annual bonus ceiling according to Section 10.6 above.⁶ It is clarified that this amount is not necessarily consistent with the expense amounts recorded in the financial statements according to the accounting rules customary in Israel.

⁶ That is, the total variable compensation of the Chairman of the Board and the CEO of the Company, each separately, in a relevant bonus year, in respect of both the annual bonus and the annual equity compensation together, shall not exceed the bonus cap specified in Section 10.6 of the Policy.

- 11.3. Options that were allocated and not exercised shall expire within a period not exceeding ten years from the date of approval of the grant by the Board of Directors. In addition, the Company shall be entitled to include in its Equity Compensation plans a cashless mechanism.
- 11.4. The entitlement of an Office Holder to share-based compensation upon termination of employment and upon a change of control in the Company, as well as acceleration of the exercise period, shall be in accordance with the definitions of the share-based compensation plans to be adopted by the Board of Directors of the Company from time to time and subject to all the required provisions according to any law. However, regarding acceleration of vesting, the Company shall be entitled to determine full acceleration of the Equity Compensation to an Office Holder only in the event of death, disability, medical reasons, as well as cessation of trading in the Company's shares. In addition, to the extent that the Company wishes to determine acceleration as a result of termination of employment or dismissal due to a change of control in the Company, acceleration shall be permitted for the portions that were supposed to vest during the 12 months following the termination of office.
- 11.5. Adjustments – the exercise prices of the securities and/or the quantity of the securities shall be subject to customary adjustments, including adjustments for dividend, bonus shares, changes in capital (consolidation, split, etc.), rights offering, structural change of the Company (such as: split, merger, etc.), and the like.

Part E – Directors' Compensation

12. Members of the Board of Directors who are not employed by the Company (including through a company) shall be entitled to annual compensation and participation compensation in the maximum amounts detailed in the Second Addendum and the Third Addendum to the Companies Regulations (Rules Regarding Compensation and Expenses to an External Director), 5760-2000 (hereinafter: the "**Compensation Regulations**") and in accordance with the capital grade of the Company (as defined in the Compensation Regulations), as shall be from time to time. Directors who are classified as an "Expert Director" (according to the definition of the term "Expert External Director" in the Compensation Regulations, with the necessary changes) shall be entitled to the "Expertise Supplement" set forth in Article 5A of the Compensation Regulations. In addition, such directors shall be entitled to reimbursement of expenses as detailed in the Compensation Regulations.
13. In addition, the directors shall be entitled to coverage under a directors' and officers' liability insurance policy as well as to an exemption letter or indemnification, as customary in the Company from time to time.

Part F – Exemption, Insurance and Indemnification

14. Subject to the provisions of the Companies Law and the Articles of Association of the Company and the approval of the competent organs in the Company, the Office Holders in the Company (including directors), serving or who shall serve in the Company from time to time (including those who shall be appointed by the Company to serve in the investee

companies held by it), shall be entitled to receive from the Company, in addition to the compensation package as stated in this Compensation Policy:

- 14.1. A letter of undertaking for indemnification in advance or retroactively for any liability or expense imposed on the Office Holder or incurred by him due to an act performed by virtue of being an Office Holder, as customary in the Company from time to time, provided that the total indemnification amount to be paid by the Company to all Office Holders in the aggregate, under all indemnification letters issued and to be issued to them by the Company pursuant to the indemnification resolution, shall not exceed an amount equal to 25% of the equity of the Company, attributable to the shareholders of the Company according to its latest consolidated, audited or reviewed, financial statements, as the case may be, which were published close to the actual payment date for the indemnification, adjusted to the rate of increase of the Consumer Price Index published by the Central Bureau of Statistics in relation to the index known at the date of the latest financial statements of the Company and up to the index known at the date of payment of any amount by virtue of the indemnification letters (and this without derogating from the entitlement of Office Holders to receive insurance compensation, including for the events specified in the indemnification letter insured by the insurance company, which the Company shall receive for the Office Holder from time to time, if received, within the framework of any directors' and officers' liability insurance of the Company and all under the conditions detailed in the indemnification letters).
- 14.2. Exemption, in advance and retroactively, from their liability, in whole or in part, for any damage of any kind caused or to be caused, directly or indirectly, to the Company due to breach of the duty of care towards it, to the maximum extent permitted by the provisions of any law and by virtue of their being Office Holders or employees in the Company or investee companies of the Company, as shall be from time to time.
- 14.3. The Office Holders in the Company shall be entitled, subject to the provisions of the Companies Law and the Articles of Association of the Company, to be included within the framework of a directors' and officers' liability insurance policy for their liability in connection with their position in the Company and in investee companies of the Company, including coverage of Office Holders' liability in a "Run Off" format for past activity, for an insurance period of up to seven years in circumstances where it is customary to purchase a Run Off policy, or any other insurance coverage that shall apply to the Office Holders in the Company, in accordance with the decisions of the competent organs of the Company; provided that the liability limit under the insurance policies as shall be arranged/renewed from time to time by the Company shall not exceed USD 25 million, per case and in the aggregate for the insurance period, plus reasonable legal defense expenses in Israel beyond the liability limit, and the engagement in the insurance policy is on market terms (the premium cost and the deductible amount shall be in accordance with the market terms at the time of arranging or renewing the policy, as the case may be), and is not likely to materially affect the profitability of the Company, its assets or its liabilities.

In addition, the directors and Office Holders in the Company who are appointed by the Company to serve in investee companies held by it shall be entitled to receive insurance coverage also within the framework of an officers' liability insurance of such investee company, to the extent that it enters into a directors' and officers' liability insurance policy.

Part G – Management Services

15. As long as between Sub N.K. Ltd. (the “**Subsidiary**”) and the Company there is a management agreement whereby the Subsidiary provides management services to the Company, then: (A) the Subsidiary shall be considered for all intents and purposes as an Office Holder in the Company, and the provisions of Chapter Two and Chapter Three of Part Six of the Companies Law or any similar provisions that may replace them shall apply to it; (B) the Subsidiary shall be entitled to all the compensation to which it is entitled by virtue of the management agreement, including insurance, indemnification and exemption arrangements in accordance with Section 14 of the Compensation Policy, and the provisions of the management agreement shall constitute an integral part of this Compensation Policy.

Part H – General Provisions

16. The terms of office of the Chairman of the Board of Directors of the Company and the CEO of the Company, as approved in the general meeting of the Company from time to time, constitute an integral part of this Compensation Policy.
17. Nothing in the Compensation Policy shall derogate from the terms of office determined for Office Holders in the Company prior to the entry into force of the Compensation Policy.
18. Nothing stated in the Compensation Policy shall confer any right whatsoever to the Office Holders in the Company, and the rights granted to them are according to their employment agreements, as shall be from time to time.
19. It is clarified that compensation lower than that specified in this policy shall not constitute a deviation from the Compensation Policy.
20. Engagement with an Office Holder in connection with the terms of his office and employment may be effected with a company wholly controlled by the Office Holder (with the necessary changes, for the purpose of maintaining an equivalent compensation cost), provided that: (A) the engagement shall include terms, to the satisfaction of the Compensation Committee, according to which the obligations and services to be provided to the Company shall be performed personally by the Office Holder; and (B) the amounts to be paid by the Company in such case shall be equal to the employer cost in the existence of employment relations (amounts of VAT to be paid by the Company in these cases shall not be taken into account for the purpose of examining the Company's compliance with the ceilings stated in the Compensation Policy).
21. The Company's engagement in employment agreements with Office Holders or any grant of compensation to Office Holders may be effected through the Company or through another corporation in which the Company holds shares, directly or indirectly.

22. Where the provisions of the law, as shall apply from time to time, allow for reliefs regarding the manner of compensation of Office Holders or regarding the manner of approval procedures for compensation of Office Holders, such provisions shall apply to the Compensation Policy of the Company subject to the approval of the Compensation Committee and the Board of Directors of the Company, and shall constitute part of this Compensation Policy.
23. The terms specified in the Compensation Policy shall be interpreted in accordance with the interpretation given to them in the Companies Law, 5759-1999, unless expressly stated otherwise.
24. A non-material change in the terms of office and employment of an Office Holder subordinate to the CEO of the Company shall not require approval of the Compensation Committee if approved by the CEO of the Company, within the limits set forth below, provided that the terms of office and employment of such Office Holder are consistent with the Compensation Policy.

For the purpose of this Section, “**non-material change**” means that the total changes in the terms of office and employment of the Office Holder subordinate to the CEO as stated shall not exceed (in real terms) 10% or 15% in the aggregate, in relation to the maximum annual cost of all the terms of office of the Office Holder as originally approved by the Compensation Committee.

Non-material changes, as defined above, in the terms of office and employment of the CEO of the Company as originally approved by the required organs, shall require prior approval of the Compensation Committee only, if it has approved that this is a non-material change in the terms of employment, provided that the terms of office and employment are consistent with the Compensation Policy.

25. This Compensation Policy is drafted in the masculine form for convenience only and is intended for both women and men.

Appendix E – Terms of Office of the Chairman of the Board of Directors

Within the framework of the Management Structure Change of the Company and the transaction, it is proposed to approve the Terms of Office of the Chairman of the Board of Directors, Mr. Aharon (Roni) Biram, by means of a Management Agreement between the Subsidiary or the Company and a company controlled by the Chairman of the Board of Directors of the Company, who is (indirectly) one of the Controlling Shareholders in the Company, for a period of three years commencing on June 1, 2026.

1. The Chairman of the Board of Directors is one of the founders of the Company and has served in his position as active Chairman of the Board of Directors since February 2019.
2. As of the date of this Report, Mr. Biram serves as Chairman of the Board of Directors of the Company at a scope of 40% position, where the management services are provided to the Management Company through Telfox Ltd. (a company which, to the best of the Company's knowledge, is owned, directly or indirectly, by Messrs. Gil Deutch and Aharon (Roni) Biram), in consideration for monthly management fees – for details see Article 21 in Part D – “Additional Details about the Corporation” in the Periodic Report for 2025 of the Company, which was published on March 24, 2026 (Reference No.: 2026-01-026078), (the “**Periodic Report for 2025**”) which is incorporated herein by reference.
3. The main proposed Terms of Office are detailed below:
 - 3.1. Engagement in a Management Agreement between the Subsidiary or the Company and Telfox Ltd., a company which, to the best of the Company's knowledge, is controlled by Mr. Aharon (Roni) Biram and Gil and Esther Deutch (hereinafter: “**Telfox**”), which will provide management services including the performance of all the duties of the Chairman of the Board of Directors of the Company, at a scope equivalent to 90% position. The management services will be provided personally and exclusively by Mr. Aharon (Roni) Naftali Biram. It is clarified that within the framework of the position, the Chairman may be appointed to additional positions in investee companies of the Company and for this he will not be entitled to any additional consideration, and to the extent that he is entitled to receive Compensation for his office in an investee company, all such Compensation will be assigned and transferred (as the case may be) to the Company.
 - 3.2. Fixed Compensation: Annual management fees in the amount of NIS 2,300,000 (approximately NIS 191,667 per month), plus VAT as required by law, linked to the increase in the Consumer Price Index (the “**Index**”), according to the last known index, where the base index is the index published on May 15, 2026. The management fees will not be reduced due to absence from work due to illness (up to 20 days in each calendar year) and due to vacation (25 days of management services for each calendar year).
 - 3.3. Annual Grant: Telfox will be entitled to an annual grant in an amount of up to NIS 1,600,000, plus VAT as required by law, linked to the increase in the Index according to the last known index, where the base index is the index published on May 15, 2026 (the “**Grant Cap**”), according to the rate of achievement of measurable targets only, and according to the weight of the target, where the calculation in relation to achievement of each target will be made separately, and the amount of the grant will be the cumulative

amount from the achievement of each of the targets (and in any case not more than the Grant Cap), all as detailed in the table below:

Target Weight	Description of Target	Entitlement Rate to Grant			
		50%	75%	100%	130%
50%	(Weighted) Return on Equity ⁽¹⁾	7.0%	8.5%	10.0%	11.5%
50%	Increase in NAV ⁽²⁾	5%	6.5%	8%	9.5%

⁽¹⁾ Weighted return on equity will be calculated as follows: weighted average equity (net of deferred tax) weighted over the period according to the financial statements. The return will be calculated as profit before tax divided by the weighted equity as calculated above.

⁽²⁾ The increase in NAV will be calculated as follows: the rate of increase at year-end compared to the previous year-end, where if there are capital raisings, they will be neutralized to the end of the calculation year.

Measurement of achievement of the said targets will be performed once a year, after approval of the annual financial statements of the Company.

For a calendar year that is not full, Telfox will be entitled to a relative Grant Cap according to the relative part of the calendar year in which the Management Agreement was in effect.

- 3.4. Reimbursement of Expenses: The Subsidiary or the Company shall bear business expenses in Israel and abroad relating to or arising from the position of the Chairman of the Board of Directors (such as flight expenses, transportation, accommodation, per diem, registration fees and participation in conferences, hospitality, etc.), whether by way of direct payment by the Subsidiary or the Company of these expenses, including by means of the credit card of the Company or the Subsidiary, or by way of reimbursement by the Subsidiary or the Company, provided that these are expenses actually incurred and in accordance with the procedures customary in the Company.
- 3.5. Agreement Period and Adaptation: The Management Agreement is for a fixed period of three years. The engagement shall enter into force on the Completion Date, and shall apply retroactively from the Change Date. If either the Company or Telfox (for this matter: **“Breaching Party”**) brings about the termination of the engagement prior to the end of the period, not due to incapacity (such as loss of work capacity or health condition of the manager or a first-degree relative), the Breaching Party shall be required to pay Compensation to the other party, as follows: (A) In the event that the Breaching Party is Telfox, the amount of Compensation shall be equal to the gross salary¹⁵ in the last month prior to the end of the tenure, multiplied by the number of months remaining until the end of the management period, and Telfox shall not be entitled to the Adaptation Grant; and (B) In the event that the Breaching Party is the Company, the amount of Compensation shall be equal to the amount of NIS 325,000¹⁶ multiplied by the number of months remaining until the end of the management period.

¹⁵ With respect to an engagement with a service provider, the gross monthly salary, for this purpose only, shall be calculated by deducting 40% from the monthly management fees.

¹⁶ The total maximum annual compensation, divided by 12. The amount is linked to increases in the index, according to the last known index, where the base index is the index to be published on May 15, 2026.

In addition, upon termination of the Management Agreement, Telfox shall be paid an Adaptation Grant in a one-time amount equal to the last monthly management fees for a period of six (6) months, which overlaps with the non-competition period below, and for half of which the Chairman of the Board of Directors, at the sole discretion of the Company, may be required to a handover period of three months after the end of the Management Agreement. It is clarified that the Company may exempt the Chairman of the Board of Directors from fulfilling the handover period and in such case the latter shall be entitled to the full Adaptation Grant in the amount of six months of management fees.

The Company shall not be required to pay the amount of Compensation and the Adaptation Grant in the event that the termination of the engagement is made in circumstances which, according to law, do not entitle an employee to severance pay.

- 3.6. Non-Competition: During the engagement period under this Agreement, as well as for six (6) months after its termination, the Chairman of the Board of Directors shall refrain from any action that constitutes competition with the business of the Company.
- 3.7. Indemnification, Exemption and Insurance: The Company shall insure the Chairman of the Board of Directors with directors' and officers' liability insurance, in a policy identical to that which will cover the directors and officers of the Company, with liability limits and coverage terms in accordance with the provisions of the Company's Compensation Policy and which are not less than the existing liability limits and coverage terms, and this until the Completion Date. In addition, the Company shall grant the Chairman of the Board of Directors a letter of exemption and indemnification identical to that granted to directors and officers of the Company; all in such a manner as to maintain full continuity and full identity in these matters for the Chairman of the Board of Directors as an Office Holder who served in the Company on behalf of the Management Company (as detailed in Section 2.1 of the Notice of the Meeting). In addition, in the event of termination of engagement with the Chairman of the Board of Directors, the Company shall undertake to include Run-Off coverage for the insurance coverage of the Chairman of the Board of Directors as an Office Holder in the Company, on terms no less favorable than those in effect during his tenure, for a period of seven (7) years from the date of termination of the engagement as aforesaid.
4. The Ratio between the Terms of Office of the Chairman of the Board of Directors and the Terms of the Employees – It is clarified that the estimated ratio between the maximum proposed cost of the terms of office for the Chairman of the Board of Directors of the Company (fixed component and variable Compensation), calculated on a full-time position basis, and the average and median salary cost of the other employees of the Company based on data for the 2025 calendar year is 5.36 times and 7.92 times, respectively. In the opinion of the Company, these gaps do not adversely affect labor relations in the Company, inter alia, in view of the nature of the Company's activity and the number of employees employed by it.
5. Ratio between Variable Components and Fixed Components – The ratio according to representative year data between the annual cost of the variable components and the annual cost of the fixed components in the terms of office of the Chairman of the Board of Directors is approximately 59% fixed components and approximately 41% variable components.

6. Below is an estimate of the Compensation for the Chairman of the Board of Directors according to the proposed terms of office, in a representative year. The amounts are in NIS thousands and refer to a period of one year. All amounts do not include VAT.

Details of the Compensation Recipient				Compensation for Services (in terms of cost to the Company) in NIS thousands			
Name	Position	Position Scope	Equity Holding Rate in the Corporation	Total Salary (including management fees)	Grant Cap	Share-based Payment	Total
Aharon (Roni) Naftali Biram (A)	Chairman of the Board of Directors	90%	2.55% ^(B)	2,300	1,600 ^(C)	--	3,900

(A) It is noted that the management fees are paid to Telfox, which to the best knowledge of the Company is controlled by Mr. Aharon (Roni) Naftali Biram and Esther and Gil Deutch. The amount does not include VAT.

(B) It is noted that to the best knowledge of the Company, Mr. Biram holds 50% of the shares of Telfox, which holds approximately 11.14% of the shares of the Company, and in addition he holds directly approximately 2.55% of the shares of the Company. It is also noted that Telfox holds approximately 56.4% of the shares of the Management Company. For details regarding the holdings of the Management Company in the Company, see Section 5.1 of the Notice of the Meeting.

(C) The Grant was calculated on the assumption that the Chairman will be entitled to the maximum Grant Cap.

7. Summary of the Reasons of the Compensation Committee and the Board of Directors of the Company for Approving the Terms of Office of the Chairman of the Board of Directors of the Company:

The Compensation Committee and the Board of Directors of the Company found that the Compensation terms of the Chairman of the Board of Directors are reasonable in the circumstances of the matter, for the reasons detailed below:

- 7.1. As of the date of this Report, Mr. Biram serves as Chairman of the Board of Directors at a 40% position scope, in consideration for monthly management fees borne by the Management Company and provided through management services rendered by Telfox. According to his terms of office and the existing Compensation Policy, the Chairman of the Board of Directors is not entitled to an annual grant. This Compensation structure matched the management structure of the Company when it was managed by the Management Company.
- 7.2. Against the background of the change in the management structure of the Company, within which the Office Holders serving in the Company will be transferred to be employed (or service providers) in the New Company, and in order to ensure continuity and management stability in the Company upon completion of the Proposed Outline and as part thereof, it is proposed to approve the engagement of Telfox to provide Chairman services to the New Company or the Company for a fixed period of 3 years. This, in

accordance with terms customary in public companies and in accordance with understandings reached with the Institutional Entities.

- 7.3. The Chairman of the Board of Directors of the Company has extensive and proven experience in managing the Company's fields of activity, including financial management, financing, and also has deep familiarity with the Company's fields of activity and with various parties in the economy and the capital market. There is great appreciation for the Chairman of the Board of Directors of the Company, who has contributed and continues to contribute greatly to the management and development of the Company.
- 7.4. The Chairman of the Board of Directors of the Company contributed to the growth of the Company and its positioning as a central and successful player in the infrastructure sector in the Israeli economy, within a few years from the date of its public offering. Thanks to his business and managerial experience, Mr. Biram has made a significant contribution to the development of transactions and management of investments made by the Company, in the fields of transportation, conventional and renewable energy, water, and communications. For further details regarding the development of the Company's business, see Section 7.12(2) of the Notice of the Meeting.
- 7.5. The Chairman of the Board of Directors has in recent years devoted special efforts for the benefit of the Company, and invested his energy, rich experience, and skills in the development and advancement of the Company's business, which translated into the building of a portfolio of essential and central infrastructure assets in the Israeli economy in the scope of approximately NIS 4.7 billion. In this context, the Chairman of the Board of Directors also serves as a director on behalf of the Company in Egged Transportation Company Ltd., and is regularly involved in the Company's strategic work interfaces. Against the background of the significant increase in the scope of the Company's assets, the increase in complexity and in the resource system involved in their management, and the need for close and continuous involvement of the Chairman of the Board of Directors, it is proposed to increase the position scope of the Chairman of the Board of Directors to 90%.
- 7.6. Considering, inter alia, the complexity of his position and his unique contribution to the Company, the characteristics of the Company's business activity, the complexity of its activity, its financial condition, and its risk management policy, the total Compensation package and incentive system determined for the Chairman of the Board of Directors of the Company are fair, appropriate, and competitive for such positions, including considering his education, skills, and expertise.
- 7.7. Based on a Comparative Data Survey (Benchmark) conducted by an external consultant with experience in the field, it was found that the total Compensation of the Chairman of the Board of Directors is consistent with comparative data regarding Compensation of Office Holders in companies with similar activity characteristics and scope of activity and is reasonable and fair. For further details regarding the Company's engagement for the preparation of the Comparative Data Survey, see Section 7.3 of the Notice of the Meeting.
- 7.8. The annual grant mechanism is based on measurable parameters, which are consistent with the Company's business objectives, from a long-term perspective.

- 7.9. The mix of the various Compensation components creates alignment between the Compensation and the creation of additional value for the Shareholders of the Company, as well as a proper incentive to continue to promote the benefit of the Company and its Shareholders, while maximizing its profits from a long-term perspective; and, inter alia, the ratio between the variable components and the fixed components is reasonable and fair under the circumstances of the matter.
- 7.10. The ratio between the Compensation of the Office Holders serving in the Company and the average and median salary cost of the other employees of the Company as a whole, based on the data detailed in the Compensation Policy of the Company, does not adversely affect labor relations in the Company.
- 7.11. The Terms of Office are in alignment with the Updated Compensation Policy of the Company, which is intended, inter alia, to encourage and retain managers in the Company, and to reward the Office Holders in the Company for their contribution to the advancement of the Company and its objectives.
- 7.12. In light of, inter alia, the aforementioned, the continued service of the Chairman of the Board of Directors in his said position and under the updated Compensation terms is appropriate and reasonable under the circumstances of the matter and is consistent with the benefit of the Company and does not constitute a Distribution (as this term is defined in the Companies Law).
8. Additional details in accordance with the Controlling Shareholders Regulations - see Section 6 in the Notice of the Meeting.

Appendix F - Terms of Office of the CEO of the Company

Within the framework of the Management Structure Change of the Company and the transaction, it is proposed to approve the Terms of Office of the CEO of the Company, Mr. Navot Bar, for a period of three years commencing on June 1, 2026.

1. Mr. Navot Bar is one of the founders of the Company and has served in his position as CEO of the Company and as a Director since February 2019.
2. As of the date of this Report, Mr. Bar serves as CEO of the Company at a scope of 100% position. Mr. Bar provides his services through Rabtovan Management Ltd. (“**Rabtovan**”), which, to the best knowledge of the Company, is a company wholly owned by Mr. Navot Bar, in consideration for monthly management fees - for details see Article 21 in Part D – “Additional details about the corporation” in the Periodic Report for 2025, which are incorporated herein by way of reference.
3. The main proposed Terms of Office are detailed below:
 - 3.1. Engagement in a Management Agreement between the Subsidiary or the Company and a company wholly owned by Mr. Navot Bar, which will provide the Subsidiary with management services including the fulfillment of all the duties incumbent upon the CEO of the Company at a scope equivalent to a full-time position (100% position). It is clarified that the CEO will be entitled to convert the engagement format so that he will be employed as an employee instead of providing management services, and in such case will be entitled to gross salary and social¹⁷ and ancillary conditions instead of consideration in management fees, provided that there will be no change in the total cost to the Company for the overall Terms of Office.
 - 3.2. Fixed Compensation: Annual management fees in the amount of NIS 2,904,000 (approximately NIS 242,000 per month), plus VAT as required by law, linked to the increase in the Consumer Price Index (the “**Index**”), according to the last known Index, where the base Index is the Index published on May 15, 2026. The management fees will not be reduced due to absence from work due to illness (up to 20 days in each calendar year) and due to vacation (25 days of provision of management services for each calendar year). It is clarified that within the framework of the position, the CEO may be appointed to additional positions in investee companies of the Company and for this will not be entitled to any additional consideration, and to the extent that he is entitled to receive Compensation for his service in an investee company, all such Compensation will be assigned and transferred (as the case may be) to the Company.
 - 3.3. Annual Grant: The CEO will be entitled to an annual grant in an amount of up to NIS 2,046,000, plus VAT as required by law, linked to the increase in the Index according to the last known Index, where the base Index is the Index published on May 15, 2026 (the “**Grant Cap**”), according to the rate of achievement of measurable targets only, and according to the weight of the target, where the calculation in relation to the achievement of each target will be made separately, and the amount of the grant will be the cumulative

¹⁷ Including entitlement to contributions to a pension fund or managers’ insurance, disability insurance and an advanced training fund.

amount from the achievement of each of the targets (and in any case not more than the Grant Cap), all as detailed in the table below:

Target Weight	Description of Target	Entitlement Rate to Grant			
		50%	75%	100%	130%
50%	(Weighted) Return on Equity ⁽¹⁾	7.0%	8.5%	10.0%	11.5%
50%	Increase in NAV ⁽²⁾	5%	6.5%	8%	9.5%

(1) Weighted return on equity will be calculated as follows: weighted average equity (net of deferred tax) weighted over the period according to the financial statements. The return will be calculated as profit before tax divided by the weighted equity as calculated above.

(2) The increase in NAV will be calculated as follows: the rate of increase at year-end compared to the end of the previous year, where if there are capital raisings, they will be neutralized to the end of the calculation year.

Measurement of achievement of the said targets will be performed once a year, after approval of the annual financial statements of the Company.

For a calendar year that is not full, he will be entitled to a relative Grant Cap according to the relative part of the calendar year in which the Management Agreement was in effect.

- 3.4. Expense Reimbursement: The Subsidiary or the Company will bear business expenses in Israel and abroad related to or arising from the CEO's position (such as flight expenses, transportation, accommodation, per diem, registration fees and participation in conferences, hospitality, etc.), either by direct payment by the Subsidiary or the Company of these expenses, including by means of a credit card of the Company or the Subsidiary, or by reimbursement by the Subsidiary or the Company, provided that these are expenses actually incurred and in accordance with the procedures customary in the Company.
- 3.5. Provision of Vehicle: The CEO will be entitled to an executive vehicle at a cost equivalent to monthly leasing fees of up to NIS 7,500 per month. In addition, the Company will bear all costs for the maintenance of the executive vehicle such as: fuel, insurance, maintenance, fees, toll road and fast lane travel fees, etc. The entitlement to this benefit will be provided by means of provision of a vehicle for the use of the executive and/or bearing the expenses related thereto; alternatively, the executive may choose to waive the provision of the vehicle for his use or the bearing of the expenses as stated and receive payment in lieu of the said benefit.
- 3.6. Additional Ancillary Conditions: In addition, the CEO is entitled to ancillary conditions, such as a laptop computer and mobile phone, newspapers, bearing of costs for meals, parking expenses, conferences, holiday gifts, participation in company vacations, annual medical examination for executives, and the like, as well as to other ancillary benefits as customary in the Company and the Group for CEO positions and in accordance with the Updated Compensation Policy of the Company. The tax in respect of the ancillary conditions will be grossed up by the Company and paid by it.
- 3.7. Agreement Period and Adaptation: The engagement is for a fixed period of 3 years. The engagement will enter into effect on the Completion Date, and will apply retroactively

from the Change Date. If either the Company or Mr. Bar (for this matter: “**Breaching Party**”) brings the engagement to an end before the end of the period, not due to incapacity (such as: loss of work capacity or health condition of the executive or a first-degree relative), the Breaching Party will be required to pay Compensation to the other party, as follows: (A) if the Breaching Party is Mr. Bar, the amount of the Compensation will be equal to the gross salary¹⁸ in the last month before the end of the term, multiplied by the number of months remaining until the end of the management period, and Mr. Bar will not be entitled to the Adaptation Grant; and (B) if the Breaching Party is the Company, the amount of the Compensation will be equal to the amount of NIS 425,000¹⁹ multiplied by the number of months remaining until the end of the management period.

In addition, upon termination of the Management Agreement, the CEO will be paid an Adaptation Grant in a one-time amount equal to the last monthly management fees for a period of six (6) months, which coincides with the Non-Competition period below, and for half of which Mr. Bar, at the sole discretion of the Company, may be required to a handover period of 3 months after the termination of the Management Agreement. It is clarified that the Company may exempt Mr. Bar from fulfilling the handover period and in such case the latter will be entitled to the full Adaptation Grant in the amount of 6 months of management fees.

The Company will not be required to pay the amount of the Compensation and the Adaptation Grant if the termination of the engagement is made in circumstances which, according to law, do not entitle an employee to severance pay.

- 3.8. Exemption, Indemnification and Insurance: the Company shall insure the CEO of the Company with Directors and Officers Liability Insurance, under a policy identical to that which will cover the directors and officers of the Company, with liability limits and coverage terms in accordance with the provisions of the Company's Compensation Policy and which are not less than the existing liability limits and coverage terms, and this until the Completion Date. Likewise, the Company shall grant the CEO of the Company a letter of exemption and indemnification identical to that granted to the directors and officers of the Company; and all in a manner that will preserve full continuity and complete identity in these matters for the CEO of the Company as an Office Holder who served in the Company on behalf of the Management Company (as detailed in Section 2.1 of the Notice of the Meeting). In addition, in the event of termination of engagement with the CEO, the Company shall undertake to include Run-Off coverage for the insurance coverage of the CEO as an Office Holder in the Company, on terms no less favorable than those in effect during his tenure, for a period of seven (7) years from the date of termination of the engagement as stated.

¹⁸ With respect to an engagement with a service provider, the gross monthly salary, for this purpose only, shall be calculated by deducting 40% from the monthly management fees.

¹⁹ The total maximum annual compensation, divided by 12. The amount is linked to increases in the index, according to the last known index, where the base index is the index to be published on May 15, 2026.

- 3.9. Non-Competition: During the engagement period under this Agreement, and for six (6) months after its termination, the CEO of the Company shall refrain from any action that constitutes competition with the business of the Company.
4. The Ratio Between the Terms of Office of the CEO and the Terms of the Employees – It is clarified that the estimated ratio between the maximum proposed cost of the terms of office for the CEO of the Company (fixed component and variable compensation) and the average and median salary cost of the other employees of the Company, based on data for the 2025 calendar year, is 6.31 times and 9.32 times, respectively. In the opinion of the Company, these gaps do not adversely affect labor relations in the Company, inter alia, considering the nature of the Company's activities and the number of employees employed by it.
5. Ratio Between Variable Components and Fixed Components – The ratio, according to representative year data, between the annual cost of the variable components and the annual cost of the fixed components in the terms of office of the CEO is approximately 60% fixed components and approximately 40% variable components.
6. Below is the estimated compensation expected for the CEO for a representative year according to the terms of office and employment as stated in this Report (the amounts are in NIS thousands and refer to a period of one year):

Details of Recipients of Compensation				Compensation for Services (in terms of cost to the Company) in NIS thousands				
Name	Position	Scope of Position	Rate of Holding in the Corporation's Equity	Total Management Fees ^(B)	Grant ^(C)	Share-Based Payment	Other ^(D)	Total ^(E)
Navot Bar	CEO	100%	(A)	2,904	2,046	--	150	5,100

(A) It should be noted that a company wholly owned by Mr. Bar holds approximately 37.6% of the shares of the Management Company. For details regarding the holdings of the Management Company in the Company, see Section 5.1 of the Notice of the Meeting.

(B) Monthly fixed management fees excluding VAT according to Section 3.2 above.

(C) The grant was calculated on the assumption that the CEO will be entitled to the maximum Grant Cap.

(D) The stated amount reflects an estimate for the cost of providing a vehicle according to Section 3.5 of this document.

(E) In addition, the CEO may be entitled to other ancillary terms as detailed in Section 3.6 of this document.

7. Summary of the Reasons of the Compensation Committee and the Board of Directors for Approval of the Terms of Office of the CEO of the Company

7.1. As of the date of this Report, Mr. Bar serves as CEO of the Company (and as a director) at a 100% position, in consideration for monthly management fees borne by the Management Company. According to his terms of office and the existing Compensation

Policy, the CEO is not entitled to an annual grant. This compensation structure matched the management structure of the Company when it was managed by the Management Company.

- 7.2. Against the background of the change in the management structure of the Company, within which the Office Holders serving in the Company will be transferred to be employed (or service providers) in the New Company, and in order to ensure continuity and managerial stability in the Company upon completion of the Proposed Outline and as part thereof, it is proposed to approve the engagement of Mr. Bar with the New Company or the Company for a fixed period of three years. This, in accordance with terms customary in public companies and in accordance with understandings reached with the Institutional Entities.
- 7.3. The CEO of the Company has extensive and proven experience in managing the Company's areas of activity, including in the fields of infrastructure and energy, and also has deep familiarity with various parties in the economy and the capital market. There is great appreciation for the CEO of the Company, who has contributed and continues to contribute greatly to the management and development of the Company.
- 7.4. The CEO of the Company contributed to the growth of the Company and its positioning as a central and successful player in the field of infrastructure in the Israeli market, within a few years from the date of its public offering.
- 7.5. Thanks to his business, managerial, and operational experience, Mr. Bar has made a significant contribution to the advancement and development of transactions and the management of investments made by the Company, in the fields of transportation, conventional and renewable energy, water, and communications. For further details regarding the development of the Company's business, see Section 7.12(2) of the Notice of the Meeting.
- 7.6. Considering, inter alia, the complexity of his position and his unique contribution to the Company, the characteristics of the Company's business activity, the complexity of its activity, its financial condition, and its risk management policy, the total compensation package and incentive structure determined for the CEO of the Company are fair, appropriate, and competitive for such positions, including considering his education, skills, and expertise.
- 7.7. Based on a Comparative Data Survey (Benchmark) conducted by an external consultant with experience in the field, it was found that the total compensation of the CEO of the Company is consistent with comparative data regarding compensation of office holders in companies with similar activity characteristics and scope of activity and is reasonable and fair. For further details regarding the Company's engagement for the preparation of the Comparative Data Survey, see Section 7.3 of the Notice of the Meeting.
- 7.8. The incentive formula for the CEO is based on the long-term performance of the Company and the CEO's contribution thereto and incentivizes the CEO to act to promote the business results of the Company, all in accordance with the Company's policy, the Company's strategic plan, and its business plan.

- 7.9. The mix of the various compensation components creates alignment between the compensation and the creation of additional value for the shareholders of the Company, as well as an appropriate incentive to further promote the interests of the Company and its shareholders, while maximizing its profits in the long term; and, inter alia, the ratio between the variable components and the fixed components is reasonable and fair in the circumstances.
 - 7.10. The ratio between the compensation of the Office Holders serving in the Company and the average and median salary cost of the other employees of the Company as a whole, based on the data detailed in the Company's Compensation Policy, does not adversely affect labor relations in the Company.
 - 7.11. The terms of office are in alignment with the Updated Compensation Policy of the Company, which is intended, inter alia, to encourage and retain managers in the Company, and to reward the Office Holders in the Company for their contribution to the advancement of the Company and its objectives.
 - 7.12. In light of, inter alia, the foregoing, the continued tenure of the CEO of the Company in his position as stated and under the updated compensation terms is appropriate and reasonable in the circumstances and is consistent with the interests of the Company, and matches the Company's strategic plan and the many challenges facing it, considering the nature of the position and the responsibility imposed upon him, and does not constitute a Distribution (as this term is defined in the Companies Law).
8. Further Details in Accordance with the Controlling Shareholders Regulations – see Section 6 of the Notice of the Meeting.

Appendix G – Financial Statements of the Subsidiary as of March 18, 2026

April 14, 2026



To
The Board of Directors of
Keystone Infra Ltd.
The Board of Directors of
Sub N.K. Ltd.

To Whom It May Concern,

Re: **Consent Letter in connection with a Transaction Report and Offer Report of Keystone Infra Ltd. dated April 2026**

We hereby inform you that we consent, including consent to Keystone Infra Ltd., to the inclusion (including by way of reference) of our report detailed below in connection with the Transaction Report and Offer Report of Keystone Infra Ltd. dated April 2026:

The Auditor's Report dated April 14, 2026 on the financial statements of Sub N.K. Ltd. as of March 18, 2026.

Sincerely,

Kesselman & Kesselman
Certified Public Accountants
A member firm of PricewaterhouseCoopers International Limited

Kesselman & Kesselman, 146 Menachem Begin Road, Tel Aviv 6492103, Israel, P.O. Box 7187, Tel Aviv 6107120
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Kesselman & Kesselman is a member firm of PricewaterhouseCoopers International Limited,
each member firm of which is a separate legal entity

Sub N.K. Ltd.
Financial Statements as of March 18, 2026
(Date of Incorporation of the Company)

Sub N.K. Ltd.
Financial Statements as of March 18, 2026
(Date of Incorporation of the Company)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders¹ of SUB N.K. LTD

Opinion

We have audited the financial statements of SUB N.K. LTD (the "Company"), which comprise the statement of financial position as at March 18, 2026 (Incorporation date), and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 18, 2026 (Incorporation date), in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditor's Regulations (Auditor's Mode of Performance), 1973. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company, in accordance with the applicable legal provisions in Israel regarding independence and conflict of interest of auditors. Additionally, we have fulfilled our other ethical responsibilities in accordance with the Auditors' Law, 1955 and the regulations thereunder. We believe that the audit evidence we have obtained, is appropriate and sufficient to provide a basis for our opinion.

Responsibilities of Board of Directors and Management for the Financial Statements

The board of directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of directors and management have determined to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the board of directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors and management either intend to liquidate the Company¹ or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Israel will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with generally accepted auditing standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- o Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is appropriate and sufficient to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- o Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's¹ internal control.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and management.
- o Conclude on the appropriateness of the use by the board of directors and management of the going concern basis of accounting and, based on the audit



evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's¹ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company¹ to cease to continue as a going concern.

- o Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tel-Aviv,
April 14, 2026

Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International
Limited

Sub N.K. Ltd.
Statement of Financial Position

	<u>Note</u>	<u>As of March 18 2026 (Date of Incorporation of the Company)</u>
Assets		*
Equity	1	*
Liabilities		-
Total Equity and Liabilities		*

*) Represents an amount less than NIS 1 thousand.

Date of approval of the financial statements by the Board of Directors of the Company: April 14, 2026

Aharon Biram
Director

Navot Bar
Director

The accompanying notes are an integral part of the financial statements.

Sub N.K. Ltd.
Notes to the Financial Statements

Note 1 - General

a. The Activity

Sub N.K. Ltd. (the “**Company**”) is a private company incorporated on March 18, 2026, wholly owned by N.K. Keystone Ltd. (the “**Management Company**”). The Company is designated for the purpose of executing a share swap transaction as detailed in Section B below. From the date of completion of the said transaction, the sole activity of the Company will be the provision of management services to Keystone Infra Ltd. (“**Keystone**”), a public company traded on the Tel Aviv Stock Exchange, in accordance with a management agreement. At the date of incorporation, the Company issued 120 ordinary shares with no par value. The registered office address of the Company is 4 Ariel Sharon Street, Givatayim.

b. Events after the Reporting Date

1. On April 14, 2026, the Company and the Management Company signed an asset transfer agreement whereby the Management Company will transfer to the Company all of its management rights in connection with the management of Keystone's activities (the “**Management Rights**”), including, inter alia, ongoing management, identification, management, accompaniment and consulting in connection with Keystone's investments, as well as consulting and assistance in capital and debt raising processes. The management services will be provided through persons on behalf of the Company, and in particular through those appointed by it as directors in Keystone, the Chairman of the Board, the CEO, the CFO, and the Legal Counsel. In addition, the Company will receive all engagements and agreements to which the Management Company is a party for the purpose of managing Keystone, including agreements with employees, suppliers, consultants, service providers, and any other third party (the “**Transferred Assets**”) – all as of June 1, 2026 (the “**Change Date**”), so that from that date the management of Keystone will be transferred to the Company. The transfer of assets between the Company and the Management Company will be carried out in accordance with the provisions of Section 104A of the Income Tax Ordinance.
2. In addition, the Management Company will invest in the Company an amount of approximately NIS 52 million (the “**Additional Amount**”) which will be invested, at the discretion of the Management Company, in cash and/or in shares of Keystone and/or in options for shares of Keystone.
3. Immediately after the completion of the asset transfer agreement and the investment of the Additional Amount, a merger will be carried out by way of a share swap, between the Management Company and Keystone, in accordance with the provisions of Section 103T of the Income Tax Ordinance (hereinafter: the “**Merger**”). As part of the Merger, the Management Company will transfer to Keystone all of its share capital in the Company, in exchange for and against the allocation of shares of Keystone to the Management Company (the “**Allocation**”), at a rate of 5% of Keystone's issued share capital after completion of the Merger.
4. The Transferred Assets will be transferred to the Company at the date of completion of the transaction, and shortly after the completion date, a retroactive settlement will be made to the Change Date, so that all rights, assets, funds, debts and liabilities arising from the Transferred Assets for the period prior to the Change Date will apply to the Management Company, and with respect to the period from the Change Date onwards, they will belong to the Company and apply to it.

Sub N.K. Ltd.
Notes to the Financial Statements

Note 1 – General (continued)

5. The Transferred Assets will be recognized at the date of completion of the transaction in the Company's books at their value in the books of the Management Company immediately prior to their transfer to the Company, i.e., at zero value.
6. The Parties' obligations to complete the transaction are subject to the fulfillment of each of the following conditions precedent (the “**Conditions Precedent**”) by August 31, 2026 (the “**Final Date**”), unless the Parties have waived in writing the fulfillment of a certain condition precedent, in whole or in part, to the extent such waiver is permitted by law:
 - a) Receipt of approval from the general meeting of Keystone for the Transferred Assets transaction and the Merger;
 - b) Receipt of approval from the Competition Authority for the transaction, to the extent required;
 - c) Receipt of approval from the stock exchange for the listing for trading of Keystone shares allocated to the Management Company;
 - d) Receipt of a tax ruling, in a form and under conditions that do not include materially onerous conditions on any of the parties to the share exchange agreement that are not customary in tax rulings of this type (“**Tax Ruling**”);
 - e) No order of a competent court or any other binding judicial decision shall be issued that is valid at the time of fulfillment of the last of the other Conditions Precedent and that prohibits the completion of the transaction.

If the Conditions Precedent are not fulfilled by the Final Date, the validity of the share exchange agreement shall expire, without any of the Parties having any claim, demand, or cause of action against the other or anyone on its behalf, except in the case of a willful breach of the share exchange agreement by any of the Parties.

In the share exchange agreement, Keystone was granted, in the event that the Tax Ruling is not obtained by August 31, 2026 (inclusive), the right to extend, by a unilateral decision of the Audit Committee, the interim period (the period from the Change Date until August 31, 2026), from time to time, so that the Final Date shall be postponed to no later than February 28, 2027.

7. From the date of incorporation of the Company until the Completion Date, the Company shall have no business activity or obligation.

Note 2 – Basis of Presentation of the Financial Statements

a. Basis of Presentation of the Financial Statements

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) in connection with the presentation of these financial statements, it is noted as follows:

- 1) The financial statements were prepared on a cost basis.
- 2) The Company's operating cycle period is 12 months.