



This is an English translation of a Hebrew immediate report that was published on September 3, 2023 (Ref. No: 2023-01-083422 (hereinafter: the “**Hebrew Version**”)). This English version is only for convenience purposes. This is not an official translation and has no binding force. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

**Max Stock Ltd.**  
**(the “Company”)**

~~August-September 315~~, 2023

Attn:

Israel Securities Authority

[www.magna.isa.gov.il](http://www.magna.isa.gov.il)

Attn:

The Tel Aviv Stock Exchange Ltd.

[www.maya.tase.co.il](http://www.maya.tase.co.il)

**Re: Amended Immediate-immediate report regarding the convention of an EGM**

This amended immediate report is being made pursuant to the Israel Companies Law, 1999 (the “**Companies Law**”), the Israel Securities Law, 1968 (the “**Securities Law**”), the Securities Regulations (Periodic and Immediate Reports), 1970 (the “**Report Regulations**”), the Companies Regulations (Notice and Announcement of a General and Class Meeting of a Public Company and Adding an Agenda Item), 2000 (the “**Notice and Announcement Regulations**”), the Companies Regulations (Voting in Writing and Position Statements), 2005 (the “**Voting in Writing Regulations**”) and the Securities Regulations (Transaction Between the Company and its Controlling Shareholder), 2001 (“**Controlling Shareholder Transaction Regulations**”), regarding the convention of an extraordinary general meeting of the shareholders of the Company, which shall be convened on Tuesday, September 19, 2023, at 12:00PM, at the offices of the Company’s external legal counsel, Herzog, Fox, Neeman & Co., Advocates, 6 Itzhak Sadeh St., Tel Aviv (respectively, the “**immediate report**” and the “**general meeting**”).

**1. The meeting’s agenda and the proposed resolutions:**

**1.1. Amendment of the management services agreement with a company wholly-owned by Mr. Ori Max, the CEO and a controlling shareholder of the Company**

1.1.1. Mr. Max, one of the Company’s controlling shareholders, has been serving as CEO of the Company since inception pursuant to service agreements signed from time to time with a company wholly owned by him. The service

agreement in effect as of the date of the report is a service agreement dated July 20, 2017 (the “**services agreement**”).

In his role as CEO, Mr. Max leads the Group’s activities, and leads the advancement and development of the Company’s business affairs.

1.1.2. it is proposed to approve amending the services agreement, whereby the following provisions will be amended (the “**amendment to the agreement**” and the “**amended services agreement**”, respectively):

a) **Value of the CPI linked monthly management fees** - Mr. Max shall be entitled to monthly compensation totaling ~~ILS 215,000 in lieu of~~ ILS 200,000 which shall be linked to the CPI as of October 1, 2023~~he is entitled to as of the publication date of the report~~ (the “**updated management fees**”)<sup>1</sup>.

b) **Quantitative target (annual bonus)** - *In lieu* of the EBITDA metric to determine Mr. Max’s entitlement to an annual bonus as of the date of the report, it will be determined that the quantitative target on which Mr. Max’s entitlement to an annual bonus will be determined will be amended to meeting annual net profit targets, as follows:

- i. For an annual net profit of ILS 70-80 million - A bonus based on 4 \* the updated management fees;
- ii. For an annual net profit of ILS 80-100 million - A bonus based on 8 \* the updated management fees;
- iii. For an annual net profit exceeding ILS 100 million - A bonus based on 12 \* the updated management fees.

1.1.3. The amendment to the agreement will become effective, subject to the approval of the general meeting hereby being convened, as of October 1, 2023, and for a three-year period thereafter.

1.1.4. The terms of the amendment to the agreement are in accordance with the provisions of Sections 9.2.1 (see footnote 6) and 11.1 of the Company’s remuneration policy, which is effective until September 14, 2025. For more information regarding the Company’s remuneration policy, see the remuneration policy attached as **Annex A** to the Company’s prospectus dated September 15, 2020 (Ref. No: 2020-01-092029), hereby included by way of reference (“**Company’s remuneration policy**”).

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<sup>1</sup> It should be noted that Mr. Max is also currently entitled to monthly management fees of ILS 200 thousands; however, the management fees are not currently linked to the CPI.

1.1.5. Presented below is more information about the management agreement, and as required under the Controlling Shareholder Transaction Regulations:

#### 1.1.5.1. Primary terms of the services agreement

The main terms of the services agreement are as detailed in Regulation 21 (subsection (1)) of Chapter D attached to the Company's 2022 periodic report (Ref. No: 2023-01-024338) (the "**2022 periodic report**"), included herein by way of reference, and they shall not be subject to any change including after the approval of this general meeting, other than an approval of the terms of the amendment to the agreement described in Section 1.1.2 above, subject to approval of the general meeting hereby being convened.

1.1.5.2. Terms of remuneration in terms of cost to Company

- a) For a summary of the terms of remuneration, in ILS thousands, in terms of cost to the Company, according to the terms of Mr. Ori Max's engagement in 2022 (annualized), see the description included in Regulation 21 of Chapter D of the Company's 2022 annual report.
- b) The following is a summary of the terms of remuneration, in ILS thousands, in terms of cost to the Company, according to the provisions of the services agreement with Mr. Max (indirectly), annualized (pro-forma for 2023), assuming that the amendment to the agreement has been approved by the general meeting hereby being convened:

Payee details				Remuneration for services							Other compensation			
Name	Position	Scope of position	% holdings of the corporation's equity	Salary	Bonus	Share based payments	Management fees	Consulting fees	Commission	Other*	Interest	Rent	Other	Total
Ori Max <sup>2</sup>	CEO	100%	17.94%	-	-	-	2,658,478 <sup>3</sup>	-	-	-	-	-	-	2,658,478 <sup>3</sup>

<sup>2</sup> Through Ori Max Ltd. a private company wholly-owned by Mr. Ori Max.

<sup>3</sup> [Linked to the CPI as detailed above in section 1.1.2.a.](#)

1.1.5.3. Additional positions in the Company

In addition to his services as CEO of the Company, Mr. Max serves as a director of the Company for no additional consideration.

1.1.5.4. How the amendment to the agreement was determined

The terms of the amendment to the agreement were established in negotiations between Mr. Max and the Company, and are being brought for approval under this report after they were found by the Company's remuneration committee and board of directors to be reasonable and appropriate under the circumstances, after the members of the Company's remuneration committee and board of directors were presented with benchmark data which compared Mr. Max's level of pay and bonus mechanism to those at companies with similar characteristics. The members of the remuneration committee and board of directors examined the terms of the amendment to the agreement considering the scope of services provided by Mr. Max to the Company as CEO and director thereof, his commitment to the Company from inception, Mr. Max's experience, reputation, the fact that no change has been made to his conditions since 2017, the scope of responsibility he is and will be subject to, primarily after the Company became a public company in 2020, and Mr. Max's current and anticipated contribution to the Company.

1.1.5.5. Description of identical or similar engagements in the last two years

The Company did not enter identical or similar engagements with Mr. Max in the two years preceding the date of the report.

1.1.5.6. Names of controlling shareholders with a personal interest in the resolution

To the best of the Company's knowledge, as of the date of this report, the Company's controlling shareholders include Moose Holdco Ltd. and Mr. Ori Max under a shareholder agreement executed by said persons, hence Moose Holdco Ltd's personal interest in the resolution. For more information about the aforementioned shareholder agreement, see the Company's immediate report dated February 9, 2023 (Reference No: 2023-01-013354), included herein by way of reference.

1.1.5.7. Required approvals and conditions for the engagement becoming effective

- a) On August 14, 2023, the remuneration committee (in its capacity as audit committee) approved the proposed amendment to the services agreement and formulated its recommendations for the Company's board of directors. All members of the remuneration committee participated therein, including Messrs. Eitan Stoller, Peretz Goza, and Suzan Mazzawi.
- b) On August 14, 2023, the Company's board of directors unanimously approved the proposed amendment to the services agreement based on the recommendations of the remuneration committee. The following directors participated in said board meeting, Messrs. Limor Brik, Peretz Goza, Eitan Stoller and Suzan Mazzawi.

The remuneration committee and board of directors were presented with the proposed amendment to the services agreement described above, including an overview of the terms of service (salary + bonuses) of CEOs of companies with similar characteristics to the Company.

- c) After obtaining the approval of the Company's remuneration committee and board of directors as described above, the amendment to the services agreement is subject to the approval of the general meeting hereby being convened with the majority described below in Section 2.2.

1.1.5.8. Overview of the reasons of the remuneration committee (in its capacity as audit committee) and board of directors for approving the proposed amendment to the agreement

- a) Mr. Max's service is required by the Company for the Company's ongoing, regular and ordinary operation and is, at the assessment of the Company's remuneration committee and board of directors, essential for continuing and advancing the Company's business affairs, to maximize its performance, for the quality management of the Company to contribute to the advancement of its objectives.
- b) Mr. Max established the Company, he has proven and relevant managerial and commercial experience in the field, he has a deep

familiarity with and understanding of the commercial environment in which the Company is operating and over the years he has played a leading and decisive role in the Company's success and in the opinion of the remuneration committee and board of directors also has decisive importance in its continued success. The remuneration committee and board of directors of the Company believe that Mr. Max's connections and experience, as well as his leadership of the Company in recent years attest to his special talents and the advantage, from the Company's perspective, entailed in his continued service as the Company's CEO.

- c) The services agreement with Mr. Max was executed in 2017 and no change has been made since, including when the Company went from being private to public in 2020. The requested change is to link in the management fees is less than 10% to the CPI (without changing the amount of the management fees), and the cap for the annual bonus remains unchanged to that established in the remuneration policy (12 months of management fees).
- d) The remuneration committee and board of directors of the Company assess that the terms of the amendment to the services agreement appropriately reflect the level of responsibility and scope of engagement and investment required of Mr. Max as the CEO of the Company, in light of his proven experience and in light of the challenges facing the Group.
- e) The terms of the proposed amendment to the services agreement are consistent with the Company's remuneration policy.
- f) In light of everything stated above, the remuneration committee and board of directors of the Company are of the opinion that the terms of service and engagement of Mr. Max are fair, reasonable and at arm's length terms, under the circumstances, considering the scope of engagement and management services, the level of Mr. Max's responsibility, his experience and anticipated contribution to the Company.
- g) The remuneration committee and board of directors of the Company discussed the terms of the amendment to the agreement with Mr.



Max and determined that the engagement with him is in the best interests of the Company, and does not include a “distribution”, as defined in the Companies Law.

1.1.5.9. The directors with a personal interest in approving the engagement and the nature of their personal interest

- a) Mr. Max, one of the Company’s controlling shareholders and directors, has a personal interest in approving the amendment to the agreement as he provides the Company with management services.
- b) Similarly, Moose Holdco Ltd., one of the Company’s controlling shareholders, has a personal interest in approving the engagement as described above in Section 1.1.5.6. Accordingly, Ms. Zehavit Cohen and Mr. Erez Nahum, who respectively serve as chairperson of and director on the Company’s board, are liable to have a personal interest in approving the proposed amendment to the services agreement due to the roles they hold in entities affiliated with the controlling shareholder, therefore, to err on the side of caution, they did not participate or vote in the discussion. For more information regarding their said roles see Regulation 26 of Chapter D to the 2022 periodic report.

**2. Convention of the general meeting**

2.1. Time and place for convening the meeting

An extraordinary general meeting of the Company’s shareholders with the agenda item detailed above in Section 1.1, has been called to be held on Tuesday, September 19, 2023, at 12:00PM at the offices of the Company’s external legal counsel, Herzog, Fox, Neeman & Co., Advocates, at 6 Itzhak Sadeh St., Tel Aviv.

2.2. The majority required to adopt the agenda items

2.2.1. The majority required **to approve** the resolution proposed in Section 1.1 of the agenda, in accordance with the provisions of Sections 272(C1)(1) and 275 of the Companies Law, is an ordinary majority of all shareholders participating and voting at the meeting, provided that one of the following has been satisfied: (1) In the tally of votes the majority at the meeting shall include a majority of all votes of participating shareholders with no personal interest in approving the

transaction; abstaining shareholders shall not be included in the tally of votes of the foregoing shareholders; (2) The total number of opposing votes from the shareholders set forth in subsection (1) does not exceed more than two percent of all the voting rights in the Company.

### 2.3. Quorum for holding the meeting

- 2.3.1. Pursuant to the Company's articles of association, a legal quorum shall be constituted when two or more shareholders are present, in person or by proxy or voting card or in any other manner permitted under applicable law, holding at least twenty-five percent (25%) of the voting rights in the Company, within half an hour from the time set for the commencement of the general meeting.
- 2.3.2. If a legal quorum is still not in attendance after half an hour has passed from the time scheduled for the general meeting to commence, the general meeting shall be postponed to the same day of the following week, at the same time and place, or at an earlier or later time, if so stated in the original notice of the general meeting (an "**adjourned meeting**"). If a legal quorum is not in attendance at the adjourned meeting after half an hour from the time scheduled for the meeting, then a meeting shall be held with any number of participants whatsoever. At the adjourned meeting, a single shareholder shall constitute a legal quorum to open the meeting, irrespective of the rate of their holdings in the Company's shares.

### 2.4. The date of record, eligibility to participate in the meeting and method of voting

- 2.4.1. Pursuant to Section 182(c) of the Companies Law and Regulation 3 of the Voting in Writing Regulations, the date of record with respect to eligibility to participate and vote at the general meeting shall be the close of trade on TASE on Sunday, August 22, 2023 (the "**date of record**").
- 2.4.2. Pursuant to the Companies Regulations (Proof of Share Ownership for Voting at a General Meeting), 2000 (the "**Proof of Share Ownership Regulations**"), a shareholder of the Company, in whose favor a share of the Company is registered with a TASE member with the share being included in the Company's shares that are recorded in the Company's shareholder register in the name of a nominee company ("**unregistered shareholder**"), may prove their ownership of Company shares on the date of record, in order to vote at the general meeting, by providing a confirmation to the Company from the TASE member which has recorded said shareholder's right to the share, no later than 24 hours prior to the time called to convene the meeting. An unregistered shareholder may obtain a

confirmation of ownership from the TASE member holding their shares, at one of the TASE member's branches or sent by mail to their address for the cost of dispatch, if requested. Requests in this regard shall be made in advance with respect to a specific securities account.

- 2.4.3. Pursuant to the provisions of Regulation 4A of the Proof of Share Ownership Regulations, an approved electronic message pursuant to Section 44(K)5 of the Securities Law, which refers to the user data recorded in the electronic voting system – shall have the status of a confirmation of ownership with respect to any shareholder included therein.
- 2.4.4. A shareholder of the Company, on the date of record, will be eligible to participate in the general meeting and vote at it in person or via proxy after sending a letter of appointment to the Company's offices at least 24 hours prior to the time the general meeting is to be convened (the "**letter of appointment**"). The letter of appointment shall be prepared in writing and shall be signed by the appointing party, and if the appointing party is a corporation, the letter of appointment shall be prepared in writing and signed in a way that binds the corporation. The board of directors or person authorized for such by the board of directors may require that the Company be provided with a written confirmation, to its satisfaction, prior to convening the general meeting, of the authority of the signing parties to bind the corporation.

## 2.5. Voting via voting card

- 2.5.1. A shareholder may vote at the general meeting to approve the items specified above in Section 1 through the voting card attached as an addendum to this immediate report. Voting in writing shall be done on Part II of the voting card as published on the distribution website. The ISA and TASE websites where the voting card and position statements, as defined under Section 88 of the Companies Law, can be accessed, are as follows: The ISA distribution website: <http://www.magna.isa.gov.il>, the TASE website: [www.maya.tase.co.il](http://www.maya.tase.co.il).
- 2.5.2. Shareholders may contact the Company directly and receive, *gratis*, the voting card, or, with their consent, a link to the voting card on the distribution website.
- 2.5.3. The TASE member shall send a link to the voting card and position statements on the ISA distribution website by email, free of charge, to any unregistered shareholder whose shares are registered with that TASE member, unless the shareholder gave notice that they are not interested in such and provided that

the notice was given regarding a specific securities account prior to the date of record.

- 2.5.4. An unregistered shareholder who wishes to vote using a voting card should state their vote on Part II of the voting card, and deliver it to the Company or send it to the Company via registered mail together with a confirmation of ownership, such that the voting card will arrive at the Company's registered offices no later than four (4) hours before the time called for the general meeting to be convened.
- 2.5.5. A shareholder recorded in the Company's register of shareholders and who wishes to vote using a voting card, should vote on Part II of the voting card and deliver it to the Company or send it to the Company via registered mail together with a photocopy of their identity card or passport or a photocopy of their certificate of incorporation, such that the voting card will arrive at the Company's registered office no later than six (6) hours before the time called for the general meeting to be convened.

## 2.6. Voting via the electronic voting system

- 2.6.1. In addition to the foregoing, an unregistered shareholder may vote at the general meeting on any of the resolutions approving the agenda items specified above in Section 1, via a voting card which shall be submitted to the Company via the electronic voting system (as defined in the Voting in Writing Regulations) (the "**electronic voting system**").
- 2.6.2. The TASE member shall keep a record on the electronic voting system including all the details required under Section 44K4(a)(3) of the Securities Law for each of the unregistered shareholders on whose behalf it is holding securities on the date of record ("**list of persons entitled to vote on the system**"); however, the TASE member shall not include shareholders on the list of persons entitled to vote on the system who, by midday on the date of record gave notice that they are not interested in being included in the list of persons entitled to vote on the system, in accordance with Regulation 13(d) of the Voting in Writing Regulations.
- 2.6.3. The TASE member shall send the details required to vote on the electronic voting system, as soon as practicable after receiving the confirmation from the electronic voting system that the list of persons entitled to vote on the system has been properly received ("**list receipt confirmation**"), to each of the shareholders included on the list of persons entitled to vote on the system who

receive electronic notices or notices sent from the TASE member's computer communication system from the TASE member.

2.6.4. A shareholder who appears on the list of persons entitled to vote on the system may vote and submit their vote to the Company via the electronic voting system. Voting using the electronic voting system will be enabled from the time of the list receipt confirmation, and up to six (6) hours before the time set for the general meeting (the "**system closing time**"), and can be changed or withdrawn at any time until the system closing time.

#### 2.7. The deadline for submitting a request to add an agenda item

Pursuant to Section 66(b) of the Companies Law, one or more shareholders with at least one percent of the voting rights at the general meeting may ask the Company's board of directors to include an item on the meeting's agenda, provided that the matter is suitable to be discussed at the meeting. If such a request is made, then items may be included on the meeting's agenda and their details will be published on the ISA distribution website: <http://www.isa.gov.il/> and the TASE website: [www.tase.co.il](http://www.tase.co.il).

The deadline to submit a shareholder request to include an item on the general meeting's agenda, as said, is no later than seven (7) days following the publication date of this general meeting invitation, i.e., by Sunday, August 22, 2023.

#### 2.8. Position statements

The deadline for the submission of position statements is up to ten (10) days prior to the date of the general meeting being convened under this report, i.e., by September 9, 2023. Shareholders may contact the Company directly and receive, *gratis*, the position statements sent to it.

TASE members shall send a link to the position statements on the distribution website by email, free of charge, to any unregistered shareholder holding their shares with that TASE member, by the end of the business day following them being published on the distribution website or following the date of record, according to the later of the two, unless the shareholder gave notice that they are not interested in such and provided that the notice was given regarding a specific securities account prior to the date of record.

#### 2.9. Company's representative for handling this report and the time and place the report may be viewed

Any shareholder of the Company may view this immediate report and the documents mentioned herein at the Company's offices, at 16 HaShitah St., Caesarea, by

appointment with Adv. Ifat Nir-Katz, VP, Chief Legal Officer and Company Secretary, by phone: 073-7695198, Sundays through Thursdays, 09:00 - 17:00, until the time called for the convention of the general meeting. Similarly, the report is available for public review on the ISA website, at: [www.magna.isa.gov.il](http://www.magna.isa.gov.il) and on the TASE website, at: [www.maya.tase.co.il](http://www.maya.tase.co.il).

**Respectfully,**

**Max Stock Ltd.**

**Annex A**

Voting Card/Proxy Statement

## **About Max Stock**

Max Stock is Israel's leading extreme value retailer, currently present in 60 locations throughout Israel and 2 in Portugal. We offer a broad assortment of quality products for customers' everyday needs at affordable prices, helping customers "Dream Big, Pay Small". For more information, please visit <https://ir.maxstock.co.il>

## **Company Contacts:**

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