



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

**Shelf Prospectus**

By virtue of this Shelf Prospectus, the Company will be able to issue various types of securities in accordance with the requirements of the law - Ordinary shares in the Company, non-convertible bonds, bonds convertible into shares, options which may be exercised into shares in the Company, options exercisable into bonds, options exercisable into bonds which are convertible into shares, commercial securities, as well as any other security which may be issued under applicable law and under the listing rules of the Tel Aviv Stock Exchange Ltd. (“TASE”) as they may be from time to time (all the foregoing shall hereinafter jointly be referred to as: the “Securities”).

The offer of the Securities under this Shelf Prospectus shall be done in accordance with the provisions of Section 23A(f) of the Israel Securities Law, 1968 (the “Securities Law”), by means of shelf offering reports including all of the special details for that same offer, including the composition of the units offered and the other terms and conditions of the offered securities and the manner that they are being offered, in accordance with the provisions of applicable law (including the provisions of the listing rules adopted by TASE and the guidances promulgated by virtue thereof), as in effect at such time.

For additional details about the risk factors with an impact on the Company’s activities, see Section 1.31 of Part A to the Company’s annual report as of December 31, 2022, as published on March 20, 2023 (Ref. No: 2023-01-024388), included herein by way of reference.

The full version of the Shelf Prospectus can be viewed on the Securities Authority’s website available at [www.magna.isa.gov.il](http://www.magna.isa.gov.il) and the TASE website at [www.tase.co.il](http://www.tase.co.il).

**Prospectus date: November 24, 2023**

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## Chapter 1: Introduction

### 1.1. Definitions

In this Prospectus, the terms below shall have the meanings prescribed to them, unless explicitly stated otherwise:

<b>“Company”</b>	-	Max Stock Ltd.
<b>“Subsidiaries”</b>	-	As of the Prospectus date, 33 companies which operate 33 of the Max Chain stores, 4 subsidiaries established to operate new stores which have not yet opened and one company held by a subsidiary which operates an additional store. For more information concerning the Subsidiaries, see Section 6.3 of Chapter 6 of this Prospectus.
<b>“Group”</b>	-	The Company and the Subsidiaries.
<b>“Board Report”</b>	-	The board of directors’ report on the state of the corporation’s business affairs for the year ended December 31, 2022, and for the six-month period ended on June 30, 2023, included in Chapter 6 of this Prospectus.
<b>“TASE”</b>	-	The Tel Aviv stock Exchange Ltd.
The <b>“2022 Annual Report”</b>	-	The periodic year for the annual period ended on December 31, 2022, published on March 20, 2023 (Ref. No: 2023-01-024388).
The <b>“2023 Q2 Report”</b>	-	The Company’s quarterly report for Q2 2023, published on August 15, 2023 (Ref. No: 2023-01-093909).
The <b>“2022 Annual Report”</b>	-	The Company’s 2022 annual report, published on March 20, 2022 (Ref. No: 2023-01-024388).
The <b>“2021 Annual Report”</b>	-	The Company’s 2021 annual report, published on March 23, 2023 (Ref. No: 2022-01-028347).
The <b>“Prospectus”</b> or the <b>“Shelf Prospectus”</b>	-	This Prospectus.
The <b>“Companies Law”</b>	-	The Israel Companies Law, 1999.
The <b>“Securities Law”</b>	-	The Israel Securities Law, 1968.

<b>“Max Chain”</b>	-	As defined in Section 1.2.2 below.
<b>The “Periodic and Immediate Report Regulations”</b>	-	The Securities Regulations (Periodic and Immediate Reports), 1970.
<b>“Prospectus Details Regulations”</b>	-	The Securities Regulations (Details of the Prospectus and Draft Prospectus – Structure and Form), 1969.

## 1.2. **General**

1.2.1. The Company was incorporated in Israel on December 16, 2004, as a private company limited by shares by virtue of the Companies Law, under the name Max Stock Ltd. On November 17, 2015, the Company changed its name to Max Management Israel Ltd., and on March 10, 2020, it changed its name back to Max Stock Ltd. On September 14, 2020, the Company published a prospectus under which it completed a share tender offer to institutional investors, and the Company became a public company as such term is defined in the Companies Law. On September 17, 2020, the Company’s shares IPO’d on TASE.

1.2.2. From incorporation and as of the publication date of this Prospectus, the Company is engaged in a retail business through operating a national “discount” chain of stores trading under the name “Max - Fun Shopping” and “Max 20” which offer a range of household products at attractive prices. As of the publication date of this Prospectus, the Company operates approximately 62 branches throughout Israel, from Kiriat Shmona to Eilat, which are mostly operated by subsidiaries and partially through franchises (the “**Max Chain**” or the “**Chain**”), as well as three owned stores in Portugal.

1.2.3. For more information about the Group’s structure and its operating activities, see Chapter A of the 2022 Annual Report and Chapter A of the 2023 H1 financial statements, included herein by way of reference.

## 1.3. **Permits and Confirmations**

1.3.1. The Company has obtained all permits, approvals and licenses required under applicable law to publish this Prospectus. This Prospectus is a shelf prospectus as defined under Section 23A of the Securities Law, and the public offering of securities thereto shall be done under shelf offering reports including the details unique to said offer.

**The approval of the Israel Securities Authority to publish the Prospectus shall not be deemed confirmation of the details presented therein or a confirmation of their**

**reliability or completeness, and does not amount to an expression of an opinion on the nature of the offered securities.**

1.3.2. TASE has given its in-principle approval to list the Company's securities included in the Shelf Prospectus (the "**included securities**"): Ordinary shares, non-convertible bonds, bonds convertible into shares, options which may be exercised into shares in the Company, options exercisable into bonds, options exercisable into bonds which are convertible into shares in the Company, and commercial securities, as well as any other security which may be issued under applicable law and under the TASE listing rules as they may be from time to time (the "**TASE in-principle approval**") and which may be offered, if at all, under shelf offering reports.

**The TASE in-principle approval shall not be deemed confirmation of the details presented in the Shelf Prospectus, or a confirmation of their reliability or completeness, and does not amount to an expression of any opinion whatsoever on the Company or the nature of the securities which may be offered under this Shelf Prospectus through shelf offering reports or the price at which they may be offered.**

1.3.3. Granting the TASE in-principle approval does not constitute approval to list the included securities for trade, and listing them for trade shall be subject to obtaining TASE approval of a listing application for the securities under a shelf offering report, which shall be submitted in accordance with the Securities Law and the Securities Regulations (Shelf Offering of Securities), 2005.

1.3.4. **Granting the TASE in-principle approval does not constitute an undertaking to approve to list the included securities for trade under the shelf offering reports. Approval of a listing application of the securities under a shelf offering report shall be subject to the provisions of the TASE listing rules and guidelines promulgated thereto which shall be in effect when submitting the listing application, as said.**

#### 1.4. The Company's Share Capital

1.4.1. The registered and outstanding share capital of the Company, as of the date of the Prospectus:

Share class	Authorized share capital	Outstanding and paid-up share capital <sup>1</sup>	
		Not diluted	Fully diluted basis
Ordinary shares with no par value	12,342,994,475	139,327,423	140,775,863

For more information about the Company's share capital, including with respect to changes with said share capital, see Chapter 3 of the Prospectus.

1.4.2. The Company's share capital as of June 30, 2023, according to its 2023 Q2 financial statements (ILS 000's):

Line-item	ILS 000's
Share capital	-. <sup>2</sup>
Share premium	<b>48,167</b>
Treasury shares	<b>(19,900)</b>
Retained earnings/loss	<b>143,428</b>
Other capital reserves	<b>7,144</b>
Total equity attributable to shareholders of the Company	<b>178,839</b>
Minority interests	<b>5,678</b>
<b>Total equity</b>	<b>184,517</b>

<sup>1</sup> It is clarified that this number does not include 3,658,971 treasury shares.

<sup>2</sup> The balance is less than ILS 1 thousand.



## **Chapter 2: Details of the Public Offer of Securities**

This Prospectus is a shelf prospectus. This Prospectus may be the basis for a public offering, through shelf offering reports, of various types of securities in accordance with the requirements of applicable law - Ordinary shares in the Company, non-convertible bonds (including by expanding the Company's existing bond series, if any, from time to time), bonds convertible into shares (including by expanding the Company's existing bond series, if any, from time to time), options which may be exercised into shares in the Company, options exercisable into bonds, options exercisable into bonds which are convertible into shares, and commercial securities, as well as any other security which may be issued under applicable law by virtue of this Shelf Prospectus on the relevant date.

Pursuant to Section 23A(f) of the Israel Securities Law and according to the provisions of Regulation 25A of the Prospectus Details Regulations, the details required to be included in the Prospectus regarding the offering of securities, stipulated in Chapter C of the Prospectus Details Regulations, shall be included in shelf offering reports under which securities shall be publicly offered and which shall include the special details of each offering, all according to applicable law and according to the TASE listing rules and directives and position papers of the ISA staff, as in effect at such time, and according to the class of securities to be offered under said shelf offering report.

## **Chapter 3: The Company's Share Capital**

### **3.1. The Company's Share Capital**

#### **3.1.1 The authorized and outstanding share capital of the Company, as of the date of the Prospectus**

3.1.1.1. The Company's authorized share capital is 12,342,994,475 ordinary shares with no par value.

3.1.1.2. As of the date of the Prospectus, the Company's outstanding share capital is 139,327,423 ordinary shares with no par value (140,775,863 on a fully diluted basis).<sup>1</sup> The Company's issued share capital is fully paid.

### **3.2. Changes to the Company's share capital**

#### **3.2.1 Changes to the Company's authorized share capital in the three years preceding the date of the Prospectus:**

In the three years preceding the date of the Prospectus, there were no changes to the Company's authorized share capital.

#### **3.2.2 Changes to the Company's outstanding share capital in the three years preceding the date of the Prospectus**

In the three years preceding the date of the Prospectus, there were no changes to the Company's outstanding share capital, other than as set forth in Section 3.3 below.

### **3.3. Options plan and the award of options**

3.3.1 On August 10, 2020, the Company's board of directors adopted an options plan (for unlisted options) (the "**Options Plan**" and the "**Commencement Date**"). According to and subject to the provisions of the Options Plan, the Company's board of directors shall be allowed to issue unlisted options to employees, directors and consultants of the Company and the Subsidiaries (the "**Offerees**"), all subject to the approvals required under applicable law.<sup>2</sup>

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<sup>1</sup> It is clarified that this number does not include 3,658,971 treasury shares.

<sup>2</sup> It should be clarified that any issuance of Company securities shall be subject to any applicable law and subject to obtaining TASE approval and meeting the requirements of the TASE listing rules and directives thereto, as in effect on the issuance date.

- 3.3.2 According to the Options Plan, the Company's board of directors may issue options convertible into ordinary shares of the Company with no par value. The exercise price of the options shall be set by the board of directors, at its absolute discretion and according to applicable law and subject to complying with the provisions of the TASE listing rules and directives thereto.
- 3.3.3 In the three years preceding the date of this Prospectus, the Company has issued 2,556,777 options to officers and employees of the Company, as follows:
- 3.3.3.1. On November 29, 2020, the Company's board of directors resolved to approve the issuance of 2,320,964 options (unlisted) under the Options Plan, exercisable into up to 2,320,964 shares, to 27 employees and officers of the Company and one director. The Company's board of directors resolved that notwithstanding the provisions of the remuneration policy regarding the first exercise date after 12 months, the first exercise date of the options (fully or partial, according to the breakdown of the tranches over the vesting period), shall be after 24 months, namely in September 2022. For more information, see the immediate reports published by the Company on November 30, 2020 (Ref. No: 2020-01-129789 and 2020-01-130479) which is included herein by way of reference.
- 3.3.3.2. On February 16, 2022, the Company's remuneration committee and board of directors resolved to approve the issuance of 235,813 options (unlisted) under the Options Plan, exercisable into up to 235,813 shares, to one of the Company's officers. For more information, see the immediate report published by the Company on February 17, 2022 (Reference No: 2022-01-017052), included herein by way of reference.
- 3.3.4 As of June 30, 2023, of the total number of options issued by the Company as specified above, 929,702 options issued by the Company have been exercised into 590,656 shares (according to a net exercise mechanism) and 122,485 issued options expired. Accordingly, the total number of options issued by the Company which are still outstanding, as of the date of this Prospectus, total 1,504,591 options, and constitute 1.068% of the Company's share capital on a fully diluted basis.

3.3.5 All the options were exercised under a “net exercise mechanism” and the Company therefore received no proceeds for the shares.

3.4. **Holdings of Company securities by interested parties and officers of the Company**

For information regarding securities of the Company held by interested parties and officers of the Company, to the best of the knowledge of the Company and its managers, see the Company’s immediate report on holdings of interested parties and officers dated October 5, 2023 (Ref. No: 2023-01-113313), included in this Shelf Prospectus by way of reference.

3.5. **The Company’s controlling shareholders**

To the best of the Company’s knowledge, from when the Company’s shares IPO’d, until February 9, 2023, the Company’s controlling shareholders included Moose Holdco Ltd. (“**Moose Holdco**”), Mr. Evan Charles Neumann and Mr. Ori Max, under a shareholders agreement executed by said persons on September 10, 2020.

To the best of the Company’s knowledge, as of the date of this Prospectus, the Company’s controlling shareholders include Moose Holdco and Mr. Ori Max under a shareholders agreement executed by said persons on February 9, 2023. For more information about the controlling shareholders and the agreement between them, see the Company’s immediate report dated February 9 (Ref. No: 2023-01-013354).

As provided to the Company, Moose Holdco is a private company incorporated in Israel and held 100% (indirectly) by AMI Opportunities, which is a foreign private investment fund (incorporated in Guernsey). This fund is wholly-controlled (indirectly) by AMI Foundation (a corporation incorporated in Guernsey), which is a corporation without any share capital which is managed through its organs (and particularly its directors (Councilors) - Carl Hermann Konrad Friedlaender and Bruce Stephen James and its guardian - Robert Edward Alistair Eden (“**AMI Foundation**”). To the best of the Company’s knowledge, AMI Foundation is advised by corporations from the Apax Partners Group, and particularly by Apax Partners Israel Ltd. Transactions with Apax and portfolio companies controlled by Apax funds (in this section, collectively: “**Apax**”) and transactions in which Apax has a personal interest in approving shall be approved, for the sake of caution, as transactions in which the controlling shareholder has a personal interest, in accordance with the provisions of the Companies Law, 1999 (the “**Companies Law**”).

In addition, for the sake of caution, upon appointment of an external director for the Company, the Company shall interpret the term “affinity” as defined in Section 240 of the Companies Law as also including an affinity with Apax.

### 3.6. **Company’s share prices on TASE**

Presented below are data about the Company’s highest and lowest share prices (in Agurot), adjusted for dividends and bonuses, as of January 1, 2021, until immediately prior to the date of the Prospectus (in nominal terms):<sup>3</sup>

Period	High		Low	
	Share price	Date	Share price	Date
<b>January 1, 2023 until immediately prior to the date of the Prospectus</b>	819.60	July 20, 2023	562.70	January 1, 2023
<b>2022</b>	987.21	January 3, 2022	462.18	November 9, 2022
<b>2021</b>	1,219.92	January 17, 2021	902.34	June 2, 2021

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<sup>3</sup> Based on the closing share price; the data are taken from the TASE website, at [www.tase.co.il](http://www.tase.co.il), and takes into account any distribution of dividends or bonus shares, capital split or consolidation or offering by way of rights, if performed by the Company.

## **Chapter 4: The Primary Rights Attached to the Company's Shares**

### 4.1. Provisions in the Company's Articles of Association which relate to the Rights Attached to the Company's Shares

For information about the rights attached to the Company's shares pursuant to Regulations 16(a) and (c) of the Prospectus Details Regulations, see the Company's articles of association as published in the Company's immediate report about amendments to the articles of association dated March 13, 2023 (Ref. No: 2023-01-026700) which is included in this Prospectus by way of reference (the "**Company's articles of association**" or the "**articles of association**").

#### The Rights Attached to the Company's Shares<sup>1</sup>

- 4.1.1. The Company's ordinary shares shall have equal rights for all intents and purposes, including rights associated with dividends, bonus shares, and participation in a distribution of the Company's surplus assets upon liquidation.
- 4.1.2. Each of the ordinary shares entitles its owner to a right to participate in the Company's general meetings, where each ordinary share of the Company grants its holder with one vote per item.
- 4.1.3. A shareholder shall not be entitled to dividends or to participate in the allocation of bonus shares and shall not be permitted to exercise any right as a shareholder of the Company whatsoever, prior to paying all amounts and payment demands they are obligated to the Company until such time with respect to all Company shares owned by them, either personally or jointly with other persons.<sup>2</sup>

#### Transferring Shares and Assigning Them

- 4.1.4. Fractions of shares shall not be transferred, however, a share may jointly have a number of owners, and each one of them shall be entitled to transfer their right.

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<sup>1</sup>Subject to the provisions of Section 46B of the Securities Law, the Company's share capital shall solely be comprised of one class of shares granting equal voting rights based on their par value.

<sup>2</sup> Any distribution of dividends and bonus shares shall be subject to the TASE clearing system's bylaws and directives as in effect from time to time.

- 4.1.5. Each transfer of Company shares recorded in the shareholder registry of the Company, shall be done in writing, provided that the transfer letter shall be signed by the transferor and transferee, personally or through their agents, and shall be sent to the registered office of the Company or to any other place established by the board of directors for such purpose.
- 4.1.6. Subject to the provisions of the Companies Law, share transfers as provided in Section 4.1.5 above, shall only be recorded in the shareholder register after the share transfer letter is delivered to the Company, as stipulated above; the transferor shall continue to be deemed as the owner of the transferred shares until the transferee is recorded as the holder of the transferred shares in the shareholder register.
- 4.1.7. The share transfer letter shall be prepared in the form set forth in the Company's articles of association, in a similar manner, to the extent possible, or in a different manner which shall be approved by the Company's board of directors.
- 4.1.8. Subject to the provisions of the Company's articles of association or the conditions to issue shares of any class whatsoever, the Company's shares shall be transferable without requiring the approval of the board of directors.
- 4.1.9. All share transfer letters shall be submitted to the registered office of the Company or to any other place as established by the board of directors, for registration purposes, together with the certificate of the shares that are going to be transferred, if such have been issued, and any other proof which shall be required by the board of directors or the party authorized for such by the board of directors for the property right of the transferor or their right to transfer the shares. A transfer letter which shall be recorded, shall remain in the possession of the Company; however, any transfer letter which the board of directors or party authorized for such by the board of directors has refused to register, shall be returned to the party which submitted such, at their request.
- 4.1.10. The Company may close the shareholder registry for any length of time established by the board of directors, provided that it shall not exceed, in total, thirty (30) days annually. No transfer of shares shall be recorded in the

shareholder register during the time the shareholder register is closed. Without derogating from the foregoing, the board of directors may establish a date of record in order for the Company to establish who of the shareholders is entitled to a notice or shall be entitled to vote at a general meeting, or to receive payment of dividends or issuance of any rights whatsoever or for any other legal objective.

4.1.11. The Company shall be entitled to charge a fee for registration of the transfer, in an amount that shall be set by the board of directors, from time to time, and which shall be reasonable under the circumstances.

4.1.12. The legal guardians and estate administrators of an individual shareholder who passed away, or, absent estate administrators or legal guardians, the heirs of an individual shareholder who passed away, shall be the sole parties the Company shall recognize as holding the right to shares registered in the name of the deceased.

4.1.13. Any person who shall become a right-holder in shares as a result of the death of a shareholder, after presenting the Company with proof sufficiently attesting to the fact, at its discretion, that it has a right to the shares of the deceased shareholder, shall be entitled to be registered as a shareholder for these shares, or can, subject to the provisions of the Company's articles of association, transfer these shares.

4.1.14. If a share is registered in the name of two or more owners, the Company shall only recognize the surviving partner/s as having the right to a share or benefit therein, and such shall not in any way be construed to exempt the estate of the joint owner of the share from any obligation whatsoever with respect to the share said party jointly held. If a share is registered in the name of a number of joint owners, as said, each one of them shall be entitled to transfer their rights.

4.1.15. The Company may recognize the receiver or liquidator of a corporate shareholder which is under dissolution or liquidation or the trustee in bankruptcy or any receiver of an insolvent shareholder as the right holder of shares registered in the name of such shareholder. The receiver or liquidator or trustee or a shareholder which is a corporation under dissolution or liquidation, or the trustee in



insolvency, or any receiver of a bankrupt shareholder, after producing the evidence required from the board of directors, attesting they have the right to the shares of the shareholder under dissolution, liquidation or bankruptcy, shall be entitled to be registered as shareholder for these shares, or can, subject to the provisions of the Company's articles of association, transfer those shares.

4.1.16. Subject to the provisions of any applicable law and the provisions of the Company's articles of association, if it is proven to the Company that the conditions under law have been satisfied to assign the right to shares registered in the shareholder registry, the Company shall recognize the assignee, and it alone, as the right holder of such shares.

4.1.17. Subject to the provisions of any applicable law and the provisions of the Company's articles of association, the Company shall change the registration of ownership of shares in the shareholder registry if the Company is issued a court order to amend the registry or if it is proven to the Company, to the satisfaction of the board of directors and in the manner established by it that the conditions under law have been satisfied to assign the right to shares.

4.1.18. Subject to the provisions of applicable law and the provisions of the Company's articles of association, a person who becomes entitled to a share, as said in Section 4.1.17 above, shall be entitled to perform a transfer of the shares in the same manner the registered owner was able prior to assigning the right.

#### General Meetings

4.1.19. A notice of a general meeting shall be issued to the shareholders as required under applicable law, and publication of the notice shall be done in accordance with the provisions of the Companies Law and the Securities Law and their regulations regarding the publication of a notice for a general meeting of a public company.

4.1.20. Discussions may only commence at general meetings if a legal quorum is present. 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.

- 4.1.21. If a legal quorum is still not in attendance within half an hour 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 “**deferred meeting**”). If a legal quorum is not in attendance at the deferred meeting after half an hour from the time scheduled for the meeting, then a meeting shall be held with any number of participants whatsoever.
- 4.1.22. At the deferred 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.
- 4.1.23. A shareholder interested in voting at the general meeting, shall prove their ownership of shares to the Company, as required under the Companies Law and its regulations. Without derogating from the foregoing, the board of directors may establish provisions and guidelines regarding proof of ownership of the Company’s shares.
- 4.1.24. Shareholders may vote at a general meeting or class meeting, personally, through a proxy, through a voting card or in any other way permitted under applicable law, on agenda items established under applicable law or other agenda items determined by the Company’s board of directors, provided that proof of ownership of their shares have been received at the Company’s offices at least 72 hours prior to the time the general meeting is being convened; all pursuant to the provisions of the Company’s articles of association and subject to applicable law. A proxy for a vote is not required to be a shareholder of the Company.
- 4.1.25. Subject to the provisions of the law, in the event of joint owners of a share, each owner may vote at each meeting, with respect to such share, as if they were the sole party entitled to such. If more than one joint owners of a share participated in a general meeting, the party whose name appears first on the shareholder registry, or on the TASE member approval with respect to their ownership in a

share, or in another document which shall be established by the board of directors for this matter shall vote with respect to a share. Multiple legal guardians or multiple estate administrators of a registered shareholder who passed away, shall be deemed for purposes of this section as joint owners of those shares.

- 4.1.26. Any person entitled to a share under Article 18 of the Company's articles of association (through inheritance, transfer by law etc.), may vote under such share at any general meeting in the same manner as if they were the registered owner of such shares, provided that they prove, to the satisfaction of the board of directors, their right to a share at least seventy two (72) hours prior to the time of the general meeting or deferred meeting, as applicable, at which they intend to vote, unless the Company has previously recognized their right to vote pursuant to these shares at this meeting.
- 4.1.27. The document appointing a proxy to vote ("**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 shall be signed in a manner binding 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. Similarly, the Company's board of directors may establish provisions and guidelines for any matter associated with such.
- 4.1.28. The letter of appointment or a suitable copy of such, to the satisfaction of the board of directors or party authorized for such by the board of directors, shall be deposited at the registered office of the Company or another place, as shall be established by the board of directors from time to time, in general or with respect to a specific event - at least twenty four (24) hours prior to the commencement of the general meeting or deferred meeting, as the case may be, in which the proxy intends to vote on the basis of such letter of appointment. Notwithstanding the foregoing, the chairman of the meeting may, at their discretion, accept said letter of appointment, even after such time, if they find it correct to do so, at their

discretion. If the letter of appointment, as set forth in this Article, has not been received, it shall not be valid at such meeting.

4.1.29. Each of the ordinary shares of the Company entitles its owner to a right to participate in general meetings of the Company and one vote per item.

4.1.30. A resolution which is up for vote at the general meeting shall be determined through a tally of votes; votes shall be performed in the matter which shall be set for such by the chairman of the general meeting. In the event of a disagreement whether to accept or disqualify a vote, the chairman of the general meeting shall determine the matter and their decision in good faith, shall be final and decisive.

4.1.31. Subject to the provisions of the Companies Law and the provisions of the Company's articles of association regarding other majorities, resolutions at the general meeting shall pass through a regular majority. In the event that the number of votes for and against is at a deadlock, the chairman of the general meeting shall not have an additional vote or casting vote. If votes are at a deadlock, the proposed resolution for which a shareholder vote is being conducted shall be deemed to have been rejected.

4.1.32. At general meetings at which it shall be possible to vote through a voting card in accordance with the provisions of the Companies Law and regulations promulgated thereto, as well as with respect to items which the Company's board of directors may decide, from time to time, can be voted upon via voting card, the shareholders may vote at the general meeting or class meetings (as applicable) through a voting card, provided that the voting cards shall be received at the Company's offices, together with confirmation of ownership of the shares, on the dates set by law and as stipulated in the invitation to the general meeting.

#### The Right to Appoint Directors

4.1.33. For the provisions in the Company's articles of association regarding the appointment of directors see Section 7.4 of Chapter 7 of this Prospectus.

#### Participating in a Distribution of Dividends and Bonus Shares

- 4.1.34. Each share shall grant its owner a right to receive dividends and bonus shares, if and when they shall be distributed, all pro-rated based on the number of shares, irrespective of any premium paid for them. The distribution of dividends and bonus shares shall be subject to the TASE clearing system's bylaws and directives, as they shall be from time to time.
- 4.1.35. The board of directors may withhold any dividend, bonus, rights or amounts due to be paid for shares over which the Company has an attachment/pledge and use the exercise consideration to clear the debts for which the Company has said attachment/pledge.
- 4.1.36. The board may withhold any dividend or bonus share or other benefits for a share whose consideration, in whole or in part, was not paid to the Company, and to collect any amount or consideration obtained from selling any bonus share or other benefit on account of the debts or liabilities for such share, irrespective of whether the share is owned solely by the debtor shareholder or jointly with other shareholders.<sup>3</sup>
- 4.1.37. The board of directors may withhold any dividend or bonus share or other benefit for a share to which a person is entitled to be recorded as owner in the shareholder register or is entitled to be transferred under Sections 4.1.17 or 4.1.18 above, as the case may be, until that person is recorded as owner of such share or until it has been duly transferred, as the case may be.<sup>4</sup>

Redeemable Securities

- 4.1.38. Subject to the provisions of the Companies Law and any applicable law, the Company may issue redeemable securities under terms and conditions which shall be established by the board of directors, at its discretion.

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<sup>3</sup> See footnote 2 above.

<sup>4</sup> See footnote 2 above.

#### **4.2. Arrangements in the Company's Articles of Association in accordance with Provisions of the Companies Law**

Presented below are particular arrangements which relate to rights attached to the Company's shares established in the **Company's** articles of association:

- 4.2.1. Changing articles of association (Section 20 of the Companies Law) - Article 8 of the Company's articles of association establishes that the Company may change the Company's articles of association through a resolution passed at the Company's general meeting, through an ordinary majority of shareholders participating in the vote.
- 4.2.2. Restricting the ability to change the articles of association (Section 22 of the Companies Law) - the Company's articles of association does not include any provision restricting the Company from changing any of its provisions.
- 4.2.3. Transferring authorities between organs under the articles of association (Section 50 of the Companies Law) - Article 43 of the Company's articles of association establishes that the board of directors may instruct the general manager on how to act for a specific matter. If the general manager did not uphold the provision, the board of directors may exercise the authority required to perform the instruction in their place. Article 44 of the Company's articles of association establishes that if the general manager is precluded from exercising their authorities, the board of directors may exercise them in their place.
- 4.2.4. Failure to convene an annual general meeting (Section 61(a) of the Companies Law) - the Company's articles of association does not include a provision which cancels the obligation to hold an annual general meeting.
- 4.2.5. Legal quorum to hold a general meeting (Section 81 of the Companies Law) - in this regard refer to Sections 4.1.20-4.1.22 above.
- 4.2.6. Majority to pass resolutions at the general meeting (Section 85 of the Companies Law) - in this regard refer to Section 4.1.31 above.

- 4.2.7. Restrictions on distributing dividends (Section 301 of the Companies Law) - the Company's articles of association does not include restrictions on distributing dividends beyond the provisions of the Companies Law.
- 4.2.8. Resolution on distributing dividends (Section 307 of the Companies Law) - Article 100 of the Company's articles of association establishes that subject to the provisions of the Companies Law, the board of directors may adopt resolutions to distribute dividends.
- 4.2.9. Stipulation for a merger (Section 324 of the Companies Law) - the Company's articles of association does not include an undertaking or stipulation with respect to performing a merger.

**The description of the provisions of the Company's articles of association above in this chapter is a condensed description of the provisions of the Company's articles of association on particular matters and is no substitute to reviewing the full version of the Company's articles of association.**

## **Chapter 5: Issuance Proceeds and Intended Use**

The Company is not offering any securities on the date of this Shelf Prospectus, and there will therefore not be any immediate proceedings following the publication of the Shelf Prospectus. Pursuant to the provisions of Section 25A of the Prospectus Details Regulations, the details regarding the use of the proceeds of the Offered Securities, stipulated in Chapter F of the Prospectus Details Regulations, shall be included in the shelf offering reports under which they shall be offered.

Therefore, if securities shall be offered in the future under this Shelf Prospectus and under shelf offering reports, the proceeds from the securities which shall be received shall be used to finance the Company's commercial activities, as decided by the Company's management in office from time to time. If a specific use is established for the proceeds from the securities under a shelf offering report which shall be published by the Company, it shall be detailed in the shelf offering report, including the Company's policy on investing the issuance proceeds until its actual utilization.



## Chapter 6: Description of the Corporation's Businesses

### 6.1. General

In accordance with Regulation 44(A1) and Regulation 6B of the Prospectus Details Regulations, see Chapter A of the Company's 2022 Annual Report, and see Chapter A of the Company's 2023 Q2 Report (as published on March 20, 2023, and August 15, 2023 (Ref. No: 2023-01-024388 and 2023-01-093909, respectively), hereby included by way of reference (the "**2022 Annual Report**" and the "**2023 Q2 Report**", respectively).

### 6.2. Material changes and innovations

Presented below are details about material changes and innovations which occurred with the Company's business affairs and any other matter which is required to be described in the periodic reports, in the period following the publication of the Company's quarterly report for Q2 2023 until immediately prior to the publication date of this Shelf Prospectus, as reported by the Company on MAGNA:

Date of publication	Reference no.	Contents of the report
August 15, 2023 (as amended on August 16, 2023 and a supplementary report dated September 3, 2023)	2023-01-093897 (amendment report: 2023-01-076393; supplementary report: 2023-01-083422)	Convening an extraordinary general meeting of the Company, with the following agenda item: <b>Amendment of the management services agreement with a company wholly-owned by Mr. Ori Max, the CEO, director and a controlling shareholder of the Company.</b>
August 15, 2023	2023-01-094020	Company management and office holder table.
August 15, 2023	2023-01-093906	Approval of the continued employment of a relative of Mr. Ori Max, one of the Company's controlling shareholders, pursuant to the provisions of Regulation 1B(a)(4) of the Companies Regulations (Reliefs for Interested Party Transactions), 2000.
September 19, 2023	2023-01-088150	Results of the Company's extraordinary general meeting - Approval of the amendment of the management services agreement with a company wholly-owned by Mr. Ori Max, the CEO of the Company.

Date of publication	Reference no.	Contents of the report
October 18, 2023	2023-01-117141	Notice for the convention of an extraordinary general meeting of the Company with the agenda including the appointment of the Company's incumbent external directors for an additional term in office.
November 22, 2023	2023-01-126930	Results of the Company's extraordinary general meeting - Appointment of Messrs. Peretz Guza and Eitan Stoller for an additional term in office as external directors of the Company.

Similarly, in October 2023, the “Swords of Iron” war broke out in the State of Israel (the “**war**”) following a surprise attack from Gaza against settlements in the western Negev by the Hamas terror organization. Hostilities of a lesser magnitude subsequently also broke out by the country’s northern border. As of the Prospectus date, the war has had a material impact on the entire economy, *inter alia*, due to the temporary shutdown of businesses primarily in areas in proximity to the fighting, across the broad call-up of military reserves, evacuation of residents from settlements in proximity to the fighting and partial interruptions with the education system.

The Company’s stores were closed in the first week of the war, and gradually opened over the first and second weeks of the war with a reduced scale of operations. As of the publication date of the Prospectus, 60 out of the Company’s 62 stores in Israel are fully open and operating as usual, and two of the Company’s branches remain closed (a branch owned by the Company in Sderot and the Company’s branch in Kiriat Shmona, operated by a franchisee), as a result of the foregoing. Due to the fact that the Company primarily focuses on basic products required throughout the year, including emergency periods, and in light of the fact that the Company sells a diverse and changing range of products at attractive prices, the Company assesses at this stage, based on the information available to it, as of the date of the Prospectus, and in light of the operating metrics examined by the Company and it meeting its cash-flow targets, that the war has not had a material impact on the Company’s operating activities. Additionally, as of the publication date of the report, the Company’s manpower has not materially changed to how it stood prior to the war, and no material issues are foreseen with the supply chain and the Company does not foresee material changes with the opening dates of future stores signed by the Company.

A protraction of the war is liable to have additional broad implications on many different sectors and geographical areas in the country. Furthermore, the potential volatility with the prices of goods, currency exchange rates, availability of materials, manpower, local services and access to local resources may impact entities primarily operating with or in Israel.

It should be noted that the Company is unable to reliably assess the scope of the future impact of the war on the Company's operating activities (other than the implications described above), among other things, in light of the sharp volatility experienced by the markets, the uncertainty regarding the duration of the fighting, its severity, the implications of the war on the Company's operating segments and additional measures which may be taken by the government. The Company's board of directors and management are continuing to closely monitor the Company's performance during the war, including scope of sales, the Company's ability to satisfy its liabilities upon maturity, manpower and reserve military call-ups, and to make the necessary adjustments.

### 6.3. **Details about Material Subsidiaries and Affiliates of the Company**

6.3.1. As of the date of the Prospectus, the Company has 33 active subsidiaries<sup>1</sup> which are private companies incorporated in Israel, the vast majority of which are held by the Company in rates ranging between 75%-100%.<sup>2</sup>

6.3.2. These subsidiaries, together with another granddaughter company (second-tier subsidiary), operate a total of 34 stores under the "Max - Fun Shopping" brand which is part of the Max Store Chain. In H1 2023, the Company opened two additional branches operated by subsidiaries in the cities of Mishor Adumim and Gush Etzion, along with the opening of two other branches operating as franchises in Tel Aviv and Akko. The Company also closed an owned store in Jerusalem (the subsidiary which operated that store

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<sup>1</sup> It should be noted that as of the publication date of the Prospectus, the Company has incorporated four (4) additional subsidiaries to operate new stores which have not yet opened; it should be noted that notwithstanding that stated in Regulation 11 of the Company's 2022 Annual Report, the operations of one of the Max-20 stores were sold to a franchisee and has been excluded from the list of the Company's stores (as described above in Section 6.3.2).

<sup>2</sup> Excluding one branch in which the manager holds 45% of the subsidiary's outstanding share capital, and another branch in which the Company holds 45% of the ordinary share capital and one management share which grants it the right to appoint a director. That branch has 4 other shareholders.

operated 2 stores at the same time, and it now continues to operate one store in Jerusalem), and it sold an owned “Mini Max” branch in Kiriat Ata to a franchisee. This branch continues to be operated by that franchisee.

As of the publication date of the Prospectus, the Company has opened two additional stores operated by subsidiaries in Beerot Yitzhak and Bat Yam, along with an additional franchised store in Jerusalem (Pisgat Zeev), operating under the “Max - Fun Shopping” brand.

6.3.3. The Company concurrently continued to develop the Chain’s operations in Portugal. The Company opened its first branch in Braga in northern Portugal in May 2023, a second branch in the city of Porto in June 2023 and in November 2023 the Company opened a third branch in the city of Matosinhos.

#### **Investments in Subsidiaries and Investees**

6.3.4. For information about the Company’s investments in material subsidiaries in 2021, see Regulation 11 in Chapter D of the Company’s 2021 Annual Report published on March 23, 2022 (Ref. No: 2022-01-028347) (the “**2021 Annual Report**”); and - for information about the Company’s investments in material subsidiaries in 2022, see Regulation 11 in Chapter D of the Company’s 2022 Annual Report.

6.3.5. Presented below is data about the Company’s investments in material subsidiaries as of the date of this Prospectus:

Company name	Country of incorporation	% holdings			Securities exercisable into equity or voting rights and the exercise date	Their value in the Company’s standalone financial statements (ILS 000’s)	Balance of bonds and loans issued (received) in the statement of financial position as of June 30, 2023 (ILS)
		Equity	voting	Appointing directors			
Big Max Ltd.	Israel	75%	75%	100%	-	1,979	-
Max Rishon Ltd.	Israel	90.1%	90.1%	100%	-	727	-

Company name	Country of incorporation	% holdings			Securities exercisable into equity or voting rights and the exercise date	Their value in the Company's standalone financial statements (ILS 000's)	Balance of bonds and loans issued (received) in the statement of financial position as of June 30, 2023 (ILS)
		Equity	voting	Appointing directors			
Max Kfar Saba Ltd.	Israel	85%	85%	100%	-	1,165	-

### **Changes in Investments in Subsidiaries and Investees**

6.3.6. As of the date of the Prospectus, the Company has no material subsidiaries and investee companies. For more information regarding changes in investments in subsidiaries and investees over 2021 and 2022, see Regulation 12 of Chapter D to the 2021 Annual Report and the 2022 Annual Report, respectively.

### **Revenues of the Subsidiaries and Investees and Revenues from Them**

6.3.7. For more information about revenues of material subsidiaries, investees and affiliates of the Company and for information about their profits over 2021 and 2022, see Regulation 13 of Chapter D to the 2021 Annual Report and the 2022 Annual Report, respectively.

6.3.8. Presented below is a table detailing the comprehensive profit (loss) of the primary subsidiaries, and the Company's revenues therefrom which have been received by June 30, 2023, for the first six months of 2023, and the period following the date of said report:

Company name	Comprehensive profit (loss)	Other comprehensive profit (loss)	Management fees		Interest and linkage differentials		Dividends	
			For the first 6 months of 2023	For the period following the balance sheet date	For the first 6 months of 2023	For the period following the balance sheet date	For the first 6 months of 2023	For the period following the balance sheet date
Big Max Ltd.	2,638	-	974	714	-	-	5,625	-

Company name	Comprehensive profit (loss)	Other comprehensive profit (loss)	Management fees		Interest and linkage differentials		Dividends	
			For the first 6 months of 2023	For the period following the balance sheet date	For the first 6 months of 2023	For the period following the balance sheet date	For the first 6 months of 2023	For the period following the balance sheet date
Max Rishon Ltd.	806	-	893	624	-	-	-	-
Max Kfar Saba Ltd.	1,370	-	992	712	-	-	-	850

6.4. **The board of directors' report on the state of the Company's affairs**

For the board of directors' report on the state of the Company's affairs for the year ended December 31, 2022, see Chapter B of the 2022 Annual Report, and for the board of directors report on the state of the Company's affairs for the six and three month periods ended June 30, 2023, which is attached to the 2023 Q2 Report, and which are included in this Shelf Prospectus by way of reference.

6.5. **Report on the Company's liabilities according to maturity dates as of June 30, 2023**

For information about a report on the Company's liabilities according to maturity dates as of June 30, 2023, see the immediate report published by the Company on August 15, 2023 (Ref. No: 2023-01-093915), hereby included by way of reference.

## **Chapter 7: Management of the Company**

### **7.1 The Board of Directors of the Company**

For more information about the directors serving the Company as of the publication date of the Prospectus, see the immediate report published by the Company on August 15, 2023 (Ref. No: 2023-01-094020) which is included herein by way of reference. For more information about the directors serving in the Company according to Regulation 26 of the Periodic and Immediate Report Regulations, see Regulation 26 of Chapter D of the Company's 2022 Annual Report and the Company's immediate reports dated May 9 and June 13, 2023 (Ref. No: 2023-01-024388, 2023-01-042529 and 2023-01-055324, respectively), hereby included by way of reference.

### **7.2 Senior Officers**

For more information about the senior officers serving the Company as of the publication date of the Prospectus, see the immediate report published by the Company on August 15, 2023 (Ref. No: 2023-01-094020) which is included herein by way of reference. For more information according to Regulation 26A of the Periodic and Immediate Reports regarding the senior officers serving the Company who are not directors, see:

- a) Regulation 26A of Chapter D of the Company's 2022 Annual Report (Ref. No: 2023-01-024388) regarding Messrs. Shlomo Cohen, Ifat Nir-Katz, Nir Dagan, Paz Oz, Dana Gottesman-Erlich and Ofir Edri, hereby included by way of reference; and
- b) As specified below:

<b>Name of officer</b>	<b>Shahar Kanizo</b>	<b>Eliezer (Elik) Kaplan</b>
<b>ID no.</b>	062886924	037613262
<b>Date of birth</b>	October 28, 1982	November 15, 1975
<b>Position in the Company</b>	Director of Trade	VP Supply Chain and Logistics
<b>Date on which they started their service</b>	June 1, 2023	July 1, 2023
<b>The position they hold in a subsidiary of the Company, one of its affiliated companies or in one of its interested parties</b>	N/A	N/A
<b>Are they a relative of a senior</b>	No	No

<b>Name of officer</b>	<b>Shahar Kanizo</b>	<b>Eliezer (Elik) Kaplan</b>
<b>officer of the Company or of another interested party of the Company</b>		
<b>Their education specifying the subject areas or fields they studied, the institution they studied in and the academic diploma or professional certificate they hold</b>	12 years education	BA in business management, Rupin Academic Center
<b>Employment in the last five years</b>	Category Manager at Max Stock	2017-2018 - CEO of Max Management Israel Ltd. 2020-2022 - CEO of Borderline Israel

### 7.3 **Independent Authorized Signatories**

As of the date of the Prospectus, the Company does not have independent authorized signatories, as such term is defined under Section 37(d) of the Securities Law.

### 7.4 **Provisions in the Company's articles of association which relate to the Company's board of directors**

Presented below are the primary provisions of the Company's articles of association regarding the minimum and maximum number of directors of the Company, how they are appointed and elected, the duration of their service, how they are replaced, termination of their service, fees and appointment of board committees and the authorities they can be granted. It should be clarified that the version presented in this chapter does not constitute a substitute to reviewing the full version of the Company's articles of association. To view the full draft of the Company's articles of association regarding the stated matters, see Articles 28-38 and 59-64 of the Company's articles of association, as published in the Company's immediate report dated March 13, 2023 (Ref. No: 2023-01-026700) which is included herein by way of reference.

#### 7.4.1 **Minimum and maximum number of directors of the Company**

The number of directors of the Company shall not be less than 3 and shall not exceed 8, including external directors.

#### 7.4.2 **Manner of appointment or election of directors of the Company**

7.4.2.1 The directors shall be appointed at the annual general meeting and shall serve until the completion of the following annual general meeting and at



all times an annual general meeting has not yet been convened, unless they vacate their office earlier in accordance with the provisions of the Companies Law or the Company's articles of association. Directors who have concluded the period of their service may be reappointed. The foregoing shall not apply to external directors, who shall be subject to the provisions of the Companies Law and its regulations.

7.4.2.2 The Company may, at an extraordinary general meeting, appoint a director or additional directors to its board of directors, whether to fill an office vacated for any reason whatsoever or whether as a director or additional director, provided that the total number of directors not exceed the maximum number set in the articles of association, as specified in Section 7.4.1 above. Directors appointed in the foregoing manner, shall conclude their service upon the completion of the annual general meeting that shall be held following their appointment and can be reappointed.

7.4.2.3 The general meeting may establish that the service of a director appointed by it shall commence on a date later than the date of their appointment.

#### 7.4.3 External directors

The election of external directors of the Company, their number, qualification requirements, period of service, termination and fees, shall be in accordance with the provisions of the Companies Law and its regulations.

#### 7.4.4 Alternate directors

7.4.4.1 Subject to the provisions of the law, a director may appoint a replacement for themselves, this subject to them being approved as an alternate director by the board of directors (hereinafter - "**alternate director**"). Notwithstanding the foregoing, persons not qualified to be appointed as directors, persons serving as a director of the Company or alternate directors for other directors of the Company shall not be appointed or serve as an alternate director.

7.4.4.2 The status of an alternate director shall be the same as the director for who they have been appointed as an alternate director, and they may attend board and/or board committee meetings, participate and vote in them, the same as the director who appointed them was able to do.

7.4.4.3 A director who has appointed an alternate director may, subject to the provisions of the law, cancel the appointment at any time. Similarly, the

position of the alternate director shall terminate at any time that the position of the director who appointed them as an alternate director has been terminated in any manner.

7.4.4.4 Any appointment of an alternate director or termination of appointment, as set forth above, shall be done through a written notice issued by the appointing director, sent to the alternate director and the Company, and shall become effective immediately following the provision of said notice or upon a later date specified therein, whichever is later.

7.4.5 Termination of directors' service

7.4.5.1 The general meeting may, at any time, with a resolution passed with an ordinary majority, terminate the service of any director, excluding an external director, prior to the completion of the term of their service, provided that the director has been given reasonable opportunity to present their position to the general meeting. Similarly, any general meeting may, through a resolution passed with an ordinary majority, appoint another person as a director in place of the director who was terminated from their office, as set forth above.

7.4.5.2 If an office of a director is vacated, the board of directors may continue to act at any time the number of directors is not less than the minimum number of directors set in the articles of association, as stated in Section 7.4.1 above. If the number of directors is less than such number, the board of directors shall not be permitted to act, with the sole and exclusive exception of adopting resolutions on exceptional items whose resolution cannot be delayed, or convening a general meeting for the purpose of appointing additional directors, but not for any other purpose.

7.4.5.3 Directors may resign through providing a notice to the board of directors, the chairman of the board, 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 provided, unless a later date is specified in the notice. Directors shall provide the reasons for their resignation.

7.4.6 Board committees

7.4.6.1 Subject to the provisions of the Companies Law, the board of directors may, as it finds correct, establish board committees.

- 7.4.6.2 Board committees shall report to the board of directors on an ongoing basis about their resolutions or recommendations. Resolutions or recommendations of board committees which require board approval, shall be brought to the attention of the directors a reasonable amount of time prior to being discussed by the board of directors.
- 7.4.6.3 Subject to the provisions of the Companies Law, a resolution adopted or action performed by a board committee under authority delegated to it from one of the board's authorities shall be deemed a resolution passed or action performed by the board of directors, unless explicitly stipulated otherwise by the board of directors, for a particular matter or with respect to a particular committee. The board of directors may, from time to time, expand, reduce, or revoke the delegation of authorities to a board committee; however, such reduction or revocation of authorities shall not derogate from the validity of a resolution adopted by the committee which the Company acted thereto towards another person not aware that it had been revoked.
- 7.4.6.4 The board of directors shall appoint an audit committee from among its members. The number of members of the audit committee and their qualifications shall be in accordance with that set forth in the Companies Law.
- 7.4.6.5 The functions of the audit committee shall be in accordance with that set forth in the Companies Law including any other function imposed on it by the board of directors.
- 7.4.6.6 The board of directors shall appoint a committee to examine the financial statements of the Company, as defined under the Companies Regulations (Provisions and Conditions regarding the Approval Process for the Financial Statements), 2010, as they shall be from time to time and under any law replacing them. The functions of the financial statements examination committee shall be in accordance with that set forth in the foregoing regulations including any other function imposed on it by the board of directors. Subject to the provisions of the law, the audit committee which satisfies the conditions under law required for the lawful convention of a financial statements examination committee can also serve as the financial statements examination committee.

#### 7.4.7 Director fees and benefits

7.4.7.1 Subject to the provisions of the Companies Law, the Company may pay directors fees for holding office as directors and reimbursement of reasonable expenses connected to their participation in board meetings and filling their positions as directors.

7.4.7.2 Subject to the provisions of the Companies Law, the Company may pay alternate directors fees for participating in board meetings.

#### 7.5 **Arrangements in the Company's articles of association in accordance with the provisions of the Companies Law**

Presented below are particular arrangements which relate to the Company's board of directors under the Company's articles of association:

7.5.1 Manner of appointing directors (Section 59 of the Companies Law) - in this regard refer to Sections 7.4.2 and 7.4.2.2 above.

7.5.2 Voting on the board of directors (Section 105 of the Companies Law) - Article 57 of the articles of association establishes that each director shall have one vote on the board of directors.

7.5.3 The majority required to adopt resolutions on the board of directors (Section 107 of the Companies Law) - Article 57 of the Company's articles of association establishes that board resolutions shall be adopted through a majority of votes of directors present and voting at a meeting, excluding abstentions, that the chairman of the board of directors or party chosen to manage the meeting in their absence shall not have an additional or casting vote, and if the votes are at a deadlock, the proposed resolution voted upon by the board of directors shall be deemed to have been rejected.

7.5.4 Termination of directors' service (Section 222 of the Companies Law) - in this regard refer to Sections 7.4.2, 7.4.3 and 7.4.5 above.

7.6 Release (Section 259 of the Companies Law) - Articles 91-92 of the articles of association establish that subject to the provisions of the Companies Law, the Company may release in advance its officers, in whole or in part, from their liability arising from damage caused by breach of their duty of care owed to the Company, notwithstanding, the Company may not release in advance a director from liability towards it due to breach of the duty of care with a distribution.

7.7 **Additional details**

<b>Company's registered office:</b>	16 Hashita St., Caesarea.
<b>Legal advisors for the issuance:</b>	Herzog Fox Neeman & Co., 6 Yitzhak Sadeh St., Tel Aviv-Yafo, 6777506.
<b>Company's auditors:</b>	Kost Forer Gabbay & Kasierer, CPA, 2 Palyam Blvd., Haifa, 3309502.

7.8 **Particular undertakings of the Company**

As of the date of the Prospectus, the Company has no agreements, liabilities or practices, which are material, and based on which the Company makes payments based on the scope of its assets, turnover, revenues or profits.

## Chapter 8: Interested Parties of the Company

### 8.1 Senior Officer Remuneration

#### 8.1.1. Information for the year ended December 31, 2021

For information about the compensation paid in 2021 by the Company or by another party to each one of the five senior officers with the highest compensation in the Company or corporations under its control, in connection with their service at the Company or at corporations under its control, and to interested parties of the Company in connection with services provided to the Company or corporations controlled by it, see Regulation 21 of Part D to the Company's 2021 Annual Report, published on March 23, 2022 (Ref. No: 2022-01-028347), with the information therein included in this Shelf Prospectus by way of reference.

#### 8.1.2. Information for the year ended December 31, 2022

For information about the compensation paid in 2022 by the Company or by another party to each one of the five senior officers with the highest compensation in the Company or corporations under its control, in connection with their service at the Company or at corporations under its control, and to interested parties of the Company in connection with services provided to the Company or corporations controlled by it, see Regulation 21 of Part D to the Company's 2022 Annual Report, published on March 20, 2023 (Ref. No: 2023-01-024388), with the information there included in this Shelf Prospectus by way of reference.<sup>1</sup>

#### 8.1.3. Information for the six-month period ended June 30, 2023

Presented below is a description of the compensation awarded in the six-month period ended June 30, 2023, to each of the five highest paid officers of the Company or of corporations under its control, in connection with their service in the Company or corporations under its control, as recognized in the Company's financial statements as of June 30, 2023, in ILS 000's (in terms of cost to the Company):

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<sup>1</sup> It should be noted that after ending his service as a senior officer of the Company and commencing his role as CEO of the Chain's subsidiary in Portugal (as described in Section 1.21.4.5 of the Company's 2022 Annual Report), Mr. Bin Nun was given an annual bonus for 2022 totaling approximately ILS 80 thousands, which was recognized in the Company's reports for Q1 2023.

Payee details			Remuneration for services(*)							Other compensation			Total	
Name	Position	Scope of position	Percentage Holdings of capital	Salary (**)	Bonus	Share based payments	Management fees	Consulting fees	Commission	Other*	Interest	Rent	Other	
Ori Max	CEO	100%	17.93%	-	-	-	1,239	-	-	-	-	-	-	1,239
Shlomo Cohen	Deputy CEO	100%	-	404	-	-	-	-	-	-	-	-	-	404
Nir Dagan	Deputy CEO and Head of Finance	100%	-	400	-	-	-	-	-	-	-	-	-	400
Oz Corsia	VP of Trade	100%	-	411	180	-	-	-	-	-	-	-	-	591
Ifat Nir-Katz	VP Chief Legal Officer & Corporate Secretary	100%	-	320	-	45	-	-	-	-	-	-	-	365

(\*) The above officers are not awarded any additional compensation apart from that described in the table.

(\*\*) The salary component for the Company's officers includes the following components (if relevant): Base salary, social contributions and customary fringe benefits (vacation days, sick days, manager's insurance, further education fund, etc.) and benefits (vehicle, mobile phone, grossing tax for the benefits, etc.).

8.1.4. For details about the terms of remuneration paid to the officers specified in the table above in Section 8.1.3 (other than for Ifat Nir Katz), see Regulation 21 in Part D to the 2022 Annual Report, hereby included by way of reference, and as follows:

Ifat Nir Katz - Ms. Nir Katz has been serving as the Company's Chief Legal Officer and Corporate Secretary in a 100% position, as of March 1, 2019. On December 28, 2022, the Company's audit committee and board of directors approved Ms. Nir Katz's appointment as VP Chief Legal Officer and Corporate Secretary. Her terms of employment include, *inter alia*, the following conditions: (1) A gross monthly salary of ILS 40,000; (2) Fringe benefits including vacation days, sick days, convalescence pay, pension contributions, work disability insurance, and further education fund, all in accordance with applicable law; (3) A personal vehicle (without the tax being grossed); (4) Increased prior notice before dismissal of 60 days; and (5) An undertaking of non-solicitation and non-competition towards the Company for a period of 12 months from the termination date of his employment. Ms. Nir Katz is also entitled to D&O liability

insurance and indemnification as customary with respect to senior officers and directors of the Company (for details see Regulation 29A below).

On November 29, 2020, Ms. Nir Katz was approved an allotment of 141,517 unlisted options which can be exercised into 141,517 ordinary shares of the Company with no par value. For details regarding the exercise price of these options, the exercise period and vesting conditions see the Company's immediate reports dated November 29, 2020 and December 23, 2020 (Reference No: 2020-01-129285 and 2020-01-139296, respectively), hereby included by way of reference. As of the publication date of the report, Ms. Nir Katz has exercised 108,496 unlisted options into 48,820 ordinary shares of the Company with no par value. As of the publication date of the report, Ms. Nir Katz has 33,021 outstanding options. For more information regarding the exercise of options see the Company's immediate report dated June 13, 2023 (Reference No: 2023-01-055291), hereby included by way of reference.

On March 19, 2023, the Company's remuneration committee and board of directors, respectively, in accordance with the Company's remuneration policy, approved the grant of an annual discretionary bonus to Ms. Nir Katz for 2022 totaling 3 of Ms. Nir Katz's monthly salaries, reflecting a total payment of ILS 120,000.

It should be noted that subsequent to the date of the Company's financial statements for Q2 2023, on August 14, 2023, the Company's remuneration committee and board of directors approved amending the terms of the salary payable to Messrs. Shlomo Cohen, Nir Dagan and Ifat Nir Katz, whereby as of October 1, 2023, their terms of remuneration, are as follows: (a) Nir Dagan - His salary shall be amended from ILS 51,000 to ILS 60,000 gross per month; (b) Shlomo Cohen - His salary shall be amended from ILS 52,000 to ILS 57,000 gross per month; (c) Ifat Nir Katz - Her salary shall be amended from ILS 40,000 to ILS 45,000 gross per month.

Additionally, the above three senior officers shall also be entitled to have the full tax for their personal vehicles grossed.

Furthermore, on August 14 and 30, 2023, the Company's remuneration committee and board of directors recommended, subject to the approval of the Company's general meeting, to amend the Company's management agreement dated July 20, 2017, with a wholly owned company belonging to Mr. Ori Max, one of the Company's controlling shareholders, who serves as both the Company's CEO and one of its directors. On



September 19, 2023, the Company's general meeting approved amending the terms of remuneration for Mr. Ori Max, effective as of October 1, 2023. For more information see the general meeting invitation report published by the Company on August 15, 2023, and the amendments thereto dated August 16, 2023 and September 3, 2023 (Ref. No: 2023-01-093900, 2023-01-076393 and 2023-01-083422, respectively), and a report on the results of the general meeting dated September 19, 2023 (Ref. No: 2023-01-088150), hereby included by way of reference. It should also be noted that Mr. Oz Corsia is not employed by the Company as of the date of the Prospectus.

8.1.5. For information about compensation awarded to the Company's directors, see the description given in Regulation 21 of Part D of the Company's 2022 Annual Report, hereby included by way of reference. The total compensation (including fringe benefits) paid by the Company to the directors (excluding Mr. Ori Max who is included in the table in Section 8.1.3 above and who is not entitled to director compensation), in the six-month period ended June 30, 2023, totaled approximately ILS 339 thousands.

## 8.2 **Remuneration for Interested Parties**

Presented below is a description of the remuneration granted to interested parties of the Company, not included in Section 8.1 above, granted to them by the Company or by a corporation controlled by it, in connection with services provided as functionaries of the Company or of corporations under its control, as recognized in the financial statements of the Company, in thousands of shekels (in terms of cost to the Company):

### 8.2.1 **Interested party remuneration for the year ended December 31, 2022, in ILS 000's:**

For information about compensation paid to interested parties who received compensation from the Company or a company controlled by it, in connection with services as functionaries of the Company or of a company under its control, in the annual period ended December 31, 2022, see the description given in Regulation 2 of Part D of the 2022 Annual Report, included in this Prospectus by way of reference.

### 8.2.2 Interested party remuneration for the year ended December 31, 2021, in ILS 000's:

For information about compensation paid to interested parties who received compensation from the Company or a company controlled by it, in connection with services as functionaries of the Company or of a company under its control, in the annual period ended December 31, 2021[1], see the description given in Regulation 2 of Part D of the 2021 Annual Report, included in this Prospectus by way of reference.

### 8.2.3 Interested party remuneration for the six-month period ended June 30, 2023, in ILS 000's:

Payee details				Remuneration for services							Other remuneration			Total
Name	Position	Scope of position	% equity holdings*	Salary	Bonus	Share based payments	Management fees	Consulting fees	Commission	Other	Interest	Rent	Other	
Moose Holdco Ltd. <sup>(a)</sup>	Management and consulting services	-	28.24%	-	-	-	500	-	-	-	-	-	-	500

For details about the terms of remuneration paid to the interested parties specified in the above table, see Regulation 21 in Part D to the 2022 Annual Report, hereby included by way of reference.

## 8.3 Options Plan

8.3.1 On August 10, 2020, the Company's board of directors adopted an options plan (for unlisted options) (the "**options plan**" and the "**commencement date**"). According to and subject to the provisions of the options plan, the Company's board of directors shall be allowed to issue unlisted options to employees, directors and consultants of the Company and the Subsidiaries (the "**offerees**"), all subject to the approvals required under applicable law.<sup>2</sup>

8.3.2 According to the options plan, the Company's board of directors shall issue options convertible into ordinary shares of the Company with no par value. The exercise price of the options shall be set by the board of directors, at its absolute discretion and according to applicable law and subject to complying with the provisions of the TASE listing rules and directives thereto.

<sup>2</sup> It should be clarified that any issuance of Company securities shall be subject to any applicable law and subject to obtaining TASE approval and meeting the requirements of the TASE listing rules and directives thereto, as in effect on the issuance date.

- 8.3.3 The options plan was submitted for the approval of the Company's withholding assessment officer on September 3, 2020, such that it is in accordance with the capital gains/trustee route under Section 102(b)(2) and 102(b)(3) of the Income Tax Ordinance [New Version], 1961 (the "**Ordinance**"). It is clarified that options which fail to meet the requirements of Section 102(b) of the Ordinance shall be subject to the provisions of Sections 102(c) or 3(i) of the Ordinance. The Company may issue options under this track as of October 3, 2020, subject to the approvals required under applicable law.
- 8.3.4 According to the provisions of the options plan, the options plan shall be administered by the Company's board of directors or by any of its committees, authorized by the Company's board of directors to implement the plan (in this section: the "**board of directors**"). The board of directors shall, among other things, decide on the identity of the offerees, the date of grant and the number of options to be awarded, their exercise/purchase price, the vesting dates for the options (subject to the Company's senior officer remuneration policy) and any other matter necessary to administer the options plan, and it may interpret the plan, act according to said interpretation and change the terms of the plan if it believes that the change will not adversely impact the rights associated with the options granted under the plan, or if the offeree has agreed to the amendment, all subject to complying with the provisions of the TASE listing rules and directives thereto. The plan shall be effective from the commencement date and for a 10 year period thereafter.
- 8.3.5 Among other things, the options plan establishes the following:
- 8.3.5.1 Options shall be awarded under the options plan through a letter of grant, which shall stipulate the number of options granted, vesting dates, exercise price for the options, the relevant tax route and other conditions, subject to the terms of the options plan and at the discretion of the board of directors.
- 8.3.5.2 The exercise of options granted under the options plan shall be through the issuance of shares in consideration for the offeree paying the exercise price, or in other ways, as established by the board of directors. The board of directors may enable or require the options to be exercised through a net exercise mechanism, subject to a pre-ruling of the Tax Authority. The board of directors may establish alternate exercise methods, including through cashless exercise. If a cashless exercise mechanism is established the offerees shall not be required

to actually pay any consideration for exercising the options.

8.3.5.3 Provisions regarding adjustments in the event of a change to the number of the Company's ordinary shares due to a change with the Company's share capital (such as a share split, share consolidation, reclassification or any similar event), distribution of bonus shares, adjustments due to a cash dividend distribution, issuance of rights, adjustments due to a restructuring and adjustments due to a split transaction, all according to the provisions of the TASE listing rules and subject to obtaining all the necessary approvals, including approvals from the tax authorities, if required:

A. **Changes with the share capital** - In any event of a change with the Company's issued share capital through a share split, consolidation, share distribution or swap or any similar event by or involving the Company, then the number and type of shares which shall derive from exercising the options granted under the plan shall be proportionately adjusted in order to maintain the rate of capital reflected by the options and the total exercise price for all exercise shares subject to the option shall not change (but should be proportionately adjusted for each share under the options).

B. **Distribution of bonus shares** - If the Company distributes bonus shares to the holders of ordinary shares, each offeree's rights shall be maintained through the following: Immediately after the date of record for the distribution of the bonus shares (in this section: the "**date of record**") the number of shares deriving from exercising the options each offeree may receive shall increase, by adding the number and class of shares the offeree would have been entitled to, as bonus shares, as if they had exercised the unexercised options issued to them (irrespective of whether or not they have vested). In such an event the total exercise price for the shares under the option shall not change (but shall proportionately be adjusted with respect to each share under the options). Actual receipt of the shares shall be contingent upon exercising the relevant option and paying the exercise price for each share subject to the option.

C. **Adjustment due to a cash dividend distribution** - In the event of a cash dividend payment, in the period following the date of grant and the exercise date, the exercise addition will be multiplied by the ratio between the base

price “ex-dividend” and the closing price of the shares on TASE on the last trading day before the “ex-dividend” date.

**D. Issuance of rights** - In the event that the Company issues rights to the shareholders, the exercise price for each option shall be reduced on the “ex rights” date by an amount equal to the component of the benefit. In this regard, the “benefit component” means: The difference between the share closing price on TASE on the last trading day prior to the “ex” date and the share’s base price “ex rights”.

**E. Adjustments due to restructuring** - In the event of a restructuring, the shares subject to the options shall be exchanged or converted into shares of the Company or of a replacement company according to the swap performed with the Company’s ordinary shares (or, as the case may be, in addition to the shares the subject of the options, the Company’s shares or those of the replacement company, as said, shall also be subject to the options), and the exercise price and number of shares shall be adjusted according to the conditions of the restructuring, in order to reflect the same conditions (including the rate of holdings, financial value, exercise price, conditions attached to the shares subject to the option, etc.) applicable to the options and the shares subject to them issued under the plan.

**F. Adjustments due to a split transaction** - In the event of a split transaction, the board of directors may establish that the offerees shall be entitled to receive shares or options in the new company to be established as a result of the split transaction, according to the shares which are to be granted to the holders of the Company’s ordinary shares under the split transaction, in order to reflect the same conditions (including the rate of holdings, financial value, exercise price, conditions attached to the shares subject to the option, etc.) applicable to the options and the shares subject to them issued under the plan, as if the shares under the options were exercised into shares prior to the split transaction.

8.3.5.4 The unexercised options which were granted in accordance with the options plan shall be exercisable, in whole or in part, within a period of 10 years from their date of grant, subject to the plan’s other expiration provisions, such as in the event of termination of employment.

8.3.5.5 The options plan includes provisions regarding the exercise of options granted to employees or senior officers upon the termination of their employment at the Company. Under the options plan, all options shall expire upon the termination of employment. In the event of a termination of employment initiated by the Company or a subsidiary not for cause (as defined in the plan), the options vested prior to the date of termination of employment may be exercised for a period of 3 months from the termination date of employment or until the expiration date of said options, according to the earlier of the two. In the event of termination of employment due to disability or death, the options vested prior to the date of termination of employment may be exercised for a period of 6 months from the termination date of employment or until the expiration date of said options, according to the earlier of the two.

8.3.5.6 Unless established otherwise by the board of directors, the options cannot be sold, are non-transferable, non-assignable, cannot be pledged or serve as collateral, other than through a will or inheritance or disability.

8.3.5.7 It is clarified that the options will not be exercised on the date of record for distribution of bonus shares, an offering by way of rights, a dividend distribution, capital consolidation, capital split or capital reduction (each of the foregoing shall hereinafter be referred to as: a “**Company event**”). If the ‘ex-date’ of a Company event occurs before the date of record for a Company event, then there shall be no exercise on said ex-date.

8.3.5.8 For more information regarding the options issued by the Company under the plan by June 30, 2023, see Section 3.3.4 of Chapter 3 of this Prospectus.

#### 8.4 **Remuneration Policy**

To view the Company’s remuneration policy, see Chapter 8 of the Company’s prospectus dated September 14, 2020, the information therein is hereby included by way of reference.

#### 8.5 **Senior officer release, insurance and indemnification**

For more information about release, indemnification and insurance for senior officers of the Company, see Regulation 22 and Regulation 29A of Part D of the 2022 Annual Report, the information therein is hereby included by way of reference.

## 8.6 **Transactions with Controlling Shareholders**

- 8.6.1 For information about transactions with the controlling shareholder or in which the controlling shareholder has a personal interest in approving, entered into by the Company, companies controlled by it or subsidiaries (“**controlling shareholder transactions**”) over 2021 and 2022, see Regulation 22 of Part D of the Company’s 2021 and 2022 Annual Reports, respectively, the information therein is included in this Prospectus by way of reference.
- 8.6.2 For information about transactions with the controlling shareholder as of January 1, 2023, and until the publication date of this Shelf Prospectus, see the Company’s 2023 Q2 Report, the information therein is included in this Shelf Prospectus by way of reference.
- 8.6.3 It should be noted that on August 14, 2023, the Company’s board of directors and remuneration committee approved the continued employment of Ms. Efrat Max, sister of Mr. Ori Max, CEO of the Company and one of its controlling shareholders, as manager of the coffee stand operating at the Chain’s store operated by Big Max Ltd. Ms. Max has been employed in said role since April 1, 2017, and is anticipated to continue holding the same position and under the same terms. For more information see the immediate report published by the Company on August 15, 2023 (Ref. No: 2023-01-093906), hereby included by way of reference.
- 8.6.4 For more information about management fees paid to the Company’s controlling shareholders, see Sections 8.1 and 8.2 above.
- 8.6.5 For more information about the principles adopted by the Company’s board of directors to classify a transaction as negligible, as provided in Regulation 41 of the Securities Regulations (Annual Financial Statements), 2010, see Regulation 22 of Part D of the Company’s 2022 Annual Report, hereby included by way of reference.

## 8.7 **Holdings of Company Securities by Interested Parties and Senior Officers**

- 8.7.1 For details regarding holdings of securities of the Company, its subsidiaries or affiliates, by interested parties and senior officers of the Company, as of September 30, 2023, see the Company’s immediate report dated October 5, 2023 (Ref. No: 2023-01-113313).

## **Chapter 9: Financial Statements**

### **9.1. Financial Statements**

Pursuant to Regulations 60B, 60D and 6B of the Prospectus Details Regulations, this Shelf prospectus includes the following financial statements by way of reference:

9.1.1. The Company's consolidated audited financial statements for the twelve month period ended on December 31, 2022, signed on March 19, 2023, and included in Chapter C of the 2022 Annual Report.

9.1.2. The Company's (unaudited) interim consolidated financial statements for the three and six month periods ended on March 31, 2023 and June 30, 2023, signed on May 22, 2023 and August 14, 2023, respectively, as included in Chapter C of the Company's 2023 Q1 and Q2 reports, respectively.

9.1.3. Pursuant to Regulation 60D of the Prospectus Details Regulations, this Shelf Prospectus includes, by way of reference, the Company's standalone financial statements as of December 31, 2022, as included in the 2022 Annual Report.

### **9.2. Report on the effectiveness of internal control and CEO and CFO declarations**

Pursuant to Regulation 60E of the Prospectus Details Regulations, this Shelf Prospectus includes, by way of reference, a report on the effectiveness of the Company's internal control as of December 31, 2022, and declarations by the CEO and CFO as of December 31, 2022, as included in the 2022 Annual Report, and as of June 30, 2023, as included in the 2023 Q2 Report.

### **9.3. Auditor's Consent Letter**

The Company's auditor consented for the Company to include the auditor's report with respect to the financial statements set forth in Section 9.1 above in this Prospectus. The Company's auditor's consent letter is attached as an annex to this chapter.

### **9.4. Events Report**

Pursuant to Regulation 60(b) of the Prospectus Details Regulations, an events report is attached to this chapter, as defined in Regulation 56A of the Prospectus Details Regulations, regarding events which occurred after the execution date of the Company's financial statements as of June 30, 2023, i.e., from August 14, 2023, until immediately prior to the publication of the Shelf Prospectus.



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

**Events Report**

**Pursuant to Regulation 56A of the Securities Regulations (Prospectus Details and  
Prospectus Drafts – Structure and Form), 1969**

From the execution date of the financial statements as of June 30, 2023, i.e., from August 14, 2023, until the date of this letter, the Company has not experienced any material events which are required to be disclosed in an events reports as defined under Regulation 56A of the Securities Regulations (Prospectus Details and Prospectus Drafts – Structure and Form), 1969, save for:

1. Amendment of the management agreement with the Company’s CEO and controlling shareholder - Further to that stated in Note 4F. of the Company’s financial statements as of June 30, 2023, on September 19, 2023, the Company announced that the Company’s general meeting approved amending the Company’s management agreement dated July 20, 2017, with a wholly owned company belonging to Mr. Ori Max, one of the Company’s controlling shareholders, who serves as the Company’s CEO and as one of its directors. According to the said approval, the monthly management fees shall remain unchanged at ILS 200 thousands, but shall be linked to the consumer price index, and ILS 6.5 thousands for expenses, plus VAT, and the annual bonus shall be based on the increase in the Company’s net profit relative to the previous year (rather than on growth in adjusted EBITDA).
2. Further to that stated in Note 15E. of the Company’s financial statements as of December 31, 2022, regarding a motion to certify a class action submitted to the Magistrates Court in Netanya against the Company and nine of its subsidiaries and franchisees for an amount estimated at approximately ILS 2 million due to an alleged failure to label product pricing according to size units, on August 21, 2023, the court approved a settlement arrangement executed by the parties which included awarding financial compensation to the class for an amount totaling ILS 320 thousands through giving a discount on eight different kinds of products. The court also reduced attorney fees from ILS 75 thousands to ILS 55 thousands, and similarly reduced the applicants’ reward from ILS 10 thousands to ILS 5 thousands. The Company is preparing to implement the settlement arrangement as stipulated in the judgment.

3. Further to that stated in Note 15F. of the Company's financial statements as of December 31, 2022, regarding the submission of a motion for discovery and production of documents prior to the submission of a derivative action against the Company in connection with transactions for the purchase and sale of personal protective equipment against COVID-19, performed by the Company during 2020, on August 16, 2023, the court rendered a ruling summarily dismissing the motion, without costs. The case has been closed.
4. In October 2023, the "Swords of Iron" war broke out in the State of Israel (the "war") following a surprise attack from Gaza against settlements in the western Negev by the Hamas terror organization. Hostilities of a lesser magnitude subsequently also broke out by the country's northern border. As of the Prospectus date, the war has had a material impact on the entire economy, *inter alia*, due to the temporary shutdown of businesses primarily in areas in proximity to the fighting, across the broad call-up of military reserves, evacuation of residents from settlements in proximity to the fighting and partial interruptions with the education system.

The Company's stores were closed in the first week of the war, and gradually opened over the first and second weeks of the war with a reduced scale of operations. As of the publication date of the Prospectus, 60 out of the Company's 62 stores in Israel are fully open and operating as usual, and two of the Company's branches remain closed (a branch owned by the Company in Sderot and the Company's branch in Kiriat Shmona, operated by a franchisee), as a result of the foregoing. Due to the fact that the Company primarily focuses on basic products required throughout the year, including emergency periods, and in light of the fact that the Company sells a diverse and changing range of products at attractive prices, the Company assesses at this stage, based on the information available to it, as of the date of the Prospectus, and in light of the operating metrics examined by the Company and it meeting its cash-flow targets, that the war has not had a material impact on the Company's operating activities. Additionally, as of the publication date of the report, the Company's manpower has not materially changed to how it stood prior to the war, and no material issues are foreseen with the supply chain and the Company does not foresee material changes with the opening dates of future stores signed by the Company.

A protraction of the war is liable to have additional broad implications on many different sectors and geographical areas in the country. Furthermore, the potential volatility with the prices of goods, currency exchange rates, availability of materials, manpower, local services and access to local resources may impact entities primarily operating with or in Israel.

It should be noted that the Company is unable to reliably assess the scope of the future impact of the war on the Company's operating activities (other than the implications described above), among other things, in light of the sharp volatility experienced by the markets, the uncertainty regarding the duration of the fighting, its severity, the implications of the war on the Company's operating segments and additional measures which may be taken by the government. The Company's board of directors and management are continuing to closely monitor the Company's performance during the war, including scope of sales, the Company's ability to satisfy its liabilities upon maturity, manpower and reserve military call-ups, and to make the necessary adjustments.

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Ori Max  
CEO

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Zehavit Cohen  
Chairman of the Board of  
Directors

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Nir Dagan  
Deputy CEO and Head of  
Finance

Events report approval date: November 22, 2023



November 23, 2023

Attn:

Board of Directors of Max Stock Ltd. (the “Company”)

Dear Madame and/or Sir,

Re: Max Stock Ltd. Shelf Prospectus Intended to be Published in November, 2023

We hereby inform you that we agree for our reports described below to be included (including by way of reference) in the above-captioned Shelf Prospectus:

1. The auditor’s report dated March 19, 2023, on the Company's consolidated financial statements as of December 31, 2022 and 2021 and for each of the three years during the period ending on December 31, 2021 and 2022.
2. The auditor’s report dated March 19, 2023, on the Company's standalone financial information in accordance with Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 1970, as of December 31, 2022 and 2021 and for each of the three years during the period ending on December 31, 2022.
3. The auditor’s review report dated May 22, 2023, on the Company’s condensed consolidated financial information as of March 31, 2023, and for the six month period ended on the same date.
4. The auditor’s review report dated August 14, 2023, on the Company’s condensed consolidated financial information as of June 30, 2023, and for the six month period ended on the same date.

Kost Forer Gabbay & Kasierer  
Auditors

## **Chapter 10: Additional Details**

### 10.1. **Legal Opinion**

The Company and the Offerors obtained the following legal opinion:



Attn:  
Max Stock Ltd. (the “Company”)

November 23, 2023  
File no: 71605

Dear Madame and/or Sir,

**Re: Company's shelf prospectus dated November 24, 2023 (the “Shelf Prospectus”)**

At your request we shall relate to the Prospectus and make the following confirmation:

1. The Company’s directors have duly been appointed and their names are included in the Prospectus.
2. We consent for this opinion to be included in the Prospectus.

**Respectfully,**

**Efrat Zur, Adv.**

**Keren Nightingale, Adv.**

**Herzog Fox & Neeman Law Office**

10.2. **Expenses Associated with the Prospectus**

The Company assesses that the expenses entailed in publishing this Prospectus total approximately ILS 45 thousands. These expenses do not include the expenses entailed in offering securities if any are offered under shelf offering reports.

In accordance with the provisions of Regulation 4A of the Securities Regulations (Application Fee for Permission to Publish a Prospectus), 1995, the Company has paid the Israel Securities Authority an application fee for a permit to publish the Shelf Prospectus. An additional fee, if required, shall be paid for the securities to be offered under shelf offering reports, on the publication date of said reports, if applicable, in the amounts and at the times stipulated in said regulations.

10.3. **Commissions Associated with Other Securities**

In the two year period preceding the date of the Prospectus, the Company did not, nor did it undertake to pay commissions for underwriting or signing the securities issued by it.

10.4. **Issuance of Securities other than for Consideration in Cash**

In the two years preceding the date of the Prospectus, the Company has not issued nor has it undertaken to issue its securities for consideration not fully denominated in cash, other than as described in Section 3.4 of Chapter 3 of this Prospectus.

10.5. **Review of Documents**

A copy of the Prospectus, the permit to publish it and a copy of all reports, approvals and opinions included or mentioned in this Prospectus, are available for review at the Company's registered office, during customary work hours. Similarly, this Prospectus can be reviewed on the Israel Securities Authority website (MAGNA) at [www.magna.isa.gov.il](http://www.magna.isa.gov.il) and on the website of the Tel Aviv Stock Exchange Ltd. at <http://maya.tase.co.il>.

<b>Chapter 11: Signatures</b>
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**The Company:**

Max Stock Ltd.

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**Directors:**

Ori Max

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Zehavit Cohen

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Limor Brik-Shay

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Erez Nahum

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Guy Gissin

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Peretz Guza

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Eitan Michael Stoller

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Suzan Mazzawi

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