

2025-12-04

Immediate Report on a Transaction with a Controlling Shareholder or with a Director Not Requiring Approval of the General Meeting

Regulation 37A(5) of the Securities Regulations (Periodic and Immediate Reports), 1970

1.

Hereby submitted is a report on the approval of a transaction in accordance with Regulation 1b1 of the Companies Regulations (Easements in Interested Party Transactions), 2000 (the Easements Regulations).

2.

The transaction was approved by the Compensation Committee effective December 4, 2025.

3.

Summary of the main points of the transaction and the main reasons of the Compensation Committee for approving the transaction:

3.1.

Main terms of the transaction:

The Compensation Committee of Shufersal Ltd. (**the Company**) decided to approve the Company's engagement in a policy

for insurance of the liability of directors and officers of the Company (the Policy), in accordance with Regulation 1b1 of the Easements Regulations.

The Policy was arranged for a period of 17 months commencing October 1, 2025, with a liability limit of 50 million US Dollars per claim and in aggregate.

3.2.

Summary of the main reasons of the Compensation Committee for approving the transaction:

Among the reasons of the Compensation Committee for approving the decision, it was mentioned, among other things, as follows:

a.

The terms of the insurance conform to Regulation 1b1 of the Easements Regulations, as set forth above – the terms are in accordance

with the framework set in the compensation policy, market conditions, and are not likely to materially affect

the profitability of the Company, its assets or liabilities;

b.

Entering into directors and officers' insurance policies is for the benefit of the Company and constitutes accepted protection provided

to officers among public companies in Israel, as it enables the officers to properly perform their duties and considering the risks inherent in fulfilling their roles and the personal responsibility imposed upon them by law, among other things, in view of the Company's needs and the complexity of its business;

c.

The insurance limits as mentioned above were set in light of the risks involved in the activities of the officers of the Company,

considering the fields of activity of the Company and their scope, as well as its status as a public company, on the one hand,

versus the costs involved in purchasing such insurance, on the other hand.

In light of the foregoing, the Compensation Committee of the Company approved that the conditions of Regulation 1b1 of the Easements Regulations are met.

in connection with the engagement described above, and that the terms of the insurance are identical in relation to all the officers of the Company (including the Co-CEOs).

Shufersal Ltd.
