SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of November 2026

Commission File Number: 001-35464

Caesarstone Ltd.

(Translation of registrant's name into English)

Kibbutz Sdot Yam
MP Menashe
Israel 3780400
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

EXPLANATORY NOTE

On October 21, 2026, Caesarstone Ltd. (the "Company") furnished a notice of meeting, proxy statement and proxy card for its 2026 Annual General Meeting of Shareholders to be held on November 25, 2026 (the "Meeting"). Following a request by a shareholder holding sufficient voting rights in the Company pursuant to Section 66(b) of the Israeli Companies Law, 5759-1999 (the "Companies Law"), and the Israeli Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and the Addition of an Item to the Agenda), 5760-2000 (the "Notice Regulations"), the Company's Board of Directors approved adding to the Meeting agenda the re-election of Dr. Ariel Halperin as a director, in place of the election of Mr. Aviv Ben Horin, who has withdrawn his candidacy.

Accordingly, Proposal No. 1 has been revised to provide for Dr. Halperin's re-election, Proposal No. 5 has been revised to include Dr. Halperin among the directors to receive option grants, and Proposal No. 6 has been revised to remove Mr. Ben Horin. In addition, related disclosures, including with respect to the composition of the Board following the Meeting and the continuation of Dr. Halperin's compensation under the Management Agreement, have been revised to conform to his candidacy. In accordance with the Companies Law and the Notice Regulations, the addition of an item to the agenda of an already-convened general meeting pursuant to a shareholder request does not affect the date of the original notice of the Meeting or the record date set forth in the original proxy statement. Accordingly, the notice date of October 21, 2026 and the record date of October 20, 2026 remain unchanged and in full force and effect.

The Company hereby furnishes an updated notice and proxy statement and an updated proxy card, attached as Exhibits 99.1 and 99.2, respectively, which reflect these changes. The date, time and place of the Meeting and the record date remain unchanged.

This Form 6-K is incorporated by reference into the Company's Registration Statements on Form S-8 (Files Nos. 333-180313, 333-210444, 333-251642 and 333-295843).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAESARSTONE LTD.

Date: November 3, 2026

By: /s/ Nahum Trost
Name: Nahum Trost
Title: Chief Financial Officer

Exhibit 99.1

CAESARSTONE LTD.

Kibbutz Sdot-Yam, MP Menashe, 3780400, Israel
Tel: +972-4-610-9217

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

This is an amended notice of meeting and proxy statement, which amends and supersedes the notice of meeting and proxy statement furnished by Caesarstone Ltd. on October 21, 2026. Following a request by a shareholder holding sufficient voting rights pursuant to Section 66(b) of the Israeli Companies Law, 5759-1999 (the "Companies Law"), and the Israeli Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and the Addition of an Item to the Agenda), 5760-2000 (the "Notice Regulations"), the board of directors of Caesarstone Ltd. approved adding to the agenda of the annual general meeting of shareholders the re-election of Dr. Ariel Halperin as a director, in place of the election of Mr. Aviv Ben Horin, who has withdrawn his candidacy. The notice date of October 21, 2026 and the record date of October 20, 2026 remain unchanged and in full force and effect.

Notice is hereby given that an Annual General Meeting of Shareholders (the "Meeting") of Caesarstone Ltd. (the "Company") will be held at 5:00 p.m., Israel time, on November 25, 2026, at the Company's offices at Kibbutz Sdot-Yam, MP Menashe 3780400, Israel, for the following purposes (the agenda for which, as described above, has been amended pursuant to a request by a shareholder holding sufficient voting rights pursuant to Section 66(b) of the Companies Law and the Notice Regulations):

(1) to re-elect each of Messrs. Dr. Ariel Halperin, Maxim Ohana, Eran Cohen and Yuval Beeri, and to elect Mr. Yaron Arzi (who currently serves as a director of the Company, having been appointed by the Board), to serve as directors of the Company until the close of the next annual general meeting of the shareholders of the Company;

(2) to re-elect Ms. Lily Ayalon, and to elect Ms. Hanna Yanovsky, to serve as external directors of the Company, each for a three-year term commencing on December 1, 2026, and to approve their respective terms of compensation;

(3) to approve an amended and restated Compensation Policy for the Company's Executive Officers and Directors, effective as of the date of the Meeting for a period of three years;

(4) to approve an increase in the total number of ordinary shares reserved for issuance as incentive stock options under the Company's 2020 Share Incentive Plan;

(5) to approve the grant of equity-based compensation to Dr. Ariel Halperin, Yuval Beeri, Yaron Arzi, Lily Ayalon and Hanna Yanovsky, subject to each such director's election or re-election, as applicable, as a director at the Meeting, and to the actual commencement of his or her term of office;

(6) to approve the grant of equity-based compensation to Eran Cohen and Maxim Ohana, who are currently affiliates of controlling shareholders of the Company, subject to each such director's election or re-election, as applicable, as a director at the Meeting;

(7) to approve the terms of employment of Mr. Eran Cohen in his role as the Company's ROW Sales Director, subject to his re-election as a director at the Meeting; and

(8) to re-appoint Kost, Forer, Gabbay & Kasierer (a member of Ernst & Young Global) as the Company's independent auditors for the year ending December 31, 2026, and its service until the annual general meeting of shareholders to be held in 2027, and to authorize the Company's board of directors (or, the audit committee, if authorized by the board of directors, subject to the ratification of the board of directors), upon recommendation of the audit committee of the Company, to determine the compensation of the independent auditors in accordance with the volume and nature of their services and receive an update regarding the Company's independent auditors' remuneration for the past year.

In addition to considering and voting on the foregoing proposals (the "**Proposals**"), members of the Company's management will be available at the Meeting to discuss the audited financial statements of the Company for the fiscal year ended December 31, 2025.

The board of directors of the Company (the "Board") unanimously recommends that you vote "FOR" each of the above Proposals, which are described in the accompanying proxy statement.

We are currently not aware of any other matters that will come before this Meeting. If any other matters are presented properly at the Meeting, the persons designated as proxies may vote upon such matters in accordance with the recommendation of the Board or, absent such recommendation, using their best judgment.

Any shareholder of the Company who intends to present a proposal at the Meeting must satisfy the requirements of the Companies Law and the Company's Articles of Association (the "Articles"). Under the Articles, only shareholders who hold at least 1% of the Company's outstanding voting rights are entitled to request that the Board include a proposal at a shareholders' meeting, provided that such proposal is deemed appropriate by the Board for consideration by shareholders at such meeting. Such request made by an eligible shareholder must be received by us no later than October 28, 2026. To the extent that there are any additional agenda items that the Board determines to add as a result of any such submission, the Company will publish an updated agenda and proxy card with respect to the Meeting, no later than November 4, 2026. As described above, the Company received such a request, and this amended notice, together with the updated proxy card, constitutes the updated agenda and proxy card with respect to the Meeting.

The affirmative vote of the holders of a majority of the voting power represented at the Meeting, in person or by proxy, is necessary for the approval of each Proposal.

The approval of Proposal No. 2 and, if Proposal No. 3 is not approved, Proposals No. 5 and 6, are subject to the fulfillment of one of the following additional voting requirements:

(i) a majority of the shares that are voted at the Meeting in favor of the proposal, excluding abstentions, includes a majority of the votes of shareholders present and voting who are not controlling shareholders or do not have a personal interest in the proposal, excluding a personal interest that did not result from the shareholder's relationship with the controlling shareholder; or

(ii) the total number of shares held by the shareholders mentioned in clause (i) above that are voted against the proposal does not exceed two percent (2%) of the aggregate voting rights in the Company.

The approval of Proposal No. 3 is subject to the fulfillment of one of the following additional voting requirements:

(i) a majority of the shares that are voted at the Meeting in favor of the proposal, excluding abstentions, includes a majority of the votes of shareholders present and voting who are not controlling shareholders or do not have a personal interest in the approval of the proposal; or

(ii) the total number of shares held by the shareholders mentioned in clause (i) above that are voted against the proposal does not exceed two percent (2%) of the aggregate voting rights in the Company.

The approval of Proposal No. 7 and, irrespective of the approval of Proposal No. 3, the approval of Proposal No. 6, are subject to the fulfillment of one of the following additional voting requirements:

(i) a majority of the shares that are voted at the Meeting in favor of the proposal, excluding abstentions, includes a majority of the votes of shareholders present and voting who do not have a personal interest in the approval of the proposal; or

(ii) the total number of shares held by the shareholders mentioned in clause (i) above that are voted against the proposal does not exceed two percent (2%) of the aggregate voting rights in the Company.

However, in connection with Proposal No. 3, the Companies Law allows the board of directors of a company to approve a compensation policy even if the general meeting of shareholders has voted against its approval, provided that the Company's compensation committee, and thereafter its board of directors, each determines to approve it, based on detailed arguments, and after having reconsidered the matter and concluded that such action is in the best interest of the company.

For purposes of the foregoing requisite majority requirements:

- a "**controlling shareholder**" is defined as any shareholder that has the ability to direct the company's activities (other than by means of being a director or office holder (as defined in the Companies Law) of the company), including a person who holds 25% or more of the voting rights in the general meeting of the company if there is no other person who holds more than 50% of the voting rights in the company; for the purpose of a holding, two or more persons holding voting rights in the company each of which has a personal interest in the approval of the transaction being brought for approval of the company will be considered to be joint holders. A person is presumed to be a controlling shareholder if it holds or controls, by himself or together with others, one half or more of any one of the "means of control" of the company.

- "**Means of control**" is defined as any one of the following: (i) the right to vote at a general meeting of the company, or (ii) the right to appoint directors of the company or its chief executive officer.

- "**personal interest**" of a shareholder in an action or transaction of a company includes (i) a personal interest of any of the shareholder's relatives (i.e. spouse, brother or sister, parent, grandparent, child as well as child, brother, sister or parent of such shareholder's spouse or the spouse of any of the above) or an interest of a company with respect to which the shareholder or the shareholder's relative (as detailed above) holds 5% or more of such company's issued shares or voting rights, in which any such person has the right to appoint a director or the chief executive officer or in which any such person serves as a director or the chief executive officer, including the personal interest of a person voting pursuant to a proxy whether or not the proxy grantor has a personal interest; and (ii) excludes an interest arising solely from the ownership of ordinary shares of the company.

Shareholders who are controlling shareholders or have a personal interest in the approval of the foregoing Proposals, as applicable, are defined as "**Interested Shareholders**". **Under Israeli law, every voting shareholder is required to notify the Company whether such shareholder is an Interested Shareholder. To avoid confusion, every shareholder voting by means of the enclosed proxy card or voting instruction form, or via telephone or internet voting, will be deemed to confirm that such shareholder is NOT an Interested Shareholder. If you are an Interested Shareholder (in which case your vote will only count for or against the ordinary majority, and not for or against the special tally under Proposals No. 2, 3, 5, 6 and 7), please notify the Company's General Counsel, Ron Mosberg, at AGM@caesarstone.com. If your shares are held in "street name" by your broker, bank or other nominee and you are an Interested Shareholder, you should notify your broker, bank or other nominee of that status, and they in turn should notify the Company as described in the preceding sentence.**

Other than Kibbutz Sdot-Yam (as defined in the accompanying proxy statement), we are not aware of any controlling shareholders of the Company.

The presence (in person or by proxy) of any two or more shareholders holding, in the aggregate, at least 25% of the voting rights in the Company constitutes a quorum for purposes of the Meeting. In the absence of the requisite quorum of shareholders at the Meeting, the Meeting will be adjourned to the same day in the next week, at the same time and place, unless otherwise determined at the Meeting in accordance with the Articles. At such adjourned meeting any number of shareholders in person or by proxy (regardless of the voting power represented by their shares) will constitute a quorum.

Only shareholders of record at the close of business on October 20, 2026, are entitled to notice of, and to vote at, the Meeting, or at any adjournment or postponement thereof. As of October 20, 2026, the Company had 34,589,257 issued and outstanding ordinary shares, each of which is entitled to one vote upon the matters to be presented at the Meeting.

A proxy statement describing the various matters to be voted upon at the Meeting along with a proxy card enabling the shareholders to indicate their vote on each matter is being distributed to all shareholders entitled to vote at the Meeting, and also furnished to the U.S. Securities and Exchange Commission (the "**SEC**") under cover of Form 6-K and will be available on the Company's website www.caesarstone.com. Proxies must be submitted to Broadridge Financial Solutions ("**Broadridge**"), no later than 11:59 p.m. EST on November 24, 2026, or to our offices no later than 1:00 p.m. (Israel time) on November 25, 2026. Proxies delivered to the Company or to Broadridge following such time will be presented to the chairperson of the Meeting and, at his or her discretion, may be voted as specified in the instructions included in such proxies. If your ordinary shares in the Company are held in "street name" (meaning held through a bank, broker or other nominee), you will be able to either direct the record holder of your shares on how to vote your shares or obtain a legal proxy from the record holder to enable you to participate in and to vote your shares at the Meeting (or to appoint a proxy to do so).

In accordance with the Companies Law, any shareholder of the Company may submit to the Company a position statement on its behalf, expressing its position on an agenda item for the Meeting, to the Company's offices, c/o Kibbutz Sdot-Yam, MP Menashe 3780400, Israel, Attention: Ron Mosberg, General Counsel and Corporate Secretary, no later than November 15, 2026. Any position statement received will be furnished to the SEC on Form 6-K, and will be made available to the public on the SEC's website at http://www.sec.gov.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Ariel Halperin
Dr. Ariel Halperin
Chairman of the Board of Directors

Kibbutz Sdot-Yam, MP Menashe 3780400, Israel
November 3, 2026



CAESARSTONE LTD.

Kibbutz Sdot-Yam, MP Menashe 3780400, Israel
Tel: +972-4-610-9217

PROXY STATEMENT

Annual General Meeting of Shareholders

To Be Held on November 25, 2026

This is an amended proxy statement, which amends and supersedes the proxy statement furnished by Caesarstone Ltd. on October 21, 2026. Following a request by a shareholder holding sufficient voting rights pursuant to Section 66(b) of the Israeli Companies Law, 5759-1999 (the "**Companies Law**"), and the Israeli Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and the Addition of an Item to the Agenda), 5760-2000 (the "**Notice Regulations**"), the board of directors of Caesarstone Ltd. approved adding to the agenda of the annual general meeting of shareholders the re-election of Dr. Ariel Halperin as a director, in place of the election of Mr. Aviv Ben Horin, who has withdrawn his candidacy. Accordingly, Proposal No. 1 has been revised to provide for Dr. Halperin's re-election, Proposal No. 5 has been revised to include Dr. Halperin among the directors to receive option grants, and Proposal No. 6 has been revised to remove Mr. Ben Horin, and related disclosures have been revised to conform to Dr. Halperin's candidacy. The notice date of October 21, 2026 and the record date of October 20, 2026 remain unchanged and in full force and effect.

General Information

This proxy statement (the "**Proxy Statement**") and the accompanying proxy card are being furnished to the holders of ordinary shares, par value NIS 0.04 per share, of Caesarstone Ltd., an Israeli company (the "**Company**"), in connection with the solicitation of proxies by the board of directors of the Company (the "**Board**"), for use at the annual general meeting of shareholders of the Company (the "**Meeting**") to be held on November 25, 2026, beginning at 5:00 p.m. Israel time, at the offices of the Company at Kibbutz Sdot-Yam, MP Menashe 3780400, Israel.

You are entitled to receive notice of, and vote at, the Meeting if you are a shareholder of record at the close of business on October 20, 2026 (the "**Record Date**"), in person or through a broker, trustee or other nominee that is one of our shareholders of record at such time, or which appears in the participant listing of a securities depository on that date. You can vote your shares by attending the Meeting or by following the instructions under "How You Can Vote" below. Our Board urges you to vote your ordinary shares so that they will be counted at the Meeting or at any postponements or adjournments of the Meeting.

Amended Agenda Items

The following matters are on the agenda for the Meeting, which agenda, as described above, has been amended pursuant to a request by a shareholder holding sufficient voting rights pursuant to Section 66(b) of the Companies Law and the Notice Regulations:

(1) to re-elect each of Messrs. Dr. Ariel Halperin, Maxim Ohana, Eran Cohen and Yuval Beeri, and to elect Mr. Yaron Arzi (who currently serves as a director of the Company, having been appointed by the Board), to serve as directors of the Company until the close of the next annual general meeting of the shareholders of the Company;

(2) to re-elect Ms. Lily Ayalon, and to elect Ms. Hanna Yanovsky, to serve as external directors ("**External Directors**") of the Company, each for a three-year term commencing on December 1, 2026, and to approve their respective terms of compensation;

(3) to approve an amended and restated Compensation Policy for the Company's Executive Officers and Directors (the "**Proposed Compensation Policy**"), effective as of the date of the Meeting for a period of three years;

(4) to approve an increase in the total number of ordinary shares reserved for issuance as incentive stock options under the Company's 2020 Share Incentive Plan;

(5) to approve the grant of equity-based compensation to Dr. Ariel Halperin, Yuval Beeri, Yaron Arzi, Lily Ayalon and Hanna Yanovsky, subject to each such director's election or re-election, as applicable, as a director at the Meeting, and to the actual commencement of his or her term of office;

(6) to approve the grant of equity-based compensation to Eran Cohen and Maxim Ohana, who are currently affiliates of controlling shareholders of the Company, subject to each such director's election or re-election, as applicable, as a director at the Meeting;

(7) to approve the terms of employment of Mr. Eran Cohen in his role as the Company's ROW Sales Director, subject to his re-election as a director at the Meeting; and

(8) to re-appoint Kost, Forer, Gabbay & Kasierer (a member of Ernst & Young Global) as the Company's independent auditors for the year ending December 31, 2026, and its service until the annual general meeting of shareholders to be held in 2027, and to authorize the Company's board of directors (or, the audit committee, if authorized by the board of directors, subject to the ratification of the board of directors), upon recommendation of the audit committee of the Company, to determine the compensation of the independent auditors in accordance with the volume and nature of their services and receive an update regarding the Company's independent auditors' remuneration for the past year.

In addition to considering and voting on the foregoing proposals (the "**Proposals**"), members of the Company's management will be available at the Meeting to discuss the audited financial statements of the Company for the fiscal year ended December 31, 2025.

The board of directors of the Company (the "Board") unanimously recommends that you vote "FOR" each of the above Proposals, which are described in the accompanying proxy statement.

We are currently not aware of any other matters that will come before this Meeting. If any other matters are presented properly at the Meeting, the persons designated as proxies may vote upon such matters in accordance with the recommendation of the Board or, absent such recommendation, using their best judgment.

Any shareholder of the Company who intends to present a proposal at the Meeting must satisfy the requirements of the Companies Law and the Company's Articles of Association (the "**Articles**"). Under the Articles, only shareholders who hold at least 1% of the Company's outstanding voting rights are entitled to request that the Board include a proposal at a shareholders' meeting, provided that such proposal is deemed appropriate by the Board for consideration by shareholders at such meeting. Such request made by an eligible shareholder must be received by us no later than October 28, 2026. To the extent that there are any additional agenda items that the Board determines to add as a result of any such submission, the Company will publish an updated agenda and proxy card with respect to the Meeting, no later than November 4, 2026. As described above, the Company received such a request, and this amended Proxy Statement, together with the updated proxy card, constitutes the updated agenda and proxy card with respect to the Meeting.

Board Recommendations

The Board unanimously recommends that you vote "FOR" each of the above Proposals.

Proxy

Nahum Trost, our Chief Financial Officer, Ron Mosberg, our General Counsel and Corporate Secretary, or Idan Gur, our Legal Counsel, may be appointed as proxies by the shareholders entitled to vote at the Meeting with respect to the matters to be voted on at the Meeting.

All ordinary shares represented by properly executed proxies delivered to the Company by mail at its offices at Kibbutz Sdot-Yam, MP Menashe 3780400, Israel, Attention: Ron Mosberg, General Counsel and Corporate Secretary, or by email to AGM@caesarstone.com, or to Broadridge Financial Solutions ("**Broadridge**") will be voted as specified in the instructions indicated in such proxies. Proxies must be submitted to Broadridge no later than 11:59 p.m. EST on November 24, 2026, or to our offices no later than 1:00 p.m. (Israel time) on November 25, 2026. Proxies delivered to the Company or to Broadridge following such times will be presented to the chairperson of the Meeting and, at his or her discretion, may be voted as specified in the instructions included in such proxies. If you are a shareholder of record as of the Record Date for the Meeting, subject to applicable law and the rules of the Nasdaq Stock Market ("**Nasdaq**"), if no instructions are indicated in such proxies with respect to any Proposal, the shares represented by properly executed and received proxies will be voted "FOR" Proposals No. 1, 4 and 8.

If you hold your shares in "street name" through a broker, bank or other nominee, you are considered, with respect to those shares, a beneficial owner. Brokers that hold shares in "street name" for clients typically have authority to vote on "routine" proposals even when they have not received instructions from beneficial owners. The only item on the Meeting agenda that may be considered routine is Proposal No. 8 relating to the re-appointment of our independent auditors for the fiscal year ending December 31, 2026; however, we cannot be certain whether this will be treated as a routine matter since our proxy statement is prepared in compliance with the Companies Law rather than the rules applicable to domestic U.S. reporting companies. Therefore, it is important for a shareholder that holds ordinary shares through a bank, broker or other nominee to instruct such bank, broker or other nominee how to vote its shares, if the shareholder wants its shares to count for the Proposals.

Revocation of Proxies

A shareholder may revoke a proxy in one of the following ways: (i) by written notice of the revocation of the proxy delivered by mail to the Company at its offices at Kibbutz Sdot-Yam, MP Menashe 3780400, Israel, Attention: Ron Mosberg, General Counsel and Corporate Secretary, or by email to AGM@caesarstone.com, no later than 11:59 p.m. (Israel time) on November 24, 2026, or to Broadridge, no later than 11:59 p.m. EST on November 24, 2026, cancelling the proxy or appointing a different proxy; (ii) by written notice of the revocation of the proxy delivered at the Meeting to the chairman of the Meeting; or (iii) by attending and voting in person at the Meeting. Attendance at the Meeting will not, in and of itself, constitute revocation of a proxy.

Shareholders Entitled to Vote – Record Date

Shareholders of record who held ordinary shares as of the Record Date are entitled to notice of, and to vote at, the Meeting. In addition, shareholders who, as of the Record Date, held ordinary shares through a bank, broker or other nominee which is a shareholder of record of the Company at the close of business on the Record Date, or which appears in the participant list of a securities depository on that date, are considered to be beneficial owners of shares held in "street name." These proxy materials are being forwarded to beneficial owners by the bank, broker or other nominee that is considered the holder of record with respect to the Company's ordinary shares. Beneficial owners have the right to direct how their shares should be voted and are also invited to attend the Meeting but may not actually vote their shares in person at the Meeting unless they first obtain a signed proxy from the record holder giving them the right to vote the shares.

As of the Record Date, there were 35,692,353 issued ordinary shares and 34,589,257 (excluding 1,103,096 dormant shares held in treasury) entitled to vote at the Meeting.

Quorum and Required Vote

Pursuant to the Articles, the quorum required for the Meeting consists of at least two shareholders present, in person or by proxy, who hold or represent between them at least 25% of the Company's voting power. If a quorum is not present within thirty (30) minutes from the time appointed for the Meeting, the Meeting shall stand adjourned to the same day at the same time and place in the following week, or to a day, time and place as the Board may decide if so specified in the notice of the meeting (the "**Adjourned Meeting**"). At such Adjourned Meeting any number of shareholders shall constitute a quorum for the business for which the original meeting was called.

Abstentions and "broker non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A "broker non-vote" occurs when a bank, broker or other holder of record holding shares for a beneficial owner attends the Meeting but does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. If you hold your shares in "street name" and do not provide your broker with specific instructions regarding how to vote on any proposal, your broker will not be permitted to vote your shares on the proposal, resulting in a "broker non-vote."

The affirmative vote of the holders of a majority of the voting power represented at the Meeting, in person or by proxy, is necessary for the approval of each Proposal.

The approval of Proposal No. 2 and, if Proposal No. 3 is not approved, Proposals No. 5 and No. 6, are subject to the fulfillment of one of the following additional voting requirements:

(i) a majority of the shares that are voted at the Meeting in favor of the proposal, excluding abstentions, includes a majority of the votes of shareholders present and voting who are not controlling shareholders or do not have a personal interest in the proposal, excluding a personal interest that did not result from the shareholder's relationship with the controlling shareholder; or

(ii) the total number of shares held by the shareholders mentioned in clause (i) above that are voted against the proposal does not exceed two percent (2%) of the aggregate voting rights in the Company.

The approval of Proposal No. 3 is subject to the fulfillment of one of the following additional voting requirements:

(i) a majority of the shares that are voted at the Meeting in favor of the proposal, excluding abstentions, includes a majority of the votes of shareholders present and voting who are not controlling shareholders or do not have a personal interest in the approval of the proposal; or

(ii) the total number of shares held by the shareholders mentioned in clause (i) above that are voted against the proposal does not exceed two percent (2%) of the aggregate voting rights in the Company.

The approval of Proposal No. 7 and, irrespective of the approval of Proposal No. 3, the approval of Proposal No. 6, are subject to the fulfillment of one of the following additional voting requirements:

(i) a majority of the shares that are voted at the Meeting in favor of the proposal, excluding abstentions, includes a majority of the votes of shareholders present and voting who do not have a personal interest in the approval of the proposal; or

(ii) the total number of shares held by the shareholders mentioned in clause (i) above that are voted against the proposal does not exceed two percent (2%) of the aggregate voting rights in the Company.

However, in connection with Proposal No. 3, the Companies Law allows the board of directors of a company to approve a compensation policy even if the general meeting of shareholders has voted against its approval, provided that the Company's compensation committee, and thereafter its board of directors, each determines to approve it, based on detailed arguments, and after having reconsidered the matter and concluded that such action is in the best interest of the company.

For purposes of the foregoing requisite majority requirements:

- a "**controlling shareholder**" is defined as any shareholder that has the ability to direct the company's activities (other than by means of being a director or office holder (as defined in the Companies Law) of the company), including a person who holds 25% or more of the voting rights in the general meeting of the company if there is no other person who holds more than 50% of the voting rights in the company; for the purpose of a holding, two or more persons holding voting rights in the company each of which has a personal interest in the approval of the transaction being brought for approval of the company will be considered to be joint holders. A person is presumed to be a controlling shareholder if it holds or controls, by himself or together with others, one half or more of any one of the "means of control" of the company.

- "**Means of control**" is defined as any one of the following: (i) the right to vote at a general meeting of the company, or (ii) the right to appoint directors of the company or its chief executive officer.

- "**personal interest**" of a shareholder in an action or transaction of a company includes (i) a personal interest of any of the shareholder's relatives (i.e. spouse, brother or sister, parent, grandparent, child as well as child, brother, sister or parent of such shareholder's spouse or the spouse of any of the above) or an interest of a company with respect to which the shareholder or the shareholder's relative (as detailed above) holds 5% or more of such company's issued shares or voting rights, in which any such person has the right to appoint a director or the chief executive officer or in which any such person serves as a director or the chief executive officer, including the personal interest of a person voting pursuant to a proxy whether or not the proxy grantor has a personal interest; and (ii) excludes an interest arising solely from the ownership of ordinary shares of the company.

Shareholders who are controlling shareholders or have a personal interest in the approval of the foregoing Proposals, as applicable, are defined as "**Interested Shareholders**". **Under Israeli law, every voting shareholder is required to notify the Company whether such shareholder is an Interested Shareholder. To avoid confusion, every shareholder voting by means of the enclosed proxy card or voting instruction form, or via telephone or internet voting, will be deemed to confirm that such shareholder is NOT an Interested Shareholder. If you are an Interested Shareholder (in which case your vote will only count for or against the ordinary majority, and not for or against the special tally under Proposals No. 2, 3, 5, 6 and 7), please notify the Company's General Counsel, Ron Mosberg, at AGM@caesarstone.com. If your shares are held in "street name" by your broker, bank or other nominee and you are an Interested Shareholder, you should notify your broker, bank or other nominee of that status, and they in turn should notify the Company as described in the preceding sentence.**

Other than Kibbutz Sdot-Yam (as defined herein), we are not aware of any controlling shareholders of the Company.

For more information, please see under "Beneficial Ownership of Securities by Certain Beneficial Owners and Management" below.

Except for the purpose of determining a quorum, broker non-votes will not be counted as present and are not entitled to vote. Abstentions will not be treated as either a vote "FOR" or "AGAINST" a matter. Each ordinary share is entitled to one vote on each Proposal or item that comes before the Meeting.

On each matter submitted to the shareholders for consideration at the Meeting, only ordinary shares that are voted on such matter will be counted toward determining whether shareholders approved the matter. Ordinary shares present at the Meeting that are not voted on a particular matter (including broker non-votes) will not be counted in determining whether such matter is approved by shareholders.

Each ordinary share is entitled to one vote on each proposal or item that comes before the Meeting. If two or more persons are registered as joint owners of any ordinary share, the right to vote at the Meeting and/or the right to be counted as part of the quorum for the Meeting shall be conferred exclusively upon the more senior among the joint owners attending the Meeting in person or by proxy. For this purpose, seniority shall be determined by the order in which the names appear in the Company's share register.

How You Can Vote

- *Shareholders of Record.* If you are a shareholder of record (that is, you hold a share certificate that is registered in your name or you are listed as a shareholder in the Company's share register), you can submit your vote by completing, signing and submitting a proxy card, which has been or will be sent to you and which will be accessible at the 'Investor Relations' portion of the Company's website, as described below under "Availability of Proxy Materials."

  If you provide specific instructions (by marking a box) with regard to the Proposals, your shares will be voted as you instruct. If you sign and return your proxy card without giving specific instructions with respect to the Proposals No. 1, 4 and 8, your shares will be voted in accordance with the recommendations of the Board.

Ballots will be passed out at the Meeting to anyone who wants to vote at the Meeting. If you choose to do so, please bring the enclosed proxy card or proof of identification. If you are a shareholder of record and your shares are held directly in your name, you may vote in person at the Meeting.

- *Shareholders Holding in "Street Name."* If you hold ordinary shares in "street name" through a bank, broker or other nominee, the voting process will be based on your directing the bank, broker or other nominee to vote the ordinary shares in accordance with the voting instructions on your voting instruction card. Please follow the instructions on the voting instruction card received from your bank, broker or nominee. You may also be able to submit voting instructions to a bank, broker or nominee by phone or via the Internet if your voting instruction card describes such voting methods. Please be certain to have your control number from your voting instruction card ready for use in providing your voting instructions. It is important for a shareholder that holds ordinary shares through a bank or broker to instruct its bank or broker how to vote its shares if the shareholder wants its shares to count for the proposal.

  You may also vote in person at the Meeting. However, because a beneficial owner is not a shareholder of record, you must first obtain a "legal proxy" from the bank, broker or nominee that holds your shares, giving you the right to vote the shares at the Meeting.

Even if you plan to attend the Meeting, the Company recommends that you vote your shares in advance so that your vote will be counted if you later decide not to attend the Meeting.

Voting Results

The final voting results will be tallied by the Company based on the information provided by Broadridge or otherwise, and the overall results of the Meeting will be published following the Meeting in a report of foreign private issuer on Form 6-K that will be furnished to the SEC.

Proxy Solicitation

The Company will bear the costs of solicitation of proxies for the Meeting. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies from shareholders by telephone, personal interview or otherwise. Such directors, officers and employees will not receive additional compensation, but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. Brokers, nominees, fiduciaries and other custodians have been requested to forward soliciting material to the beneficial owners of ordinary shares held of record by them, and such custodians will be reimbursed by the Company for their reasonable out-of-pocket expenses. The Company may also retain an independent contractor to assist in the solicitation of proxies. If retained for such services, the costs will be paid by the Company.

Availability of Proxy Materials

Copies of the proxy card, the Notice of the Annual General Meeting of Shareholders and this Proxy Statement are available at the 'Investor Relations' section of our Company's website, www.caesarstone.com. The contents of that website are not a part of this Proxy Statement.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

For information regarding compensation granted to our five most highly compensated office holders during or with respect to the year ended December 31, 2025, please see Item 6.B of our annual report on Form 20-F for the year ended December 31, 2025, which was filed with the SEC on March 4, 2026, and is accessible through the Company's website at www.caesarstone.com or through the SEC's website at www.sec.gov.

BENEFICIAL OWNERSHIP OF SECURITIES BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our outstanding ordinary shares as of the Record Date, by each person who we know beneficially owns five percent or more of our outstanding ordinary shares.

Beneficial ownership of ordinary shares is determined in accordance with the rules of the SEC and includes any ordinary shares over which a person has or shares voting or investment power (including the power to dispose). For purposes of the table below, we deem shares subject to options or warrants that are currently exercisable or exercisable within 60 days of October 20, 2026, to be outstanding and to be beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. The table assumes 34,589,257 ordinary shares (excluding 1,103,096 dormant ordinary shares held in treasury) outstanding as of October 20, 2026.

All of our shareholders, including the shareholders listed below, have the same voting rights attached to their ordinary shares.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Held
Mifalei Sdot-Yam Agricultural Cooperative Society Ltd. (1)	10,440,000	30.2%
Tene Investments in Projects 2016, L.P.(2)	3,589,494	10.4%
Executive Officers		
Yos Shiran	870,112	2.5%
Nahum Trost	92,550	*
David Cullen	51,825	*
Ken Williams	42,250	*
Kobi Brenner	27,000	*
Chen Livne	21,550	*
Amihai Seider	62,025	*
Erez Margalit	73,400	*
Ron Mosberg	30,721	*
Lilach Gilboa	34,004	*
Idit Maayan-Zohar	47,689	*
Directors		
Dr. Ariel Halperin(3)	3,626,244	10.5%
Nurit Benjamini	7,500	*
Lily Ayalon	7,500	*
Yuval Beeri	-	-
Maxim Ohana	25,750	*
Yaron Arzi	-	-
Eran Cohen	-	-
All current directors and executive officers as a group (18 persons) (4)		

* Less than one percent of the outstanding ordinary shares.

(1) Based on a Schedule 13D/A filed on September 23, 2026 by Mifalei Sdot-Yam Agricultural Cooperative Society Ltd. ("**Mifalei Sdot-Yam**"). Mifalei Sdot-Yam is controlled by Sdot-Yam Business, Holding and Management – Agricultural Cooperative Society Ltd., which is in turn controlled by Kibbutz Sdot-Yam. Mifalei Sdot-Yam holds sole voting and dispositive power, over 10,440,000 ordinary shares. No individual member of Mifalei Sdot-Yam has dispositive power or casting vote over the ordinary shares. The Economic Council elected by the members of Kibbutz Sdot-Yam manages the economic activities and strategy of Kibbutz Sdot-Yam. The Economic Council takes its decisions by majority vote and currently has eleven members, including Eran Cohen, who is a director on our board. The address of Kibbutz Sdot-Yam is MP Menashe 3780400, Israel. Our board of directors operates independently from the Economic Council.

Kibbutz Sdot-Yam is a communal society, referred to in Hebrew as a "kibbutz" (plural "kibbutzim") with approximately 460 members and an additional 350 residents located in Israel on the Mediterranean coast between Tel Aviv and Haifa. Established in 1940, Kibbutz Sdot-Yam is a largely self-governed community of members who share certain social ideals and professional interests on a communal basis. Initially, the social idea behind the formation of the kibbutzim in Israel was to create a communal society in which all members share equally in all the society's resources and which provides for the needs of the community. Over the years, the structure of the kibbutzim has evolved, and today there are a number of different economic and social arrangements adopted by various kibbutzim.

Today, each member of Kibbutz Sdot-Yam continues to own an equal part of the assets of the Kibbutz. The members of Kibbutz Sdot-Yam are engaged in a number of economic activities, including agriculture, industrial operations and outdoor venue operations. A number of Kibbutz members are engaged in professions outside the Kibbutz. The Kibbutz is the owner and operator of several private companies. The Kibbutz community holds in common all land, buildings and production assets of these companies.

Some of the members of Kibbutz Sdot-Yam work in one of the production activities of Kibbutz Sdot-Yam, according to the requirements of Kibbutz Sdot-Yam and the career objectives of the individual concerned. Other members work outside of Kibbutz Sdot-Yam in businesses owned by other entities. In the past, each member received income based on the position the member held and his or her economic contribution to the community, as well as on the size and composition of his or her family, and each member's income depended on the income of Kibbutz Sdot-Yam from its economic activities. In recent years, however, following a privatization process undertaken by Kibbutz Sdot-Yam, this is no longer the case, and each member's salary from his or her employment is now paid by his or her employer directly into such member's own bank account. Each member has a personal pension fund that is funded by Kibbutz Sdot-Yam, and all accommodation, educational, health and old age care services, as well as social and municipal services, are provided either by or through Kibbutz Sdot-Yam and are subsidized by Kibbutz Sdot-Yam.

The elected Economic Council is the key economic decision-making body of Kibbutz Sdot-Yam. Kibbutz Sdot-Yam also has a General Secretary (chairman) and other senior officers, all of whom are elected by the members of Kibbutz Sdot-Yam at its General Meeting for terms of seven years. A meeting of the members of the Kibbutz may remove a member of the Economic Council by simple majority vote.

As of December 31, 2025, 15 of our employees, or ~1% of our total workforce, were also members of Kibbutz Sdot-Yam.

(2) Based on a Schedule 13D/A filed on October 8, 2026 and on information provided to the Company by the beneficial owner, Tene Investments in Projects 2016, L.P. ("**Tene"**) has shared voting and dispositive power over 3,589,494 ordinary shares, which Tene holds of record. Dr. Ariel Halperin is a director and the major shareholder of Tene Growth Capital III (G.P.) Company Ltd. ("**Tene III**"), and the major owner of rights of Tene Growth Capital 3 (Fund 3 G.P.) Projects, L.P. ("**Tene III Projects**"). Tene III is the general partner of Tene III Projects, which is the general partner of Tene. Dr. Halperin is also currently a member of our board of directors and, as detailed below, is standing for re-election at the Meeting. Each of Dr. Halperin, Tene III and Tene III Projects may thus be deemed to share beneficial ownership of the 3,589,494 ordinary shares held of record by Tene. Each of them disclaims any such beneficial ownership.

(3) Consists of (i) 36,750 options to acquire our ordinary shares held directly by Dr. Halperin and (ii) 3,589,494 ordinary shares beneficially owned by Tene Investments in Projects 2016, L.P. ("**Tene**"). As further described in footnote (2) above, each of Dr. Halperin, Tene Growth Capital III (G.P.) Company Ltd. ("**Tene III**"), and Tene Growth Capital 3 (Fund 3 G.P.) Projects, L.P. ("**Tene III Projects**") may be deemed to share voting and dispositive power over the 3,589,494 ordinary shares beneficially owned by Tene. See footnote (2) above.

(4) Our directors and executive officers hold, in the aggregate, (i) 1,338,544 options immediately exercisable or exercisable within 60 days from October 20, 2026, with a weighted average exercise price of $5.29 per share and have expiration dates generally seven years after the grant date, (ii) 42,370 RSUs that vest within 60 days from October 20, 2026, and (iii) 49,712 ordinary shares.

CORPORATE GOVERNANCE

Our Articles provide that the Board shall consist of no fewer than seven and no more than 11 directors, as may be determined by the Board from time to time. Any amendment to these provisions of our Articles requires the approval of holders of at least 65% of the total voting power of our shareholders.

As of the date of this Proxy Statement, our Board consists of seven directors: Dr. Ariel Halperin (Chairman), Maxim Ohana, Yuval Beeri, Eran Cohen, Yaron Arzi, Nurit Benjamini and Lily Ayalon. Mr. Yaron Arzi was appointed by the Board in December 2025 to fill the vacancy created by the resignation of Ms. Irit Ben-Dov, who had been elected at the Company's 2025 annual general meeting. Proposals No. 1 and No. 2 of this Proxy Statement contemplate certain changes to the composition of the Board, as described herein. Assuming the approval of Proposals No. 1 and No. 2 and the election or re-election of all nominees as contemplated in Proposals No. 1 and No. 2, following the Meeting our Board will consist of seven directors: Dr. Ariel Halperin, Yuval Beeri, Lily Ayalon, Hanna Yanovsky, Maxim Ohana, Eran Cohen and Yaron Arzi.

Our nominating committee of the Board (the "**Nominating Committee**") is currently composed of Ms. Nurit Benjamini, Ms. Lily Ayalon, and Mr. Yaron Arzi, each of whom has been determined by the Board to be independent under the Nasdaq corporate governance rules.

Under Nasdaq's corporate governance rules, a majority of our directors must meet the independence requirements specified in those rules. Following the Meeting, assuming the election of all nominees set forth in Proposals No. 1 and No. 2, our Board will consist of seven members, four of whom our Nominating Committee and Board have determined to be independent under Nasdaq rules, including Yuval Beeri, Yaron Arzi, Lily Ayalon and Hanna Yanovsky. In reaching this conclusion, the Nominating Committee and Board determined that none of the foregoing nominees has a relationship that would preclude a finding of independence and that any relationship that these nominees have with us does not impair their independence.

Assuming the approval of Proposal No. 2, each of Ms. Ayalon and Ms. Yanovsky will serve as an External Director under the Companies Law.

Our Board has further determined that Yaron Arzi meets the independence requirements of the Companies Law and will serve as an independent director under the Companies Law (an "**Independent Director**").

Each of the nominees for election or re-election has certified to us that he or she complies with all requirements under the Companies Law for serving as a director (and, in the case of Lily Ayalon, Hanna Yanovsky and Yaron Arzi, for serving as an External or Independent Director, as applicable, under the Companies Law).

Under the Companies Law, the board of directors of a public company is required to determine the minimum number of directors with "accounting and financial expertise" who will serve on the board. The Board determined that at least one director must have "accounting and financial expertise," as such term is defined by regulations promulgated under the Companies Law. The Board determined that each of Ms. Lily Ayalon, Mr. Yaron Arzi and Mr. Yuval Beeri has such "accounting and financial expertise," and that each of Ms. Ayalon and Mr. Arzi qualifies as an "Audit Committee Financial Expert," as defined by the rules of the SEC, and has the requisite financial experience required by the Nasdaq rules. Each member of our audit committee (the "**Audit Committee**") meets the additional independence requirements of Rule 10A-3 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

Following the Meeting, assuming the approval of Proposals No. 1 and No. 2 and the election or re-election of all nominees as contemplated therein, each of our Audit Committee and our Compensation Committee will be composed of Lily Ayalon (Chairperson), Hanna Yanovsky and Yaron Arzi, and our Nominating Committee will be composed of Yaron Arzi (Chairperson), Lily Ayalon and Hanna Yanovsky.

Our Audit Committee met four times since last year's annual general meeting. Our compensation committee (the "**Compensation Committee**") met seven times since last year's annual general meeting. The Nominating Committee met twice since last year's annual general meeting. Our Board has met eight times since last year's annual general meeting (excluding written resolutions). Our incumbent director candidates nominated for election have attended, in aggregate, 98% of the meetings of the Board and its committees on which they served since last year's annual general meeting. As approved at our 2014 and 2015 annual general meetings of shareholders and effective as of such dates, each of our directors (including External Directors but excluding Dr. Ariel Halperin) is entitled to an annual fee of NIS 120,000, subject to the limitation discussed below (the "**Annual Fee**"), and a fee of NIS 3,350 per meeting for participating in meetings of the Board and committees of the Board (the "**Participation Compensation**"). The Annual Fee may not exceed the maximum annual fee of an expert external director set forth in the Companies Regulations (Rules regarding Compensation and Expenses of External Directors), 5760–2000, as adjusted by the Companies Regulations (Reliefs for Public Companies with Shares Listed for Trading on a Stock Market Outside of Israel), 5760–2000 (together, the "**Israeli Companies Regulations**"). The Participation Compensation will be reduced to 50% for resolutions adopted without an actual convening (unanimous written resolutions) and to 60% for participation through media communication.

As previously approved by our shareholders' general meeting, Tene Growth Capital 3 Funds Management Company Ltd. ("**Tene Management**") has provided the Company with certain management services, including the role of Dr. Ariel Halperin as executive Chairman of the Board, for an annual fee of NIS 630,000, payable in equal quarterly installments (the "**Management Agreement**"). Dr. Halperin does not receive the Annual Fee or the Participation Compensation, and, subject to his re-election at the Meeting, his compensation for his service on the Board will continue to be paid in accordance with the Management Agreement.

In addition to the Annual Fee and Participation Compensation described above, directors have received grants of options to purchase our ordinary shares at our 2017, 2020 and 2023 annual general meetings of shareholders. At the 2017 meeting, each director (other than the Chairman) received 3,750 options and Dr. Halperin received 33,000 options, each with an exercise price of $28.65; all of these options are fully expired. At the 2020 meeting, each director received 3,750 options and Dr. Halperin received 33,000 options, each with an exercise price of $11.51; all of these options are fully vested. At the 2023 meeting, each director received 3,750 options with an exercise price of $4.28; these options vest in three equal annual installments, subject to continuous service on the Board on the relevant vesting date, and have a seven-year term. The exercise price for each grant was the closing price of our ordinary shares on Nasdaq as of the applicable approval or grant date. All such options have been granted in accordance with, and subject to, all terms and conditions of the applicable Company incentive plan and the Company's customary option agreement, including provisions for adjustment of the exercise price due to dividend distribution and for acceleration upon a change of control.

The Company purchases directors' and officers' liability insurance for its directors and executive officers, consistent with our Compensation Policy as approved by our shareholders. In addition, the Company released its directors from liability and committed to indemnifying them to the fullest extent permitted by law and its Articles and provided them with exemption and indemnification agreements for this purpose. The current form of Letter of Exemption and Indemnification is described in ITEM 6.C: Directors, Senior Management and Employees—Board Practices—Exculpation, insurance and indemnification of office holders of our annual report on Form 20-F for the year ended December 31, 2025, filed with the SEC on March 4, 2026 and is available on the SEC website at www.sec.gov.

Any candidate elected as a director at the Meeting will be entitled to the cash remuneration in the manner described above (and, in the case of Dr. Halperin, the compensation payable under the Management Agreement), and would benefit from the insurance, indemnification and release discussed above.

Each director (except for external directors) holds office until the annual general meeting of our shareholders in the following year, unless the tenure of such director expires earlier pursuant to the Companies Law or such director is removed from office as described below.

PROPOSAL ONE

APPROVAL OF THE RE-ELECTION AND ELECTION OF DIRECTORS

Background

At the Meeting, shareholders will be asked to re-elect each of Dr. Ariel Halperin, Maxim Ohana, Eran Cohen and Yuval Beeri, and to elect Mr. Yaron Arzi (collectively, the "**Nominees**"), to serve as directors of the Company until the close of the next annual general meeting of shareholders.

Ms. Irit Ben-Dov, who was elected as a director at the Company's 2025 annual general meeting of shareholders, notified the Company shortly following her election that she would be unable to serve as a director. In accordance with its authority to fill vacancies under the Articles, the Board appointed Mr. Yaron Arzi to serve as a director, effective as of December 14, 2025, and determined that he qualifies as an independent director under both the Nasdaq corporate governance rules and the Companies Law, and that he possesses "accounting and financial expertise" under the Companies Law. The Company furnished a Report of Foreign Private Issuer on Form 6-K regarding this appointment on December 15, 2025. Having been appointed by the Board, Mr. Arzi is standing for election by the shareholders at the Meeting.

In accordance with the Companies Law, each of the Nominees has certified to the Company that he or she meets all requirements under the Companies Law for election as a director of a public company, possesses the necessary qualifications, and has sufficient time to fulfill his or her duties as a director of the Company, taking into account the size and particular needs of the Company. The Nominating Committee and the Board recommend that each of the Nominees be re-elected or elected, as applicable, at the Meeting for a term expiring at the close of the next annual general meeting of shareholders of the Company.

Biographical Information Concerning the Nominees

Dr. Ariel Halperin has been serving as our Chairman of the Board since December 2016, after previously serving as our director between December 2006 to May 2013. Dr. Halperin is the senior managing partner of Tene Investment Funds, an Israeli private equity fund focusing on established growth companies with leading global market positions, since 2004 and is the founding partner in Tenram Investments Ltd., a private investment company engaged in domestic and foreign real estate investments since 2000. From 1992 to 2000, Dr. Halperin led negotiations related to the Kibbutzim Creditors Agreement, serving as trustee for the Israeli government, Israeli banks and the Kibbutzim. Dr. Halperin currently serves as a director of several Tene Investment Funds' portfolio companies, including Qnergy Inc., Gadot Chemical Terminals (1985) Ltd., Gadot Agro Ltd., Sharon-Laboratories Ltd., Questar Ltd. (formerly: Traffilog Ltd.) and Designated Holdings Ltd. (Haifa Group Ltd). Dr. Halperin holds a B.A. in Mathematics and Economics and a Ph.D. in Economics from The Hebrew University of Jerusalem in Israel and a Post-Doctorate in Economics from the Massachusetts Institute of Technology in Cambridge, Massachusetts.

Maxim Ohana has been serving as our director since October 2023. He has previously served as the Chairman of the Board from 2010 to 2013. Prior to that, Mr. Ohana served as chairman of the board of directors of the Economic Council, Kibbutz Sdot-Yam from 2008 to 2012. From 2000 to 2008, Mr. Ohana served as Chief Executive Officer of Sdot-Yam Marble Floors Company (1995) Ltd. and from 1997 to 2000, he served as Chief Executive Officer of Hagor Industries Ltd. From 1993 to 1997, Mr. Ohana served as Chief Executive Officer of Cement Products Caesarea Ltd. and from 1990 to 1993, he served as Chief Executive Officer of Kibbutz Sdot-Yam's businesses and operations. Mr. Ohana holds a diploma in general studies from the Kibbutzim College of Education, Technology and the Arts (Seminar Ha'Kibbutzim), Israel.

Yuval Beeri has been serving as our independent director since August 2024. Since December 2016, Mr. Beeri has been serving as the CEO of Ricor Cryogenic Systems. As such, he is the Chairman of the board of its two subsidiaries: Netzer and Aero-Magnesium. Prior to Ricor, he served at Maytronics from 2003 to 2016: five years as VP Marketing and seven years as the CEO. Prior to Maytronics, Mr. Beeri served at Kulicke and Soffa, a semiconductor assembly equipment leader, from 1993 until 2003: the first five years at Micro-Swiss Israel as the capillary marketing manager and the last five years as Semitec CEO in Santa Clara, CA. Parallel to his CEO position at Ricor, he also served as ARI (Kfar Haruv) Chairman and ARAN (Nachshon) director. Mr. Beeri holds a B.A. in Agricultural Economy from the Hebrew University, Israel, and an M.B.A. from the University of Derby, UK.

Eran Cohen has been serving as our director since November 2025. Mr. Cohen has served as Caesarstone's ROW Sales Director since 2021 and as the Chairman of Kibbutz Sdot-Yam's Economic Council since March 2025. Mr. Cohen has been employed by Caesarstone since 2011, and prior to his current role, from 2011 to 2021 served as Sales Manager in the International Department, leading our distribution activities across global markets. Prior to joining Caesarstone, from 2006 to 2009, he served as Vice President of Sales and International Operations at Netcom Group, and from 2000 to 2004 as Vice President of Business Development and Director of Operations in Israel at Praxell Inc. Mr. Cohen holds an M.A. in International Political Science from Bar-Ilan University, an M.E.I. in Technological Entrepreneurship from Swinburne University of Technology, and a B.A. in Management and Behavioral Sciences from the College of Management Academic Studies.

Yaron Arzi has been serving as our director since December 2025. From July 2024 to September 2025, Mr. Arzi served as Chief Executive Officer of Brown Hotels. Previously, from 2022 to 2023, Mr. Arzi served as Chief Financial Officer and Deputy Chief Executive Officer of the Din Marketing & Roasting Group. From 2020 to 2021, he served as Head of Corporate Turnaround & Company Management Practice at KCR, a consulting and advisory firm. From 2015 to 2020, Mr. Arzi served as Chief Financial Officer of the Negev Ceramics Group. From 2012 to 2015, he served as Chief Financial Officer of Africa Israel Hotels. From 2008 to 2012, he served as Chief Financial Officer of Zoglovek. Previously, he held senior finance roles at Frutarom Germany, Tivall (part of the Osem–Nestlé Group), Johnson & Johnson Israel, and Tama Plastic Industry. Mr. Arzi holds a bachelor's degree in Economics and Business Administration from Ruppin Academic Center and a master's degree in Public Administration from the University of Haifa.

If this Proposal No. 1 is approved, following the re-election and election, as applicable, of each of the Nominees, the Nominees will be entitled to the compensation terms set forth in the section herein titled "Corporate Governance".

Proposed Resolution

We are therefore proposing to adopt the following resolutions:

"**RESOLVED**, to approve the re-election of Dr. Ariel Halperin to serve as a director of the Company until the close of the next annual general meeting of shareholders of the Company."

"**RESOLVED**, to approve the re-election of Maxim Ohana to serve as a director of the Company until the close of the next annual general meeting of shareholders of the Company."

"**RESOLVED**, to approve the re-election of Eran Cohen to serve as a director of the Company until the close of the next annual general meeting of shareholders of the Company."

"**RESOLVED**, to approve the re-election of Yuval Beeri to serve as a director of the Company until the close of the next annual general meeting of shareholders of the Company."

"**RESOLVED**, to approve the election of Mr. Yaron Arzi to serve as a director of the Company until the close of the next annual general meeting of shareholders of the Company."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolutions.

PROPOSAL TWO

RE-ELECTION AND ELECTION OF EXTERNAL DIRECTORS AND APPROVAL OF CASH COMPENSATION TERMS

Background

At the Meeting, shareholders will be asked to re-elect Ms. Lily Ayalon, and to elect Ms. Hanna Yanovsky, to serve as External Directors of the Company under the Companies Law, each for a three-year term commencing on December 1, 2026.

Ms. Ayalon currently serves as an External Director of the Company; if re-elected, this will be her third and final three-year term as an External Director of the Company.

The second three-year term of Ms. Nurit Benjamini as an External Director of the Company expires on November 30, 2026, at which time her service as a director will conclude. Ms. Benjamini has informed the Company that she has decided not to seek re-election for a third and final term. In her stead, Ms. Hanna Yanovsky is proposed for election as an External Director of the Company for a three-year term commencing on December 1, 2026.

Following the Meeting, assuming the shareholders approve this Proposal No. 2 by the requisite majority, Ms. Lily Ayalon will serve as chairperson of each of the Audit Committee and the Compensation Committee of the Board.

Biographical Information

Lily Ayalon has served as an External Director under the Companies Law since December 2020. Ms. Ayalon is a business consultant and serves on the boards of directors of Westdale America Limited, Meitav Investments Ltd. and Rekah Pharmaceutical Industries Ltd. She previously served on the boards of directors of several other companies, including Haifa Port Company Ltd. and Israel Corporation Ltd. From 2010 to 2015, Ms. Ayalon served as Senior Deputy Director General of the Israeli Government Companies Authority. From 2006 to 2009, she served as Deputy Chief Executive Officer and Chief Financial Officer of the New Hamashbir Group Ltd. and as Chief Executive Officer of one of its subsidiaries. From 2004 to 2006, she served as Chief Financial Officer of Amot Investments Ltd. Ms. Ayalon is a certified public accountant in Israel and holds a B.A. in Accounting and Economics and an M.B.A. in Finance from the Hebrew University of Jerusalem.

Hanna Yanovsky co-founded STXI Motion Ltd., a company with subsidiaries in the United States and Europe, and served on its board of directors from 2019 until its acquisition by the Wittenstein Group in March 2026. From 2019 to August 2025, Ms. Yanovsky served as General Manager and Chief Revenue Officer of Caja Elastic Dynamic Solutions Ltd. and its U.S. subsidiary. From 2015 to 2019, she served as Vice President of Legal and Business Affairs of Servotronix Motion Control Ltd. From 2005 to 2011, she was a senior commercial lawyer at Shibolet & Co. Law Firm. Ms. Yanovsky is a member of the Israel Bar Association and holds an LL.B. and a B.A. in Economics from the University of Haifa and an Executive M.B.A. from Tel Aviv University.

The Company has received a statement from each of Ms. Ayalon and Ms. Yanovsky in which they each declared that they meet all of the requirements applicable to External Directors as set forth in the Companies Law.

Our Board has determined that each of Ms. Ayalon and Ms. Yanovsky is qualified to serve as an External Director under the Companies Law, meeting the requisite professional criteria and satisfying the independence and non-affiliation requirements applicable to External Directors under the Companies Law. Our Board further determined that each of the candidates is financially literate as contemplated by the rules of Nasdaq and satisfies the independence requirements applicable to members of the Audit Committee and the Compensation Committee under the rules of the SEC and Nasdaq.

An External Director is entitled to compensation and reimbursement of expenses in accordance with regulations promulgated under the Companies Law and is otherwise prohibited from receiving any other compensation, directly or indirectly, in connection with serving as a director, except for certain exculpation, indemnification and insurance provided by the Company, as specifically allowed by the Israeli Companies Regulations. If duly re-elected or elected by the shareholders, as applicable, the Company will pay Ms. Ayalon and Ms. Yanovsky the amounts set forth in the section herein titled “Corporate Governance,” which amounts are within the minimum and maximum rates specified in the annexes of the Israeli Companies Regulations.

Proposed Resolution

We are therefore proposing to adopt the following resolutions:

"**RESOLVED**, to re-elect Ms. Lily Ayalon to serve as an External Director of the Company under the Companies Law, for a three-year term commencing on December 1, 2026, and to approve her terms of cash compensation, as described in this Proxy Statement."

"**RESOLVED**, to elect Ms. Hanna Yanovsky to serve as an External Director of the Company under the Companies Law, for a three-year term commencing on December 1, 2026, and to approve her terms of cash compensation, as described in this Proxy Statement."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolutions.

PROPOSAL THREE

APPROVAL OF AMENDED AND RESTATED COMPENSATION POLICY

Background

Under the Companies Law, the board of directors of an Israeli public company is required to establish a compensation policy regarding the terms of engagement of its office holders. Our office holders include our directors, executive officers and other managers who meet the definition of "office holder" under the Companies Law.

The Company's prior Compensation Policy was approved by our shareholders on October 30, 2023 for a term of three years and expired on October 30, 2026 (the "**Prior Compensation Policy**"). The Proposed Compensation Policy, if approved, will remain effective for three years from the date of the Meeting.

Under the Companies Law, the adoption of the Proposed Compensation Policy requires the approval of the Company's compensation committee, the Board, and our shareholders, in that order. The shareholders' approval is further subject to the fulfillment of special voting requirements, as detailed under *'Quorum and Required Vote'* above.

Our Compensation Committee examined the factors and considerations set forth in the Companies Law and, following its own independent examination of such factors, the Board considered and approved the Proposed Compensation Policy. Following such review, the Compensation Committee and the Board each approved, and recommended that our shareholders approve, the Proposed Compensation Policy in the form attached hereto as Appendix A.

If approved, the Proposed Compensation Policy will take effect on the date of the Meeting and will apply immediately to all of our office holders.

The principal proposed changes to the Prior Compensation Policy are summarized below:

A. **Section 10.1 (Special Bonus)** - to provide that a Special Bonus may be paid, in whole or in part, in equity-based awards in lieu of cash, thereby increasing the alignment of such awards with long-term shareholder value and providing the Company with additional flexibility in the form of payment.

   To that end, the following sentence is proposed to be added to Section 10.1: "*A Special Bonus can be paid, in whole or in part, in equity in lieu of cash."*

B. **Section 13.5 (Dilution Cap) -** the current language applies the overall 10% dilution cap to all equity-based grants, including grants to employees who are not office holders (i.e., executive officers and directors). Under Israeli Companies Law, governing compensation policies, such policies are to address compensation terms of office holders and do not extend to employees. It is therefore proposed to delete the reference to employees, so that the policy's cap applies only to such office holders. Including "employees" within the scope of the dilution cap conflated two distinct categories: office holders, whose compensation is governed by the compensation policy, and other employees, whose equity-based compensation is regulated through separate corporate mechanisms. Equity-based grants to employees who are not office holders will continue to be governed by the Company's equity incentive plan and the share reserve approved thereunder, and by the approvals required under applicable law and the rules of Nasdaq.

The Compensation Committee and Board note that, due to the sustained decline in the Company's share price, no options have been exercised since August 2021 (i.e., for more than five years), and the exercise price of the majority outstanding options exceeds significantly the current market price. In addition, the Company's equity compensation practices have resulted in modest net dilution: since 2023, approximately 3.3 million shares have been subject to equity-based grants, while approximately 1.64 million shares have been returned to the share reserve due to forfeitures, cancellations or expirations — a ratio of approximately 2:1 (granted to returned). In 2026, almost no new grants have been made (40,000 options), while approximately 300,000 shares have been returned to the pool (a rate of approximately seven times the number of shares granted). As a result, the dilution attributable to equity-based awards over the past 36 months averaged approximately 1.3% per 12-month period (most of which, as stated, are higher than the current share price).

As of October 20, 2026, outstanding equity-based awards held by the Company's office holders represented approximately 5.9% of the Company's share capital on a fully diluted basis, well below the 10% cap set forth in the Prior Compensation Policy (approximately 8.15% including awards held by all employees), and the exercise price of the majority of the outstanding options was significantly in excess of the market price of the Company's ordinary shares on such date.

Our Compensation Committee and Board believe that the Proposed Compensation Policy will better position the Company to attract, retain and motivate qualified candidates to serve as officers and directors, particularly given the competitive demand for experienced and talented executives in the Israeli market.

The foregoing summary is qualified in its entirety by reference to the full text of the Proposed Compensation Policy, which is marked against the Prior Compensation Policy and attached as Appendix A hereto.

Under the Companies Law, the Board may approve the Proposed Compensation Policy even if the shareholders vote against this Proposal No. 3, provided that the Compensation Committee, and thereafter the Board, each determines, based on detailed reasoning and after having reconsidered the matter, that such approval is in the best interest of the Company. This override authority may be exercised only in special circumstances prescribed by the Companies Law and subject to the conditions set forth therein.

Proposed Resolution

We are therefore proposing to adopt the following resolution:

"**RESOLVED**, to approve the Proposed Compensation Policy, as described in this Proxy Statement and as set forth in Appendix A attached hereto, effective as of the date of the Meeting for a period of three years."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolution.

PROPOSAL FOUR

TO APPROVE AN INCREASE IN THE TOTAL NUMBER OF ORDINARY SHARES RESERVED FOR ISSUANCE AS INCENTIVE STOCK OPTIONS UNDER THE COMPANY'S 2020 SHARE INCENTIVE PLAN

Generally, the Company is not required by the Companies Law, or otherwise under applicable Israeli law, to obtain shareholder approval for the adoption, extension or amendment of its equity compensation plans. However, in order for the Company to grant options that qualify as incentive stock options ("**ISOs**") under the U.S. Internal Revenue Code, shareholder approval is required for any amendment that increases the total number of ordinary shares available for grant as ISOs.

On May 12, 2026, the Board approved an amendment to the Company's 2020 Share Incentive Plan (the "**Plan**"), increasing the total number of ordinary shares available for grant as ISOs from 3,500,000 ordinary shares to 5,500,000 ordinary shares, as reflected in **Appendix B** attached hereto.

The Board approved this amendment because a substantial majority of the stock options currently outstanding under the Plan are significantly underwater, rendering them ineffective as retention and incentive tools. The Company requires a sufficient reserve of available equity instruments to attract and retain qualified employees and to motivate their continued service through meaningful long-term incentive compensation. The Board is submitting this proposal to shareholders at this time solely because, in order to grant ISOs, shareholder approval is required for any amendment that increases the total number of ordinary shares available for grant as ISOs.

Effect of Non-Approval

For the avoidance of doubt, shareholder approval pursuant to this Proposal No. 4 is required solely for ISOs granted to employees subject to the U.S. Internal Revenue Code. In the event that this Proposal No. 4 is not approved by shareholders, the amendment to the Plan shall nevertheless take effect with respect to all other grants under the Plan, including grants to employees who are not subject to the U.S. Internal Revenue Code.

The Board believes that the amendment is advisable to enable the Company to provide meaningful equity-based incentives to its U.S.-based employees through ISOs.

Proposed Resolution

We are therefore proposing to adopt the following resolution:

"**RESOLVED**, to approve an increase in the total number of shares reserved for issuance as incentive stock options under the Company's 2020 Share Incentive Plan as set forth in Appendix B to the Proxy Statement."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolution.

PROPOSAL FIVE

APPROVAL OF THE GRANT OF EQUITY-BASED COMPENSATION TO THE COMPANY'S NON-AFFILIATE DIRECTORS

Background

Under the Companies Law, the terms of compensation of our directors must be approved by our Compensation Committee, the Board and the Company's shareholders, in that order.

Our Compensation Committee and Board approved grants of options to purchase ordinary shares of the Company to each of Dr. Ariel Halperin, Lily Ayalon, Hanna Yanovsky, Yuval Beeri and Yaron Arzi, subject to his or her election or re-election, as applicable, at the Meeting (each, a "**Non-Affiliate Director Grantee**"). This Proposal No. 5 does not relate to the approval of equity grants to any of our directors who are affiliated with a controlling shareholder of the Company, which is addressed separately in Proposal No. 6.

If approved by the shareholders, each Non-Affiliate Director Grantee will be granted 3,750 options to purchase ordinary shares of the Company (collectively, in this Proposal, the "**Non-Affiliate Director Options**").

The Non-Affiliate Director Options are intended to align the interests of the Company's directors with those of its shareholders and to provide a long-term incentive for continued service on the Board.

The Non-Affiliate Director Options will be granted under the Plan and in accordance with the terms and conditions of the Company's form of option award agreement. The grant date will be the date on which the applicable Non-Affiliate Director Grantee's term of office commences: (i) for each Grantee elected or re-elected under Proposal No. 1, the date of the Meeting; and (ii) for each of Ms. Ayalon and Ms. Yanovsky, December 1, 2026, which is the date on which their terms as External Directors commence under Proposal No. 2. The exercise price will be the closing price of the Company's ordinary shares on Nasdaq on the grant date. The Non-Affiliate Director Options will vest in three equal annual installments, subject to continuous service on the Board on the relevant vesting date, and will have a term of seven years unless they expire earlier in accordance with the terms of grant. The terms of grant include, among other things, provisions for adjustment of the exercise price due to dividend distribution and for acceleration in the event of a change of control.

This Proposal No. 5 does not pertain to any changes to the cash compensation currently payable to the directors, which shall remain as set forth in the section herein titled "Corporate Governance." This Proposal No. 5 is consistent with both the Prior Compensation Policy and the Proposed Compensation Policy.

The grant of Non-Affiliate Director Options to each Non-Affiliate Director Grantee is subject to his or her election or re-election as a director at the Meeting pursuant to Proposal No. 1 or Proposal No. 2, as applicable, and will be made only upon the actual commencement of his or her term of office as a director.

Proposed Resolution

We are therefore proposing to adopt the following resolution:

"**RESOLVED**, to approve grants of options to purchase ordinary shares of the Company to each of Dr. Ariel Halperin, Lily Ayalon, Hanna Yanovsky, Yuval Beeri and Yaron Arzi, in the respective numbers and on the terms described in this Proxy Statement, subject to his or her election or re-election, as applicable, at the Meeting, and provided that each such grant shall be made only upon, and shall be effective as of, the date on which such director's term of office actually commences."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolution.

PROPOSAL SIX

APPROVAL OF THE GRANT OF EQUITY-BASED COMPENSATION TO THE COMPANY'S AFFILIATE DIRECTORS

Background

As discussed herein, certain Nominees are affiliated with a controlling shareholder of the Company (the "**Affiliate Directors**"), namely Maxim Ohana and Eran Cohen. Under the Companies Law, the terms of compensation of the Company's directors, including the Affiliate Directors, must be approved by the Compensation Committee, the Board and the Company's shareholders, in that order. The Compensation Committee and the Board approved grants of options to purchase ordinary shares of the Company to each of the Affiliate Directors, subject to his election or re-election, as applicable, as a director at the Meeting.

If approved by the shareholders, each Affiliate Director will be granted 3,750 options to purchase ordinary shares of the Company (in this Proposal, the "**Affiliate Director Options**"). The terms governing the Affiliate Director Options are the same as the terms governing the Non-Affiliate Director Options as detailed in Proposal No. 5.

The Affiliate Director Options are intended to align the interests of the Company's directors with those of its shareholders and to provide a long-term incentive for continued service on the Board.

The grant of Affiliate Director Options to each of the Affiliate Directors is considered an interested party transaction under the Companies Law and is therefore subject to a special majority vote requirement, as described under "Quorum and Required Vote" above. This Proposal No. 6 does not pertain to any changes to the cash compensation currently payable to the Affiliate Directors, which shall remain as set forth in the section herein titled "Corporate Governance." This Proposal No. 6 is consistent with both the Prior Compensation Policy and the Proposed Compensation Policy.

The grant of Affiliate Director Options to each Affiliate Director is subject to his election or re-election, as applicable, as a director at the Meeting pursuant to Proposal No. 1.

Proposed Resolution

We are therefore proposing to adopt the following resolution:

"**RESOLVED**, to approve grants of options to purchase ordinary shares of the Company to each of Eran Cohen and Maxim Ohana, subject to his election or re-election, as applicable, at the Meeting, as described in this Proxy Statement."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolution.

PROPOSAL SEVEN

APPROVAL OF THE TERMS OF EMPLOYMENT OF MR. ERAN COHEN AS ROW SALES DIRECTOR

Background

Mr. Cohen has served as a director of the Company since November 19, 2025. At that time, he was serving, and continues to serve, as the Company's ROW Sales Director, a position he has held since 2021, having previously served as the Company's international sales manager for approximately ten years. Mr. Cohen is a member of Kibbutz Sdot-Yam and currently serves as Chairman of Kibbutz Sdot-Yam's Economic Council. Mr. Cohen's services to the Company in his sales role have been provided pursuant to the manpower agreement between the Company and Kibbutz Sdot-Yam (the "**Kibbutz Manpower Agreement**"), which is described in Item 7.B of the Company's annual report on Form 20-F for the year ended December 31, 2025, filed with the SEC on March 4, 2026, under "Related Party Transactions — Relationship and agreements with Kibbutz Sdot-Yam — Manpower agreement."

Under the Companies Law, the terms of office and employment of a director, including any compensation received from the Company in any other capacity, require the approval of the Compensation Committee, the Board and the shareholders, in that order. At the time of Mr. Cohen's election as a director, no separate approval of his terms of employment was sought, as his engagement was already governed by the Kibbutz Manpower Agreement and Mr. Cohen continued to provide his services on the same terms and conditions, without any change to his management-level position.

The Kibbutz Manpower Agreement is renewed annually. Kibbutz Sdot-Yam has notified the Company that it does not intend to renew the Kibbutz Manpower Agreement for an additional year, and accordingly the agreement will terminate on December 31, 2026. Upon such termination, Mr. Cohen's continued service as the Company's ROW Sales Director will no longer be governed by the Kibbutz Manpower Agreement. This Proposal No. 7 is therefore submitted to approve his terms of direct employment with the Company, as described below.

Since Mr. Cohen is a director of the Company and is affiliated with a controlling shareholder (as a member of Kibbutz Sdot-Yam), the approval of his terms of employment requires a special majority of the Company's shareholders, as described under "Quorum and Required Vote" above.

If this Proposal No. 7 is not approved and the Kibbutz Manpower Agreement terminates as described above, Mr. Cohen would be required to either: (i) step down from his role as the Company's ROW Sales Director (or continue to provide his services to the Company on a voluntary, uncompensated basis); or (ii) cease serving as a director of the Company.

The principal proposed terms of Mr. Cohen's direct employment as the Company's ROW Sales Director are summarized below:

- Monthly gross base salary: NIS 36,000.
- Job Grade: L2.
- Company car, in accordance with the Company's policy applicable to employees of the same job grade.
- Annual bonus: a target bonus of 2.5 monthly salaries and a maximum bonus of 3.75 monthly salaries, subject to the achievement of personal and Company objectives as determined by the Company from time to time.
- Notice period: 60 days.
- Annual vacation: 23 days.
- Equity-based compensation: eligibility for equity-based awards under the Plan, as may be granted from time to time at the discretion of the Company's Compensation Committee and Board.
- Social benefits and customary provisions (including, but not limited to, confidentiality, intellectual property assignment and expense reimbursement) in accordance with the Company's standard terms of employment.

In approving the proposed terms, the Compensation Committee and the Board considered, among other things, Mr. Cohen's qualifications, professional experience, achievements, the scope of his role, and his long tenure with and contribution to the Company. The Compensation Committee and the Board also considered an internal benchmark analysis, which confirmed that the proposed terms fall within the range of the terms of employment of other Company employees at the same job grade (L2) and of compensation levels for comparable sales-management positions in Israel, where Mr. Cohen is based.

Proposed Resolution

We are therefore proposing to adopt the following resolution:

"**RESOLVED**, to approve the terms of employment of Mr. Eran Cohen, a director of the Company, in his role as the Company's ROW Sales Director, as described in this Proxy Statement."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolution.

PROPOSAL EIGHT

RE-APPOINTMENT OF INDEPENDENT AUDITORS AND AUTHORIZATION TO DETERMINE COMPENSATION

Background

Based upon the recommendation of the Board, the Company is submitting for approval the re-appointment of Kost, Forer, Gabbay & Kasierer (a member of Ernst & Young Global) as its independent auditors for the year ending December 31, 2026, and their service until the annual general meeting to be held in 2027, and to authorize the Board (or the Audit Committee, if so authorized by the Board), upon recommendation of the Audit Committee, to determine the compensation of the auditors in accordance with the volume and nature of their services.

The Audit Committee has adopted a pre-approval policy for the engagement of the Company's independent auditors to perform certain audit and non-audit services. Pursuant to this policy, which is designed to ensure that such engagements do not impair the independence of the auditors, the Audit Committee pre-approves annually a catalog of specific audit and non-audit services in the categories of audit services, audit-related services and tax services that may be performed by the Company's independent auditors.

The following table sets forth the total compensation that was paid by the Company and its subsidiaries to the Company's independent auditors, Ernst & Young, in each of the previous two fiscal years (in thousands of U.S. dollars):

	2025	2024
	(in thousands of U.S. dollars)	
Audit fees(1)	$ 745	$ 860
Audit-related fees(2)	1	1
Tax fees(3)	87	36
All other fees(4)	47	77
Total	$ 880	974

(1) "Audit fees" include fees for services performed by our independent public accounting firm in connection with the integrated audit of our annual audit consolidated financial statements for 2025 and 2024, and its internal control over financial reporting as of December 31, 2025 and 2024, certain procedures regarding our quarterly financial results submitted on Form 6-K, and consultation concerning financial accounting and reporting standards.

(2) "Audit-related fees" relate to assurance and associated services that are traditionally performed by the independent auditor.

(3) "Tax fees" include fees for professional services rendered by our independent registered public accounting firm for tax compliance and tax advice and tax planning services on actual or contemplated transactions.

(4) "Other fees" include fees for services rendered by our independent registered public accounting firm with respect to supply chain consulting, governmental incentives, due diligence investigations and other matters.

Proposed Resolution

We are therefore proposing to adopt the following resolution:

"**RESOLVED**, to re-appoint the Company's auditor, Kost, Forer, Gabbay & Kasierer (a member of Ernst & Young Global) (the "**Auditors**"), as the independent auditors of the Company for the year ending December 31, 2026, and its services until the close of the Company's next annual general meeting to be held in 2027, and that the board of directors of the Company (or the Audit Committee — if so authorized by the Board of Directors) be authorized to determine the compensation of the Auditors in accordance with the volume and nature of their services."

Required Vote

See "*Quorum and Required Vote*" above.

Board Recommendation

The Board unanimously recommends that you vote "FOR" the proposed resolution.

OTHER BUSINESS

The Board is not aware of any other matters that may be presented at the Meeting other than those mentioned in the enclosed Notice of Annual General Meeting of Shareholders. If any other matters do properly come before the Meeting, it is intended that the persons named as proxies will vote, pursuant to their discretionary authority, according to their best judgment in the interest of the Company.

ADDITIONAL INFORMATION

The Company's Annual Report, filed on Form 20-F with the SEC on March 4, 2026, and other filings with the SEC, including reports regarding the Company's quarterly business and financial results, are available for viewing and downloading on the SEC's website at www.sec.gov as well as under the 'Investor Relations' section of the Company's website at www.caesarstone.com. Shareholders may obtain a copy of these documents without charge at www.caesarstone.com.

The Company is subject to the information reporting requirements of the Exchange Act applicable to foreign private issuers. The Company fulfills these requirements by filing reports with the SEC. As a foreign private issuer, the Company is exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements. The circulation of this Proxy Statement should not be taken as an admission that the Company is subject to those proxy rules.

By order of the Board:

/s/ Ariel Halperin
Dr. Ariel Halperin
Chairman of the Board of Directors

Kibbutz Sdot-Yam, MP Menashe 3780400, Israel
November 3, 2026

COMPENSATION POLICY

CAESARSTONE LTD.

Compensation Policy for Executive Officers and Directors

as amended on [_____], ~~2023~~2026

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A. Overview and Objectives

1. **Introduction**

This document sets forth the Compensation Policy for Executive Officers and Directors (this "**Compensation Policy**" or "**Policy**") of Caesarstone Ltd. ("**Caesarstone**" or the "**Company**"), in accordance with the requirements of the Companies Law, 5759-1999 (the "**Companies Law**").

Compensation is a key component of Caesarstone's overall human capital strategy to attract, retain, reward, and motivate highly skilled individuals that will enhance Caesarstone's value and otherwise assist Caesarstone to reach its business and financial long-term goals. Accordingly, the structure of this Policy is established to tie the compensation of each officer to Caesarstone's goals and performance.

For purposes of this Policy, "Executive Officers" shall mean "Office Holders" as such term is defined in Section 1 of the Companies Law, excluding, unless otherwise expressly indicated herein, Caesarstone's directors.

This Compensation Policy shall apply to compensation agreements and arrangements which will be approved after the date on which this Compensation Policy is adopted and shall serve as Caesarstone's Compensation Policy for three (3) years commencing as of its adoption.

The Compensation Committee and the Board of Directors of Caesarstone (the "**Compensation Committee**" and the "**Board**", respectively) shall review and reassess the adequacy of this Policy from time to time, as required by the Companies Law.

It is hereby clarified that nothing in this Compensation Policy shall be deemed to grant any of Caesarstone's Executive Officers or directors or employees or any third party any right or privilege in connection with their employment by the Company. Such rights and privileges shall be solely governed by the respective personal employment agreements.

2. **Objectives**

Caesarstone's objectives and goals in setting this Compensation Policy are to attract, motivate and retain highly experienced personnel who will provide leadership for Caesarstone's success and enhance shareholder value, while supporting a performance culture that is based on merit, and differentiates and rewards excellent performance in the long term, while recognizing Caesarstone's core values. To that end, this Policy is designed, among others:

2.1. To closely align the interests of the Executive Officers with those of Caesarstone's shareholders in order to enhance shareholder value;

2.2. To align the Executive Officers' compensation with Caesarstone's short and long-term goals and performance;

2.3. To provide the Executive Officers with a structured compensation package, including competitive salaries, performance-motivating cash and equity incentive programs and benefits, and to promote for each Executive Officer an opportunity to advance in a growing organization;

2.4. To strengthen the retention and the motivation of Executive Officers in the long term;

2.5. To provide appropriate awards in order to incentivize superior individual excellence and corporate performance; and

2.6. To maintain consistency in the way Executive Officers are compensated.

3. **Compensation Instruments**

3.1. Compensation instruments under this Compensation Policy may include the following:

3.1.1. Base salary;

3.1.2. Benefits and perquisites;

3.1.3. Cash bonuses;

3.1.4. Equity based compensation; and

3.1.5. Retirement and termination of service arrangements.

3.2. Any grant of a compensation instrument shall be subject to this Compensation Policy and to the obtainment of all approvals required under any applicable law.

4. **Inter-Company Compensation Ratio**

4.1. In the process of drafting this Policy, the Compensation Committee and the Board have examined the ratio between employer cost associated with the engagement of the Executive Officers and the average and median employer cost of the other employees of Caesarstone (including contractor employees as defined in the Companies Law), per territory and on a global basis (the "**Ratio**").

4.2. The possible ramifications of the Ratio on the work environment in Caesarstone were examined and will continue to be examined by the Company from time to time in order to ensure that levels of executive compensation, as compared to the overall workforce will not have a negative impact on work relations in Caesarstone.

5. **Overall Compensation - Ratio Between Fixed and Variable Compensation**

5.1. This Policy aims to balance the mix of "Fixed Compensation" (comprised of base salary and benefits) and "Variable Compensation" (comprised of cash bonuses and equity-based compensation) in order to, among other things, appropriately incentivize Executive Officers to meet Caesarstone's short- and long-term goals while taking into consideration the Company's need to manage a variety of business risks.

5.2. The value of the annual target Variable Compensation of each Executive Officer, to which such Executive Officer may be entitled subject to meeting his or her respective key performance indicators and/or by way of equity-based incentives, shall be at least 30% of such Executive Officer's annual Fixed Compensation.

B. Base Salary, Benefits and Perquisites

6. **Base Salary**

6.1. A base salary provides stable compensation to Executive Officers and allows Caesarstone to attract and retain competent executive talent and maintain a reliable management team. The base salary varies between Executive Officers, and is individually determined according to the educational background, prior vocational experience, qualifications, role, business responsibilities and the past performance of each Executive Officer.

6.2. Since a competitive base salary is essential to Caesarstone's ability to attract and retain highly skilled professionals, Caesarstone will seek to establish a base salary that is competitive with the base salaries paid to comparable Executive Officers, while considering, among others, Caesarstone's size, performance and field of operation and the geographical location of the employed Executive Officer as well as his personal and professional skills. To that end, Caesarstone shall utilize as a reference, comparative market data and practices, which may include, among others, a compensation survey that compares and analyses the level of the overall compensation package offered to an Executive Officer of the Company with compensation packages in similar positions to that of the relevant officer in other companies operating in sectors which are similar in their characteristics to Caesarstone's, as much as possible, while considering, among others, such companies' size and characteristics including their revenues, profitability rate, number of employees and operating arena (in Israel or globally), which shall be reviewed by the Compensation Committee. Such compensation survey may be conducted internally or through an external consultant.

6.3. The Compensation Committee and the Board may periodically consider and approve base salary adjustments for Executive Officers. The main considerations for salary adjustment are similar to those used in initially determining the base salary, but may also include, among others, change of role or responsibilities, recognition for professional achievements, regulatory or contractual requirements, relocation, budgetary constraints or market trends. The Compensation Committee and the Board will also consider the previous and existing compensation arrangements of the Executive Officer whose base salary is being considered for adjustment.

6.4. The base salary, for the purpose of this Policy, means the monthly fixed payment due to an Executive Officer, whether an Executive Officer is an employee who is paid a salary or a contractor whose monthly consideration is paid against a tax invoice, in which case, the base salary shall be deemed as 75% of the monthly payment against a tax invoice.

7. **Benefits**

7.1. The following benefits may be granted to the Executive Officers in order, among other things, to comply with legal requirements:

7.1.1. Vacation days in accordance with applicable law and market practice;

7.1.2. Sick days in accordance with applicable law and market practice;

7.1.3. Convalescence pay according to applicable law and market practice;

7.1.4. Monthly remuneration for a study fund, as allowed by applicable law and with reference to Caesarstone's practice and market practice;

7.1.5. Caesarstone shall contribute on behalf of the Executive Officer to an insurance policy or a pension fund, as allowed by applicable law and with reference to Caesarstone's policies and procedures and the practice in peer group companies; and

7.1.6. Caesarstone shall contribute on behalf of the Executive Officer towards work disability insurance, as allowed by applicable law and with reference to Caesarstone's policies and procedures and to the practice in peer group companies.

Non-Israeli Executive Officers may receive other similar, comparable or customary benefits as applicable in the relevant jurisdiction in which they are employed. Such customary benefits shall be determined based on the methods described in Section 6.2 of this Compensation Policy (with the necessary changes).

7.2. In the event an Executive Officer relocates, such Executive Officer may receive other similar, comparable or customary benefits as applicable in the relevant jurisdiction in which he or she is employed. Such benefits shall include reimbursement of out of pocket one-time payments and other ongoing expenses, such as real estate broker fees, moving costs, car allowance, and home leave visit, etc.

7.3. Caesarstone may offer additional benefits to its Executive Officers, which will be comparable to customary market practices, such as, but not limited to: cellular phone benefits, company car and travel benefits, reimbursement of business travel expenses, including a daily stipend when traveling, and other business related expenses, insurances, professional licenses, membership fees in professional organizations and other benefits (such as newspaper subscriptions, academic and professional studies and welfare activities), provided, however, that such additional benefits shall be determined in accordance with Caesarstone's policies and procedures.

C. <u>Cash Bonuses</u>

8. **Annual Cash Bonuses - The Objective**

8.1. Compensation in the form of an annual cash bonus is an important element in aligning Executive Officers' compensation with Caesarstone's objectives and business goals. Therefore, a pay-for-performance element is an important part of compensation, as payout eligibility and levels are determined based on actual financial and operational results, as well as individual performance.

8.2. An annual cash bonus may be awarded to Executive Officers upon the attainment of pre-set periodical objectives and individual targets determined by the CEO and approved by the Compensation Committee at the beginning of each fiscal year or several fiscal years, or upon engagement, in case of newly hired Executive Officers, taking into account Caesarstone's short and long-term goals, as well as its compliance and risk management policies. The Compensation Committee and the Board shall also determine applicable minimum thresholds that must be met for entitlement to the annual cash bonus (all or any portion thereof) and the formula for calculating the annual cash bonus payout. In special circumstances, as determined by the Compensation Committee and the Board (e.g., regulatory changes, changes in Caesarstone's business environment, objectives or timelines, a significant organizational change and a significant merger and acquisition events), the Compensation Committee and the Board may modify the bonus plan during the calendar year.

8.3. In the event the employment of an Executive Officer is terminated prior to the end of a fiscal year, the Company may pay such Executive Officer a full annual cash bonus (provided that the termination date occurs in the third or fourth quarter of such fiscal year) or a prorated one. Such bonus will become due on the termination day of the Executive Officer's engagement with the Company or on the same scheduled date for annual cash bonus payments by the Company.

8.4. The actual annual cash bonus to be awarded to Executive Officers shall be approved by the Compensation Committee and the Board.

9. **Annual Cash Bonuses - The Formula**

Executive Officers other than the CEO

9.1. The annual cash bonus of Caesarstone's Executive Officers other than Caesarstone's chief executive officer ("**CEO**" and "**VPs**", respectively) will be based on the measurable objectives of the Company, measurable personal objectives or a discretionary evaluation of the VP's overall performance by the CEO (up to 25%) and subject to a minimum threshold. The objectives will be recommended annually by Caesarstone's CEO and approved by the Compensation Committee on the basis of, but not limited to, Company and personal objectives. Examples of measurable objectives that will be considered include: business and operational objectives (such as revenue, adjusted EBITDA and operating profit objectives, initiation of new markets and products, operational efficiency); customer focus (such as customer satisfaction); project milestones (such as product implementation in production, product acceptance and new product penetration) and investment in human capital (such as employee satisfaction, employee retention and employee training and leadership programs).

9.2. The annual cash bonus which may be awarded to each of the VPs will not exceed such VP's monthly base salary multiplied by eight (8).

CEO

9.3. The annual bonus of Caesarstone's CEO will be based mainly on measurable objectives of the Company and subject to a minimum threshold. The measurable objectives will be approved by the Compensation Committee and the Board at the commencement of each fiscal year or several fiscal years (or upon engagement, in case of newly hired CEO or in special circumstances as indicated in Section 8.2 above).

9.4. The annual cash bonus which may be awarded to Caesarstone's CEO with respect to a fiscal year shall not exceed an amount equal to 2.5% of Caesarstone's adjusted net income in such fiscal year and in any case the accumulated amount of the annual bonus and the annual base salary of the CEO shall not exceed two (2) million US dollars.

9.5. The annual cash bonus will be based mainly (at least 75%) on measurable objectives, and, with respect to its less significant part (up to 25%), may be based on a discretionary evaluation of the CEO's overall performance by the Compensation Committee and the Board based on quantitative and qualitative criteria.

10. **Other Bonuses**

10.1. Special Bonus. Caesarstone may grant its Executive Officers a special bonus as an award for special achievements (such as in connection with mergers and acquisitions, offerings, achieving target budget or business plan under exceptional circumstances or special recognition in case of retirement) at the CEO's discretion (and in the CEO's case, at the Board's discretion), subject to any additional approval as may be required by the Companies Law (the "**Special Bonus**"). The Special Bonus will not exceed twelve (12) monthly base salaries of the Executive Officer. A Special Bonus can be paid, in whole or in part, in equity in lieu of cash.

10.2. Signing Bonus. Caesarstone may grant a newly recruited Executive Officer a signing bonus at the CEO's discretion (and in the CEO's case, at the Board's discretion), subject to any additional approval as may be required by the Companies Law (the "**Signing Bonus**"). The Signing Bonus will not exceed six (6) monthly base salaries of the Executive Officer's first annual compensation package.

10.3. Relocation Bonus. In the event an Executive Officer relocates, such Executive Officer may receive other similar, comparable or customary benefits as applicable in the relevant jurisdiction in which he or she is employed. Such benefits shall include reimbursement for out of pocket one-time payments and other ongoing expenses, such as real estate broker fees, moving costs, home leave visit, etc. The relocation bonus will not exceed six (6) monthly base salaries of the Executive Officer.

10.4. Non-Compete Grant. Upon termination of employment and subject to applicable law, Caesarstone may grant to its Executive Officers a non-compete grant as an incentive to refrain from competing with Caesarstone for a defined period of time. The terms and conditions of the non-compete grant shall be decided by the Board and shall not exceed such Executive Officer's monthly base salary multiplied by twelve (12).

11. **Compensation Recovery ("Clawback")**

11.1. In the event of an accounting restatement, Caesarstone shall be entitled to recover from its Executive Officers the annual bonus compensation or performance-based equity compensation in the amount in which such compensation exceeded what would have been paid under the financial statements, as restated, provided that a claim is made by Caesarstone prior to the second anniversary of the fiscal year end of the restated financial statements.

11.2. Notwithstanding the aforesaid, the compensation recovery will not be triggered in the following events:

11.2.1. The financial restatement is required due to changes in the applicable financial reporting standards; or

11.2.2. The Compensation Committee has determined that clawback proceedings in the specific case would be impossible, impractical or not commercially or legally efficient.

11.3. Nothing in this Section 11 derogates from any other "clawback" or similar provisions regarding disgorging of profits imposed on Executive Officers by virtue of applicable securities laws.

11.4. Caesarstone intends to adopt and comply with a "clawback policy" (the "Clawback Policy"), as contemplated pursuant to Rule 10D-1 under the Securities and Exchange Act of 1934, as may be amended from time to time, which directs national securities exchanges, including The Nasdaq Stock Market LLC, to establish listing standards for purposes of complying with Rule 10D-1. The Clawback Policy shall not be limited in terms or substance to Sections 11.1 and 11.2 herein. To the extent there will be any inconsistencies between this Compensation Policy and the Clawback Policy to be adopted by Caesarstone, the latter shall take precedence, except to the extent of any mandatory requirement of the Companies Law, and, for the avoidance of any doubt, no amendments to, or further corporate approvals in connection with, this Compensation Policy will be required in connection with the adoption or subsequent amendments of the Clawback Policy.

D. <u>Equity Based Compensation</u>

12. **The Objective**

12.1. The equity based compensation for Caesarstone's Executive Officers is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the Executive Officers' interests with the long-term interests of Caesarstone and its shareholders, and to strengthen the retention and the motivation of Executive Officers in the long term. In addition, since equity-based awards are to be structured to vest over several years, their incentive value to recipients is aligned with longer-term strategic plans.

12.2. The equity-based compensation may be in a form of share options and/or other equity-based awards, such as restricted share units and phantom options, in accordance with the Company's equity incentive plan in place as may be updated from time to time.

12.3. The equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role and the personal responsibilities of the Executive Officer.

13. **General Guidelines for the Grant of Awards**

13.1. The fair value of the equity based compensation per vesting year (on a linear basis), determined in accordance with acceptable valuation practices at the time of grant, of each of Caesarstone's VPs shall not exceed 0.2% of Caesarstone's market fair value based on the known closing price of the Company's shares on Nasdaq as of the date of grant.

13.2. The fair value of the equity based compensation per vesting year (on a linear basis), determined in accordance with acceptable valuation practices at the time of grant, of Caesarstone's CEO shall not exceed 150% of the CEO's annual base salary.

13.3.

13.4. The Compensation Committee and the Board may approve the grant of equity awards with a cap on the benefit deriving from the exercise of equity-based compensation.

13.5. Equity-based compensation awarded by the Company to ~~employees,~~ Executive Officers or directors shall not be, in the aggregate, in excess of 10% of the Company's share capital on a fully diluted basis at the date of grant.

13.6. All equity-based incentives granted to Executive Officers shall be subject to vesting periods in order to promote long-term retention of the awarded Executive Officers. Unless determined otherwise in a specific award agreement approved by the Compensation Committee and the Board, grants to Executive Officers shall vest gradually over a period of between three (3) to four (4) years or based on performance. The exercise price of options shall be determined in accordance with Caesarstone's equity award policies, the main terms of which shall be disclosed in the annual report of Caesarstone.

13.7. All other terms of the equity awards shall be in accordance with Caesarstone's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, extend the period of time for which an award is to remain exercisable and make provisions with respect to the acceleration of the vesting period of any Executive Officer's awards, including, without limitation, in connection with a change of control, subject to any additional approval if such may be required by the Companies Law.

13.8. The fair value of the equity-based compensation for the Executive Officers will be determined according to acceptable valuation practices at the time of grant.

E. <u>Retirement and Termination of Service Arrangements</u>

14. **Advanced Notice Period and Adjustment Period**

14.1. Caesarstone may provide a VP a prior notice of termination and/or an adjustment period accumulated to up to nine (9) months, during which the VP may be entitled to all of the compensation elements, and to the continuation of vesting of his options.

14.2. Caesarstone may provide the CEO with a prior notice of termination and/or an adjustment period accumulated to up to twelve (12) months, during which the CEO may be entitled to all of the compensation elements, and to the continuation of vesting of his options.

14.3. The Executive Officer shall be required not to compete with the Company during the advanced notice period and the adjustment period.

15. **Additional Retirement and Termination Benefits**

15.1 Arrangements related to termination of service or employment may be determined based on the circumstances of such termination (whether upon retirement, resignation, termination by the Company or otherwise), the term of service or employment of the VP or CEO, his/her compensation package during such period, market practice in the relevant geographic location, Caesarstone's performance during such period and the VP's or CEO's contribution to Caesarstone achieving its goals and maximizing its profits and other considerations that may be found relevant by Caesarstone. For example, the Compensation Committee and the Board may, at their discretion, determine not to provide some or any post-service or employment benefits, compensation or protection, in the event of termination for "cause," which will be as defined in the applicable arrangement or plan document.

15.2 Caesarstone shall provide additional retirement and terminations benefits and payments as may be required by applicable law (e.g., mandatory severance pay under Israeli labor laws), and may provide additional retirement and terminations benefits and payments which will be comparable to customary market practices, provided that such additional retirement and termination benefits together with the termination benefits provided under Section 14.1 and 14.2 shall not exceed 24 monthly base salaries of the Executive Officer.

F. <u>Exculpation, Indemnification and Insurance</u>

16. **Exculpation**

Caesarstone may exempt its directors and Executive Officers in advance for all or any of their liability for damage in consequence of a breach of the duty of care vis-a-vis Caesarstone, to the fullest extent permitted by applicable law.

17. **Insurance and Indemnification**

17.1. Caesarstone may indemnify its directors and Executive Officers to the fullest extent permitted by applicable law, for any liability and expense that may be imposed on the director or Executive Officer, either retroactively or in advance as provided in the indemnity agreement between such individuals and Caesarstone, all subject to applicable law and the Company's articles of association.

17.2. Caesarstone will provide "Directors' and Officers' Liability Insurance" (the "**Insurance Policy**"**)** for its directors and Executive Officers, as follows:

17.2.1. The limit of liability of the insurer shall not exceed US$150 million per claim and in the aggregate for an annual policy and an additional limit of liability, exceeding the limit of liability in the policy, for defense costs in compliance with Section 66 of the Israeli Insurance Contract Law – 1981 (the "**Insurance Law**");

17.2.2. The Insurance Policy, as well as the limit of liability and the premium for each extension or renewal, shall be approved by the Compensation Committee which shall determine whether (i) the sums are reasonable considering Caesarstone's exposures, the scope of coverage and market conditions and (ii) the Insurance Policy reflects then prevailing market conditions, and, provided, further, that the Insurance Policy shall not materially affect the Company's profitability, assets or liabilities; and

17.2.3. The insurance terms and conditions will be the subject of negotiations between the Company and the insurer (and if necessary alternative quotations will be considered). The insurance coverage is and will be extended to indemnify the Company for losses it may incur that derive from a claim against it concerning a wrongful act of the Company alleging a breach of the securities laws. The policy may include priorities for payment of any insurance benefits pursuant to which the rights of the directors and Officers to receive indemnity from the insurer takes precedence over the right of the Company itself.

17.3. The Company shall be entitled, subject to the approval of the Compensation Committee, to the following:

17.3.1. To purchase an insurance coverage for wrongful acts occurring before the effective date of the change in risk (the "**Run Off Coverage**") of up to seven (7) years, from the same insurer or any other insurer, in Israel or overseas;

17.3.2. The limit of liability of the insurer shall not exceed US$150 million per claim and in the aggregate for the term of the policy and an additional limit of liability exceeding the limit of liability in the policy for defense costs in compliance with Section 66 of the Insurance Law;

17.3.3. The Run Off Coverage, as well as the limit of liability and the premium for each extension or renewal, shall be approved by the Compensation Committee which shall determine whether (i) the sums are reasonable considering Caesarstone's exposures, the scope of coverage and market conditions and (ii) the Run Off Coverage reflects then prevailing market conditions, and, provided, further, that the Run Off Coverage shall not materially affect the Company's profitability, assets or liabilities.

17.4. Caesarstone may extend an existing Insurance Policy to include coverage for liability pursuant to a future public offering of securities, provided, however, that Such extension and consequent additional premium shall be approved by the Compensation Committee which shall determine whether (i) the sums are reasonable considering Caesarstone's exposures, the scope of coverage and market conditions and (ii) said extension reflects then prevailing market conditions, and, provided, further, that the extension shall not materially affect the Company's profitability, assets or liabilities.

17.5. Any other insurance coverage purchased by Caesarstone may be extended to include directors and Officers as additionally insured beneficiaries, in so far as such extension will not result in an additional premium.

G. Arrangements upon Change of Control

18. The following benefits may be granted to the Executive Officers in addition to the benefits applicable in the case of any retirement or termination of service or adverse adjustment of the service in a material way which were upon or in connection with a "Change of Control":

    18.1. Vesting acceleration of outstanding options or other equity-based awards.

    18.2. Extension of the exercising period of options for Caesarstone's VPs and CEO for a period of up to one (1) year and two (2) years, respectively, following the date of employment termination.

    18.3. Up to an additional six (6) months of continued base salary, benefits and perquisites following the date of employment termination (the "**Additional Adjustment Period**"). For avoidance of doubt, such additional Adjustment Period shall be in addition to the advance notice and adjustment periods pursuant to Section 14 of this Compensation Policy, and in any case shall not exceed 24 monthly base salaries as set forth in Section 15.2.

    18.4. In the case of the CEO, a cash bonus equal to up to twelve (12) monthly base salaries.

H. Board of Directors Compensation

19. **Cash Compensation** All Caesarstone's Board members, excluding the chairman of the Board, the external directors and independent directors, shall be entitled to a compensation as shall be determined from time to time and approved by the Compensation Committee, the Board and the Company's shareholders, based on the director's relevant skills and experience, up to, on an annual basis, (i) for a director who is an Israeli resident, the total compensation payable annually to the Company's external and independent directors, including annual fees and participation compensation; and (ii) for a director who is a non-Israeli resident, 400% of the annual fees and 400% the participation compensation payable to the Company's external and independent directors.

    19.2. The compensation of the Company's external directors and independent directors shall be in accordance with the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director), 5760-2000, as amended by the Companies Regulations (Reliefs for Public Companies Traded in Stock Exchange Outside of Israel), 5760-2000, as such regulations may be amended from time to time ("**Compensation of Directors Regulations**").

    19.3. The chairperson of the Board shall be entitled to an annual base compensation that shall not exceed five (5) times the total annual compensation of an external director (assuming a total of nine (9) Board and committee meetings per year). In addition, the chairperson of the Board may be granted an annual bonus based on measurable parameters to be defined by the Compensation Committee and the Board, and approved by the Company's shareholders, which shall amount to up to 50% of the chairperson's annual base compensation.

20. **Equity Based Compensation**

20.1. Directors may also be awarded equity-based compensation, as shall be determined from time to time and approved by the Compensation Committee, the Board and the Company's shareholders.

20.2. The fair value of the equity-based compensation per vesting year (on a linear basis) determined in accordance with acceptable valuation practices at the time of grant, of each director shall not exceed the value of such director's total annual compensation (assuming a total of nine (9) Board and committee meetings per year)...

20.3. The Compensation Committee and the Board may approve the grant of equity awards with a cap for the benefit deriving from the exercise of equity-based compensation.

20.4. All equity-based awards granted to directors shall be subject to vesting periods. Unless determined otherwise in a specific award agreement, grants to directors shall vest gradually over a period of between three (3) to four (4) years.

20.5. All other terms of the equity awards shall be in accordance with Caesarstone's incentive plans and other related practices and policies. Accordingly, the Board may, following approval by the Compensation Committee, extend the period of time for which an award is to remain exercisable and make provisions with respect to the acceleration of the vesting period of any director's awards, including, without limitation, in connection with a change of control, subject to any additional approval if such may be required by the Companies Law.

20.6. The fair value of the equity-based compensation for directors will be determined according to acceptable valuation practices at the time of grant.

21. **Expense Reimbursement**

21.1. Members of Caesarstone's Board shall be entitled to reimbursement of expenses incurred in the performance of their duties and other services to the Company.

I. <u>Miscellaneous</u>

22. Nothing in this Policy shall be deemed to grant any of Caesarstone's Executive Officers, directors or employees or any third party any right or privilege in connection with their engagement with the Company. Such rights and privileges shall be governed by the respective personal employment or engagement agreements. The Board may determine that none or only part of the payments and benefits shall be granted, and is authorized to cancel or suspend a compensation package or part thereof, subject to any applicable law.

23. An Immaterial Change in the terms of employment of a VP may be approved by the CEO, provided that the amended terms of employment are in accordance with this Compensation Policy, and subject to the following mechanism: following the CEO's approval of an Immaterial Change, any further change to the terms of employment of that certain VP (whether Immaterial Change or not) shall be subject to the approval of the Compensation Committee and the Board, and, after their approvals, the next Immaterial Change in the terms of employment of such VP may be once again approved by the CEO.

An “Immaterial Change” means change (or changes, on an accumulated basis) in the terms of employment of a VP, other than equity awards, that amounts to up to 5% of the VP's annual gross base salary.

24. In the event that new regulations or law amendment in connection with Executive Officers’ and directors’ compensation will be enacted following the adoption of this Compensation Policy, Caesarstone may follow such new regulations or law amendments, even if such new regulations and law amendments are in contradiction to the compensation terms set forth herein.

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This Policy is designed solely for the benefit of Caesarstone and none of the provisions thereof are intended to provide any rights or remedies to any person or entity other than Caesarstone.

CAESARSTONE LTD.
2020 SHARE INCENTIVE PLAN - AMENDED

Unless otherwise defined, terms used herein shall have the meaning ascribed to them in Section 2 hereof.

1. **PURPOSE; TYPES OF AWARDS; CONSTRUCTION**.

1.1. Purpose. The purpose of this 2020 Share Incentive Plan (as amended, this "**Plan**") is to afford an incentive to Service Providers of Caesarstone Ltd., an Israeli company (together with any successor corporation thereto, the "**Company**"), or any Affiliate of the Company, which now exists or hereafter is organized or acquired by the Company or its Affiliates, to continue as Service Providers, to increase their efforts on behalf of the Company or its Affiliates and to promote the success of the Company's business, by providing such Service Providers with opportunities to acquire a proprietary interest in the Company by the issuance of Shares or restricted Shares ("**Restricted Shares**") of the Company, and by the grant of options to purchase Shares ("**Options**"), Restricted Share Units ("**RSUs**") and other Share-based Awards pursuant to Sections 11 through 13 of this Plan.

1.2. Types of Awards. This Plan is intended to enable the Company to issue Awards under various tax regimes, including:

(i) pursuant and subject to the provisions of Section 102 of the Ordinance (or the corresponding provision of any subsequently enacted statute, as amended from time to time), and all regulations and interpretations adopted by any competent authority, including the Israel Tax Authority (the "**ITA**"), including the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003 or such other rules so adopted from time to time (the "**Rules**") (such Awards that are intended to be (as set forth in the Award Agreement) and which qualify as such under Section 102 of the Ordinance and the Rules, "**102 Awards**");

(ii) pursuant to Section 3(i) of the Ordinance or the corresponding provision of any subsequently enacted statute, as amended from time to time (such Awards, "**3(i) Awards**");

(iii) Incentive Stock Options within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted United States federal tax statute, as amended from time to time, to be granted to Employees who are deemed to be residents of the United States, for purposes of taxation, or are otherwise subject to U.S. Federal income tax (such Awards that are intended to be (as set forth in the Award Agreement) and which qualify as an incentive stock option within the meaning of Section 422(b) of the Code, "**Incentive Stock Options**"); and

(iv) Options not intended to be (as set forth in the Award Agreement) or which do not qualify as an Incentive Stock Option to be granted to Service Providers who are deemed to be residents of the United States for purposes of taxation, or are otherwise subject to U.S. Federal income tax ("**Nonqualified Stock Options**").

In addition to the issuance of Awards under the relevant tax regimes in the United States of America and the State of Israel, and without derogating from the generality of Section 25, this Plan contemplates issuances to Grantees in other jurisdictions or under other tax regimes with respect to which the Committee is empowered, but is not required, to make the requisite adjustments in this Plan and set forth the relevant conditions in an appendix to this Plan or in the Company's agreement with the Grantee in order to comply with the requirements of such other tax regimes.

1.3. Company Status. This Plan contemplates the issuance of Awards by the Company, both as a public and private company.

1.4. Construction. To the extent any provision herein conflicts with the conditions of any relevant tax law, rule or regulation which are relied upon for tax relief in respect of a particular Award to a Grantee, the Committee is empowered, but is not required, hereunder to determine that the provisions of such law, rule or regulation shall prevail over those of this Plan and to interpret and enforce such prevailing provisions. With respect to 102 Awards, if and to the extent any action or the exercise or application of any provision hereof or authority granted hereby is conditioned or subject to obtaining a ruling or tax determination from the ITA, to the extent required by applicable law, then the taking of any such action or the exercise or application of such section or authority with respect to 102 Awards shall be conditioned upon obtaining such ruling or tax determination, and, if obtained, shall be subject to any condition set forth therein; it being clarified that there is no obligation to apply for any such ruling or tax determination (which shall be in the sole discretion of the Committee) and no assurance is made that if applied any such ruling or tax determination will be obtained (or the conditions thereof).

2. **DEFINITIONS**.

2.1. Terms Generally. Except when otherwise indicated by the context, (i) the singular shall include the plural and the plural shall include the singular; (ii) any pronoun shall include the corresponding masculine, feminine and neuter forms; (iii) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth therein or herein), (iv) references to any law, constitution, statute, treaty, regulation, rule or ordinance, including any section or other part thereof shall refer to it as amended from time to time and shall include any successor thereof, (v) reference to a "company" or "entity" shall include a, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof, and reference to a "person" shall mean any of the foregoing or an individual, (vi) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Plan in its entirety, and not to any particular provision hereof, (vii) all references herein to Sections shall be construed to refer to Sections to this Plan; (viii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; and (ix) use of the term "or" is not intended to be exclusive.

2.2. Defined Terms. The following terms shall have the meanings ascribed to them in this Section 2:

2.3. "**Affiliate**" shall mean, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person (with the term "control" or "controlled by" within the meaning of Rule 405 of Regulation C under the Securities Act), including, without limitation, any Parent or Subsidiary, or Employer.

2.4. "**Applicable Law**" shall mean any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree of any federal, provincial, state or local governmental, regulatory or adjudicative authority or agency, of any jurisdiction, and the rules and regulations of any stock exchange, over-the-counter market or trading system on which the Company's shares are then traded or listed.

2.5. "**Award**" shall mean any Option, Restricted Share, RSUs, Shares or any other Share-based award granted under this Plan.

2.6. "**Board**" shall mean the Board of Directors of the Company.

2.7. "**Change in Board Event**" shall mean any time at which individuals who, as of the Effective Date, constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.8. "**Code**" shall mean the United States Internal Revenue Code of 1986, and any applicable regulations promulgated thereunder, all as amended.

2.9. "**Committee**" shall mean the compensation committee of the Board or any other committee established or appointed by the Board to administer this Plan, subject to Section 3.1.

2.10. "**Companies Law**" shall mean the Israel Companies Law, 5759-1999, and the regulations promulgated thereunder, all as amended from time to time.

2.11. "**Controlling Shareholder**" shall have the meaning set forth in Section 32(9) of the Ordinance.

2.12. "**Consultant**" means a consultant, advisor or other independent contractor who is a natural person and performs services for the Company or an Affiliate in a capacity other than as an Employee or member of the Board and that qualifies as a consultant under the applicable rules of the Securities Exchange Commission for registration of Shares on a Form S-8 Registration Statement.

2.13. "**Disability**" shall mean unless otherwise defined in a policy of the Company that the Committee deems applicable to this Plan, or that makes reference to this Plan, "Disability" shall mean the inability of the Grantee to engage in any substantial gainful activity or to perform the major duties of the Grantee's position with the Company or its Affiliates by reason of any medically determinable physical or mental impairment which has lasted or can be expected to last for a continuous period of not less than 12 months (or such other period as determined by the Committee), as determined by a qualified doctor acceptable to the Company. Notwithstanding the foregoing, (a) for purposes of Incentive Stock Options granted under the Plan, "Disability" means that the Grantee is disabled within the meaning of Section 22(e)(3) of the Code, and (b) with respect to an Award that is subject to Section 409A of the Code where the payment or settlement of the Award will be made as a result of the Grantee's Disability, solely for purposes of determining the timing of payment, no such event will constitute a Disability for purposes of this Plan or any Award Agreement unless such event also constitutes a "disability" as defined under Section 409A of the Code.

2.14. "**Employee**" shall mean any person treated as an employee (including an officer or a director who is also treated as an employee) in the records of the Company or any of its Affiliates (and in the case of 102 Awards, subject to Section 9.3 or in the case of Incentive Stock Options, who is an employee for purposes of Section 422 of the Code); provided, however, that neither service as a director nor payment of a director's fee shall be sufficient to constitute employment for purposes of this Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of a person's rights, if any, under this Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

2.15. "Employer" means, for purpose of a 102 Trustee Award, the Company or an Affiliate, Subsidiary or Parent thereof, which is an "employing company" within the meaning and subject to the conditions of Section 102(a) of the Ordinance.

2.16. "**employment**", "**employed**" and words of similar import shall be deemed to refer to the employment of Employees or to the services of any other Service Provider, as the case may be.

2.17. "**exercise**" "**exercised**" and words of similar import, when referring to an Award that does not require exercise or that is settled upon vesting (such as may be the case with RSUs or Restricted Shares, if so determined in their terms), shall be deemed to refer to the vesting of such an Award (regardless of whether or not the wording included reference to vesting of such an Awards explicitly).

2.18. "**Exercise Period**" shall mean the period, commencing on the date of grant of an Award, during which an Award shall be exercisable, subject to any vesting provisions thereof (including any acceleration thereof, if any) and subject to the termination provisions hereof.

2.19. "**Exercise Price**" shall mean the exercise price for each Share covered by an Option or the purchase price for each Share covered by any other Award.

2.20. "**Fair Market Value**" shall mean, as of any date, the value of a Share or other securities, property or rights as determined by the Board, in its discretion, subject to the following: (i) if, on such date, the Shares are listed on any securities exchange, the average closing sales price per Share on which the Shares are principally traded over the thirty (30) day calendar period preceding the subject date (utilizing all trading days during such 30 calendar day period), as reported in The Wall Street Journal or such other source as the Company deems reliable; (ii) if, on such date, the Shares are then quoted in an over-the-counter market, the average of the closing bid and asked prices for the Shares in that market during the thirty (30) day calendar period preceding the subject date (utilizing all trading days during such 30 calendar day period), as reported in The Wall Street Journal or such other source as the Company deems reliable; or (iii) if, on such date, the Shares are not then listed on a securities exchange or quoted in an over-the-counter market, or in case of any other securities, property or rights, such value as the Committee, in its sole discretion, shall determine, with full authority to determine the method for making such determination and which determination shall be conclusive and binding on all parties, and shall be made after such consultations with outside legal, accounting and other experts as the Committee may deem advisable; provided, however, that, if applicable, the Fair Market Value of the Shares shall be determined in a manner that is intended to satisfy the applicable requirements of and subject to Section 409A of the Code, and with respect to Incentive Stock Options, in a manner that is intended to satisfy the applicable requirements of and subject to Section 422 of the Code, subject to Section 422(c)(7) of the Code. The Committee shall maintain a written record of its method of determining such value. If the Shares are listed or quoted on more than one established stock exchange or over-the-counter market, the Committee shall determine the principal such exchange or market and utilize the price of the Shares on that exchange or market (determined as per the method described in clauses (i) or (ii) above, as applicable) for the purpose of determining Fair Market Value.

2.21. "**Grantee**" shall mean an eligible Employee, Non-Employee Director or Consultant who has been granted an Award(s) under this Plan.

2.22. "**Merger/Sale**" shall mean (i) a sale of all or substantially all of the assets of the Company, or a sale (including an exchange) of all or substantially all of the shares of the Company, to any person, or a purchase by a shareholder of the Company or by an Affiliate of such shareholder, of all the shares of the Company held by all or substantially all other shareholders or by other shareholders who are not Affiliated with such acquiring party; (ii) a merger (including, a reverse merger and a reverse triangular merger), consolidation, amalgamation or like transaction of the Company with or into another corporation; (iii) a scheme of arrangement for the purpose of effecting such sale, merger, consolidation, amalgamation or other transaction; (iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, (v) Change in Board Event, (vi) a change in Company's controlling shareholders (for this purpose the term 'controlling shareholder' shall have the meaning ascribed to that term under Section 268 of the Companies Law); (vii) going private or (viii) such other transaction or set of circumstances that is determined by the Board, in its discretion, to be a transaction subject to the provisions of Section 14.2 excluding any of the foregoing transactions in clauses (i) through (vii) if the Board determines that such transaction should be excluded from the definition hereof and the applicability of Section 14.2. Notwithstanding the foregoing, if a Merger/Sale constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A of the Code, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, the transaction or event described in subsection (i) (vi) with respect to such Award (or portion thereof) shall only constitute a Merger/Sale for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

2.23. "**Non-Employee Director**" means any individual who is a member of the Board who is not an Employee.

2.24. "**Ordinance**" shall mean the Israeli Income Tax Ordinance (New Version) 1961, and the regulations and rules (including the Rules) promulgated thereunder, all as amended from time to time.

2.25. "**Parent**" shall mean any company (other than the Company), which now exists or is hereafter organized, (i) in an unbroken chain of companies ending with the Company if, at the time of granting an Award, each of the companies (other than the Company) owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain, or (ii) if applicable and for purposes of Incentive Stock Options, that is a "parent corporation" of the Company, as defined in Section 424(e) of the Code.

2.26. "**Retirement**" shall mean the Grantee's retirement pursuant to Applicable Law or in accordance with the terms of any tax-qualified retirement plan maintained by the Company or any of its Affiliates in which the Grantee participates or is subject to.

2.27. "**Securities Act**" shall mean the U.S. Securities Act of 1933, and the rules and regulations promulgated thereunder, all as amended from time to time.

2.28. "**Service Provider**" shall mean an Employee, director, officer, consultant, advisor and any other person or entity who provides services to the Company or any Parent, Subsidiary or Affiliate thereof. Service Providers shall include prospective Service Providers to whom Awards are granted in connection with written offers of an employment or other service relationship with the Company or any Parent, Subsidiary or any Affiliates thereof, provided, however, that such employment or service shall have actually commenced.

2.29. "**Shares**" shall mean Ordinary Shares, NIS 0.04 par value of the Company (as adjusted for stock split, reverse stock split, bonus shares, combination or other recapitalization events), or shares of such other class of shares of the Company as shall be designated by the Board in respect of the relevant Award(s). "Shares" include any securities, property or rights issued or distributed with respect thereto.

2.30. "**Subsidiary**" shall mean any company (other than the Company), which now exists or is hereafter organized or acquired by the Company, (i) in an unbroken chain of companies beginning with the Company if, at the time of granting an Award, each of the companies other than the last company in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain, or (ii) if applicable and for purposes of Incentive Stock Options, that is a "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

2.31. "**tax(es)**" shall mean (a) all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all income, capital gains, alternative or add-on minimum, transfer, value added tax, real and personal property, withholding, payroll, employment, escheat, social security, disability, national security, health tax, wealth surtax, stamp, registration and estimated taxes, customs duties, fees, assessments and charges of any similar kind whatsoever (including under Section 280G of the Code) or other tax of any kind whatsoever, (b) all interest, indexation differentials, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (a), (c) any transferee or successor liability in respect of any items described in clauses (a) or (b) payable by reason of contract, assumption, transferee liability, successor liability, operation of Applicable Law, or as a result of any express or implied obligation to assume Taxes or to indemnify any other person, and (d) any liability for the payment of any amounts of the type described in clause (a) or (b) payable as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate or other group for any taxable period, including under U.S. Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision under Law) or otherwise.

2.32. "**Ten Percent Shareholder**" shall mean a Grantee who, at the time an Award is granted to the Grantee, owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any Parent or Subsidiary, within the meaning of Section 422(b)(6) of the Code.

2.33. "**Trustee**" shall mean the trustee appointed by the Committee to hold the Awards (and, in relation with 102 Trustee Awards, approved by the ITA), if so appointed.

2.34. Other Defined Terms. The following terms shall have the meanings ascribed to them in the Sections set forth below:

Term	Section
102 Awards	1.2(i)
102 Capital Gains Track Awards	9.1
102 Non-Trustee Awards	9.2
102 Ordinary Income Track Awards	9.1
102 Trustee Awards	9.1
3(i) Awards	1.2(ii)
Award Agreement	6
Cause	6.6.4.4
Company	1.1
Disqualifying Disposition	8.11
Effective Date	24.1
Election	9.2
Eligible 102 Grantees	9.3.1
Incentive Stock Options	1.2(iii)
Information	16.4
ITA	1.2(i)
Market Stand-Off	17
Market Stand-Off Period	17
Nonqualified Stock Options	1.2(iv)
Plan	1.1
Pool	5.1
Prior Plan	5.2
Recapitalization	14.1
Required Holding Period	9.5
Restricted Period	11.2
Restricted Share Agreement	11
Restricted Share Unit Agreement	12
Restricted Shares	1.1
RSUs	1.1
Rules	1.2(i)
SAR	13.2
Securities	17.1
Successor Corporation	14.2.1
Withholding Obligations	18.5

3. **ADMINISTRATION**.

3.1. To the extent permitted under Applicable Law, the Articles of Association and any other governing document of the Company, this Plan shall be administered by the Committee. In the event that the Board does not appoint or establish a committee to administer this Plan, this Plan shall be administered by the Board, and, accordingly, any and all references herein to the Committee shall be construed as references to the Board. In the event that an action necessary for the administration of this Plan is required under Applicable Law to be taken by the Board without the right of delegation, or if such action or power was explicitly reserved by the Board in appointing, establishing and empowering the Committee, then such action shall be so taken by the Board. In any such event, all references herein to the Committee shall be construed as references to the Board. Even if such a Committee was appointed or established, the Board may take any actions that are stated to be vested in the Committee, and shall not be restricted or limited from exercising all rights, powers and authorities under this Plan or Applicable Law.

3.2. The Board shall appoint the members of the Committee, may from time to time remove members from, or add members to, the Committee, and shall fill vacancies in the Committee, however caused, provided that the composition of the Committee shall at all times be in compliance with any mandatory requirements of Applicable Law, the Articles of Association and any other governing document of the Company. The Committee may select one of its members as its Chairman and shall hold its meetings at such times and places as it shall determine. The Committee may appoint a Secretary, who shall keep records of its meetings, and shall make such rules and regulations for the conduct of its business as it shall deem advisable and subject to mandatory requirements of Applicable Law.

3.3. Subject to the terms and conditions of this Plan, any mandatory provisions of Applicable Law and any provisions of any Company policy required under mandatory provisions of Applicable Law, and in addition to the Committee's powers contained elsewhere in this Plan, the Committee shall have full authority, in its discretion, from time to time and at any time, to determine any of the following, or to recommend to the Board any of the following if it is not authorized to take such action according to Applicable Law:

(i) eligible Grantees,

(ii) grants of Awards and setting the terms and provisions of Award Agreements (which need not be identical) and any other agreements or instruments under which Awards are made, including the number of Shares underlying each Award and the class of Shares underlying each Award (if more than one class was designated by the Board),

(iii) the time or times at which Awards shall be granted,

(iv) the terms, conditions and restrictions applicable to each Award (which need not be identical) and any Shares acquired upon the exercise or (if applicable) vesting thereof, including (1) designating Awards under Section 1.2; (2) the vesting schedule, the acceleration thereof and terms and conditions upon which Awards may be exercised or become vested, (3) the Exercise Price, (4) the method of payment for Shares purchased upon the exercise or (if applicable) vesting of the Awards, (5) the method for satisfaction of any tax withholding obligation arising in connection with the Awards or such Shares, including by the withholding or delivery of Shares, (6) the time of the expiration of the Awards, (7) the effect of the Grantee's termination of employment with the Company or any of its Affiliates, and (8) all other terms, conditions and restrictions applicable to the Award or the Shares not inconsistent with the terms of this Plan,

(v) to accelerate, continue, extend or defer the exercisability of any Award or the vesting thereof, including with respect to the period following the Grantee's termination of employment or other service,

(vi) the interpretation of this Plan and any Award Agreement and the meaning, interpretation and applicability of terms referred to in Applicable Law,

(vii) policies, guidelines, rules and regulations relating to and for carrying out this Plan, and any amendment, supplement or rescission thereof, as it may deem appropriate,

(viii) to adopt supplements to, or alternative versions of, this Plan, including, without limitation, as it deems necessary or desirable to comply with the laws of, or to accommodate the tax regime or custom of, foreign jurisdictions whose citizens or residents may be granted Awards,

(ix) the Fair Market Value of the Shares or other securities, property or rights,

(x) the tax track (capital gains, ordinary income track or any other track available under the Section 102 of the Ordinance) for the purpose of 102 Awards,

(xi) the authorization and approval of conversion, substitution, cancellation or suspension under and in accordance with this Plan of any or all Awards or Shares,

(xii) unless otherwise provided under the terms of this Plan, the amendment, modification, waiver or supplement of the terms of any outstanding Award (excluding reducing the Exercise Price of an Award), *provided*, *however*, that if such amendments increases the Exercise Price of an Award or reduces the number of Shares underlying an Award, then such amendments shall require the consent of the applicable Grantee, unless such amendment is made pursuant to the exercise of rights or authorities in accordance with Section 14,

(xiii) to correct any defect, supply any omission or reconcile any inconsistency in this Plan or any Award Agreement and all other determinations and take such other actions with respect to this Plan or any Award as it may deem advisable to the extent not inconsistent with the provisions of this Plan or Applicable Law, and

(xiv) any other matter which is necessary or desirable for, or incidental to, the administration of this Plan and any Award thereunder.

3.4. The authority granted hereunder includes the authority to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside Israel to recognize differences in local law, tax policy or custom, in order to effectuate the purposes of this Plan but without amending this Plan.

3.5. The Board and the Committee shall be free at all times to make such determinations and take such actions as they deem fit. The Board and the Committee need not take the same action or determination with respect to all Awards, with respect to certain types of Awards, with respect to all Service Providers or any certain type of Service Providers and actions and determinations may differ as among the Grantees, and as between the Grantees and any other holders of securities of the Company.

3.6. All decisions, determinations, and interpretations of the Committee, the Board and the Company under this Plan shall be final and binding on all the Grantees (whether before or after the issuance of Shares pursuant to Awards), unless otherwise determined by the Committee, the Board or the Company, respectively. The Committee shall have the authority (but not the obligation) to determine the interpretation and applicability of Applicable Law to any Grantee or any Awards. No member of the Committee or the Board shall be liable to any Grantee for any action taken or determination made in good faith with respect to this Plan or any Award granted hereunder.

3.7. Any officer or authorized signatory of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided such person has apparent authority with respect to such matter, right, obligation, determination or election. Such person or authorized signatory shall not be liable to any Grantee for any action taken or determination made in good faith with respect to this Plan or any Award granted hereunder.

4. **ELIGIBILITY**.

Awards may be granted to Service Providers of the Company or any Affiliate thereof, taking into account, at the Committee's discretion and without an obligation to do so, the qualification under each tax regime pursuant to which such Awards are granted, subject to the limitation on the granting of Incentive Stock Options set forth in Section 8.1. A person who has been granted an Award hereunder may be granted additional Awards, if the Committee shall so determine, subject to the limitations herein. However, eligibility in accordance with this Section 4 shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

Awards may differ in number of Shares covered thereby, the terms and conditions applying to them or on the Grantees or in any other respect (including, that there should not be any expectation (and it is hereby disclaimed) that a certain treatment, interpretation or position granted to one shall be applied to the other, regardless of whether or not the facts or circumstances are the same or similar).

5. **SHARES**.

5.1. The maximum aggregate number of Shares that may be issued pursuant to Awards under this Plan (the "**Pool**") shall initially be (i) ~~2,500,000~~4,500,000 authorized but unissued Shares (except and as adjusted pursuant to Section 14.1 of this Plan) plus (ii) any Shares that remain available for issuance under the Company's 2011 Incentive Compensation Plan, as amended (the "**Prior Plan(s)**") as of the Effective Date, which shall not exceed 1,000,000 Shares. However, except as adjusted pursuant to Section 14.1, in no event shall more than ~~3,500,000~~5,500,000 Shares, as adjusted in accordance with Section 5.2, be available for issuance pursuant to the exercise of Incentive Stock Options.

5.2. Any Shares (a) underlying an Award granted hereunder or an award granted under the Prior Plan (in an amount not to exceed 1,000,000 Shares under the Prior Plan) that has expired, or was cancelled, terminated, forfeited or settled in cash in lieu of issuance of Shares, for any reason, without having been exercised; (b) if permitted by the Company, tendered to pay the Exercise Price of an Award (or the exercise price or other purchase price of any option or other award under the Prior Plan), or withholding tax obligations with respect to an Award (or any awards under the Prior Plan); or (c) if permitted by the Company, subject to an Award (or any award under the Prior Plan) that are not delivered to the Grantee because such Shares are withheld to pay the Exercise Price of such Award (or of any award under the Prior Plan), or withholding tax obligations with respect to such Award (or such other award); shall automatically, and without any further action on the part of the Company or any Grantee, again be available for grant of Awards and Shares issued upon exercise of (if applicable) vesting thereof for the purposes of this Plan (unless this Plan shall have been terminated) or unless the Board determines otherwise. Such Shares may be, in whole or in part, authorized but unissued Shares, (and, subject to obtaining a ruling as it applies to 102 Awards) treasury shares (dormant shares) or Shares otherwise that shall have been or may be repurchased by the Company (to the extent permitted pursuant to the Companies Law).

5.3. Any Shares under the Pool that are not subject to outstanding or exercised Awards at the termination of this Plan shall cease to be reserved for the purpose of this Plan.

5.4. From and after the Effective Date, no further grants or awards shall be made under the Prior Plan; however, Awards made under the Prior Plan before the Effective Date shall continue in effect in accordance with their terms.

6. **TERMS AND CONDITIONS OF AWARDS**.

Each Award granted pursuant to this Plan shall be evidenced by a written or electronic agreement between the Company and the Grantee or a written or electronic notice delivered by the Company (the "**Award Agreement**"), in substantially such form or forms and containing such terms and conditions, as the Committee shall from time to time approve. The Award Agreement shall comply with and be subject to the following general terms and conditions and the provisions of this Plan (except for any provisions applying to Awards under different tax regimes), unless otherwise specifically provided in such Award Agreement, or the terms referred to in other Sections of this Plan applying to Awards under such applicable tax regimes, or terms prescribed by Applicable Law. Award Agreements need not be in the same form and may differ in the terms and conditions included therein.

6.1. Number of Shares. Each Award Agreement shall state the number of Shares covered by the Award.

6.2. Type of Award. Each Award Agreement may state the type of Award granted thereunder, provided that the tax treatment of any Award, whether or not stated in the Award Agreement, shall be as determined in accordance with Applicable Law.

6.3. Exercise Price. Each Award Agreement shall state the Exercise Price, if applicable. Unless otherwise set forth in this Plan, an Exercise Price of an Award of less than the par value of the Shares (if shares bear a par value) shall comply with Section 304 of the Companies Law. Subject to Sections 3 7.2 and 8.2 and to the foregoing, the Committee may reduce the Exercise Price of any outstanding Award, on terms and subject to such conditions as it deems advisable. The Exercise Price shall also be subject to adjustment as provided in Section 14 hereof. The Exercise Price of any outstanding Award granted to a Grantee who is subject to U.S. federal income tax shall be determined in accordance with Section 409A of the Code.

6.4. Manner of Exercise.

6.4.1. An Award that is exercisable may be exercised, as to any or all Shares as to which the Award has become exercisable, by written notice delivered in person or by mail (or such other methods of delivery prescribed by the Company) to the Chief Financial Officer of the Company or to such other person as determined by the Committee, or in any other manner as the Committee shall prescribe from time to time, specifying the number of Shares with respect to which the Award is being exercised (which may be equal to or lower than the aggregate number of Shares that have become exercisable at such time, subject to the last sentence of this Section), accompanied by payment of the aggregate Exercise Price for such Shares in the manner specified in the following sentence. The Exercise Price shall be paid in full with respect to each Share, at the time of exercise, either in (i) cash, (ii) if the Company's shares are listed for trading on any securities exchange or over-the-counter market, and if the Committee so determines, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company or the Trustee, (iii) if the Company's shares are listed for trading on any securities exchange or over-the-counter market, and if the Committee so determines, payment may be made by means of a broker-assisted "cashless exercise" pursuant to which a Grantee may elect to deliver a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of Share sale or loan proceeds necessary to pay the Exercise Price, and, if requested, the amount of any federal, state, local or non-United States withholding taxes, (iv) in such other manner as the Committee shall determine, or (v) Cashless Exercise Mechanism as described in Section 6.4.2 below. The application of cashless exercise with respect to any 102 Awards shall be subject to obtaining a ruling from the ITA, to the extent required by applicable law.

6.4.2. Unless otherwise determined by the Committee, all Options shall be exercised using a cashless exercise mechanism and the number of the Shares to be issued by the Company shall be calculated pursuant to the following formula (the "**Cashless Exercise Mechanism**"):

$$X = \frac{Y * (A - B)}{A}$$

Where: X = the number of Shares to be issued to the Grantee.

Y = the number of Shares, as adjusted to the date of such calculation, underlying the number of Options being exercised.

A= the Fair Market Value of one Share at the exercise date.

B = the exercise price of each Option.

Upon completion of the calculation, if X is a negative number, then X shall be deemed to be 0 (zero).

6.5. Term and Vesting of Awards.

6.5.1. Each Award Agreement shall provide the vesting schedule for the Award as determined by the Committee. The Committee shall have the authority to determine the vesting schedule and accelerate the vesting of any outstanding Award at such time and under such circumstances as it, in its sole discretion, deems appropriate. Unless otherwise resolved by the Committee and stated in the Award Agreement, and subject to Sections 6.6 and 6.7 hereof, Awards shall vest and become exercisable under the following schedule: twenty-five percent (25%) of the Shares covered by the Award, on the first anniversary of the vesting commencement date determined by the Committee (and in the absence of such determination, of date on which such Award was granted), and six and one-quarter percent (6.25%) of the Shares covered by the Award at the end of each subsequent three-month period thereafter over the course of the following three (3) years; provided that the Grantee remains continuously as a Service Provider of the Company or its Affiliates throughout such vesting dates.

6.5.2. The Award Agreement may contain performance goals and measurements (which, in case of 102 Trustee Awards, may, if then required, be subject to obtaining a specific tax ruling or determination from the ITA), and the provisions with respect to any Award need not be the same as the provisions with respect to any other Award. Such performance goals may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee. The Committee may adjust performance goals pursuant to Awards previously granted to take into account changes in law and accounting and tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the inclusion or the exclusion of the impact of extraordinary or unusual items, events or circumstances.

6.5.3. The Exercise Period of an Award will be seven (7) years from the date of grant of the Award, unless otherwise determined by the Committee and stated in the Award Agreement, but subject to the vesting provisions described above and the early termination provisions set forth in Sections 6.6 and 6.7 hereof. At the expiration of the Exercise Period, any exercisable Award, or any part thereof, that has not been exercised within the term of the Award and the Shares covered thereby not paid for in accordance with this Plan and the Award Agreement shall terminate and become null and void, and all interests and rights of the Grantee in and to the same shall expire.

6.6. Termination.

6.6.1. Unless otherwise determined by the Committee, and subject to Section 6.7 hereof, an Award may not be exercised unless the Grantee is then a Service Provider of the Company or an Affiliate thereof or, in the case of an Incentive Stock Option, an employee of a company or a Parent or Subsidiary company of such company issuing or assuming the Option in a transaction to which Section 424(a) of the Code applies, and unless the Grantee has remained continuously so employed since the date of grant of the Award and throughout the vesting dates and exercise date, as applicable.

6.6.2. In the event that the employment or service of a Grantee shall terminate (other than by reason of death, Disability or Retirement), all Awards of such Grantee that are unvested at the time of such termination shall terminate on the date of such termination, and all Awards of such Grantee that are vested and exercisable at the time of such termination may be exercised within up to one-hundred twenty (120) days after the date of such termination (or such different period as the Committee shall prescribe), but in any event no later than the date of expiration of the Award's term as set forth in the Award Agreement or pursuant to this Plan; provided, however, that if the Company (or the Subsidiary or Affiliate, when applicable) shall terminate the Grantee's employment or service for Cause (as defined below) (whether occurring prior to or after termination of employment or service), all Awards theretofore granted to such Grantee (whether vested or not) shall terminate, unless otherwise determined by the Committee.

6.6.3. Notwithstanding anything to the contrary, the Committee, in its absolute discretion, may, on such terms and conditions as it may determine appropriate, extend the periods for which Awards held by any Grantee may continue to vest and be exercisable; it being clarified that such Awards may lose their entitlement to certain tax benefits under Applicable Law (including, without limitation, qualification of an Award as an Incentive Stock Option) as a result of the modification of such Awards and/or in the event that the Award is exercised beyond the later of: (i) one-hundred and twenty (120) days after the date of termination of the employment or service relationship; or (ii) the applicable period under Section 6.7 below with respect to a termination of the employment or service relationship because of the death, Disability or Retirement of the Grantee.

6.6.4. For purposes of this Plan:

6.6.4.1. A termination of employment or service of a Grantee shall not be deemed to occur (except to the extent required by the Code with respect to the Incentive Stock Option status of an Option) in case of (i) a transition or transfer of a Grantee among the Company and its Affiliates, or (ii) a change in the capacity in which the Grantee is employed or renders service to the Company or any of its Affiliates or a change in the identity of the employing or engagement entity among the Company and its Affiliates, provided, in case of the foregoing clauses (i) and (ii) above, that the Grantee has remained continuously employed by and/or in the service of the Company and its Affiliates since the date of grant of the Award and throughout the vesting period.

6.6.4.2. An entity or an Affiliate thereof assuming an Award or issuing in substitution thereof in a transaction to which Section 424(a) of the Code applies or in a Merger/Sale in accordance with Section 14 shall be deemed as an Affiliate of the Company for purposes of this Section 6.6, unless the Committee determines otherwise.

6.6.4.3. In the case of a Grantee whose principal employer or service recipient is a Subsidiary or Affiliate, the Grantee's employment shall also be deemed terminated for purposes of this Section 6.6 as of the date on which such principal employer or service recipient ceases to be a Subsidiary or Affiliate.

6.6.4.4. The term "**Cause**" shall mean (provided no other definition included in any other agreement or instrument applicable to the Grantee in which case such definition shall govern, and unless otherwise determined by the Committee) any of the following: (i) any theft, fraud, embezzlement, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, falsification of any documents or records of the Company or any of its Affiliates, felony or similar act by the Grantee (whether or not related to the Grantee's relationship with the Company); (ii) an act of moral turpitude by the Grantee, or any act that causes significant injury to, or is otherwise adversely affecting, the reputation, business, assets, operations or business relationship of the Company (or a Subsidiary or Affiliate, when applicable); (iii) any breach by the Grantee of any material agreement with or of any material duty of the Grantee to the Company or any Subsidiary or Affiliate thereof (including breach of confidentiality, non-disclosure, non-use, non-competition or non-solicitation covenants towards the Company or any of its Affiliates) or failure to abide by code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iv) any act which constitutes a breach of a Grantee's fiduciary duty towards the Company or an Affiliate or Subsidiary, including disclosure of confidential or proprietary information thereof or acceptance or solicitation to receive unauthorized or undisclosed benefits, irrespective of their nature, or funds, or promises to receive either, from individuals, consultants or corporate entities that the Company or a Subsidiary does business with; or (v) the Grantee's unauthorized use, misappropriation, destruction, or diversion of any tangible or intangible asset or corporate opportunity of the Company or any of its Affiliates (including, without limitation, the improper use or disclosure of confidential or proprietary information);. For the avoidance of doubt, the determination as to whether a termination is for Cause for purposes of this Plan, shall be made in good faith by the Committee and shall be final and binding on the Grantee.

6.7. Death, Disability or Retirement of Grantee.

6.7.1. If a Grantee shall die while employed by, or performing services for, the Company or its Affiliates, or within the one-hundred and twenty (120) day period (or such longer period of time as determined by the Committee, in its discretion) after the date of termination of such Grantee's employment or service (or within such different period as the Committee may have provided pursuant to Section 6.6 hereof), or if the Grantee's employment or service shall terminate by reason of Disability, all Awards theretofore granted to such Grantee may (to the extent otherwise vested and exercisable and unless earlier terminated in accordance with their terms) be exercised by the Grantee or by the Grantee's estate or by a person who acquired the legal right to exercise such Awards by bequest or inheritance, or by a person who acquired the legal right to exercise such Awards in accordance with applicable law in the case of Disability of the Grantee, as the case may be, at any time within one (1) year (or such longer period of time as determined by the Committee, in its discretion) after the death or Disability of the Grantee (or such different period as the Committee shall prescribe), but in any event no later than the date of expiration of the Award's term as set forth in the Award Agreement or pursuant to this Plan. In the event that an Award granted hereunder shall be exercised as set forth above by any person other than the Grantee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or proof satisfactory to the Committee of the right of such person to exercise such Award.

6.7.2. In the event that the employment or service of a Grantee shall terminate on account of such Grantee's Retirement, all Awards of such Grantee that are exercisable at the time of such Retirement may, unless earlier terminated in accordance with their terms, be exercised at any time within the three (3) month period after the date of such Retirement (or such different period as the Committee shall prescribe).

6.8. Suspension of Vesting. Unless the Committee provides otherwise, vesting of Awards granted hereunder shall not be suspended during any unpaid leave of absence.

6.9. Securities Law Restrictions. Except as otherwise provided in the applicable Award Agreement or other agreement between the Service Provider and the Company, if the exercise of an Award following the termination of the Service Provider's employment or service (other than for Cause) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act or equivalent requirements under equivalent laws of other applicable jurisdictions, then the Award shall remain exercisable and terminate on the earlier of (i) the expiration of a period of one-hundred and twenty (120) days (or such longer period of time as determined by the Committee, in its discretion) after the termination of the Service Provider's employment or service during which the exercise of the Award would not be in such violation, or (ii) the expiration of the term of the Award as set forth in the Award Agreement or pursuant to this Plan. In addition, unless otherwise provided in a Grantee's Award Agreement, if the sale of any Shares received upon exercise or (if applicable) vesting of an Award following the termination of the Grantee's employment or service (other than for Cause) would violate the Company's insider trading policy, then the Award shall terminate on the earlier of (i) the expiration of a period equal to the applicable post-termination exercise period after the termination of the Grantee's employment or service during which the exercise of the Award would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Award as set forth in the applicable Award Agreement or pursuant to this Plan.

6.10. Other Provisions. The Award Agreement evidencing Awards under this Plan shall contain such other terms and conditions not inconsistent with this Plan [as the Committee may determine, at or after the date of grant, including provisions in connection with the restrictions on transferring the Awards or Shares covered by such Awards, which shall be binding upon the Grantees and any purchaser, assignee or transferee of any Awards, and other terms and conditions as the Committee shall deem appropriate.

7. **NONQUALIFIED STOCK OPTIONS**.

Awards granted pursuant to this Section 7 are intended to constitute Nonqualified Stock Options and shall be subject to the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 7 and the other terms of this Plan, this Section 7 shall prevail. However, if for any reason the Awards granted pursuant to Section 8 (or portion thereof) does not qualify as an Incentive Stock Option, then, to the extent of such non-qualification, such Option (or portion thereof) shall be regarded as a Nonqualified Stock Option granted under this Plan. In no event will the Board, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to the Grantee (or any other person) due to the failure of the Option to qualify for any reason as an Incentive Stock Option.

7.1. Certain Limitations on Eligibility for Nonqualified Stock Options. Nonqualified Stock Options may not be granted to a Service Provider who is deemed to be a resident of the United States for purposes of taxation or who is otherwise subject to United States federal income tax unless the Shares underlying such Options constitute "service recipient stock" under Section 409A of the Code or unless such Options comply with the payment requirements of Section 409A of the Code.

7.2. Exercise Price. The Exercise Price of a Nonqualified Stock Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option unless the Committee specifically indicates that the Awards will have a lower Exercise Price and the Award complies with Section 409A of the Code. Notwithstanding the foregoing, a Nonqualified Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner that complies with Section 424(a) of the Code or 1.409A-1(b)(5)(v)(D) of the U.S. Treasury Regulations or any successor guidance.

8. **INCENTIVE STOCK OPTIONS**.

Awards granted pursuant to this Section 8 are intended to constitute Incentive Stock Options and shall be granted subject to the following special terms and conditions, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 8 and the other terms of this Plan, this Section 8 shall prevail.

8.1. Eligibility for Incentive Stock Options. Incentive Stock Options may be granted only to Employees of the Company, or to Employees of a Parent or Subsidiary, determined as of the date of grant of such Options. An Incentive Stock Option granted to a prospective Employee upon the condition that such person become an Employee shall be deemed granted effective on the date such person commences employment, with an exercise price determined as of such date in accordance with Section 8.2.

8.2. Exercise Price. The Exercise Price of an Incentive Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares covered by the Awards on the date of grant of such Option or such other price as may be determined pursuant to the Code. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner that complies with the provisions of Section 424(a) of the Code.

8.3. Date of Grant. Notwithstanding any other provision of this Plan to the contrary, no Incentive Stock Option may be granted under this Plan after 10 years from the date this Plan is adopted, or the date this Plan is approved by the shareholders, whichever is earlier.

8.4. Exercise Period. No Incentive Stock Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Award, subject to Section 8.6. No Incentive Stock Option granted to a prospective Employee may become exercisable prior to the date on which such person commences employment.

8.5. $100,000 Per Year Limitation. The aggregate Fair Market Value (determined as of the date the Incentive Stock Option is granted) of the Shares with respect to which all Incentive Stock Options granted under this Plan and all other "incentive stock option" plans of the Company, or of any Parent or Subsidiary, become exercisable for the first time by each Grantee during any calendar year shall not exceed one hundred thousand United States dollars ($100,000) with respect to such Grantee. To the extent that the aggregate Fair Market Value of Shares with respect to which such Incentive Stock Options and any other such incentive stock options are exercisable for the first time by any Grantee during any calendar year exceeds one hundred thousand United States dollars ($100,000), such options shall be treated as Nonqualified Stock Options. The foregoing shall be applied by taking options into account in the order in which they were granted. If the Code is amended to provide for a different limitation from that set forth in this Section 8.5, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Awards as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonqualified Stock Option in part by reason of the limitation set forth in this Section 8.5, the Grantee may designate which portion of such Option the Grantee is exercising. In the absence of such designation, the Grantee shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion may be issued upon the exercise of the Option.

8.6. Ten Percent Shareholder. In the case of an Incentive Stock Option granted to a Ten Percent Shareholder, notwithstanding the foregoing provisions of this Section 8.6, (i) the Exercise Price shall not be less than one hundred and ten percent (110%) of the Fair Market Value of a Share on the date of grant of such Incentive Stock Option, and (ii) the Exercise Period shall not exceed five (5) years from the effective date of grant of such Incentive Stock Option.

8.7. Payment of Exercise Price. Each Award Agreement evidencing an Incentive Stock Option shall state each alternative method by which the Exercise Price thereof may be paid.

8.8. Leave of Absence. Grantee's employment shall not be deemed to have terminated if the Grantee takes any leave as set forth in Section 6.8; provided, however, that if any such leave exceeds three (3) months, on the day that is three (3) months following the commencement of such leave any Incentive Stock Option held by the Grantee shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonqualified Stock Option, unless the Grantee's right to return to employment is guaranteed by statute or contract.

8.9. Exercise Following Termination of Employment. Notwithstanding anything else in this Plan to the contrary, Incentive Stock Options that are not exercised within three (3) months following termination of the Grantee's employment with the Company, its Parent or Subsidiary, a corporation or a Parent or Subsidiary of such corporation issuing or assuming an Option in a transaction to which Section 424(a) of the Code applies, in each case, without Cause (other than death or Disability) or within one (1) year in case of termination of the Grantee's employment with the Company or its Parent or Subsidiary due to death or a Disability (within the meaning of Section 22(e)(3) of the Code), shall be deemed to be Nonqualified Stock Options.

8.10. Adjustments to Incentive Stock Options. Any Awards Agreement providing for the grant of Incentive Stock Options shall indicate that adjustments made pursuant to this Plan with respect to Incentive Stock Options could constitute a "modification" of such Incentive Stock Options (as that term is defined in Section 424(h) of the Code) or could cause adverse tax consequences for the holder of such Incentive Stock Options and that the holder should consult with his or her tax advisor regarding the consequences of such "modification" on his or her income tax treatment with respect to the Incentive Stock Option.

8.11. Notice to Company of Disqualifying Disposition. Each Grantee who receives an Incentive Stock Option must agree to notify the Company in writing immediately after the Grantee makes a Disqualifying Disposition of any Shares received pursuant to the exercise of Incentive Stock Options. A "**Disqualifying Disposition**" is any disposition (including any sale) of such Shares before the later of (i) two years after the date the Grantee was granted the Incentive Stock Option, or (ii) one year after the date the Grantee acquired Shares by exercising the Incentive Stock Option. If the Grantee dies before such Shares are sold, these holding period requirements do not apply and no disposition of the Shares will be deemed a Disqualifying Disposition.

9. **102 AWARDS**.

Awards granted pursuant to this Section 9 are intended to constitute 102 Awards and shall be granted subject to the following special terms and conditions, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 9 and the other terms of this Plan, this Section 9 shall prevail.

9.1. Tracks. Awards granted pursuant to this Section 9 are intended to be granted pursuant to Section 102 of the Ordinance pursuant to either (i) Section 102(b)(2) or (3) thereof (as applicable), under the capital gain track ("**102 Capital Gain Track Awards**"), or (ii) Section 102(b)(1) thereof under the ordinary income track ("**102 Ordinary Income Track Awards**", and together with 102 Capital Gain Track Awards, "**102 Trustee Awards**"). 102 Trustee Awards shall be granted subject to the special terms and conditions contained in this Section 9, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Options under different tax laws or regulations.

9.2. Election of Track. Subject to Applicable Law, the Company may grant only one type of 102 Trustee Awards at any given time to all Grantees who are to be granted 102 Trustee Awards pursuant to this Plan, and shall file an election with the ITA regarding the type of 102 Trustee Awards it elects to grant before the date of grant of any 102 Trustee Awards (the "**Election**"). Such Election shall also apply to any other securities, including bonus shares, received by any Grantee as a result of holding the 102 Trustee Awards. The Company may change the type of 102 Trustee Awards that it elects to grant only after the expiration of at least 12 months from the end of the year in which the first grant was made in accordance with the previous Election, or as otherwise provided by Applicable Law. Any Election shall not prevent the Company from granting Awards, pursuant to Section 102(c) of the Ordinance without a Trustee ("**102 Non-Trustee Awards**").

9.3. Eligibility for Awards.

9.3.1. Subject to Applicable Law, 102 Awards may only be granted to an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date of the adoption of this Plan means (i) individuals employed by an Israeli company being the Company or any of its Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Shareholder ("**Eligible 102 Grantees**"). Eligible 102 Grantees may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

9.4. 102 Award Grant Date.

9.4.1. Each 102 Award will be deemed granted on the date determined by the Committee, subject to Section 9.4.2, provided that (i) the Grantee has signed all documents required by the Company or pursuant to Applicable Law, and (ii) with respect to 102 Trustee Award, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, and if an agreement is not signed and delivered by the Grantee within 90 days from the date determined by the Committee (subject to Section 9.4.2), then such 102 Trustee Award shall be deemed granted on such later date as such agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

9.4.2. Unless otherwise permitted by the Ordinance, any grants of 102 Trustee Awards that are made on or after the date of the adoption of this Plan or an amendment to this Plan, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of this Plan or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into any Award Agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

9.5. 102 Trustee Awards.

9.5.1. Each 102 Trustee Award, each Share issued pursuant to the exercise of any 102 Trustee Award, and any rights granted thereunder, including bonus shares, shall be issued to and registered in the name of the Trustee and shall be held in trust for the benefit of the Grantee for the requisite period prescribed by the Ordinance (the "**Required Holding Period**"). In the event that the requirements under Section 102 of the Ordinance to qualify an Award as a 102 Trustee Award are not met, then the Award may be treated as a 102 Non-Trustee Award or 3(i) Award, all in accordance with the provisions of the Ordinance. After expiration of the Required Holding Period, the Trustee may release such 102 Trustee Awards and any such Shares, provided that (i) the Trustee has received an acknowledgment from the ITA that the Grantee has paid any applicable taxes due pursuant to the Ordinance, or (ii) the Trustee and/or the Company and/or the Employer withholds all applicable taxes and compulsory payments due pursuant to the Ordinance arising from the 102 Trustee Awards and/or any Shares issued upon exercise or (if applicable) vesting of such 102 Trustee Awards. The Trustee shall not release any 102 Trustee Awards or Shares issued upon exercise or (if applicable) vesting thereof prior to the payment in full of the Grantee's tax and compulsory payments arising from such 102 Trustee Awards and/or Shares or the withholding referred to in (ii) above.

9.5.2. Each 102 Trustee Award shall be subject to the relevant terms of the Ordinance, the Rules and any determinations, rulings or approvals issued by the ITA, which shall be deemed an integral part of the 102 Trustee Awards and shall prevail over any term contained in this Plan or Award Agreement that is not consistent therewith. Any provision of the Ordinance, the Rules and any determinations, rulings or approvals by the ITA not expressly specified in this Plan or Award Agreement that are necessary to receive or maintain any tax benefit pursuant to Section 102 of the Ordinance shall be binding on the Grantee. Any Grantee granted a 102 Trustee Awards shall comply with the Ordinance and the terms and conditions of the trust agreement entered into between the Company and the Trustee. The Grantee shall execute any and all documents that the Company and/or its Affiliates and/or the Trustee determine from time to time to be necessary in order to comply with the Ordinance and the Rules.

9.5.3. During the Required Holding Period, the Grantee shall not release from trust or sell, assign, transfer or give as collateral, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Trustee Awards and/or any securities issued or distributed with respect thereto, until the expiration of the Required Holding Period. Notwithstanding the above, if any such sale, release or other action occurs during the Required Holding Period it may result in adverse tax consequences to the Grantee under Section 102 of the Ordinance and the Rules, which shall apply to and shall be borne solely by such Grantee. Subject to the foregoing, the Trustee may, pursuant to a written request from the Grantee, but subject to the terms of this Plan, release and transfer such Shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the Shares, and confirmation of such payment has been received by the Trustee and the Company, and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the Shares, this Plan, the Award Agreement and any Applicable Law.

9.5.4. If a 102 Trustee Award is exercised or (if applicable) vested, the Shares issued upon such exercise or (if applicable) vesting shall be issued in the name of the Trustee for the benefit of the Grantee.

9.5.5. Upon or after receipt of a 102 Trustee Award, if required, the Grantee may be required to sign an undertaking to release the Trustee from any liability with respect to any action or decision duly taken and executed in good faith by the Trustee in relation to this Plan, or any 102 Trustee Awards or Share granted to such Grantee thereunder.

9.6. 102 Non-Trustee Awards. The foregoing provisions of this Section 9 relating to 102 Trustee Awards shall not apply with respect to 102 Non-Trustee Awards, which shall, however, be subject to the relevant provisions of Section 102 of the Ordinance and the applicable Rules. The Committee may determine that 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto, shall be allocated or issued to the Trustee, who shall hold such 102 Non-Trustee Awards and all accrued rights thereon (if any), in trust for the benefit of the Grantee and/or the Company, as the case may be, until the full payment of tax arising from the 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto. The Company may choose, alternatively, to force the Grantee to provide it with a guarantee or other security, to the satisfaction of each of the Trustee and the Company, until the full payment of the applicable taxes.

9.7. Written Grantee Undertaking. To the extent and with respect to any 102 Trustee Award, and as required by Section 102 of the Ordinance and the Rules, by virtue of the receipt of such Award, the Grantee is deemed to have provided, undertaken and confirm the following written undertaking (and such undertaking is deemed incorporated into any documents signed by the Grantee in connection with the employment or service of the Grantee and/or the grant of such Award), and which undertaking shall be deemed to apply and relate to all 102 Trustee Awards granted to the Grantee, whether under this Plan or other plans maintained by the Company, and whether prior to or after the date hereof.

9.7.1. The Grantee shall comply with all terms and conditions set forth in Section 102 of the Ordinance with regard to the "Capital Gain Track" or the "Ordinary Income Track", as applicable, and the applicable rules and regulations promulgated thereunder, as amended from time to time;

9.7.2. The Grantee is familiar with, and understands the provisions of, Section 102 of the Ordinance in general, and the tax arrangement under the "Capital Gain Track" or the "Ordinary Income Track" in particular, and its tax consequences; the Grantee agrees that the 102 Trustee Awards and Shares that may be issued upon exercise or (if applicable) vesting of the 102 Trustee Awards (or otherwise in relation to the 102 Trustee Awards), will be held by the Trustee appointed pursuant to Section 102 of the Ordinance for at least the duration of the "Holding Period" (as such term is defined in Section 102) under the "Capital Gain Track" or the "Ordinary Income Track", as applicable. The Grantee understands that any release of such 102 Trustee Awards or Shares from trust, or any sale of the Share prior to the termination of the Holding Period, as defined above, will result in taxation at marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and

9.7.3. The Grantee agrees to the trust agreement signed between the Company, the Employer and the Trustee appointed pursuant to Section 102 of the Ordinance.

10. **3(i) AWARDS**.

Awards granted pursuant to this Section 10 are intended to constitute 3(i) Awards and shall be granted subject to the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 10 and the other terms of this Plan, this Section 10 shall prevail.

10.1. To the extent required by the Ordinance or the ITA or otherwise deemed by the Committee to be advisable, the 3(i) Awards and/or any Shares or other securities issued or distributed with respect thereto granted pursuant to this Plan shall be issued to a Trustee nominated by the Committee in accordance with the provisions of the Ordinance or the terms of a trust agreement, as applicable. In such event, the Trustee shall hold such Awards and/or other securities issued or distributed with respect thereto in trust, until exercised or (if applicable) vested by the Grantee and the full payment of tax arising therefrom, pursuant to the Company's instructions from time to time as set forth in a trust agreement, which will have been entered into between the Company and the Trustee. If determined by the Board or the Committee, and subject to such trust agreement, the Trustee will also hold the Shares issuable upon exercise, vesting, or settlement, as applicable, of the 3(i) Awards, as long as they are held by the Grantee. If determined by the Board or the Committee, and subject to such trust agreement, the Trustee shall be responsible for withholding any taxes to which a Grantee may become liable upon issuance of Shares, whether due to the exercise or (if applicable) vesting of Awards.

10.2. Shares pursuant to a 3(i) Award shall not be issued, unless the Grantee delivers to the Company payment in cash or by bank check or such other form acceptable to the Committee of all withholding taxes due, if any, on account of the Grantee acquired Shares under the Award or gives other assurance satisfactory to the Committee of the payment of those withholding taxes.

11. **RESTRICTED SHARES**.

The Committee may award Restricted Shares to any eligible Grantee, including under Section 102 of the Ordinance. Each Award of Restricted Shares under this Plan shall be evidenced by a written agreement between the Company and the Grantee (the "**Restricted Share Agreement**"), in such form as the Committee shall from time to time approve. The Restricted Shares shall be subject to all applicable terms of this Plan, which in the case of Restricted Shares granted under Section 102 of the Ordinance shall include Section 9 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Shares Agreements entered into under this Plan need not be identical. The Restricted Share Agreement shall comply with and be subject to Section 6 and the following terms and conditions, unless otherwise specifically provided in such Agreement and not inconsistent with this Plan, or Applicable Law.

11.1. Purchase Price. Section 6.4 shall not apply to Restricted Shares. Each Restricted Share Agreement shall state an amount of Exercise Price to be paid by the Grantee, if any, in consideration for the issuance of the Restricted Shares and the terms of payment thereof, which may include payment in cash or, subject to the Committee's approval, by issuance of promissory notes or other evidence of indebtedness on such terms and conditions as determined by the Committee.

11.2. Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution (in which case they shall be transferred subject to all restrictions then or thereafter applicable thereto), until such Restricted Shares shall have vested (the period from the date on which the Award is granted until the date of vesting of the Restricted Share thereunder being referred to herein as the "**Restricted Period**"). The Committee may also impose such additional or alternative restrictions and conditions on the Restricted Shares, as it deems appropriate, including the satisfaction of performance criteria (which, in case of 102 Trustee Awards, may be subject to obtaining a specific tax ruling or determination from the ITA). Such performance criteria may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee or pursuant to the provisions of any Company policy required under mandatory provisions of Applicable Law. Certificates for Shares issued pursuant to Restricted Share Awards, if issued, shall bear an appropriate legend referring to such restrictions, and any attempt to dispose of any such Shares in contravention of such restrictions shall be null and void and without effect. Such certificates may, if so determined by the Committee, be held in escrow by an escrow agent appointed by the Committee, or, if a Restricted Share Award is made pursuant to Section 102 of the Ordinance, by the Trustee. In determining the Restricted Period of an Award the Committee may provide that the foregoing restrictions shall lapse with respect to specified percentages of the awarded Restricted Shares on successive anniversaries of the date of such Award. To the extent required by the Ordinance or the ITA, the Restricted Shares issued pursuant to Section 102 of the Ordinance shall be issued to the Trustee in accordance with the provisions of the Ordinance and the Restricted Shares shall be held for the benefit of the Grantee for at least the Required Holding Period.

11.3. Forfeiture; Repurchase. Subject to such exceptions as may be determined by the Committee, if the Grantee's continuous employment with or service to the Company or any Affiliate thereof shall terminate for any reason prior to the expiration of the Restricted Period of an Award or prior to the timely payment in full of the Exercise Price of any Restricted Shares, any Shares remaining subject to vesting or with respect to which the purchase price has not been paid in full, shall thereupon be forfeited, transferred to, and redeemed, repurchased or cancelled by, as the case may be, in any manner as set forth in Section 6.6.2(i) through (v), subject to Applicable Law and the Grantee shall have no further rights with respect to such Restricted Shares.

11.4. Ownership. During the Restricted Period the Grantee shall possess all incidents of ownership of such Restricted Shares, subject to Section 6.10 and Section 11.2, including the right to vote and receive dividends with respect to such Shares. All securities, if any, received by a Grantee with respect to Restricted Shares as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

12. **RESTRICTED SHARE UNITS**.

An RSU is an Award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. An RSU may be awarded to any eligible Grantee, including under Section 102 of the Ordinance. The Award Agreement relating to the grant of RSUs under this Plan (the "**Restricted Share Unit Agreement**"), shall be in such form as the Committee shall from time to time approve. The RSUs shall be subject to all applicable terms of this Plan, which in the case of RSUs granted under Section 102 of the Ordinance shall include Section 9 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Share Unit Agreements entered into under this Plan need not be identical. RSUs may be granted in consideration of a reduction in the recipient's other compensation.

12.1. Exercise Price. No payment of Exercise Price shall be required as consideration for RSUs, unless included in the Award Agreement or as required by Applicable Law (including, Section 304 of the Companies Law), and Section 6.4 shall apply, if applicable.

12.2. Shareholders' Rights. The Grantee shall not possess or own any ownership rights in the Shares underlying the RSUs and no rights as a shareholder shall exist prior to the actual issuance of Shares in the name of the Grantee.

12.3. Settlements of Awards. Settlement of vested RSUs shall be made in the form of Shares or cash (in case of 102 Trustee Awards, the settlement shall be made in the form of Shares only). Distribution to a Grantee of an amount (or amounts) from settlement of vested RSUs can be deferred to a date after settlement as determined by the Committee. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Any such dividend equivalents shall be subject to the same vesting terms and other conditions as relate to the original Award. Until the grant of RSUs is settled, the number of Shares underlying such RSUs shall be subject to adjustment pursuant hereto.

12.4. Section 409A Restrictions. Notwithstanding anything to the contrary set forth herein, any RSUs granted under this Plan that are not exempt from the requirements of Section 409A of the Code shall contain such restrictions or other provisions so that such RSUs will comply with the requirements of Section 409A of the Code. Such restrictions, if any, shall be determined by the Committee and contained in the Restricted Share Unit Agreement evidencing such RSU.

13. **OTHER SHARE OR SHARE-BASED AWARDS**.

13.1. The Committee may grant other Awards under this Plan pursuant to which Shares (which may, but need not, be Restricted Shares pursuant to Section 11 hereof), cash (in settlement of Share-based Awards) or a combination thereof, are or may in the future be acquired or received, or Awards denominated in stock units, including units valued on the basis of measures other than market value.

13.2. The Committee may also grant stock appreciation rights ("**SAR**") without the grant of an accompanying option, which rights shall permit the Grantees to receive, at the time of any exercise of such rights, cash equal to the amount by which the Fair Market Value of the Shares in respect to which the right was granted is so exercised exceeds the exercise price thereof. The exercise price of any such SAR granted to a Grantee who is subject to U.S. federal income tax shall be determined in compliance with Section 7.2.

13.3. Such other Share-based Awards as set forth above may be granted alone, in addition to, or in tandem with any Award of any type granted under this Plan (without any obligation or assurance that that such Share-based Awards will be entitled to tax benefits under Applicable Law or to the same tax treatment as other Awards under this Plan).

14. **EFFECT OF CERTAIN CHANGES**.

14.1. General.

14.1.1. In the event of a division or subdivision of the outstanding share capital of the Company, any distribution of bonus shares (stock split), consolidation or combination of share capital of the Company (reverse stock split), reclassification with respect to the Shares or any similar recapitalization events (each, a "**Recapitalization**"), a merger (including, a reverse merger and a reverse triangular merger), consolidation, amalgamation or like transaction of the Company with or into another corporation, a reorganization (which may include a combination or exchange of Shares, spin-off or other corporate divestiture or division, or other similar occurrences, the Committee shall have the authority to make, without the need for a consent of any holder of an Award, such adjustments as determined by the Committee to be appropriate, in its discretion, in order to adjust (i) the number and class of Shares reserved and available for grants of Awards, (ii) the number and class of Shares covered by outstanding Awards, (iii) the Exercise Price per share covered by any Award, (iv) the terms and conditions concerning vesting and exercisability and the term and duration of the outstanding Awards, (v) the type or class of security, asset or right underlying the Award (which need not be only that of the Company, and may be that of the surviving corporation or any affiliate thereof or such other entity party to any of the above transactions), and (vi) any other terms of the Award that in the opinion of the Committee should be adjusted. Any fractional Shares resulting from such adjustment shall be treated as determined by the Committee, and in the absence of such determination shall be rounded to the nearest whole share, and the Company shall have no obligation to make any cash or other payment with respect to such fractional Shares. No adjustment shall be made by reason of the distribution of subscription rights or rights offering to outstanding Shares or other issuance of Shares by the Company, unless the Committee determines otherwise. The adjustments determined pursuant to this Section 14.1 (including a determination that no adjustment is to be made) shall be final, binding and conclusive.

14.1.2. Notwithstanding anything to the contrary included herein, in the event of a distribution of cash dividend by the Company to all holders of Shares, the Exercise Price of any Award, which is outstanding and unexercised on the record date of such distribution, shall be reduced by an amount equal to the per Share gross dividend amount distributed by the Company, buy not less than the par value of a Share. The application of this Section with respect to any 102 Awards shall be subject to obtaining a ruling from the ITA, to the extent required by applicable law and subject to the terms and conditions of any such ruling.

14.2. Merger/Sale of Company. In the event of a Merger/Sale, then, without derogating from the general authority and power of the Board or the Committee under this Plan, without the Grantee's consent and action and without any prior notice requirement, the Committee may make any determination as to the treatment of Awards, in its sole and absolute discretion, as provided herein:

14.2.1. Unless otherwise determined by the Committee, any Award then outstanding shall be assumed or be substituted by the Company, or by the successor corporation in such Merger/Sale or by any parent or Affiliate thereof, as determined by the Committee in its discretion (the "**Successor Corporation**"), under terms as determined by the Committee or the terms of this Plan applied by the Successor Corporation to such assumed or substituted Awards.

For the purposes of this Section 14.2.1, the Award shall be considered assumed or substituted if, following a Merger/Sale, the Award confers on the holder thereof the right to purchase or receive, for each Share underlying an Award immediately prior to the Merger/Sale, either (i) the consideration (whether shares or other securities, cash or other property, or rights, or any combination thereof) distributed to or received by holders of Shares in the Merger/Sale for each Share held on the effective date of the Merger/Sale (and if holders were offered a choice or several types of consideration, the type of consideration as determined by the Committee, which need not be the same type for all Grantees), or (ii) regardless of the consideration received by the holders of Shares in the Merger/Sale, solely shares or any type of Awards (or their equivalent) of the Successor Corporation at a value to be determined by the Committee in its discretion, or a certain type of consideration (whether shares or other securities, cash or other property, or rights, or any combination thereof) as determined by the Committee. Any of the consideration referred to in the foregoing clauses (i) and (ii) shall be subject to the same vesting and expiration terms of the Awards applying immediately prior to the Merger/Sale, unless determined by the Committee, in its discretion, that the consideration shall be subject to different vesting and expiration terms, or other terms, and the Committee may determine that it be subject to other or additional terms. The foregoing shall not limit the Committee's authority to determine that in lieu of such assumption or substitution of Awards for Awards of the Successor Corporation, such Award will be substituted for shares or other securities, cash or other property, or rights, or any combination thereof, including as set forth in Section 14.2.2 hereunder.

14.2.2. Regardless of whether or not Awards are assumed or substituted, the Committee may (but shall not be obligated to):

14.2.2.1. provide for the Grantee to have the right to exercise the Award in respect of Shares covered by the Award which would otherwise be exercisable or vested, under such terms and conditions as the Committee shall determine, and the cancellation of all unexercised Awards (whether vested or unvested) upon or immediately prior to the closing of the Merger/Sale, unless the Committee provides for the Grantee to have the right to exercise the Award, or otherwise for the acceleration of vesting of such Award, as to all or part of the Shares covered by the Award which would not otherwise be exercisable or vested, under such terms and conditions as the Committee shall determine;

14.2.2.2. provide for the cancellation of each outstanding Award at or immediately prior to the closing of such Merger/Sale, and if and to the extent payment shall be made to the Grantee of an amount in Shares or other securities of the Company, the acquiror or of a corporation or other business entity which is a party to the Merger/Sale, cash or other property, or rights, or any combination thereof, as determined by the Committee to be fair in the circumstances, and subject to such terms and conditions as determined by the Committee. The Committee shall have full authority to select the method for determining the payment (being the intrinsic ("spread") value of the option, Black-Scholes model or any other method). *Inter alia*, and without limitation of the following determination being made in other circumstances, the Committee's determination may provide that payment shall be set to zero if the value of the Shares is determined to be less than the Exercise Price, or in respect of Shares covered by the Award which would not otherwise be exercisable or vested, or that payment may be made only in excess of the Exercise Price; and/or

14.2.2.3. provide that the terms of any Award shall be otherwise amended, modified or terminated, as determined by the Committee to be fair in the circumstances.

14.2.3. The Committee may determine: (i) that any payments made in respect of Awards shall be made or delayed to the same extent that payment of consideration to the holders of the Shares in connection with the Merger/Sale is made or delayed as a result of escrows, indemnification, earn outs, holdbacks or any other contingencies or conditions; (ii) the terms and conditions applying to the payment made or payable to the Grantees, including participation in escrow, indemnification, releases, earn-outs, holdbacks or any other contingencies; and (iii) that any terms and conditions applying under the applicable definitive transaction agreements shall apply to the Grantees (including, appointment and engagement of a shareholders or sellers representative, payment of fees or other costs and expenses associated with such services, indemnifying such representative, and authorization to such representative within the scope of such representative's authority in the applicable definitive transaction agreements).

14.2.4. The Committee may determine to suspend the Grantee's rights to exercise any vested portion of an Award for a period of time prior to the signing or consummation of a Merger/Sale transaction.

14.2.5. Without limiting the generality of this Section 14, if the consideration in exchange for Awards in a Merger/Sale includes any securities and due receipt thereof by any Grantee (or by the Trustee for the benefit of such Grantee) may require under applicable law (i) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (ii) the provision to any Grantee of any information under the Securities Act or any other securities laws, then the Committee may determine that the Grantee shall be paid in lieu thereof, against surrender of the Shares or cancellation of any other Awards, an amount in cash or other property, or rights, or any combination thereof, as determined by the Committee to be fair in the circumstances, and subject to such terms and conditions as determined by the Committee. Nothing herein shall entitle any Grantee to receive any form of consideration that such Grantee would be ineligible to receive as a result of such Grantee's failure to satisfy (in the Committee's sole determination) any condition, requirement or limitation that is generally applicable to the Company's shareholders, or that is otherwise applicable under the terms of the Merger/Sale, and in such case, the Committee shall determine the type of consideration and the terms applying to such Grantees.

14.2.6. Neither the authorities and powers of the Committee under this Section 14.2, nor the exercise or implementation thereof, shall (i) be restricted or limited in any way by any adverse consequences (tax or otherwise) that may result to any holder of an Award, and (ii) as, *inter alia*, being a feature of the Award upon its grant, be deemed to constitute a change or an amendment of the rights of such holder under this Plan, nor shall any such adverse consequences (as well as any adverse tax consequences that may result from any tax ruling or other approval or determination of any relevant tax authority) be deemed to constitute a change or an amendment of the rights of such holder under this Plan, and may be effected without consent of any Grantee and without any liability to the Company or its Affiliates, or to their respective officers, directors, employees and representatives, and the respective successors and assigns of any of the foregoing. The Committee need not take the same action with respect to all Awards or with respect to all Service Providers. The Committee may take different actions with respect to the vested and unvested portions of an Award. The Committee may determine an amount or type of consideration to be received or distributed in a Merger/Sale which may differ as among the Grantees, and as between the Grantees and any other holders of Shares of the Company.

14.2.7. The Committee may determine that upon a Merger/Sale any Shares held by Grantees (or for Grantee's benefit) are sold in accordance with instructions issued by the Committee in connection with such Merger/Sale, which shall be final, conclusive and binding on all Grantees.

14.2.8. All of the Committee's determinations pursuant to this Section 14 shall be at its sole and absolute discretion, and shall be final, conclusive and binding on all Grantees (including, for clarity, as it relates to Shares issued upon exercise or vesting of any Awards or that are Awards, unless otherwise determined by the Committee) and without any liability to the Company or its Affiliates, or to their respective officers, directors, employees, shareholders and representatives, and the respective successors and assigns of any of the foregoing, in connection with the method of treatment, chosen course of action or determinations made hereunder.

14.2.9. If determined by the Committee, the Grantees shall be subject to the definitive agreement(s) in connection with the Merger/Sale as applying to holders of Shares including, such terms, conditions, representations, undertakings, liabilities, limitations, releases, indemnities, appointing and indemnifying shareholders/sellers representative, participating in transaction expenses, shareholders/sellers representative expense fund and escrow arrangement, in each case as determined by the Committee. Each Grantee shall execute (and authorizes any person designated by the Company to so execute, as well as (if applicable) the Trustee holding any Shares for the Grantee's behalf) such separate agreement(s) or instruments as may be requested by the Company, the Successor Corporation or the acquiror in connection with such in such Merger/Sale or otherwise under or for the purpose of implementing this Section 14.2, and in the form required by them. The execution of such separate agreement(s) may be a condition to the receipt of assumed or substituted Awards, payment in lieu of the Award, the exercise of any Award or otherwise to be entitled to benefit from Shares or other securities, cash or other property, or rights, or any combination thereof, pursuant to this Section 14.2 (and the Company (and, if applicable, the Trustee) may exercise its authorization above and sign such agreement on behalf of the Grantee or subject the Grantee to the provisions of such agreements).

14.3. Reservation of Rights. Except as expressly provided in this Section 14 (if any), the Grantee of an Award hereunder shall have no rights by reason of any Recapitalization of shares of any class, any increase or decrease in the number of shares of any class, or any dissolution, liquidation, reorganization (which may include a combination or exchange of shares, spin-off or other corporate divestiture or division, or other similar occurrences), or Merger/Sale. Any issue by the Company of shares of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number, type or price of shares subject to an Award. The grant of an Award pursuant to this Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structures or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or part of its business or assets or engage in any similar transactions.

15. **NON-TRANSFERABILITY OF AWARDS; SURVIVING BENEFICIARY**.

15.1. All Awards granted under this Plan by their terms shall not be transferable, other than by will or by the laws of descent and distribution, unless otherwise determined by the Committee or under this Plan, provided that with respect to Shares issued upon exercise, Shares issued upon the vesting of Awards or Awards that are Shares, the restrictions on transfer shall be the restrictions referred to in Section 16 (Conditions upon Issuance of Shares) hereof. Subject to the above provisions, the terms of such Award, this Plan and any applicable Award Agreement shall be binding upon the beneficiaries, executors, administrators, heirs and successors of such Grantee. Awards may be exercised or otherwise realized, during the lifetime of the Grantee, only by the Grantee or by his guardian or legal representative, to the extent provided for herein. Any transfer of an Award not permitted hereunder (including transfers pursuant to any decree of divorce, dissolution or separate maintenance, any property settlement, any separation agreement or any other agreement with a spouse) and any grant of any interest in any Award to, or creation in any way of any direct or indirect interest in any Award by, any party other than the Grantee shall be null and void and shall not confer upon any party or person, other than the Grantee, any rights. A Grantee may file with the Committee a written designation of a beneficiary, who shall be permitted to exercise such Grantee's Award or to whom any benefit under this Plan is to be paid, in each case, in the event of the Grantee's death before he or she fully exercises his or her Award or receives any or all of such benefit, on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the executor or administrator of the Grantee's estate shall be deemed to be the Grantee's beneficiary. Notwithstanding the foregoing, upon the request of the Grantee and subject to Applicable Law, the Committee, at its sole discretion, may permit the Grantee to transfer the Award to a trust whose beneficiaries are the Grantee and/or the Grantee's immediate family members (all or several of them).

15.2. Notwithstanding any other provisions of the Plan to the contrary, no Incentive Stock Option may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or in accordance with a beneficiary designation pursuant to Section 15.1. Further, all Incentive Stock Options granted to a Grantee shall be exercisable during his or her lifetime only by such Grantee.

15.3. As long as the Shares are held by the Trustee in favor of the Grantee, all rights possessed by the Grantee over the Shares are personal, and may not be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

15.4. If and to the extent a Grantee is entitled to transfer an Award and/or Shares underlying an Award in accordance with the terms of the Plan and any other applicable agreements, such transfer shall be subject (in addition, to any other conditions or terms applying thereto) to receipt by the Company from such proposed transferee of a written instrument, on a form reasonably acceptable to the Company, pursuant to which such proposed transferee agrees to be bound by all provisions of the Plan and any other applicable agreements, including without limitation, any restrictions on transfer of the Award and/or Shares set forth herein (however, failure to so deliver such instrument to the Company as set forth above shall not derogate from all such provisions applying on any transferee).

15.5. The provisions of this Section 15 shall apply to the Grantee and to any purchaser, assignee or transferee of any Shares.

16. **CONDITIONS UPON ISSUANCE OF SHARES; GOVERNING PROVISIONS**.

16.1. Legal Compliance. The grant of Awards and the issuance of Shares upon exercise or settlement of Awards shall be subject to compliance with all Applicable Law as determined by the Company, including, applicable requirements of federal, state and foreign law with respect to such securities. The Company shall have no obligations to issue Shares pursuant to the exercise or settlement of an Award and Awards may not be exercised or settled, if the issuance of Shares upon exercise or settlement would constitute a violation of any Applicable Law as determined by the Company, including, applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, no Award may be exercised or settled in Shares unless (i) a registration statement under the Securities Act or equivalent law in another jurisdiction shall at the time of exercise or settlement of the Award be in effect with respect to the Shares issuable upon exercise of the Award, or (ii) in the opinion of legal counsel to the Company, the Shares issuable upon exercise or settlement, as applicable, of the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act or equivalent law in another jurisdiction. The inability of the Company to obtain authority from any regulatory body having jurisdiction, if any, deemed by the Company to be necessary to the lawful issuance and sale of any Shares hereunder, and the inability to issue Shares hereunder due to non-compliance with any Company policies with respect to the sale of Shares, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority or compliance shall not have been obtained or achieved. As a condition to the exercise, vesting or settlement of an Award, the Company may require the Grantee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company, including to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares, all in form and content specified by the Company.

16.2. Provisions Governing Shares. Shares issued pursuant to an Award shall be subject to this Plan and Award Agreement (unless otherwise determined by the Committee), and shall be subject to the Articles of Association of the Company, any limitation, restriction or obligation included in any shareholders agreement applicable to all or substantially all of the holders of Shares (regardless of whether or not the Grantee is a formal party to such shareholders agreement), any other governing documents of the Company, all policies, manuals and internal regulations adopted by the Company from time to time, in each case, as may be amended from time to time, including any provisions included therein concerning restrictions or limitations on disposition of Shares (such as, but not limited to, right of first refusal and lock up/market stand-off) or grant of any rights with respect thereto, forced sale and bring along/drag along provisions, any provisions concerning restrictions on the use of inside information and other provisions deemed by the Company to be appropriate in order to ensure compliance with Applicable Law. Each Grantee shall execute (and authorizes any person designated by the Company to so execute, as well as (if applicable) the Trustee holding any Shares for the Grantee's behalf) such separate agreement(s) as may be requested by the Company relating to matters set forth in or otherwise for the purpose of implementing this Section 16.2. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award and the Company (and, if applicable, the Trustee) may exercise its authorization above and sign such agreement on behalf of the Grantee or subject the Grantee to the provisions of such agreements. Without limitation of the foregoing, the proxy pursuant to Section 6.10 includes an authorization of the holder of such proxy to sign, by and on behalf of any Grantee, such documents and agreements.

16.3. Share Purchase Transactions; Forced Sale. In the event that the Board approves a Merger/Sale effected by way of a forced or compulsory sale (whether pursuant to the Company's Articles of Association, pursuant to Section 341 of the Companies Law or any shareholders agreement or otherwise) or in the event of a transaction for the sale of all Shares of the Company, then, without derogating from such provisions and in addition thereto, the Grantee shall be obligated, and shall be deemed to have agreed to the offer to effect the Merger/Sale (and the Shares held by or for the benefit of the Grantee shall be included in the Shares of the Company approving the terms of such Merger/Sale for the purpose of satisfying the required majority), and shall sell all of the Shares held by or for the benefit of the Grantee on the terms and conditions applying to the holders of Shares, in accordance with the instructions then issued by the Board, whose determination shall be final. No Grantee shall contest, bring any claims or demands, or exercise any appraisal rights related to any of the foregoing. Each Grantee shall execute (and authorizes any person designated by the Company to so execute, as well as (if applicable) the Trustee holding any Shares for the Grantee's behalf) such documents and agreements, as may be requested by the Company relating to matters set forth in or otherwise for the purpose of implementing this Section 16.3. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award and the Company (and, if applicable, the Trustee) may exercise its authorization above and sign such agreement on behalf of the Grantee or subject the Grantee to the provisions of such agreements.

16.4. Data Privacy; Data Transfer. Information related to the Grantees and Awards hereunder, as shall be received from Grantee or others, and/or held by, the Company or its Affiliates from time to time, and which information may include sensitive and personal information related to Grantees ("**Information**"), will be used by the Company or its Affiliates (or third parties appointed by any of them, including the Trustee) to comply with any applicable legal requirement, or for administration of the Plan as they deems necessary or advisable, or for the respective business purposes of the Company or its Affiliates (including in connection with transactions related to any of them). The Company and its Affiliates shall be entitled to transfer the Information among the Company or its Affiliates, and to third parties for the purposes set forth above, which may include persons located abroad (including, any person administering the Plan or providing services in respect of the Plan or in order to comply with legal requirements, or the Trustee, their respective officers, directors, employees and representatives, and the respective successors and assigns of any of the foregoing), and any person so receiving Information shall be entitled to transfer it for the purposes set forth above. The Company shall use commercially reasonable efforts to ensure that the transfer of such Information shall be limited to the reasonable and necessary scope. By receiving an Award hereunder, the Grantee acknowledges and agrees that the Information is provided at the Grantee's free will and Grantee consents to the storage and transfer of the Information as set forth above.

17. MARKET STAND-OFF

17.1. In connection with any underwritten public offering of equity securities of the Company pursuant to an effective registration statement filed under the Securities Act or equivalent law in another jurisdiction, the Grantee shall not directly or indirectly, without the prior written consent of the Company or its underwriters, (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or other Awards, any securities of the Company (whether or not such Shares were acquired under this Plan), or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Shares or securities of the Company and any other shares or securities issued or distributed in respect thereto or in substitution thereof (collectively, "**Securities**"), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Securities, whether any such transaction described in the foregoing clauses (i) or (ii) is to be settled by delivery of Securities, in cash or otherwise. The foregoing provisions of this Section 17.1 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement. Such restrictions (the "**Market Stand-Off**") shall be in effect for such period of time (the "**Market Stand-Off Period**"): (A) ninety (90) days following the effective date of such registration statement relating to any other public offering; or (B) such other period as shall be requested by the Company or the underwriters. Notwithstanding anything herein to the contrary, if the underwriter(s) and the Company agree on a termination date of the Market Stand-Off Period in the event of failure to consummate a certain public offering, then such termination shall apply also to the Market Stand-Off Period hereunder with respect to that particular public offering.

17.2. In the event of a subdivision of the outstanding share capital of the Company, the distribution of any securities (whether or not of the Company), whether as bonus shares or otherwise, and whether as dividend or otherwise, a recapitalization, a reorganization (which may include a combination or exchange of shares or a similar transaction affecting the Company's outstanding securities without receipt of consideration), a consolidation, a spin-off or other corporate divestiture or division, a reclassification or other similar occurrence, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off.

17.3. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Plan until the end of the applicable Market Stand-Off period.

17.4. The underwriters in connection with a registration statement so filed are intended third party beneficiaries of this Section 17 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Grantee shall execute such separate agreement(s) as may be requested by the Company or the underwriters in connection with such registration statement and in the form required by them, relating to Market Stand-Off (which need not be identical to the provisions of this Section 17, and may include such additional provisions and restrictions as the underwriters deem advisable) or that are necessary to give further effect thereto. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award.

17.5. Without derogating from the above provisions of this Section 17 or elsewhere in this Plan, the provisions of this Section 17 shall apply to the Grantee and the Grantee's heirs, legal representatives, successors, assigns, and to any purchaser, assignee or transferee of any Awards or Shares.

18. **AGREEMENT REGARDING TAXES; DISCLAIMER**.

18.1. If the Company shall so require, as a condition of exercise, vesting or settlement, as applicable, of an Award, the release of Shares by the Trustee or the expiration of the Restricted Period, a Grantee shall agree that, no later than the date of such occurrence, the Grantee will pay to the Company (or the Trustee, as applicable) or make arrangements satisfactory to the Company and the Trustee (if applicable) regarding payment of any applicable taxes and compulsory payments of any kind required by Applicable Law to be withheld or paid.

18.2. TAX LIABILITY. ALL TAX CONSEQUENCES UNDER ANY APPLICABLE LAW WHICH MAY ARISE FROM THE GRANT OF ANY AWARDS OR THE EXERCISE VESTING, SETTELEMENT, AS APPLICABLE, THEREOF, THE SALE OR DISPOSITION OF ANY SHARES GRANTED HEREUNDER OR ISSUED UPON EXERCISE OR (IF APPLICABLE) THE VESTING OF ANY AWARD, THE ASSUMPTION, SUBSTITUTION, CANCELLATION OR PAYMENT IN LIEU OF AWARDS OR FROM ANY OTHER ACTION IN CONNECTION WITH THE FOREGOING (INCLUDING WITHOUT LIMITATION ANY TAXES AND COMPULSORY PAYMENTS, SUCH AS SOCIAL SECURITY OR HEALTH TAX PAYABLE BY THE GRANTEE OR THE COMPANY IN CONNECTION THEREWITH) SHALL BE BORNE AND PAID SOLELY BY THE GRANTEE, AND THE GRANTEE SHALL INDEMNIFY THE COMPANY, ITS SUBSIDIARIES AND AFFILIATES AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PAYMENT OR ANY PENALTY, INTEREST OR INDEXATION THEREON. EACH GRANTEE AGREES TO, AND UNDERTAKES TO COMPLY WITH, ANY RULING, SETTLEMENT, CLOSING AGREEMENT OR OTHER SIMILAR AGREEMENT OR ARRANGEMENT WITH ANY TAX AUTHORITY IN CONNECTION WITH THE FOREGOING WHICH IS APPROVED BY THE COMPANY.

18.3. NO TAX ADVICE. THE GRANTEE IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING, VESTING, SETTLEMENT OR DISPOSING OF AWARDS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE GRANTEE ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE GRANTEE.

18.4. TAX TREATMENT. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY TYPE OF AWARDS OR TAX QUALIFICATION INDICATED IN ANY CORPORATE RESOLUTION OR AWARD AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAW. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY ANY AWARD WITH THE REQUIREMENT OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE TO REPORT FOR TAX PURPOSES ANY AWARD IN ANY PARTICULAR MANNER, INCLUDING IN ANY MANNER CONSISTENT WITH ANY PARTICULAR TAX TREATMENT. NO ASSURANCE IS MADE BY THE COMPANY OR ANY OF ITS AFFILIATES (INCLUDING THE EMPLOYER) THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WOULD QUALIFY AT THE TIME OF EXERCISE, VESTING, SETTLEMENT OR DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND ITS AFFILIATES (INCLUDING THE EMPLOYER) SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS WHETHER THE COMPANY COULD HAVE OR SHOULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE GRANTEE. THE COMPANY DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX AUTHORITIES, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. IF THE AWARDS DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT IT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE GRANTEE.

18.5. The Company or any Subsidiary or Affiliate (including the Employer) may take such action as it may deem necessary or appropriate, in its discretion, for the purpose of or in connection with withholding of any taxes and compulsory payments which the Trustee, the Company or any Subsidiary or Affiliate (including the Employer) (or any applicable agent thereof) is required by any Applicable Law to withhold in connection with any Awards, including, without limitations, any income tax, social benefits, social insurance, health tax, pension, payroll tax, fringe benefits, excise tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and applicable by law to the Grantee (collectively, "**Withholding Obligations**"). Such actions may include (i) requiring a Grantees to remit to the Company or the Employer in cash an amount sufficient to satisfy such Withholding Obligations and any other taxes and compulsory payments, payable by the Company or the Employer in connection with the Award or the exercise or (if applicable) the vesting thereof; (ii) subject to Applicable Law, allowing the Grantees to surrender Shares to the Company, in an amount that at such time, reflects a value that the Committee determines to be sufficient to satisfy such Withholding Obligations; (iii) withholding Shares otherwise issuable upon the exercise of an Award at a value which is determined by the Company to be sufficient to satisfy such Withholding Obligations; or (iv) any combination of the foregoing. The Company shall not be obligated to allow the exercise, vesting or settlement (as applicable) of any Award by or on behalf of a Grantee until all tax consequences arising therefrom are resolved in a manner acceptable to the Company.

18.6. Each Grantee shall notify the Company in writing promptly and in any event within ten (10) days after the date on which such Grantee first obtains knowledge of any tax authority inquiry, audit, assertion, determination, investigation, or question relating in any manner to the Awards granted or received hereunder or Shares issued thereunder and shall continuously inform the Company of any developments, proceedings, discussions and negotiations relating to such matter, and shall allow the Company and its representatives to participate in any proceedings and discussions concerning such matters. Upon request, a Grantee shall provide to the Company any information or document relating to any matter described in the preceding sentence, which the Company, in its discretion, requires.

18.7. With respect to 102 Non-Trustee Options, if the Grantee ceases to be employed by the Company, Parent, Subsidiary or any Affiliate (including the Employer), the Grantee shall extend to the Company and/or the Employer a security or guarantee for the payment of taxes due at the time of sale of Shares, all in accordance with the provisions of Section 102 of the Ordinance and the Rules.

18.8. If a Grantee makes an election under Section 83(b) of the Code to be taxed with respect to an Award of Restricted Shares as of the date of transfer of Shares rather than as of the date or dates upon which the Grantee would otherwise be taxable under Section 83(a) of the Code, such Grantee shall deliver a copy of such election to the Company upon or prior to the filing such election with the U.S. Internal Revenue Service. Neither the Company nor any Affiliate (including the Employer) shall have any liability or responsibility relating to or arising out of the filing or not filing of any such election or any defects in its construction.

19. **RIGHTS AS A SHAREHOLDER; VOTING AND DIVIDENDS**.

19.1. Subject to Section 11.4, a Grantee shall have no rights as a shareholder of the Company with respect to any Shares covered by an Award until the Grantee shall have exercised any such vested Award, or settled, as applicable, the Award, paid any Exercise Price (if applicable) therefor and becomes the record holder of the subject Shares. In the case of 102 Awards, the Trustee shall have no rights as a shareholder of the Company with respect to the Shares covered by such Award until the Trustee becomes the record holder for such Shares for the Grantee's benefit, and the Grantee shall not be deemed to be a shareholder and shall have no rights as a shareholder of the Company with respect to the Shares covered by the Award until the date of the release of such Shares from the Trustee to the Grantee and the transfer of record ownership of such Shares to the Grantee (provided, however, that the Grantee shall be entitled to receive from the Trustee any cash dividend or distribution made on account of the Shares held by the Trustee for such Grantee's benefit and such cash dividends or distributions shall be subject to the same vesting terms and other conditions as relate to the original Shares underlying the Award, subject to any tax withholding and compulsory payment). The Committee may apply any additional restrictions to such dividends that the Committee deems appropriate. No adjustment shall be made for dividends (ordinary or extraordinary, whether in shares or other securities, cash or other property, or rights, or any combination thereof) or distribution of other rights for which the record date is prior to the date on which the Grantee or Trustee (as applicable) becomes the record holder of the Shares covered by an Award, except as provided in Section 14 hereof.

19.2. With respect to all Awards issued in the form of Shares hereunder or upon the exercise, vesting or settlement (as applicable) of Awards hereunder, any and all voting rights attached to such Shares shall be subject to Section 6.10, and other than Awards of Options and SARs, the Grantee shall be entitled to receive dividends distributed with respect to such Shares and such cash dividends or distributions shall be subject to the same terms and conditions as relates to the original Shares underlying the Award, subject to the provisions of the Company's Articles of Association, as amended from time to time, and subject to any Applicable Law.

19.3. The Company may, but shall not be obligated to, register or qualify the sale of Shares under any applicable securities law or any other Applicable Law.

19.4. The Committee may grant dividend equivalents based on the dividends declared on Shares that are subject to any Award (other than an Option or SAR). Any dividend equivalents may be credited as of the dividend payment dates, during the period between the grant date of the Award and the date the Award becomes payable or terminates or expires, as determined by the Committee; however, dividend equivalents shall not be payable unless and until the Award becomes payable, and shall be subject to forfeiture to the same extent as the underlying Award. Dividend equivalents may be subject to any additional limitations and/or restrictions determined by the Committee. Dividend Equivalents shall be payable in cash, Shares or converted to full-value Awards, calculated based on such formula, as may be determined by the Committee.

20. **NO REPRESENTATION BY COMPANY**.

By granting the Awards, the Company is not, and shall not be deemed as, making any representation or warranties to the Grantee regarding the Company, its business affairs, its prospects or the future value of its Shares and such representations and warranties are hereby disclaimed. The Company shall not be required to provide to any Grantee any information, documents or material in connection with the Grantee's considering an exercise of an Award. To the extent that any information, documents or materials are provided, the Company shall have no liability with respect thereto. Any decision by a Grantee to exercise an Award shall solely be at the risk of the Grantee.

21. **NO RETENTION RIGHTS**.

Nothing in this Plan, any Award Agreement or in any Award granted or agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ of, or be in the service of the Company or any Subsidiary or Affiliate thereof as a Service Provider or to be entitled to any remuneration or benefits not set forth in this Plan or such agreement, or to interfere with or limit in any way the right of the Company or any such Subsidiary or Affiliate to terminate such Grantee's employment or service (including, any right of the Company or any of its Affiliates to immediately cease the Grantee's employment or service or to shorten all or part of the notice period, regardless of whether notice of termination was given by the Company or its Affiliates or by the Grantee). Awards granted under this Plan shall not be affected by any change in duties or position of a Grantee, subject to Sections 6.6 through 6.7. No Grantee shall be entitled to claim and the Grantee hereby waives any claim against the Company or any Subsidiary or Affiliate that he or she was prevented from continuing to vest Awards as of the date of termination of his or her employment with, or services to, the Company or any Subsidiary or Affiliate. No Grantee shall be entitled to any compensation in respect of the Awards which would have vested had such Grantee's employment or engagement with the Company (or any Subsidiary or Affiliate) not been terminated.

22. PERIOD DURING WHICH AWARDS MAY BE GRANTED.

Awards may be granted pursuant to this Plan from time to time within a period of ten (10) years from the Effective Date. From and after such date (as extended) no grants of Awards may be made and this Plan shall continue to be in full force and effect with respect to Awards or Shares issued thereunder that remain outstanding.

23. **AMENDMENT OF THIS PLAN AND AWARDS**.

23.1. The Board at any time and from time to time may suspend, terminate, modify or amend this Plan, whether retroactively or prospectively. Any amendment effected in accordance with this Section shall be binding upon all Grantees and all Awards, whether granted prior to or after the date of such amendment, and without the need to obtain the consent of any Grantee. No termination or amendment of this Plan shall affect any then outstanding Award unless expressly provided by the Board.

23.2. Subject to changes in Applicable Law that would permit otherwise, without the approval of the Company's shareholders, there shall be (i) no increase in the maximum aggregate number of Shares that may be issued under this Plan as Incentive Stock Options (except by operation of the provisions of Section 14.1), (ii) no change in the class of persons eligible to receive Incentive Stock Options, and (iii) no other amendment of this Plan that would require approval of the Company's shareholders under any Applicable Law. Unless not permitted by Applicable Law, if the grant of an Award is subject to approval by shareholders, the date of grant of the Award shall be determined as if the Award had not been subject to such approval. Failure to obtain approval by the shareholders shall not in any way derogate from the valid and binding effect of any grant of an Award that is not an Incentive Stock Option, subject to Applicable Law.

23.3. The Board or the Committee at any time and from time to time may modify or amend any Award theretofore granted, including any Award Agreement, whether retroactively or prospectively.

24. **APPROVAL**.

24.1. This Plan shall take effect upon its adoption by the Company's shareholders (the "**Effective Date**").

24.2. 102 Awards are conditional upon the filing with or approval by the ITA, if required, as set forth in Section 9. Failure to so file or obtain such approval shall not in any way derogate from the valid and binding effect of any grant of an Award, which is not a 102 Award.

25. **RULES PARTICULAR TO SPECIFIC COUNTRIES; SECTION 409A**.

25.1. Notwithstanding anything herein to the contrary, the terms and conditions of this Plan may be supplemented or amended with respect to a particular country or tax regime by means of an appendix to this Plan, and to the extent that the terms and conditions set forth in any appendix conflict with any provisions of this Plan, the provisions of such appendix shall govern. Terms and conditions set forth in such appendix shall apply only to Awards granted to Grantees under the jurisdiction of the specific country or such other tax regime that is the subject of such appendix and shall not apply to Awards issued to a Grantee not under the jurisdiction of such country or such other tax regime. The adoption of any such appendix shall be subject to the approval of the Board or the Committee, and if determined by the Committee to be required in connection with the application of certain tax treatment, pursuant to applicable stock exchange rules or regulations or otherwise, then also the approval of the shareholders of the Company at the required majority.

25.2. This Section 25.2 shall only apply to Awards granted to Grantees who are subject to United States Federal income tax.

25.2.1 It is the intention of the Company that no Award shall be deferred compensation subject to Section 409A of the Code unless and to the extent that the Committee specifically determines otherwise as provided in Section 25.2.2, and the Plan and the terms and conditions of all Awards shall be interpreted and administered accordingly.

25.2.2 The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for payment or elective or mandatory deferral of the payment or delivery of Shares or cash pursuant thereto, and any rules regarding treatment of such Awards in the event of a Merger/Sale, shall be set forth in the applicable Award Agreement and shall be intended to comply in all respects with Section 409A of the Code, and the Plan and the terms and conditions of such Awards shall be interpreted and administered accordingly.

25.2.3 The Company shall have complete discretion to interpret and construe the Plan and any Award Agreement in any manner that establishes an exemption from (or compliance with) the requirements of Section 409A of the Code. If for any reason, such as imprecision in drafting, any provision of the Plan and/or any Award Agreement does not accurately reflect its intended establishment of an exemption from (or compliance with) Code Section 409A, as demonstrated by consistent interpretations or other evidence of intent, such provision shall be considered ambiguous as to its exemption from (or compliance with) Section 409A of the Code and shall be interpreted by the Company in a manner consistent with such intent, as determined in the discretion of the Company. If, notwithstanding the foregoing provisions of this Section 25.2.3, any provision of the Plan or any such agreement would cause a Grantee to incur any additional tax or interest under Section 409A of the Code, the Company may reform such provision in a manner intended to avoid the incurrence by such Grantee of any such additional tax or interest; provided that the Company shall maintain, to the extent reasonably practicable, the original intent and economic benefit to the Grantee of the applicable provision without violating the provisions of Section 409A of the Code. For the avoidance of doubt, no provision of this Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from any Grantee or any other individual to the Company or any of its affiliates, employees or agents.

25.2.4 Notwithstanding any other provision in the Plan, any Award Agreement, or any other written document establishing the terms and conditions of an Award, if any Grantee is a "specified employee," within the meaning of Section 409A of the Code, as of the date of his or her "separation from service" (as defined under Section 409A of the Code), then, to the extent required by Treasury Regulation Section 1.409A-3(i)(2) (or any successor provision), any payment made to such Grantee on account of his or her separation from service shall not be made before a date that is six months after the date of his or her separation from service. The Committee may elect any of the methods of applying this rule that are permitted under Treasury Regulation Section 1.409A-3(i)(2)(ii) (or any successor provision).

25.2.5 Notwithstanding any other provision of this Section 25.2 to the contrary, although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local, or non-United States law. The Company shall not be liable to any Grantee for any tax, interest, or penalties the Grantee might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

26. **GOVERNING LAW; JURISDICTION**.

This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Israel, except with respect to matters that are subject to tax laws, regulations and rules of any specific jurisdiction in which the Grantee is employed or engaged by the Company or an Affiliate thereof, which shall be governed by the respective laws, regulations and rules of such jurisdiction. Certain definitions, which refer to laws other than the laws of such jurisdiction, shall be construed in accordance with such other laws. The competent courts located in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any dispute arising out of or in connection with this Plan and any Award granted hereunder. By signing any Award Agreement or any other agreement relating to an Award, each Grantee irrevocably submits to such exclusive jurisdiction.

27. **NON-EXCLUSIVITY OF THIS PLAN**.

The adoption of this Plan shall not be construed as creating any limitations on the power or authority of the Company to adopt such other or additional incentive or other compensation arrangements of whatever nature as the Company may deem necessary or desirable or preclude or limit the continuation of any other plan, practice or arrangement for the payment of compensation or fringe benefits to employees generally, or to any class or group of employees, which the Company or any Affiliate now has lawfully put into effect, including any retirement, pension, savings and stock purchase plan, insurance, death and disability benefits and executive short-term or long-term incentive plans.

28. **MISCELLANEOUS**.

28.1. Survival. The Grantee shall be bound by and the Shares issued upon exercise, vesting or settlement, as applicable, of any Awards granted hereunder shall remain subject to this Plan after the exercise or (if applicable) the vesting of Awards, in accordance with the terms of this Plan, whether or not the Grantee is then or at any time thereafter employed or engaged by the Company or any of its Affiliates.

28.2. Additional Terms. Each Award awarded under this Plan may contain such other terms and conditions not inconsistent with this Plan as may be determined by the Committee, in its sole discretion.

28.3. Fractional Shares. No fractional Share shall be issuable upon exercise, vesting or settlement, as applicable, of any Award. Unless a different rounding rule is applied by the Company, the number of Shares to be issued shall be rounded down to the nearest whole Share, with any Share remaining at the last vesting date due to such rounding to be issued upon exercise at such last vesting date.

28.4. Severability. If any provision of this Plan, any Award Agreement or any other agreement entered into in connection with an Award shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction. In addition, if any particular provision contained in this Plan, any Award Agreement or any other agreement entered into in connection with an Award shall for any reason be held to be excessively broad as to duration, geographic scope, activity or subject, it shall be construed by limiting and reducing such provision as to such characteristic so that the provision is enforceable to fullest extent compatible with Applicable Law as it shall then appear.

28.5. Captions and Titles. The use of captions and titles in this Plan or any Award Agreement or any other agreement entered into in connection with an Award is for the convenience of reference only and shall not affect the meaning or interpretation of any provision of this Plan or such agreement.

* * *



CAESARSTONE LTD.
KIBBUTZ SDOT-YAM
MP MENASHE 3780400
ISRAEL

VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS
If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

V80513-P39700 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

CAESARSTONE LTD.

The Board of Directors recommends you vote FOR the following proposals:

1. Approval of the re-election of each of Dr. Ariel Halperin, Maxim Ohana, Eran Cohen and Yuval Beeri, and the election of Yaron Arzi, as a director of the Company to hold office until the close of the next annual general meeting.

Nominees:	**For**	**Against**	**Abstain**
1a. Dr. Ariel Halperin	☐	☐	☐
1b. Maxim Ohana	☐	☐	☐
1c. Eran Cohen	☐	☐	☐
1d. Yuval Beeri	☐	☐	☐
1e. Yaron Arzi	☐	☐	☐

2. Approval of the re-election of Ms. Lily Ayalon, and the election of Ms. Hanna Yanovsky, to serve as external directors of the Company, each for a three-year term commencing on December 1, 2026, and approval of their respective terms of compensation.

Nominees:	For	Against	Abstain
2a. Lily Ayalon	☐	☐	☐
2b. Hanna Yanovsky	☐	☐	☐

3. Approval of an amended and restated Compensation Policy for the Company's Executive Officers and Directors, effective as of the date of the annual general meeting for a period of three years.	☐	☐	☐
4. Approval of an increase in the total number of ordinary shares reserved for issuance as incentive stock options under the Company's 2020 Share Incentive Plan.	☐	☐	☐
5. Approval of the grant of equity-based compensation to Dr. Ariel Halperin, Yuval Beeri, Yaron Arzi, Lily Ayalon and Hanna Yanovsky, subject to each such director's election or re-election, as applicable, as a director at the Meeting and to the actual commencement of his or her term of office.	☐	☐	☐
6. Approval of the grant of equity-based compensation to Eran Cohen and Maxim Ohana, who are currently affiliates of controlling shareholders of the Company, subject to each such director's election or re-election, as applicable, as a director at the Meeting.	☐	☐	☐
7. Approval of the terms of employment of Mr. Eran Cohen in his role as the Company's ROW Sales Director, subject to his election as a director at the Meeting.	☐	☐	☐
8. Approval of the reappointment of Kost, Forer, Gabbay & Kasierer (a member of Ernst & Young Global) as the Company's independent auditors for the year ending December 31, 2026, and its service until the annual general meeting of shareholders to be held in 2027 and to authorize the Company's board of directors (or, the audit committee, if authorized by the board of directors, subject to the ratification of the board of directors), upon recommendation of the audit committee of the Company, to determine the compensation of the independent auditors in accordance with the volume and nature of their services and receive an update regarding the Company's independent auditors' remuneration for the past year.	☐	☐	☐

By signing and returning this proxy card, the undersigned confirms that the undersigned is NOT a controlling shareholder and does NOT have a personal interest in the approval of Proposals No. 2, 3, 5, 6 and 7, as applicable (an "Interested Shareholder"), as such terms are defined in the Company's Proxy Statement. If the undersigned is an Interested Shareholder, please notify the Company's General Counsel, Ron Mosberg, at AGM@caesarstone.com, as described in the Proxy Statement, in which case the undersigned's vote will be counted for or against the ordinary majority only, and not for or against the special tally under such Proposals.

Shareholders entitled to notice of and to vote at the meeting shall be determined as of the close of business on October 20, 2026, the record date fixed by the Board of Directors for such purpose. The notice date of October 21, 2026 and the record date of October 20, 2026 remain unchanged and in full force and effect notwithstanding the amendment of the meeting agenda.

The signer hereby revokes all previous proxies given by the signer to vote at the annual general meeting or any adjournments thereof.

Please sign exactly as your name(s) appears on the Proxy. If held in joint tenancy, the shareholder named first in the Company's register must sign. Trustees, Administrators, etc., should include title and authority. Corporation should provide full name of corporation and title of authorized officer signing the Proxy. PLEASE BE SURE TO RETURN THE ENTIRE PROXY ALONG WITH PROOF OF IDENTITY AS DESCRIBED IN THE COMPANY'S PROXY STATEMENT.

Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

BOXJ

2026 ANNUAL GENERAL MEETING OF SHAREHOLDERS OF

CAESARSTONE LTD.

NOVEMBER 25, 2026
5:00 P.M. (Israel time)

Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting:
The Notice and Proxy Statement is available at www.proxyvote.com. An amended Notice and Proxy Statement, which amends and supersedes the notice and proxy statement furnished on October 21, 2026, has been furnished to the U.S. Securities and Exchange Commission under cover of Form 6-K and is available on the Company's website at www.caesarstone.com.

↓ Please detach along perforated line and mail in the envelope provided. ↓

CAESARSTONE LTD.
2026 ANNUAL GENERAL MEETING OF SHAREHOLDERS
NOVEMBER 25, 2026

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

AMENDED PROXY CARD

The undersigned, a shareholder of Caesarstone Ltd. (the "Company"), an Israeli company, hereby appoints Mr. Nahum Trost, Mr. Ron Mosberg and Idan Gur, and each of them acting individually, as the attorney and proxy of the undersigned, with full power of substitution, for and in the name of the undersigned, to vote and otherwise act on behalf of the undersigned at the annual general meeting of shareholders of the Company to be held at the offices of the Company, Kibbutz Sdot-Yam, MP Menashe 3780400, Israel, on November 25, 2026, at 5:00 p.m. Israel time (10:00 a.m. Eastern time), or at any adjournment(s) or postponement(s) thereof, with respect to all of the ordinary shares, par value NIS 0.04 per share, of the Company (the "Shares") which the undersigned would be entitled to vote, with all powers the undersigned would possess if personally present, provided said proxies are authorized and directed to vote as indicated with respect to the matters set forth below this Proxy. Subject to applicable law and the rules of Nasdaq, in the absence of such instructions, the Shares represented by properly executed and received proxies will be voted "FOR" Proposals No. 1, 4, and 8 to be presented to the annual general meeting or any adjournment(s) or postponement(s) thereof.

This proxy also delegates, to the extent permitted by applicable law, discretionary authority to vote with respect to any other business which may properly come before the annual general meeting or any adjournment(s) or postponement(s) thereof.

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE AND SIGN THIS FORM OF PROXY AND MAIL THE ENTIRE PROXY PROMPTLY, ALONG WITH PROOF OF IDENTITY IN ACCORDANCE WITH THE COMPANY'S PROXY STATEMENT, IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF THESE SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY IS MAILED IN THE UNITED STATES.

(Continued and to be signed on the reverse side)