



November 11, 2015

Caesarstone Issues Amended Notice of Annual General Meeting of Shareholders to Be Held on December 3, 2015

MP MENASHE, Israel--(BUSINESS WIRE)-- Caesarstone Sdot-Yam Ltd. (NASDAQ:CSTE) (the "**Company**"), a leading manufacturer of high quality engineered quartz surfaces, today announced that the Annual General Meeting (the "**Meeting**") of its shareholders will be held on December 3, 2015, at 6:00 pm Israel time, at the offices of the Company, MP Menashe 3780400, Israel.

The Meeting is being called for the following purposes:

- (1) to re-elect Messrs. Moshe Ronen, Shachar Degani and Amihai Beer and to elect Messrs. Amit Ben Zvi and Ronald Kaplan, to serve as directors of the Company until the close of the next annual general meeting of shareholders of the Company;
- (2) to re-elect Messrs. Yonatan Melamed and Ofer Tsimchi, to serve as directors of the Company until the close of the next annual general meeting of shareholders of the Company;
- (3) to vote on the proposal of Kibbutz Sdot-Yam to elect Messrs. Yitzhak (Itzick) Sharir and Amnon Dick, to serve as directors of the Company until the close of the next annual general meeting of shareholders of the Company (the Company's board of directors recommends our shareholders vote "AGAINST" this proposal of Kibbutz Sdot Yam);
- (4) to approve the compensation terms of the chairman of the Company's board of directors, Mr. Yonathan Melamed, if elected, commencing as of the date of the Meeting;
- (5) to approve the compensation terms of all independent directors residing outside of Israel (other than the chairman of the Company's board of directors and external directors);
- (6) to approve the change of the Company's name to Caesarstone Ltd., and approve the applicable amendment to the Company's articles of association and memorandum of association to reflect such name change, such change to become effective upon the authorization of the Israeli Registrar of Companies;
- (7) to approve an amendment to the 2011 Incentive Compensation Plan (the "2011 Plan") to increase the aggregate number of ordinary shares authorized for issuance under the 2011 Plan by 900,000 ordinary shares of the Company; and
- (8) to approve 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, 2015, and its service until the annual general meeting of shareholders to be held in 2016 and to authorize the Company's board of directors, upon recommendation of the audit committee of the Company, to determine the compensation of the 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, the shareholders will be requested to consider at the Meeting the Company's financial statements for the year ended December 31, 2014.

We are currently not aware of any other matters that will come before the Meeting. If any other matters are presented properly at the Meeting, the persons designated as proxies intend to vote upon such matters in accordance with their best judgment.

The affirmative vote of the holders of a majority of the voting power represented at the Meeting in person or by proxy and voting thereon is necessary for the approval of Proposal Nos. 1, 2, 3, 4, 5, 7 and 8. The approval of Proposal No. 6 requires the affirmative vote of the holders of 75% of the voting power represented at the Meeting in person or by proxy and voting thereon.

Proposal No. 1 was redrafted and Proposal Nos. 2 and 3 were added in this Amended Notice of Annual General Meeting of Shareholders to conform with the request of our controlling shareholder, Kibbutz Sdot-Yam, pursuant to Section 66(b) of the Companies Law 5759-1999 (the "**Companies Law**"), and as an alternative to the original Proposal No. 1. At the Meeting, shareholders will be asked to elect seven (7) out of the nine (9) nominees in Proposal Nos. 1, 2 and 3 to serve as directors of the Company until the close of the next annual general meeting of shareholders of the Company. In the event that more than

two (2) nominees proposed in Proposal Nos. 2 and 3 receive the affirmative vote of holders of a majority of the voting power represented at the Meeting in person or by proxy and voting thereon, the two (2) nominees who receive the highest number of affirmative votes in favor of their election out of these four nominees proposed in Proposal Nos. 2 and 3 will be elected to serve as directors.

The board of directors recommends that shareholders vote
"FOR" Proposal Nos. 1, 2, 4, 5, 6, 7 and 8 and "AGAINST" Proposal No. 3.

Only shareholders of record at the close of business on November 3, 2015, are entitled to notice of, and to vote at, the Meeting, or at any adjournment or postponement thereof.

A proxy statement describing the various matters to be voted upon at the Meeting along with a WHITE proxy card enabling the shareholders to indicate their vote on each matter will be mailed on or about November 17, 2015, to all shareholders entitled to vote at the Meeting. Such proxy statement shall also be furnished to the U.S. Securities and Exchange Commission under cover of Form 6-K and will be available on the Company's website www.caesarstone.com on or about November 12, 2015. Proxies must be submitted to the Company or to its transfer agent no later than forty eight (48) hours prior to the Meeting. Proxies delivered to the Company or to its transfer agent during the forty eight (48) hours preceding the time fixed for the Meeting will be presented to the chairperson of the Meeting and, at his discretion, may be voted as specified in the instructions included in such proxies.

In accordance with the Companies Law and regulations promulgated thereunder, 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, MP Menashe 3780400, Israel, Attention: Michal Baumwald Oron, VP Business Development & General Counsel, or by facsimile to +972-4-6364400, no later than November 23, 2015.

If shareholders have questions or need assistance in voting their shares for the Meeting, please contact the Company's proxy solicitor, Morrow & Co. They can be reached by dialing +203-658-9400 or toll-free within the United States at 800-662-5200, or via e-mail at CSTE@morrowco.com.

BY ORDER OF THE BOARD OF DIRECTORS

Maxim Ohana
Chairman of the Board of Directors

MP Menashe, Israel
November 11, 2015

About Caesarstone

Caesarstone manufactures high quality engineered quartz surfaces, which are used in both residential and commercial buildings as countertops, vanities, wall cladding, floors and other interior surfaces. The wide variety of colors, styles, designs and textures of Caesarstone® products, along with Caesarstone's inherent characteristics such as hardness, non-porous, scratch and stain resistance and durability, provide consumers with excellent surfaces for their internal spaces which are highly competitive to granite, manufactured solid surfaces and laminate, as well as to other engineered quartz surfaces. Caesarstone's four collections of products — Classico, Supremo, Motivo and Concetto — are available in over 50 countries around the world. For more information about the Company, please visit our website www.caesarstone.com. (CSTE-E)

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Investor Relations

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Source: Caesarstone Sdot-Yam Ltd.

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