הבורסה לניירות ערך תל אביב
TEL AVIV STOCK EXCHANGE

Sustainability Report 2023

ESG

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Message from TASE Chairman and CEO

The Tel-Aviv Stock Exchange Ltd. (hereafter: "TASE" or "the Company") is pleased to publish the Sustainability report, summarizing the Company's environmental, social and governance activities in 2023. The field of Environmental, Social and Governance (ESG) Responsibility has taken center stage in Israel and globally in recent years, both among the public companies and among investors.

TASE prioritizes environmental, social and corporate responsibility, constantly pursuing its development and incorporation also among the TASE-listed companies. TASE champions gender equality, diversity and inclusion of the various sectors, and has therefore introduced into the recent reports data concerning workplace diversity and gender equality at TASE. We are proud that close to half of TASE's employees are women, including close to half of the Company's management and one-third of the Board of Directors.

The "Swords of Iron" War has required all of us, as members of Israeli society, to step up and lend a helping hand wherever necessary, exhibiting the strength and resilience of Israeli society in the face of adversity. This is exemplified in the public companies' prompt and unwavering support of those evacuated from Southern and Northern Israel, the farmers and the IDF soldiers. The amount of aid extended by leading Israeli companies in October-December 2023 was close to NIS 250 million, with an additional NIS 300 million dedicated to future rebuilding and recovery. The companies also provided considerable assistance to their employees and their families, as many were drafted, as well as to vendors and customers who had been evacuated from their homes, among others, in the form of employees' volunteering initiatives.

TASE has also taken an active part in national assistance efforts, as part of its commitment to the community. TASE has encouraged its employees to participate in various volunteer initiatives during working hours. These included assistance to farmers, volunteering at the Hostages and Missing Families Forum, supporting the displaced at the hotels, and contributing to the purchase of cell phones for the displaced. TASE also supported businesses in Southern and Northern Israel during the war by hosting them in a special fair for its employees, as part of which, TASE purchased products in advance from business owners from the Israel Envelope and Northern Israel. In addition to helping those in need, the volunteer activities created a supportive atmosphere in the Company and fostered a sense of belonging and cooperation, and was a point of pride for both employees and managers.

Since October 7, TASE has donated NIS 1.1 million, allocated to employees' national assistance volunteer initiatives, as well as to supporting victims of the war and providing them with necessities.

In 2022, we launched for the first time, in collaboration with Social Finance Israel (SFI) (a non-profit organization), a dedicated impact fund for professional training and job placement of underrepresented populations. The formulation of the fund's innovative operation model commenced in 2020, and included a survey conducted among the TASE-listed companies regarding the professions in which they are experiencing a shortage of employees. Following the outbreak of the "Swords of Iron" War and its impact on the economy, it has been decided to redirect the efforts of the fund to address employment in impacted areas.

At the same time, TASE constantly works to develop the local capital market and expand the public's financial knowhow, in order to remove trading barriers and improve the accessibility of the capital market. As part of the realization of this strategic aspect, TASE has launched TASE+, a user-friendly tool that is designed to offer transparency and easier access to relevant investment information, including customized data and related insights and analyses. These features have become invaluable for the investing public as a means to remove investment barriers.

We believe that the advancement of ESG promotes a more equitable society. The adoption of ESG standards by public companies will pave the way for lasting sustainable growth that does not compromise the environment. The advancement of ESG not only fulfills important values, but also creates significant economic value and a real contribution to our ability to ensure sustainable growth. TASE will continue to encourage public companies to pursue ESG practices, including the publication of ESG reports on the actions taken by the companies.

The report is an important milestone in sharing TASE's work as home of the Israeli economy and its contribution to the economic, social and environmental future of Israel.

Sincerely yours,

Eugene Kandel
Chairman of the Board of Directors

Ittai Ben-Zeev
CEO

The Tel-Aviv Stock Exchange during the “Swords of Iron” War

The “Swords of Iron” War that broke out on October 7, 2023 is a tragic event that had severely affected the civilian population and the Israeli economy. The war’s negative effects on the economy emerged in the final quarter of 2023 and are expected to persist throughout 2024.

From a business perspective, the war caused strong fluctuations in the trading on TASE. Overall this year, TASE’s leading equity indices underperformed their leading international counterparts. Compared to 2022, IPOs came to a halt, while capital raised by listed companies declined. At the same time, government bond offerings increased, to finance the current deficit and the war expenses. The public, on its part, diverted its money from mutual funds that invest in shares and bonds in Israel to money market funds, ETFs and open-end funds tracking international equity indices.

Following the breaking out of the war, TASE prioritized the well-being of the employees and the adjustment of the activity to their specific circumstances, with special attention to employees drafted or who have a drafted family member, or those employees living in proximity to the conflict areas. This was achieved by allowing flexible hybrid work, supporting employees living in proximity to conflict areas (such as Ashdod, Ashkelon, Beer Sheba), and offering assistance to drafted employees and their families, among others, by sending them packages of food and games and arranging a day-camp for their children and a weekend getaway for the family.

Since the outset of the war, TASE has taken an active part in national assistance efforts, as part of its strategy of promoting involvement in the community. TASE encouraged its employees to partake in a variety of volunteer activities during working hours, such as: assistance to farmers, volunteering at the Hostages and Missing Families Forum, supporting the displaced at the hotels, and contributing to the purchase of cell phones for the displaced. The volunteer activities created a supportive atmosphere in the company and fostered a sense of belonging and cooperation, and was a point of pride for both employees and managers. In addition, TASE supported businesses in Southern and Northern Israel during the war by hosting them in a special fair for its employees. As part of the fair, TASE purchased products in advance from business owners from the conflict areas and sold them to the TASE employees. The fair supported small businesses in the impacted areas, while also improving the well-being of the employees.

Since the outset of the “Swords of Iron” War, TASE has donated NIS 1.1 million, allocated to employees’ national assistance volunteer initiatives, as well as to supporting victims of the war and providing them with necessities.

On the backdrop of the challenges presented by the war, in October 2023, TASE launched a televised image campaign, describing the historical milestones of the State of Israel alongside its economic development over the years, through the prism of the development of TASE as home of the Israeli economy. The move was designed to encourage and support the public companies, the citizens of Israel, the army and the Israeli economy as a whole. This campaign was designed to highlight the commitment of TASE to Israel’s economic and social resilience, especially during these difficult times.

The Tel-Aviv Stock Exchange Ltd. was founded in 1953 as a non-profit organization.

The year 2017 is a significant milestone in the history of TASE. It is the year in which the ownership restructuring was approved, as part of which TASE became a for-profit company, with a distinction between ownership and control of the Company and membership in TASE. Following the restructuring, in 2019 TASE became a public company, as its shares joined the trading on TASE. TASE is the only stock exchange operating in Israel, and serves as a venue for the trading of securities and for equity and debt raising by companies and by the Government on the Israeli capital market. TASE is located in Tel Aviv, on #2 Ahuzat Bayit Street.

The TASE Group consists of TASE and three wholly owned subsidiaries **- TASE Clearing House -** which provides Central Securities Depository (CSD) services and acts as a Central Counterparty (CCP) for transactions in securities. In addition, TASE Clearing House provides settlement services for payments made by the issuing companies, such as interest and dividend payments, to the parties that hold the securities through TASE members; **MAOF Clearing House -** which focuses on the issue of exchange-traded derivatives and serves as a CCP for the settlement of derivatives; and the **Nominee Company -** which engages in the holding of securities and the provision of services to the issuing companies on TASE and to companies that wish to register at the Clearing House, this via a digital registration service.

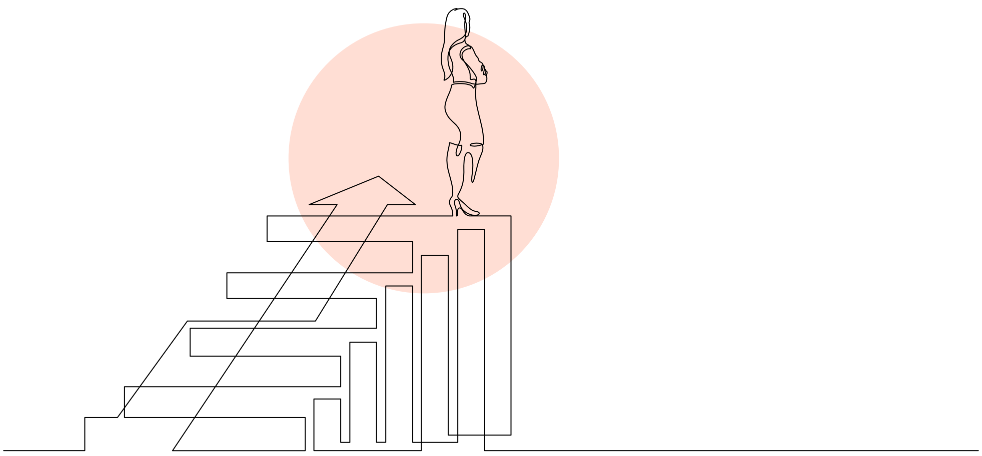
Transactions in securities that are listed on TASE are carried out exclusively through the TASE members, whether on their own account (nostro) or for others, and are cleared through the TASE Clearing House.

TASE provides an infrastructure for equity and debt raising and for trading in securities. TASE also offers services of data distribution from TASE to the public and connectivity services.

TASE acts by virtue of a license granted to it by the Minister of Finance in accordance with the Securities Law, 1968 ("**the Securities Law**"). According to said law, the activity of TASE is supervised by the Israel Securities Authority.

At TASE, various securities are traded under one roof, allowing the public to choose the characteristics and risk level of their investments, to suit their specific circumstances. The range of products traded on TASE comprises, inter alia, shares, corporate bonds, government bonds, ETFs and foreign ETFs.

As part of TASE's efforts to increase global investments and opening up the Israeli capital market to the world, TASE Clearing House maintains accounts with the U.S. clearing house, DTC (The Depository Trust Company), and with the European clearing house, Euroclear Bank. These accounts are used by TASE Clearing House to provide services for dual-listed securities.



Reflection of the Local Economy

TASE values the advancement and reflection of the local economy. To this end, it works to increase the representation on TASE of companies from all sectors of Israeli economy, which enables their exposure to institutional capital and opens new routes for the development of their activities. TASE serves as a significant infrastructure for market growth and is the "home court" for those raising capital, companies and the Government, as well as for the investors and the Israeli securities sector. TASE enables companies to raise the capital required for their development, thereby contributing to the strength and growth of the Israeli economy and to creating jobs. For investors, both local and international, TASE is an advanced and reliable trading arena for the purchase and sale of securities, including a wide range of financial instruments.

Presented below is the holding structure as of 2023:

The Company

- 100% — The Tel Aviv Stock Exchange Nominee Company Ltd.
- 100% — The Tel Aviv Stock Exchange Clearing House Ltd.
- 100% — MAOF Clearing House Ltd.

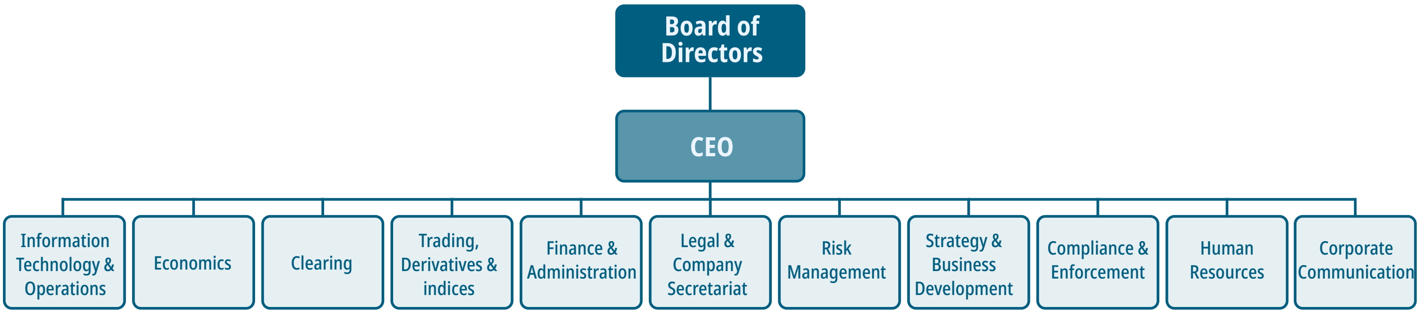
TASE in numbers[1]:

No. of employees[2]	**268** (49.6% women)
Representation of women in senior management	**40%**
No. of companies that issued equity and debt instruments on TASE	**647**
Total equity in ESG indices[3]	**NIS 1 billion**
Number of real-time indices	**34** equity indices, **54** bond indices
The market cap of the TASE-listed companies as a percentage of the GDP:	**NIS 952 billion**

[1] The data is presented as of December 31, 2023.
[2] The presented workforce consists exclusively of TASE employees.
[3] Includes the following indices: TA-Cleantech, TA-125 Fossil Free, TA Maala and international indices.

Organizational Structure[4]

The chart below presents the organizational structure of TASE as of 31.12.2023:



TASE's Principal Products and Services

- **Execution and clearing of transactions in securities,** shares, government and corporate bonds, ETFs, derivatives and other financial instruments.
- **Calculation of securities indices** and updating of indices.
- **Supplementary Clearing House services**, such as clearing services for securities that are not listed on TASE.
- **Distribution of trading data and information and connectivity services** that make real-time information and data analysis available to the public.
- **The Nominee Company** comprises a wide range of services for entities looking to offer their securities on TASE. The Nominee Company provides assistance with the listing of the securities and their depositing at the Clearing House, current handling of the rights attaching to securities and the handling of convertible securities.

ESG Management at TASE

The handling of the various ESG issues at TASE is entrusted to the management of TASE and is concentrated under the Finance Department, headed by the CFO, as part of the ongoing management and the work routines of the Company. The Finance Department is entrusted with all of TASE's current ESG activities, including advancement of initiatives and goals, drawing up of TASE's ESG report, and more. These issues are periodically reported to the CEO. TASE's ESG report is approved by management of the Company.

In view of its key role in the capital market, TASE dedicates significant efforts to the advancement of ESG aspects among the TASE-listed companies. This is entrusted to TASE's Economics Department. The Department is responsible for various related aspects, such as publication of an ESG call to the public towards the formulation of standards and recommendations, promotion of ESG products, and more.

In 2023, for the second year in a row, TASE participated in the Maala ESG rating by completing the designated questionnaire. This rating is a benchmark for corporate social responsibility and aims to gauge the commitment and the environmental-social impact of companies and organizations in Israel.

In 2023, TASE was awarded a "Gold" rating.

[4] The data presented is effective for December 31, 2023.

Collaborations and external initiatives

The Israeli Association of Publicly Traded Companies – acts as the representative organization of all public companies in Israel. In cooperation with the Association, TASE promotes initiatives and mechanisms that benefit all companies in the economy, such as regulatory easements for issuing companies and the getting the interests of public companies on the public agenda.

The Israel Investor Relations Forum (IIRF) - established by the Israeli Association of Publicly Traded Companies in cooperation with TASE. The Forum advances investor relations in Israel, for the purpose of enhancing the transparency and reliability of the companies in their dealings with their stakeholders. For several years now the Forum has been holding joint investor relations seminars with TASE for the public companies as well as related webinars and conferences.

CFO Forum - The Forum brings together the CFOs of leading Israeli companies. It serves as a hub for learning, sharing of knowledge and consulting on the core activities and issues pertaining to the role of the CFO in today's business world. TASE carries out collaborations with the Forum, such as conferences and lectures on various topics.

The Israel Directors' Union (IDU) - is the professional institution for supporting directors in Israel, including by providing guidance, training, consulting and representation of the directors in dealings with various authorities. Together with the IDU, TASE hosts events and functions in its Conference Center, cost free, as part of its dedication to the advancement of directors' knowledge in relevant areas, including the promotion of ESG goals.

The Israel Hedge Funds Association - serves as an umbrella organization for the Israeli hedge funds sector and advances its interests within the global hedge funds industry. In collaboration with the Association, TASE hosts in its conference center, free of charge, events and activities of the Association that are designed to strengthen the ties between the members of the Israeli and foreign members of the Association and encourage investments in Israel.

Association of National Numbering Agencies (ANNA) - TASE serves as the Israeli representative of this organization, which is engaged in the allotment of international identification numbers (ISIN) to securities based on generally accepted standards.

World Federation of Exchanges (WFE) - a representative of TASE participates in the WFE's Sustainability Committee and Economists Committee.

Federation of European Securities Exchanges (FESE) - Israel became an affiliate member of the Federation in 2014.

Sustainable Stock Exchange (SSE) - TASE is a member of the Sustainable Stock Exchange Initiative. The purpose of the Initiative is creating a global platform that will enable exchanges, investors, companies, regulators and others to consider the assimilation of ESG aspects into the operations of exchanges worldwide.

Materiality Analysis

Materiality analysis is a core process in the assimilation of ESG (Environmental, Social, Governance) processes in companies. This process is designed to identify those ESG topics that have the most significance to the organization, to enable the formulation of a strategic foundation for the company's ESG activities.

As part of the publication of the report and pursuant to the guidelines of the GRI, TASE has conducted a materiality analysis for the 2021 reporting process. The material topics represent those that have been identified as the most relevant to the Company's ESG activities.

As part of the preparation for the 2023 report, the Company examined and found that the existing material topics are relevant to the activity of TASE in the reporting year. As part of the examination, it has been decided to make semantic changes to the "Ethics, Compliance and Corporate Governance" and "Claims and Complaints" material topics and update them to "Ethics and Compliance Aspects" and "Claims and Public Inquiries", in order to adjust them to the current activities of the Company.

Presented below is a list of the material topics:

#	Material topic
1	Business continuity
2	Risk management
3	Ethics and compliance aspects
4	Financial performance
5	Cyber and information security
6	Claims and public inquiries
7	Human capital management

#	Material topic
8	Transparency and reporting by the Company
9	Business development and strategy
10	ESG aligned products
11	International collaborations
12	Transparency and accessibility of capital market information
13	The Company's environmental impact and performance

TASE highly values dialog and transparency of information with regard to those topics that interest the stakeholders. Those groups include, among others, the TASE employees, the investors, local regulators, the members of TASE and the members of the Clearing Houses, TASE-listed companies, the media and external organizations. The existence of dialog ensures the availability of open lines of communication between TASE and its stakeholders, facilitating receptiveness to the various needs arising from the field and directly response thereto.

As a public company, TASE publishes periodic reports, immediate reports and financial statements, as required by law. In addition, current updates and news on the various activities of the Company are published on the TASE website.

MAYA, TASE's web-based system operated in Hebrew and English, is used for the presentation of all reports published by the companies whose securities are traded on TASE, the mutual funds and the ETFs, as well as notices and resolutions of TASE. The system serves as a primary work tool for investors, listed companies and the capital market community. The immediate reports presented in the system include, among others, notifications concerning transactions and events in companies, financial statements, capital raising information, changes in the board of directors and management, interested parties, splits and mergers and more.

In addition to the publication of the aforesaid reports, the MAYA system offers comprehensive information on the listed companies and on the securities that are traded on TASE, on the "Company Information" page. This page contains extensive information, such as details of the company (address and contact), details of the securities (listed and non-listed), interested parties, management and officers and principal financial statement data. It also offers data, such as: schedule of open and upcoming offerings (including a link to immediate purchase in the public offering stage), schedule of upcoming dates and actions, including meetings, anticipated publication dates of financial statements, dividend distributions, payments of principal and interest etc. The system serves as a large-scale and central channel of communication between TASE and the public. Accordingly, substantial resources are invested in its operation, upgrading and accessibility.

The **TASE website**, operating in Hebrew and English, is another main channel for communication with the various stakeholders. The website contains extensive information on the activities of TASE, including: trading data (including elaborate reference to the various channels of investment), trends and statistical data, frequent reviews and articles on topics pertaining to the activities of TASE and its listed companies, explanations on the various investment instruments, offerings and TASE's trading system. In addition, the website presents monthly and annual reviews of the TASE data; the TASE blog containing professional capital market publications; information on the indices, information for the novice investor, comparison of commissions, and more. Due to all of the above, the TASE website is a material tool in the relationship with the stakeholders and serves as a source of reliable, trustworthy and readily available information on market data.

The TASE websites and MAYA are updated continuously, for the benefit of the general public.

To maintain the close relationship with the various stakeholders, TASE regularly holds physical and virtual conferences on varying topics. TASE rents out its Conference Center to the TASE-listed companies for conferences, investor events, including Opening Bell Ceremonies to celebrate material milestones of the companies, such as IPOs, joining of indices, and more.

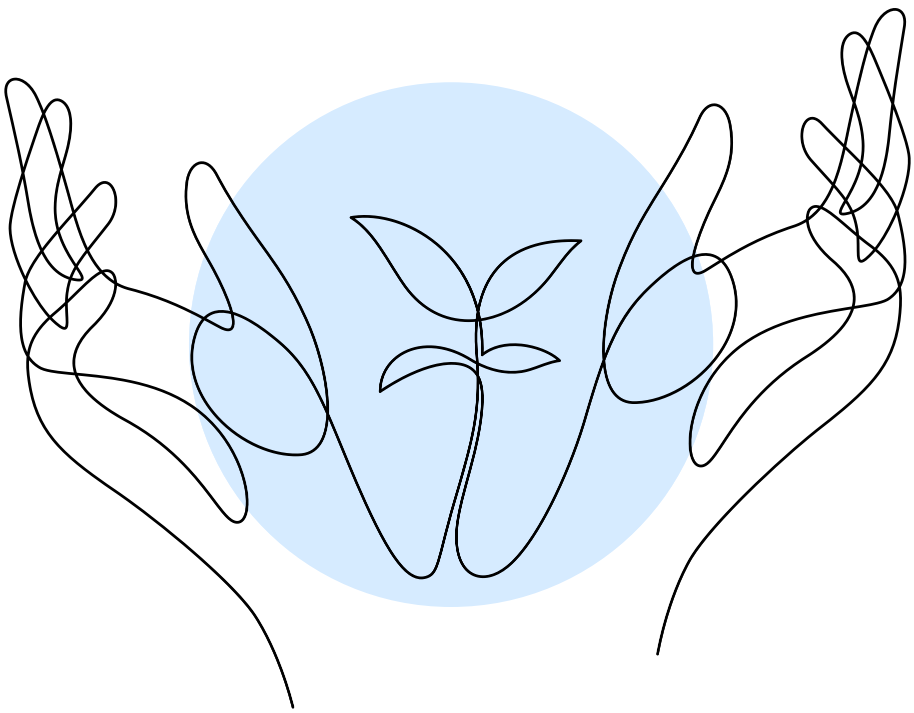
TASE is active on social media and maintains accounts in several mediums to ensure optimal reach to the public. TASE has a dedicated app (Tel Aviv Stock Exchange - TASE) that gives access to all the information that is posted on the TASE website and MAYA, including market trends, information on securities, reports, etc.

In 2023, TASE+ was launched on the TASE website and on a public app. This is a central component in TASE's strategy of pursuing direct engagement with retail investors in Israel and streamlining the access to the capital market, thereby removing barriers to participation in the capital market. TASE+ enables the users to create investment portfolios that reflect their real investments or other investment concepts. TASE+ supports Israeli and U.S. securities and mutual funds, allowing users to fully express their investment preferences in their portfolios. The service offers the users simple and easy access to advanced AI analyses of the shares traded on TASE and on U.S. exchanges, as well as various analyses of the portfolio and its constituent securities. The system gives access to news reports and MAYA reports pertaining to the companies included in the portfolio, making it easier to monitor the performance of the portfolios. The readily available and extensive capital market information is presented in a user-friendly manner, in Hebrew, and free of charge.

The United Nation's Sustainable Development Goals - SDGs

The UN's SDGs are 17 Global Goals for sustainability. The Global Goals were adopted by global leaders in 2015 as an urgent call to action by the countries, to be met by the end of 2030. The Goals reflect the most significant global challenges identified by the national community, which urges governments, corporations and non-profit organizations to cooperate to resolve them. The topics addressed by the Goals are varied and include, among others, gender equality, encouragement of responsible consumption and production, ending poverty, acting on climate change, and more.

TASE, as an organization with a broad social-economic impact on the local economy, recognizes the importance of linking its activity to the relevant SDGs and is a proponent of the adoption and advancement of the Goals in the Israeli economy.



Following a specification process, TASE defined the SDGs that are most applicable to its activity:

Goal	Secondary goal	Company's contribution to the Goal
4 Quality education	**4.4 Increase the number of people with relevant skills for financial success.**	TASE advocates for financial literacy and operates on multiple levels to improve the public's access to financial education. TASE operates an extensive knowledge center on the Company's dedicated website, "TASE for Beginners", that contains specific areas for the novice investor and information on financial products, such as indices, derivatives and securities, makes tools and services available to investors and answers frequently asked questions. In 2023, TASE launched TASE+, a new tool for investors and end-customers. The product offers tools for the personal management of smart portfolios, provides insights on the portfolio activity and compares it against that of comparable portfolios. The services are designed to enhance transparency and create access to relevant investment information, including customization and analyses, thereby removing trading barriers, mainly among the younger investors. The capital market information provided by TASE+ is presented in a user-friendly manner, in Hebrew, and free of charge.
5 Gender equality	**5.1 End the discrimination against women and girls.** **5.5 Ensure women's full participation in decision-making processes.**	TASE recognizes the importance of equality in the work environment, both within TASE and among the TASE-listed companies. For this purpose, TASE works in cooperation with Supersonas to encourage women's participation in finance and entrepreneurship, by holding periodic meetings with local female executives and entrepreneurs, and the holding of the "Market Chic" events with IBI Investment House. The events are open to all women, and each such event focuses on a different aspect and hosts a female guest speaker who is an expert in the field. In March 2023, TASE held the "Market Chic" event, hosting 200 women. The event addressed investments at times of uncertainty in the markets. Additionally, every year on International Women's Day, TASE invites female CEOs of Israeli companies to the Opening Bell Ceremony. In 2023, 49.8% of all Company employees are women, and women's executive representation is 48%.
8 Fair employment and economic growth	**8.2 Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation.** **8.10 Encourage and expand access to banking, insurance and financial services for all.**	TASE plays a key role in the Israeli economy and serves as an infrastructure for growth. TASE is the "home court" of both issuers and investors in Israel. Most Israeli households are exposed to activity on TASE through investment management entities, primarily pension funds, insurance companies, provident funds, advanced study funds and more. In addition, TASE values the advancement and reflection of the local economy. To this end, it works to increase the representation of all sectors of Israeli economy among the TASE-listed companies.
9 Industry, innovation and infrastructure	**9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure.**	TASE works to provide solutions that facilitate capital raising and the exposure of companies to local and international investors, thereby supporting the development of the local economy. To this end, over the recent years, TASE has been actively advancing digitalization and automation processes that enable companies to execute a streamlined and effective IPO process.

CORPORATE GOVERNANCE

Corporate governance

Corporate governance is the overall set of processes, practices, policies, laws, institutions and control structures that serve as the foundation for the management and control of an organization. Quality corporate governance is critical to the management of the organization and to creating economic value for the interested parties and the stakeholders. Principal stakeholders are the shareholders, management and the Board of Directors. Additional stakeholders are the employees, the vendors, the customers, banks and other financiers, regulators and the community in which the organization operates. Proper corporate governance is the foundation for the ethical and value-oriented conduct of the company in the other aspects of social responsibility.

The principal components of corporate governance include: the structure and independence of the board of directors, the skills of the board of directors, compensation, the quality of audit and supervision, transparency to the public, corporate responsibility, code of ethics, and more.

The members of TASE's management and TASE's Board of Directors consider as a top priority the TASE Group's proper conduct and implementation of proper and quality corporate governance, on its various components, as well as its compliance with all regulatory aspects – laws, the provisions of the Securities Law and other rules, avoidance of conflicts of interest, and adherence to the highest professional standards.

Structure and Activity of the Board of Directors of TASE

The Board of Directors of TASE is responsible for prescribing policies and strategy, including oversight over their implementation and execution by management. Among its duties, the Board of Directors is in charge of the control and supervision of a proper, fair and stable conduct; approval of TASE's rules; monitoring TASE members' compliance with the rules and principles; monitoring any extraordinary activity; appointing and authorizing committees of the Board of Directors; approval of financial statements and ongoing management of predefined topics.

In 2023, the Board of Directors of TASE comprised eight members, including six independent directors.

Full name	Position	Committees
Eugene Kandel	Chairman of the Board of Directors of TASE, Chairman of the Board of Directors of MAOF Clearing House and Chairman of the Board of Directors of the Tel-Aviv Stock Exchange Clearing House Ltd.	
Yoav Zadok Chelouche	Outside and independent director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	Chairman and member of the Audit Committee (including in its capacity as the Compensation Committee and as the Committee for the Review of the Financial Statements), member of the Risk Management Committee. Also holds corresponding positions at the TASE Clearing House and the MAOF Clearing House.
Merav Ben Cnaan Heller	Outside and independent director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	Chairperson of the Audit Committee (including in its capacity as the Compensation Committee and as the Committee for the Review of the financial statements), member of the Risk Management Committee. Also holds corresponding positions at the TASE Clearing House and the MAOF Clearing House.
Aharon Aharon	Outside and independent director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	Member of the Audit Committee (including in its capacity as the Compensation Committee and as the Committee for the Review of the financial statements), member of the Risk Management Committee. Also holds corresponding positions at the TASE Clearing House and the MAOF Clearing House.
Gedon Hertshten	Independent director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	Member of the Audit Committee (including in its capacity as the Compensation Committee and as the Committee for the Review of the financial statements) , member of the and Risk Management Committee . Also holds corresponding positions at the TASE Clearing House and the MAOF Clearing House.
Jonathan Kolodny	Independent director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	Member of the Risk Management Committee at TASE, at the MAOF Clearing House and at the TASE Clearing House.
Ornit Kravitz	Independent director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	Chairperson of the Risk Management Committee, member of the Audit Committee (including in its capacity as the Compensation Committee and as the Committee for the Review of the financial statements). Also holds corresponding positions at the TASE Clearing House and the MAOF Clearing House.
Salah Saabneh	Director at TASE, at the MAOF Clearing House and at the TASE Clearing House.	

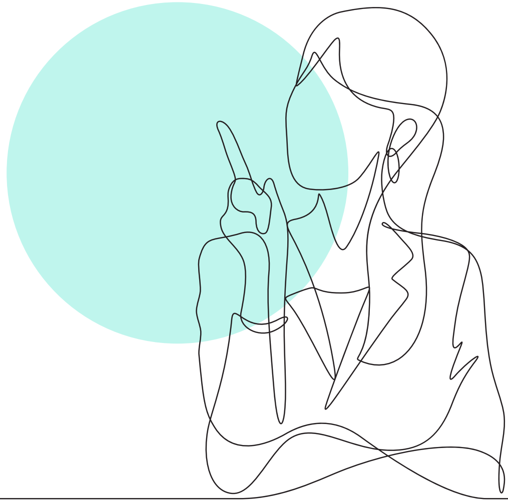
* It should be noted that Mr. Hertshten served as a member of the Audit Committee (including in its capacity as the Compensation Committee and as the Committee for the Review of the Financial Statements) and as a member of the Risk Management Committee until 14.12.2023.

The Board of Directors has two principal committees:

- **The Audit Committee** is appointed by the Board of Directors. Its powers are stipulated in the Companies Law and the Securities Law and it convenes at least once every quarter. The Committee reviews the existence of proper controls in the Company and points out deficiencies in its business management, particularly in relation to the work plan and to the reports of the internal auditor, the reports of the independent auditors and the reports of the Risk Officer, as well as external reports. In addition, the Audit Committee is responsible for deciding on the approval of actions and transactions that require the Audit Committee's approval in accordance with the provisions of the Companies Law, and for reviewing the internal audit mechanism and the performance of the Internal Auditor. Also operating within the framework of this committee are the Compensation Committee and the Committee for the Review of the Financial Statements. In its capacity as the Committee for the Review of the Financial Statements, the Committee discusses and recommends to the Board of Directors on the approval of the financial statements based on the discussion of the financial statements, including discussion of the assumptions and estimates made in connection with the financial statements, the integrity and fairness of the disclosure in the financial statements, the internal controls over the financial reporting and the adopted accounting policies. In its capacity as Compensation Committee, the committee discusses and recommends to the Board of Directors on the compensation policy for officers, and also discusses the approval of transactions in connection with the terms of office and employment of TASE officers, in accordance with the provisions of the Companies Law.
- **The Risk Management Committee** is appointed by the Board of Directors and convenes at least once every quarter. Among the duties of the Committee: recommending to the Board of Directors on the overall risk strategy, including the current and future risk appetite and tolerance, and supervising management's actual implementation of this strategy; formulating a recommendation to the Board of Directors regarding the risk management policy in the various risk areas, formulating a recommendation to the Board of Directors regarding procedures for the identification, monitoring, quantification and management of the risks to which TASE is exposed; regularly monitoring the risk management policy and the aforesaid procedures, examining, discussing and reporting to the Board of Directors on the effectiveness of the Company's risk management structure, the framework for the management of risks and the tools that are used for the identification, measurement, management and reporting of the risks involved in the activity of the Company, and on the policy and tools for mitigating the risks. In addition, it is responsible for recommending to the Board of Directors on the adoption of models, methodologies and different tools in the area of risk management, and supervising the risk assessment processes in the Company that support the Board of Directors' decision-making. The committee verifies the use of qualitative and quantitative metrics that correspond with the Company's risk profile and supervises management to ensure the effective management of risk identification. The committee also ensures that the risk profile coincides with the strategy and the risk appetite set by the Board of Directors, and the actual implementation of the strategy and assimilation of the risk-management culture.

As of 2023, both Clearing Houses (MAOF-CH and TASE-CH), which are subsidiaries of TASE, have board of directors' committees that are comprised of members of TASE's Board of Directors and that convene as necessary and at least once a quarter:

- **The Board of Directors of the TASE Clearing House** comprises eight directors, including four independent directors, two of whom are women, and has three committees: Audit Committee (that also serves as Compensation Committee and Balance Sheet Committee), Risk Management Committee, and a Management & Calculation of the Risk Fund Committee.
- **The Board of Directors of the MAOF Clearing House** comprises eight directors, including four independent directors, two of whom are women, and has four committees: Audit Committee (that also serves as Compensation Committee and Balance Sheet Committee), Risk Management Committee, a Management & Calculation of the Risk Fund Committee, and a MAOF Equity Options - Adjustment Committee (that convenes on an ad hoc basis, as necessary).



Committees	2023 data		2022 data		2021 data	
	Number of meetings	Participation rate	Number of meetings	Participation rate	Number of meetings	Participation rate
TASE Board of Directors	27	94%	26	97%	29	99%
TASE-CH Board of Directors	9	94%	10	96%	10	100%
MAOF Board of Directors	6	91%	10	96%	11	100%
TASE Audit Committee	18	89%	14	97%	19	100%
TASE-CH Audit Committee	9	86%	13	95%	14	100%
MAOF Audit Committee	8	84%	13	95%	14	100%
TASE Risk Management	11	84%	9	95%	9	88%
TASE-CH Risk Management	11	84%	9	95%	8	83%
MAOF Risk Management	11	81%	9	95%	8	83%

For further details and information regarding the Board of Directors of TASE and its committees, the selection of the Board members and the Officers' Compensation Policy, see below and the periodic report for 2023.

Directors' nomination and selection process

In accordance with the provisions of the Securities Law and with the Company's Articles of Association, the Board of Directors of TASE will comprise a maximum of 15 directors, most of its members will be independent, and at least three of them will be appointed by the general meeting of TASE, at the recommendation of an external nomination committee established in accordance with the provisions of the Securities Law. As a public company, TASE is required to appoint outside directors in accordance with the Companies Law, which are to be appointed from among those recommended by the Nominating Committee.

Qualification and Expertise of the Board Members

As of 2023, the following directors possess accounting and financial expertise: Mr. Eugene Kandel, Ms. Merav Ben Cnaan Heller, Mr. Salah Saabneh, Mr. Aharon Aharon, Mr. Jonathan Kolodny and Mr. Yoav Chelouche. All of the directors that are listed above are familiar with and experienced in the duties of the auditors, the processes of preparation of financial statements, accounting issues and accounting control issues that apply to TASE.

Officers' compensation policy

TASE has a Compensation Policy in place that has been recommended by the Compensation Committee and approved by the Board of Directors and the general meeting. The Compensation Policy defines and specifies the Company's policy for the compensation of its officers, and includes, inter alia, the main principles that the Company's Compensation Committee and Board of Directors found appropriate to adopt with regard to the compensation of the officers in the Company, taking into consideration the special characteristics of the Company and the principles of the prescribed Compensation Policy. The various compensation components are designed to encourage the continued employment of the officers in the Company, and to facilitate the hiring of additional quality officers that can contribute to the Company and advance its goals.

In 2023, an amendment to the policy was introduced, concerning the compensation of the Chairman of the Board of Directors of TASE. In preparation for the updating of the Compensation Policy, the Company used the services of an outside consulting firm specializing in executive compensation, which carried out a benchmark study of the compensation components included in the compensation policy documents of public companies with characteristics similar to those of the Company in terms of sector and volume of operations.

The Compensation Committee recommends to the Board of Directors on updates to the Compensation Policy, as necessary, and examines their implementation, taking into consideration changes in the job market and/or in the applicable legislation regime, including resolutions and position papers of the Israel Securities Authority, as may be published from time to time. The Compensation Committee and the Board of Directors examine the Compensation Policy, on its merits, once every three years, and it is then approved by the general meeting, as required by law. The Compensation Policy applies to the terms of office and employment of the officers in the Company.

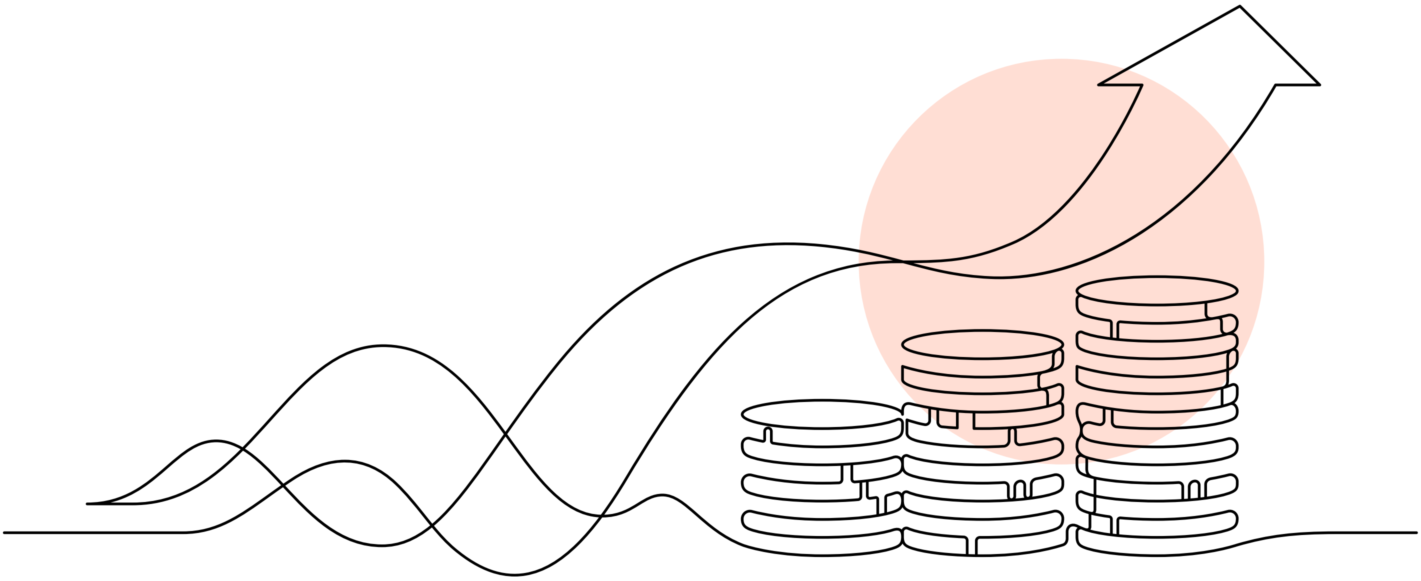
The shareholders holding shares of TASE, including the public institutions, participate by way of their vote at the general meeting that approves the Compensation Policy, and the results of the shareholders' vote at such general meeting are reported to the public in an immediate report on MAGNA, in conformity with the specification required by law.

Financial performance*

NIS, in thousands	2023	2022	2021
Revenue from services	389,855	361,011	323,657
Costs	291,516	277,813	269,236
Financing expenses (income), net**	(11,307)	13,225	(4,540)
Taxes on income	26,440	19,137	13,491
Dividend paid	-	22,735	18,450
Total economic value distributed	**306,649**	**332,910**	**296,637**
Economic value retained	**83,206**	**28,101**	**27,020**

For further details and information regarding the financial performance of The Tel-Aviv Stock Exchange, see the periodic report for 2023.

* Restatement of data.
** According to topic indicator GRI 202-1, the financing expenses data are presented as a positive figure. To review TASE's financial data for the reported year, in accordance generally accepted accounting principles, see the 2023 periodic report.



Ethics and Compliance Aspects

Ethical Aspects of the Activities of TASE

The activity of TASE is founded on a relationship of trust and fidelity and therefore requires adherence to high morals and values, humanitarianism, professionalism and integrity, tolerance, acceptance and mutual respect. In January 2018, the Company adopted a Code of Ethics that applies to all the employees and managers in the Company, as well as to the members of the Board of Directors. In November 2023, the Board of Directors of TASE reaffirmed the Code of Ethics.

The Code of Ethics is based on the five core values that characterize the employees of TASE and that serve as an organizational moral compass that directs its activity:

The high ethical standards represented in the Code of Ethics reflect TASE's aspiration to set an example for excellence of service and to establish and maintain a strong relationship with its stakeholders.

Any new employee joining TASE is required to read and sign the Code of Ethics. In addition, once a year, the Code of Ethics is distributed to all employees and managers of the Company for refreshing. The employees are instructed to report violations of the Code of Ethics and any conduct that is contrary to TASE's rules of ethics, in accordance with the Employee Complaints Procedure. The Procedure specifies the process for submitting a complaint, the handling function and an explanation on how complaints are handled. In 2023, there were no violations of the rules of ethics and no complaints were received on the violation of TASE's Code of Ethics.

The Company upholds trust, integrity and mutual respect and encourages open communication on all levels. The employees of the Company are required to act in solidarity, good faith, integrity, sincerity and fairness in any action performed, within the Company as well as in dealings with customers and others. TASE is dedicated to professionalism, both within the Company through the nurturing of the professional skills and knowledge of Company employees, and outwards, in providing the best professional services to its customers. The Company constantly works to improve the services that it provides to the TASE-listed companies. To this objective, it continuously develops innovative and accessible products and solutions to the highest standard.

Compliance and Internal Enforcement

The role and position of TASE and its investees (TASE Clearing House, MAOF Clearing House and the Nominee Company) make it imperative for the Group to strictly adhere to the applicable regulation. Failure to comply with regulation could expose TASE to losses, the imposition of sanctions (such as penalties, monetary sanctions and more) and compromise the image of the Group and of the Israeli capital market.

TASE has a Compliance Policy in place that is designed to define the management format of the Group's compliance risk, including definition of the compliance function and definition of the powers and duties of the parties involved in the management of the compliance risk. The policy aims to mitigate the probability of regulatory violations, facilitate the early detection of violations, reduce the exposure of the Group and of its officers and employees to lawsuits and financial losses due to regulatory violations, and diminish any damage to the Group's image and reputation.

In accordance with regulation directives and the Internal Audit Law, as well as due to its public entity status, TASE has appointed an Internal Auditor. The Internal Auditor was selected by the Board of Directors at the recommendation of the Audit Committee. The Internal Auditor serves as an external independent mechanism for compliance and internal control. The duties of the internal auditor include, inter alia, examining whether the actions of the public entity, officers and functionaries are in compliance with the law, proper management and ethical conduct and are fiscally prudent and efficient, as well as whether these are conducive to the achievement of the Company's goals. These actions enhance the compliance culture, enforcement and control in the Company, thereby protecting the interests of the public.

In addition, an Internal Enforcement Plan has been formulated and integrated in the TASE Group, which is designed to ensure the compliance of the Company's employees and officers with the provisions of the Securities Law. The Enforcement Plan prescribes procedures and work processes for supervision and control over the Internal Enforcement Plan, its updating, its integrity, its assimilation and the compliance therewith.

In addition, the Board of Directors of TASE, following the discussion and recommendation by the Audit Committee, approved an annual work plan for internal audit in 2024, both at the Company and at the Clearing Houses, by the internal auditor. The multi-annual workplan for the years 2020-2024 was formulated based on a mapping of activities, surveys, reviews and interviews with relevant functionaries.

TASE maintains several supervision and control mechanisms that employ tools, means and controls for the implementation of policies and procedures relating to compliance and internal enforcement:

Enforcement Plan - In 2019, TASE approved its first enforcement plan, which addresses the following topics: Procedure for the Prohibition of Use of Insider Information, Fraud and Manipulation, Reporting Procedure, Procedure for Transactions with Interested Parties Including Compensation of Interested Parties and Handling of Conflicts of Interest, and a Procedure for Communication with the Israel Securities Authority and Market Functions.

Enforcement Forum - Headed by TASE's Compliance and Enforcement Officer, the forum convenes at least twice a year and includes the Company's Legal Counsel and Corporate Secretary, the CFO and other functions that have bearing on enforcement in the Company. The forum focuses on internal enforcement issues pertaining to securities laws. This includes discussion of the various aspects of the Company's disclosure and reporting activities, legislation updates and new directives pertaining to the Securities Law, as well as failures and deficiencies in relation to the Securities Law.

Compliance and enforcement controls - Periodic controls are performed that are based on the provisions of the law that apply to the Company and reflect the findings of the compliance survey as well as new regulation on the activity. These are designed to identify processes that could be sensitive and exposed to potential failures or compliance violations. The compliance controls focus on the following: provisions of the Securities Law and the regulations and directives published thereunder, the TASE Rules and Regulations, the By-Laws, U.S. taxation, protection of privacy, policy documents and procedures of TASE.

Analysis of operational events from a compliance perspective - Ongoing examination of operational events that are reported through the Moked CRM system, in accordance with the Procedure for the Reporting of Operational Failure Events. The implementation of the lessons drawn from such compliance analyses is regularly monitored and any compliance violations are addressed. The events are listed in a risk report drawn up by the Risk Officer, which contains all operational events as well as the remarks of the Compliance Department on each such event. In 2023, there were no reportable material compliance events.

Regulatory updates - TASE continuously monitors legal and regulatory developments, in order to assess their impact on TASE.

Training and learn ware - TASE holds training sessions for employees and managers in accordance with regulatory requirements, TASE's policies and the Enforcement Plan. In those sessions, employees are educated and refreshed on the relevant topics.

Anonymous direct line - A fundamental component of an effective compliance and internal enforcement plan is the reporting and handling of related violations, such as: economic crimes and fraud, sexual harassment, bribery and corruption, conflicts of interest and the compromising of ethics and compliance. TASE maintains an anonymous direct line to the Chairman of the Audit Committee, in accordance with the Procedure for the Handling of Employee Complaints on Deficiencies in the Management of TASE's Affairs.

Compliance survey - TASE formulates and executes a compliance survey once every three years. The survey is designed to verify the implementation by TASE of its obligations pursuant to the laws and rules to which it is subject and to identify exposures and prevent potential failures. For every new area of activity operated and developed by TASE, the need to establish a dedicated compliance survey is determined. The findings of the survey serve, among others, as a foundation for the compliance policies and controls. The next compliance survey will be conducted in 2025.

Communication of critical concerns to the Board of Directors - TASE works to maintain its proper and fair management, adhering to principles of reliability and integrity. Critical concerns, which are defined as matters pertaining to the potential adverse effects of the organization on stakeholders, are communicated to the Board of Directors through the prescribed reporting and supervision mechanisms. The TASE Employees are required to be watchful of breaches of the law or of TASE's procedures, and, in addition, the Compliance Officer was appointed in charge of the prevention of economic crimes and fraud.

Any complaints or inquiries made by the TASE employees with regard to misconduct are addressed by TASE in accordance with the Procedure for the Effective Handling of Complaints. The Chairman of the Audit Committee forwards to the Internal Auditor any report of misconduct received from a TASE employee and informs the Chairman of the Board of Directors and the TASE CEO thereof.

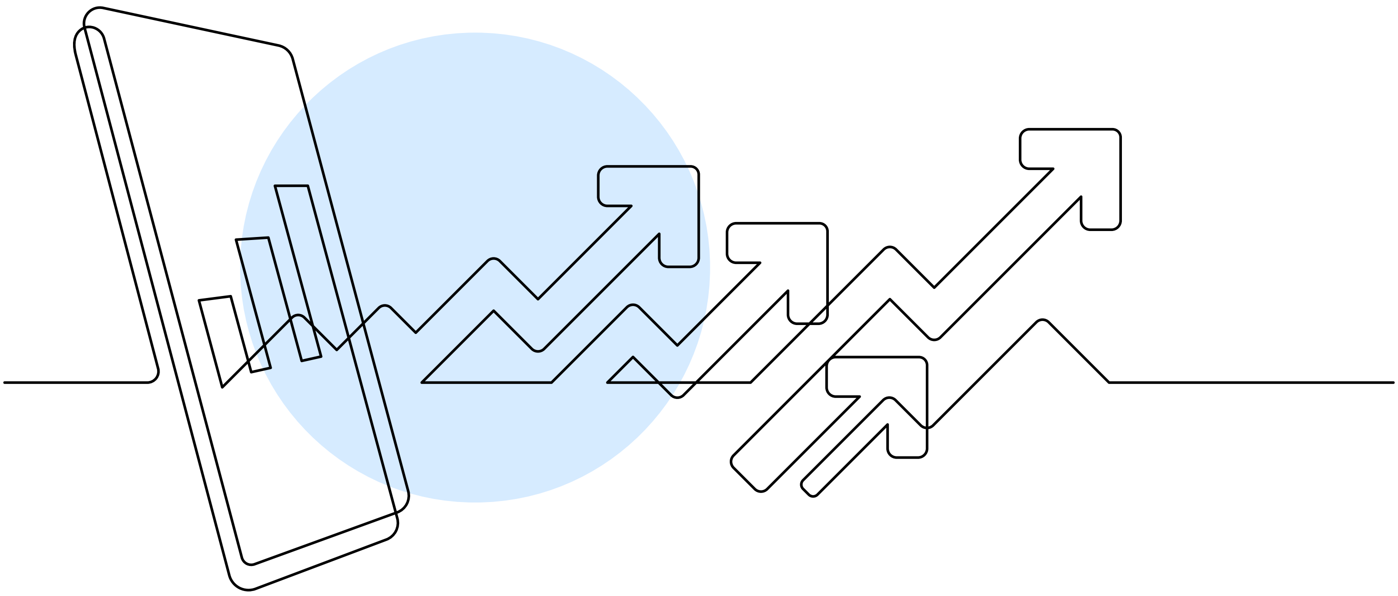
The Board of Directors receives an immediate report on any irregularity, including a reasonable concern for economic crimes, fraud, theft, deceit, extortion or forgery, whether with the suspected involvement of an employee or otherwise. Reports also include concerns of criminal offenses or administrative violations, inquiries by competent investigation authorities, concerns for ethical or moral misconduct, compliance deficiencies involving a significant risk of sanctions, financial losses or damage to reputation, and events that could cause significant damage to TASE or to its subsidiaries.

Audit reports with findings are discussed at the Audit Committee, and any material finding is also discussed by the Board of Directors. At every meeting of the Board of Directors, the CEO updates the directors on events that occurred as part of the ongoing management of TASE. In addition, once every six months, the Audit Committee reports on the approved transactions with interested parties, and at least once a year it discusses the criteria for the approval of transactions with interested parties and the need to update them.

Procedure for the Approval of Transactions with Interested Parties - TASE's Internal Enforcement Plan includes a procedure for the approval of transactions with interested parties. The procedure is based on the provisions of the Companies Law and contains various provisions and arrangements for transactions with interested parties in a public company. The provisions of the law, which are prescribed in said procedure, stipulate special arrangements for the approval of a company's transactions with officers, transactions of a company in which officers of the company have personal interest, transactions of a company with a controlling shareholder (including such transactions in which the controlling shareholder has personal interest), as well as transactions concerning the terms of office and employment of officers.

Conflicts of interest

TASE has integrated a comprehensive procedure for the management of conflicts of interest, including conflicts of interest concerning the compensation of officers and other transactions. This procedure is a part of TASE's Enforcement Plan and ensures compliance with the provisions of the Companies Law by requiring that the existence of "personal interest" be examined as part of the approval of a transaction. TASE maintains a detailed list of transactions with related parties, which is kept by the Compliance and Enforcement Officer. In addition, TASE maintains a list of all parties that constitute related parties of the Company, based on declarations received from the interested parties. Prior to the approval of transactions with interested parties, each authorized function will examine, prior to executing the engagement, whether the party with which the Company is entering an engagement is a related party, based on the list of related parties, such that the transaction is deemed to be a transaction with an interested party. Any transactions with interested parties executed, as above, are reported in the periodic report by virtue of the regulations that apply to financial and periodic reports. In accordance with the procedures of TASE, a transaction with an interested party may not be executed unless it has been issued the relevant approvals.



Risk Management And Business Continuity

The activity of TASE is accompanied by an exposure to various risks, including operational risks, strategic and business risks, regulatory risks, reputational risks, financial risks, and legal risks. To cope with those, TASE's Risk Management Department, headed by the Chief Risk Officer, is responsible for establishing policies and corresponding work routines, including the implementation of processes, the integration of tools for the identification, assessment and measurement of the risks, as well as the institution of mechanisms for ongoing reporting and control.

Once every three years, TASE conducts cross-organizational surveys: an operational risks survey, an economic crime and fraud concentrations survey and a gap survey in relation to the preparation for business continuity. Additionally, every year TASE reviews and updates the principal risk concentrations in the Risk Matrix document, and every quarter it updates TASE's Risk Profile. The various risk surveys and the Risk Matrix are used to identify the principal risks to which TASE is exposed and which it handles. The risk factors identified by TASE in the latest mapping performed in 2023 include, inter alia, operational risks, cyber risks, regulatory risks, risks arising from collective work relations and risks relating to the implementation of the strategic growth plan.

One of the main risks that TASE currently faces is cyber risk. TASE, as a provider of critical infrastructure services, faces a significant risk of cyber attacks and other cyber risks.

Such attacks could disrupt activity and cause the loss of customers and the reduction in trading volumes, consequently leading to a reduction in revenue and significant expenditure for legal defense, response or recovery.

TASE maintains an annual work plan for cyber defense and the reduction of those risks, employing means of defense, identification and response. As part of the Company's preparation against the realization of the cyber risk, the Company performed the following actions:

- Adoption of an information, privacy and cyber security policy.
- Appointment of an Information Security Officer.
- Training of information security personnel and performance of drills.
- Compliance with international security standards.
- From time to rime, TASE performs penetration tests and cross-organizational surveys.
- Raising employee awareness and training.

Additionally, in view of its classification as a provider of Critical Information Infrastructure, the Company is supervised by the Israel National Cyber Directorate, a government institution, that requires the reporting of malfunctions and events, maintenance of a reporting system, and drawing lessons from events, keeping the Chief Risk Officer and the Board of Directors and its committees informed.

Within the framework of preparation for and mitigation of operational risks, TASE performs an operational risks survey, which is designed to identify and map the operational risks inherent in the overall process, in the business lines and in the auxiliary units of the Company. The results of the survey and its recommendations serve as a basis for the improvement and/or the addition of controls, for the purpose of mitigating the identified exposures and risks. The most recent survey was conducted in 2021. In 2024, the survey has been updated as part of the tri-annual update.

For the purpose of identifying economic crime and fraud concentrations and risks, once every three years TASE conducts a survey for the mapping, identification and mitigation of criminal crime and fraud concentrations, which is designed to identify and map the operational risks inherent in the overall process, in the business lines and in the auxiliary units of the Company. The survey findings and its recommendations serve as a basis for the improvement and/or the addition of controls, for the purpose of mitigating the identified risk exposures. The most recent survey was conducted in 2023.

Once a year, TASE updates the Risk Matrix, and every quarter it updates the Risk Profile – this, in order to reflect changes in the characteristics of TASE's activity and in the business environment in which it operates.

In addition to examining the various risks to the operations of TASE, the Risk Management Department accompanies processes for the consideration and setting up of new products. These processes include identification, assessment, monitoring and control of the risks inherent in new products, in the process for their setting up and integration into the systems of TASE, in their current operation, and their effect on TASE's overall risk profile.

As part of a proper and stable risk management and in order to secure the continuous functionality of TASE after various extraordinary events, TASE has a business, financial and operational recovery plan in place (Recovery Plan). The plan incorporates various action items for recovery upon the occurrence of various stress scenarios and contains, inter alia, a strategic analysis, a definition of indicators and thresholds for the identification and alert of the realization of potential stress scenarios, as well as a series of customized recovery steps for each of the scenarios.

Every year, TASE performs cross-organizational stress tests at the Group level (business and/or financial and/or operational stress tests) and examines their impact also at the level of the Clearing Houses. One of the objectives of stress testing is to alert against extreme impact that could result from the realization of multiple risks, thereby helping prepare and determine the level of financial resources that is required to absorb losses and meet the capital and liquidity requirements, even in the event of a significant hit.

Cyber and information security

Having been declared a provider of “Critical Information Infrastructure” since 2020, operating an exchange with international interfaces, the Company faces a significant risk of cyber-attacks and other cyber and information security risks, which could disrupt its activity and cause the loss of customers and the reduction in trading volumes, consequently leading to liabilities or significant expenditure for legal defense, response to or recovery from cyber-attacks.

The technological systems of the Company, its employees, its external service providers and its customers could be susceptible to targeted attacks, hacking, fraud, malware, denial-of-service attacks, acts of terrorism, ransom attacks, failure of anti-virus or encryption programs and other security issues. Criminal groups, groups of social activists and national militant groups regularly target the financial services sector, and TASE’s central position in the financial markets places it at a significantly greater risk of cyber-attacks and other information security threats compared to other public companies. In accordance with the aforesaid, there are frequent attempts to penetrate the Company’s IT systems, however, to date, the Company has not experienced material cyber attempts that culminated in the breach of its systems or that caused the Company damage, including in the reported year. The Company is proactive and dedicates significant resources to handling the cyber risk and adjusting the means of defense, monitoring and recoverability in order to comply with current and evolving requirements and to counter the dynamic characteristics of the cyber threat.

The Company has an annual work plan in place for cyber defense and the mitigation of cyber and information security risks, employing means of defense, identification, detection and response, including the following actions:

- The Board of Directors of the Company has adopted an Information Security and Cyber Defense Policy for the management of cyber and information security risks (hereafter: “**the Defense Policy**”). The Defense Policy is approved once a year by the Information Security and Cyber Defense Steering Committee and by the Board of Directors of the Company.
- The Company has appointed an Information Security Officer, who, as part of his duties, oversees the implementation of the Company’s policy with regard to the management of the cyber and information security risks. The Officer is subordinate to the Company’s VP IT and Operation, and reports to management and to the Steering Committee and the Audit Committee.
- The Company trains information security personnel, with its position as a Critical Information Infrastructure provider in mind, to implement the Defense Policy, operate the defense systems, and identify and handle cyber events. The Company regularly performs significant cyber event drills.
- The Company is in compliance with international information security standards - ISO 27001 and ISO 27032 for the management of cyber defense and compliance with the related annual certification.
- By virtue of its classification as a provider of “Critical Information Infrastructure”, the Company is supervised by the Israel National Cyber Directorate, a government institution. Within this framework, the Company is subject to guidelines and strict audits in the field of information security and cyber and was found to be in compliance with the highest level of certification.

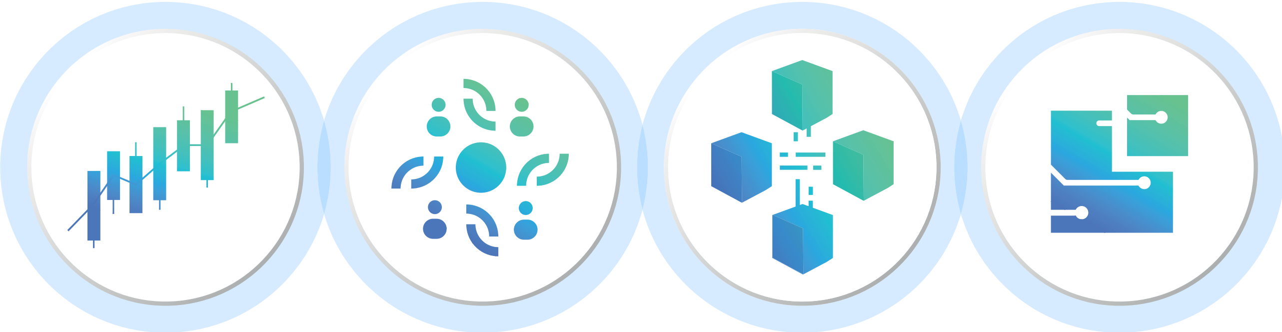
Management of the Company maintains ongoing controls to ensure the Company’s ability to withstand the various cyber risks and periodically convenes steering committees to monitor the progress of the cyber defense work plan. Based on said reports, regular reports are submitted to the Board of Directors, in light of which management of the Company implements the risk management policy and the Board of Directors of the Company prescribes guidelines in relation to the cyber risks. In 2023, cyber defense activities focused on the continued reinforcement of the organizational defense mechanism by enhancing the technological and operational capability to mitigate the cyber and IT security risks by integrating advanced defense technologies, improving the identification and alert capabilities, alongside improvement of the organizational and technological-operational cross-organizational cyber crisis management capabilities. Within this framework, the IT Security Department focused on raising the awareness of the employees, who serve as an invaluable line of defense against cyber events, by identifying cyber events and also by developing related controls. In the assessment of the Company, the implementation of the policy and the means for the management of the cyber risks are effective in countering and mitigating the cyber risk. Nevertheless, in view of the complexity of the matter and the pace of technological developments in recent years, there is no assurance that no unauthorized hacks, disruptions in the availability of the services or their reliability, or an error or misuse of the Company’s information or technological systems will occur, or that no cyber events will take place in the future.

In the reported year, 2023, TASE received no complaints regarding information security and cyber.

Business development and strategy

In October 2022, the Board of Directors of TASE approved a new strategic plan for the years 2023-2027. Within this framework, a restructuring of TASE and the subsidiaries was approved, in order to ensure the implementation of the aforesaid strategic plan and to further the continued development and upgrading of the local capital market. The plan includes four principal strategic goals in the areas of activity of the Company. In 2023, TASE continued to advance its strategic plan.

Presented below are the principal strategic goals prescribed in the new strategic plan:



Enhancement of TASE value proposition | **Direct customer engagement** | **Blockchain, Crypto and digital assets strategy** | **Export of Technological Services and Solutions**

1. **Further developing and enhancing the value proposition of the core activity of TASE** - TASE attributes significant strategic value to further enhancement and upgrading of its core activities and to increasing its value proposition to the various customers. Within this framework, TASE intends to pursue, inter alia, the reinforcement of TASE's international profile and attraction of foreign investors, a stronger connection with the existing investors, upgrading of Israel's markets, and the regularization and upgrading of the mechanisms for the clearing and reporting of off-exchange (OTC) transactions.
2. **Strengthening the engagement with the end customers** - TASE will consider courses of action for strengthening the interrelations and the interfaces with its customers, whether directly or through intermediaries, and will advance direct services, improving and expanding the value proposition in the private market, building on TASE's expertise, reputation and operational solutions.
3. **Digital assets strategy** - Creation of a platform for trading in digital assets and venturing into the Crypto arenas: similarly to moves that are advanced by other leading global exchanges, and, taking into consideration, inter alia, the development and growth of new digital assets, TASE will pursue the integration of innovative technologies into its activity.
4. **Export of technological services and solutions to foreign exchanges** - TASE intends to promote the sale of technological services and solutions designed for small and medium exchanges, based on existing technological capabilities and those that will be developed as part of the implementation of the new strategic plan.

For further details and information regarding the strategic plan of TASE, see the periodic report for 2023.

In 2023, TASE continued to advance financial education for the public, through conferences and lectures, improving the accessibility of trading data, expanding the knowledge base and highlighting the importance of investments in products that track TASE's indices. All these are presented in a straightforward everyday language and are available free of charge on the TASE website and app. In addition, in the reported year, TASE has significantly increased its activity on social media, as part of which it produced informative and analytical videos for the public and provided CEOs of the TASE-listed companies exposure in short videos in which they briefly introduce their Company. In addition, TASE posts on the social media and on traditional media daily information on the trading at TASE was posted, including the dates of dividend distributions by the public companies, the publication dates of financial statements and more. All this is designed to make the information available to the public in simple and clear terms, thereby raising awareness to financial knowhow and highlighting its importance to the general public.

Every year, TASE hosts groups of high-school students from across the nation, university students, soldiers and other diversified groups that enjoy lectures on finance and the capital market at the TASE building. In 2023, TASE hosted 23 such meetups of various groups for financial education purposes. In the meetups, the guest groups are provided with content and educational materials that describe the development of the Israeli Stock Exchange, its significance to the Israeli economy and its contribution to the growth of both Israeli and international companies.

Automatization, Digitalization and Improvement of Infrastructure in the Processes of TASE

TASE dedicates substantial resources to improving and increasing the efficiency of processes in many aspects of its operations. In recent years, the most significant aspect has been the automatization and digitalization, which meets TASE at every crossroad of activity - both internally, in the form of the upgrading of the systems and Clearing Houses, and externally, in the form of the promotion of various initiatives with the investors and the TASE-listed companies.

TASE operates a website and a dedicated app, TASE - Tel Aviv Stock Exchange, for the purpose of making TASE's services available to its customers, and uses them to present trading data of securities, ETFs and derivatives, data of indices and market trends, studies, reports of public companies on the MAYA system, offerings, educational content and more.

TASE works to improve and develop tools to take trading to the next level and provide new abilities to investors, traders and companies. In 2023, TASE worked on several different levels to upgrade products and services and to improve the interface with the various stakeholders, in order to facilitate advanced and accessible trading, in alignment with international standards. These actions included:

- **Creating an infrastructure for the improvement of the derivatives markets** The infrastructure performs a daily revaluation of the overall derivatives in the market, whether or not they were traded. The infrastructure is designed to resolve a long-time market failure, where the revaluation of securities was performed independently and non-uniformly.
- **Upgrading of the trading infrastructure** - A multiannual project that is designed to improve the efficiency of the systems and facilitate business flexibility for both TASE and the stakeholders.
- **Upgrading of the reporting system of the TASE Clearing House and the MAOF Clearing House** - The upgrade of the members' systems used for reporting to the Clearing houses includes the replacement of the existing reporting system that was based on outdated technology, with a new system. The upgrading of the Clearing Houses also includes the review of the existing modules and the setting up of new modules, as necessary. The upgrading of the systems is expected to be completed in 2024.

Claims and public inquiries

Claims

Any lawsuits against TASE are handled by the Legal Department, management and relevant professionals, such as external lawyers, occasionally requiring the involvement of the insurance companies. In 2023, no lawsuits were filed against TASE.

Public inquiries

In the ordinary course of business, TASE receives inquiries and complaints on various topics from external parties. TASE values the communication with stakeholders on various matters as part of the ongoing improvement and streamlining processes at TASE. To this aim, TASE has instituted a Public Inquiries Procedure that outlines the optimal process for addressing public inquiries. To ensure that inquiries are addressed efficiently and in a professional manner, TASE created a dedicated channel that directs the inquiry to the function in the Company that can best address the specific inquiry. Inquiries submitted are received by a designated employee, who provides the initial response and/or transfers the inquiry to the relevant professional function in the Company. The number and types of inquiries are regularly monitored, as a means to identifying necessary improvements to the work processes.

In view of the political, security and economic situation in 2023, which increased the uncertainty in the capital market, the number of inquiries increased, and 1,046 public inquiries have been handled, representing an increase compared to the corresponding period last year.

Presented below is a summary of the inquiries received by TASE in the years 2022-2023*:

Department/ Unit	2023	2022	2021
Economics	317	253	245
Trading and Clearing Houses	207	147	200
Strategy and Business Development	134	59	28
TASE website	55	1	39
IT and Operations	162	121	164
Communications & Public Relations	116	234	292
Compliance	45	62	77
Legal and Bureau	1	2	1
Human Resources	9	8	7
Secretariat	-	1	3
Total inquiries	**1,046**	**887**	**1,056**

* Complaints from 2022 have been reclassified to the following departments/units: Trading and Clearing Houses, Strategy and Business Development, and Legal and Bureau.

SOCIAL

TASE highly values the creation of a respectful, inclusive, challenging and stimulating work environment for its employees. The Company prioritizes the nurturing of its human capital and dedicates significant efforts and resources to the employees and their work environment. TASE offers its employees opportunities for development and growth that promote excellence and professionalism.

At the end of 2023, TASE has 267 employees, consisting of management, salaried employees, employees in a trial period, and 5 employees with disabilities in distribution positions as part of a dedicated inclusion project. The employees of TASE are covered by a collective agreement that provides for the terms of pay and the related social benefits. In 2023, 94% of the TASE employees were covered by a collective agreement (251 out of 267 employees)[5]. Senior management members are covered by personal contracts and are not included in the collective agreement. The employees committee is updated in advance on any organizational changes in the Company, prior to its execution. Additionally, early notice is given to the employees, in accordance with the collective agreement and depending on the nature of the requested organizational change.

The Employees of the Tel-Aviv Stock Exchange[6]:

	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior management	**6**	**4**	**10**	**7**	**6**	**13**	**7**	**5**	**12**
Below 30	-	-	-	-	-	-	-	-	-
30-50	4	2	6	4	4	8	4	3	7
Over 50	2	2	4	3	2	5	3	2	5
Middle management	**47**	**45**	**92**	**50**	**43**	**93**	**46**	**44**	**90**
Below 30	-	-	-	-	-	-	-	-	-
30-50	23	13	36	27	12	39	24	10	34
Over 50	24	32	56	23	31	54	22	34	56
Employee	**81**	**84**	**165**	**68**	**86**	**154**	**70**	**86**	**156**
Below 30	6	2	8	1	-	1	1	-	1
30-50	58	54	112	51	55	106	51	56	107
Over 50	17	28	45	16	31	47	18	30	48
Total	**134**	**133**	**267**	**125**	**135**	**260**	**123**	**135**	**258**

Turnover*:

	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Recruited	**18**	**9**	**27**	**9**	**6**	**15**	**6**	**3**	**9**
Below 30	4	1	5	1	-	1	-	-	-
30-50	13	6	19	6	5	11	5	3	8
Over 50	1	2	3	2	1	3	1	-	1
Resigned	**7**	**10**	**17**	**5**	**9**	**14**	**7**	**6**	**13**
Below 30	2	-	2	-	-	-	-	-	-
30-50	2	6	8	3	3	6	2	4	6
Over 50	3	4	7	2	6	8	5	2	7

* Updated and restated presentation of data for the years 2021-2022.

[5] 5 employees in the inclusion project have signed a dedicated agreement and are not included in the collective agreement.
[6] As of December 31, 2023.

The Human Resources Department at TASE is entrusted with creating a comprehensive organizational culture that is founded on a set of values, a Code of Ethics, communication within the organization, social responsibility, disciplinary aspects, and proper work relations. The Department is in charge of implementing and enforcing the provisions of the labor laws that apply to TASE in its dealings with the TASE Employees and with the employees committee, and is also entrusted with the holding of negotiations and the signing of collective agreements and pay agreements with the employees committee, which serve as the basis for TASE's pay policy and terms of employment.

In addition, the Human Resources Department oversees the assimilation of the Code of Ethics in the organization and its enforcement, including the assimilation of the regulations and procedures with which the TASE employees are obligated to comply, as follows: Code of Ethics and Employee Complaints Procedure, confidentiality, prevention of sexual and other harassment, information security, and more. The Human Resources Department handles any disciplinary incident and/or violation of TASE's Code of Ethics, this in conformity with the collective agreement, procedures of TASE and the requirements of the law.

The manager of the Human Resources Department is responsible for handling the prevention of sexual harassment and related complaints, in conformity with the provisions of the law and the Company's procedures. To create a healthy work environment, all employees of the Company partake, from time to time, in face-to-face seminars, and once a year the Prevention of Sexual Harassment Procedure is redistributed to all employees. The procedure is also presented visibly in multiple locations within of the TASE building. All new employees receive the Procedure and the Organizational Code and sign them as part of their orientation process. No sexual harassment complaints were submitted in 2023.

Diversity in the Workplace and Equal Opportunity

TASE is dedicated to ensuring diversity in the workplace in general, and gender diversity in particular. As of the end of 2023, 49.8% of the direct employees at TASE are women. Women's executive representation is 48%. In addition, women account for 50% of the upper decile of salaried employees in the Company[7].

Active Advancement of Women

- **Promotion of gender diversity in the industry -** Leading a program for the training of women executives in Israel, in cooperation with Supersonas, a national social organization dedicated to paving the way for a balanced presence of women in influential and decision-making positions in the Israeli economy. The course program consisted of eight sessions for women executives in TASE-listed companies and was designed to prepare them for CEO positions, by providing them with management tools and creating a community of women peers. The participants continue to strengthen the community of peers even after the conclusion of the program. In 2023, two additional courses were held for women executives of public Israeli companies.
- **"Market Chic" -** A series of economic-social meetings for all women. The meetings are held by TASE in cooperation with IBI Investment House. Each meeting holds 200 participants at TASE's Conference Center. The initiative, which commenced over a decade ago, is designed to uncomplicate economics and finance, through a meeting with women who hold key positions in the Israeli economy. The meetings serve a dual purpose: getting to know the TASE-listed companies and bringing women together women from different sectors of society. Each meeting hosts several women speakers who address a specific topic. In 2023, one meeting was held in March, which addressed investment at times of uncertainty, on the backdrop of the judicial reform proposed at that time.
- In March of every year, to celebrate International Women's Day, TASE holds a special Opening Bell Ceremony with women CEOs from TASE's new companies. The event is held as part of an initiative of the World Federation of Exchanges, in which 160 exchanges worldwide participate.

Returning from maternity leave

TASE grants employees who gave birth a cash gift and keeps in touch with the new mother throughout the maternity leave period. In 2023, five TASE employees went on maternity leave and two employees resumed working at the conclusion of their maternity leave and remained in the employ of TASE at the end of 12 months of their return from the maternity leave.

[7] The presented data relate to all employees that worked at TASE in 2023, including those that are not part of the actual workforce as of 31.12.2023, since they were part of the salary recipients and are therefore included in the payroll data for the year.

Accessibility at TASE

TASE constantly works to enhance the accessibility of its activities - both physical and virtual - by ensuring the accessibility of its digital properties and websites. All the properties of TASE are compliant with physical accessibility legal requirements, including the telephone centers and service centers. TASE was awarded an accessibility certification already in 2014, and the most recent accessibility survey was conducted in 2021, revealing a number of immaterial points for improvement, that were promptly addressed. In addition, the TASE website operates in conformity with the Accessibility Regulations – all of the documents posted in Hebrew on TASE's websites are accessible. In addition, a dedicated Accessibility Officer was appointed to monitor and manage accessibility aspects at TASE, and in the Human Resources Department a Recruitment Coordinator was appointed to handle the inclusion of employees with disabilities and provide them with an accessible work environment.

Every year, all TASE employees take a refresher course on service accessibility. The refresher course discusses accessibility elaborately, including acquaintance with various types of disability and how to properly address people with disabilities, and highlights the importance and principles of accessible service. The refresher course places an emphasis on accessible service, both from a physical perspective, by making buildings accessible, and at the service level, by adapting the service to the needs of people with various disabilities.

In 2023, the staff of MAYA and the TASE website participated in a seminar concerning accessibility of infrastructure and websites, which is designed to provide them with updates on and focal points for the accessibility of websites and digital tools.

Employees from underrepresented populations

TASE highly values the inclusion of diverse populations in its human capital. To this aim, TASE collaborates with dedicated recruitment agencies for underrepresented populations. In addition, TASE maintains a program for the integration of employees with disabilities in the organization. As part of the program, these employees perform various jobs that provide them with a set of tools and skills, which will serve them in their personal and professional future and help them take part in the work market. TASE's Recruitment Coordinator is responsible, inter alia, for promoting diversification processes, such as targeted recruitment of employees from specific populations, as well as identifying and addressing the unique needs of those employees in their workplace.

TASE recruits employees without discrimination based on ethnic, religious faith, gender, sexual orientation or any other aspect that does not reflect professional attributes of the Company employees that are relevant for their occupation. Furthermore, TASE has a zero-tolerance policy and objects to any type of discrimination or harassment, whether verbal or physical, based on gender, sexual orientation, ethnicity, religious faith and more. In 2023, TASE has received no reports on any type of discrimination.

Data of employees from underrepresented populations*:

	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Druze population	1	-	1	-	-	-	-	-	-
Jewish orthodox sector	3	6	9	3	4	7	4	5	9
Ethiopian community	2	-	2	1	-	1	1	-	1
Employees with disabilities	6	1	7	5	1	6	2	-	2
Total	**12**	**7**	**19**	**9**	**5**	**14**	**7**	**5**	**12**

* The presented data is effective for December 31, 2023. Restatement and updating of data was performed for the years 2021-2022. The data relate to TASE employees - salaried and in trial period, management, and inclusion project (excluding outsourced employees).

Advancement of workplace diversity

TASE holds that socially diverse companies are more successful, more innovative and more durable. As part of its dedication to the advancement of workplace diversity, TASE has a dedicated training program in place for the inclusion of employees with special needs, such as individuals with high-functioning autism, in the work at TASE. The program, spanning up to 24 months, allows the employees to fill various positions in the distribution division and in other departments, depending on their capabilities and skills. The program is designed to assist with the daily tasks at TASE and provide the employees with an opportunity to acquire professional skills and practical work experience.

In 2023, TASE, in collaboration with Social Finance Israel (SFI), established a dedicated impact fund for professional training and job placement of underrepresented populations. This collaboration is designed to incorporate underprivileged populations in the activity of the capital market and other sectors, and exemplifies the use of financial tools for social improvement. This initiative encourages workplace diversity, which is essential to the thriving and success of the Israeli economy.

The fund raises funds for specific ventures, using a Career Impact Bond (CIB) model, to allow diverse populations access to training and quality employment in various areas, with emphasis on underrepresented populations. The fund finances placement agencies that will hold dedicated training for employees from said populations, ultimately matching the program graduates with open positions. In 2023, the Company contributed NIS 300 thousand to the establishment of the fund.

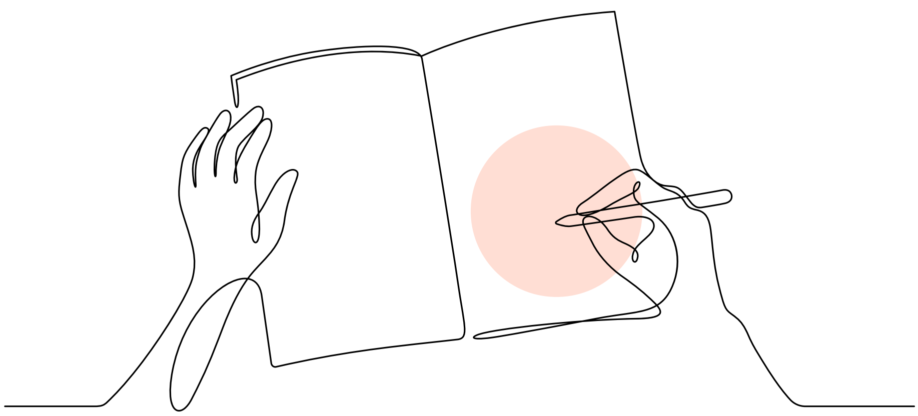
The formulation of the fund's innovative operation model commenced in 2023, and included a survey conducted among the TASE-listed companies regarding the professions in which they are experiencing a shortage of employees. Following the outbreak of the "Swords of Iron" War, on October 7, and its impact on the economy, it has been decided to redirect the efforts of the fund to address employment in impacted areas. In 2024, it will be reexamined whether to continue focusing on the employment of those displaced or revert back to the original format, depending on the ability to raise finance from social investors.

Pay data for TASE employees*

A review performed in 2023** revealed no significant pay differences between women and men in similar positions among the TASE employees, with a 5% gap in favor of men among employees and managers, and 6% among the senior rank, comprising TASE's VPs and the TASE CEO (based on the pay recognized for severance pay and pension purposes). The pay differences are due, inter alia, to salary components that are based on overtime, shifts and on-call undertaken.

Annual total compensation ratio:

	2023	2022	2021
Annual pay of the highest-paid individual	6,230	5,312	4,666
Median annual pay in the Company, excluding the highest-paid individual	417	465	450
The ratio of the annual pay of the highest-paid individual in the Company to the median annual pay in the Company, excluding the highest-paid individual	14.95	11.41	10.37



* The presented data relate to all employees that worked at TASE in 2023, including those that are not part of the actual workforce as of 31.12.2023, since they were part of the salary recipients in 2023 and are therefore included in the payroll data for the year.
** For further details and information on the pay data for employees of The Tel-Aviv Stock Exchange Ltd., see the Equal Pay for Employees Report for 2023, in accordance with the Equal Pay for Employees Law, 1996.

Employee Welfare

TASE dedicates substantial resources to improving and maintaining the organizational climate, creating a connection with its employees and assimilating a supportive organizational culture, including constant improvement of the work environment and conditions and ensuring a sense of security and stability among the employees.

TASE initiates various welfare activities during the year, including cross-organization events, department get-togethers, recreational days and other activities to brighten the organizational climate. In addition, the Company marks personal events in the life of the employee and holds welfare activities for the employees to prevent stress and burnout. In addition, salaried employees may be eligible for participation in tuition for academic studies undertaken alongside the work at TASE, up to the amount of university tuition, subject to preapproval by TASE and to the terms prescribed in the collective agreement. Where academic studies have been approved, as above, the employee shall also be entitled to additional vacation days for examinations.

Training and Development of Employees

Excellence and professionalism are among the core values that lead TASE and characterize its business activity. TASE dedicates significant resources and efforts to improving the professional and personal skills of its employees, by offering them courses, workshops, seminars, and more. Within this framework, TASE provides training and development opportunities to employees in all departments of the Company, based on professional, management and regulatory needs alike.

As necessary, a training needs survey is conducted, based on which the mandatory, professional and management training sessions are determined. The annual training program is customized for the various target audiences at TASE, in deference to TASE's strategic plan. Training is provided via various methods, both through digital courseware and in face-to-face meetings and practice. In addition, the Company provides managers in various levels personalized meetings with an organizational consultant, as necessary, including as part of the preparation to assume a significant management role at TASE. The processes are accompanied by the HR staff.

As part of internal mobility processes, in 2023 TASE provided training to 14 employees with the assistance of internal units (the recipient units) alongside external courses. The recipient units included: IT HQ, Human Resources, Organizational Applications, Digital Assets, Research, Finance and Administration, and more.

Types of seminars provided to the TASE employees:

Professional seminars	Seminars in the fields of occupation of the TASE employees, which are intended to expand their professional knowledge and provide them with the tools that they need to optimally perform their duties
Mandatory training	Training required by regulation or law
Educational seminars	Seminars that are designed to provide the employees with tools for optimal realization of their professional and personal potential
Executive development	Seminars for the various managerial levels at TASE, which are designed to development management skills and capabilities

In 2023, TASE employees received 2,500 training hours, an average of 10.3 hours per employee, as compared to 2022, in which TASE employees received 1,800 training hours, an average of 7.4 hours per employee.

The TASE employees are entitled to participate in a personal guidance program that prepares them for the conclusion of their employment, upon reaching retirement age. In 2023, six employees participated in the retirement guidance program, consisting of a session with a pension consultant and personalized sessions with an organizational consultant. The sessions place emphasis on preserving self-worth and healthy time management on "the day after", highlighting the capabilities and aspirations of the retiree, including connection to their personal interests (learning/recreation/volunteer work).

Assessment and feedback process

The assessment and feedback processes at TASE apply to three groups of employees:

- **Assessment of TASE employees during the trial period -** Employees that have been employed at TASE for less than three years are included in the trial period group. Every six months, an assessment process is conducted, in which the performance of the employee in relation to the goals defined in earlier assessments is discussed with the employee's direct manager. At the end of the trial period, it is decided whether to make the employee's assigned position a permanent one.
- **Assessment process for all TASE employees -** TASE conducts an assessment and feedback process for all of its employees once a year. As part of the process, personal and professional goals are set for each employee, based on his or her position, and the achievement of the goals that had been set for the past year is examined. Based on the employee's assessment by the manager and the achievement of the set goals, pay rises are discussed by a forum consisting of the HR Department, the direct head of department and the TASE CEO, the findings of which are explained to the employee as part of the assessment processes.
- **Assessment process for employees mobilized within the Company** - An employee who is transferred from one department to another will undergo an assessment by the new manager at the end of six months in the new position, to ensure his suitability for the position. The assessment process will determined whether the employee has met the expectations of the new position. Accordingly, it will be decided whether to make their new assignment permanent or to reinstate the employee to their previous position.

ENVIRONMENT

The combination of ESG considerations with investment decision-making based on specialized ratings of public companies as well as the increase in the number of indices that examine companies' ESG-related activities have been gathering significant momentum in recent years. These lead to a growing awareness to the incorporation of ESG aspects into investment decision-making, as reflected in stakeholders' demand for transparency of companies' non-financial information and data. In addition, investors follow a more hands-on approach, ensuring that their investments correspond with their values and have a positive ESG impact, favoring companies that work to improve those aspects as part of their activities.

TASE sees a clear global trend of the incorporation of ESG aspects also into the financial products and services of other companies, in general, and other stock exchange, in particular. These products are varied and have different objectives:

- **Indices and ETFs with "environmental" and/or "social" characteristics -** These indices are comprised of companies that operate in environmental and/or social fields and that promote those topics as part of their activities.
- **"Green" and/or "social" bonds -** The purpose of this tool is to finance activities for specific topics that have positive impact on society or the environment, in the form of renewable energy projects, advancement of public transportation, setting up of waste treatment facilities, hospitals, educational facilities and more.
- **ESG cause -linked bonds -** These bonds are similar to "green" and/or "social" bonds in their ultimate product, but differ in the linkage of their financing terms to the achievement of predefined ESG goals. Adoption of ESG aspects into existing financial instruments adds credibility and appeals to both the issuers and the investors.

At the end of 2023, eight ETFs and tracking funds on ESG indices, launched by TASE and other companies, were traded on TASE with an AUM of NIS 120 million. In addition, 25 ETFs and tracking funds on global ESG indices were traded on TASE, with a total value of NIS 880 million.

In the trading system for institutional investors, at the end of 2023 two series of green bonds issued by the banks, and additional bonds issued by the Ogen Group (a social finance non-profit), with a total market cap of NIS 5 billion.

Promotion of ESG among the public companies.

As the incorporation of ESG aspects into corporate activities and the creation of dedicated financial products continue to grow globally, TASE is promoting those aspects both in its own activities and in the activity of the TASE-listed companies. In recent years, TASE published a call for the public's input concerning the encouragement of the disclosure of ESG-related information by public companies. The document included items for public comments on the proposed recommendations for the mandatory publication of ESG reports, the proposed publication of a dedicated ESG questionnaire that is designed to obtain a summary of the companies' ESG-related activities, and the proposal to increase women's representation in boards of directors to at least 35%. The response to the call was vast. Based on the review of the comments received and a comparison to other international exchanges, TASE has decided not to require companies to publish an ESG report, but rather to recommend this practice to them. TASE is taking actions to educate and encourage the market on the importance of those reports, as is common practice among leading global exchanges*.

Further to the publication of the call, in 2023 TASE formulated and distributed a voluntary dedicated questionnaire for TASE-listed companies that have not yet published an ESG report. The questionnaire was compiled based on similar questionnaires customarily used internationally, with adjustments for the local TASE-listed companies. The questionnaire is designed to allow companies to report their ESG-related activities without drafting a dedicated report, which requires substantial resources and a custom reporting infrastructure. Once completed, the questionnaires will be published on the websites of the reporting companies and will also be linked in a dedicated ESG page on the TASE website. By completing the questionnaire, the companies can gain exposure to investors that consider ESG aspects in their investments and enable TASE to collaborate with international index editors in the development of additional ESG indices**.

Furthermore, for optimal accessibility of the companies' ESG reports, TASE presents on a dedicated page the links to all of the periodic reports of the TASE-listed companies - in the reported year, 81 of the TASE-listed companies are reporting or have reported in recent years***.

* For additional information, see Call for Encouraging the Publication of ESG Reports and Increasing Women's Representation on Boards of Directors.
** For additional information, see Environmental, Social and Governance Responsibility – ESG Questionnaire
*** For additional information, see the list of ESG reports of TASE-listed companies.

TASE has joined 45 other exchanges around the globe that had launched "green" indices, offering three dedicated ESG indices:

1. **TA-Maala Index**: Maala is an umbrella organization of close to 120 Israeli companies that works to promote corporate social responsibility, sustainability and ESG practices in the business sector. In 2005, TA-Maala was born, which comprises all companies in the organization that are also listed on TASE. The index is updated once a year following the publication of the annual Maala rating and enables the combination of financial performance and ESG-related performance.
2. **TA-125 Fossil Free Index**: This index represents all the companies in the TA-125 Index, Fossil corporations as determined by Life and Environment organization.
3. **TA-Cleantech**: This index is comprised of companies in the field of renewable energy and companies that develop technologies that reduce negative environmental impact. This index supports the green energy in Israel and promotes companies that operate in the local market.
   - The Cleantech Subsector includes companies that develop or use technologies that reduce negative environmental impact, in the following fields: sustainable energy, energy conservation and storage, waste recycling, water purification or sewage treatment, desalination and production of biofuels. As of the end of 2023, the Cleantech Subsector comprised 14 companies with a total market cap of NIS 4.9 billion, compared to 15 companies with a total market cap of NIS 6 billion in 2022.
   - Following the wave of offerings by renewable energy companies on TASE over recent years, the Cleantech Subsector was split and a new dedicated subsector was launched - the **Renewable Energy Subsector**, which comprises companies that engage in the initiation, development, setting up and operation of green energy generation facilities utilizing renewable energy sources, such as solar, wind and geothermal energy and pumped storage. As of the end of 2023, the Renewable Energy Subsector comprised 13 companies with a total market cap of NIS 40.5 billion, compared to 13 companies with a total market cap of NIS 41 billion in 2022. As of December 2023, these companies have also issued corporate bonds and convertible bonds with a market cap of NIS 6.2 billion.
   - Alongside the aforesaid sectors, there are other technology sectors on TASE that address social-environmental improvement and the resolving of ESG-related issues. These sectors, comprising subsectors such as FoodTech, Biotechnology, and Robotics & 3D, also enjoy continued growth. At the end of 2023, these subsectors comprised 38 companies with a total market cap of NIS 10.4 billion, compared to 39 companies with a total market cap of NIS 9.9 billion at the end of 2022.

TASE’s Environmental Impact and Performance

The Tel-Aviv Stock Exchange dedicate significant efforts to reducing the environmental impact of its activities. Most of the environmental impact derives from the operation of the offices, consisting of energy consumption and management of resources and waste. As aforesaid, TASE works to reduce its environmental footprint as much as possible, through more efficient consumption of electricity, smart use of resources and reduced production of waste from the operation of the offices.

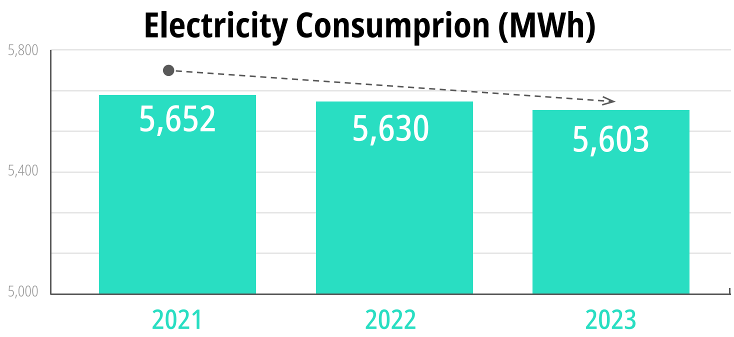
As part of its sustainability efforts, TASE collects cardboard, paper, batteries and bottles, separating glass and plastic bottles, and forwards them to recycling. TASE also collects computer equipment, including screens and computers, and forwards it to scrapping or recycling.

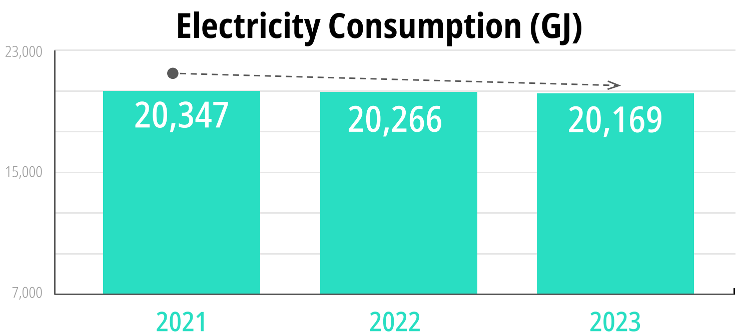
TASE’s principal energy consumption derives from the operation of the TASE building and offices, with a significant portion of the energy consumption relating to the air conditioning of the offices and the operation of the server farm (data center). The Company takes actions to improve energy efficiency, including the use of a system that reduces the use of power after hours, replacement of light fixtures with LED lighting and improving the efficiency of the air conditioning systems.

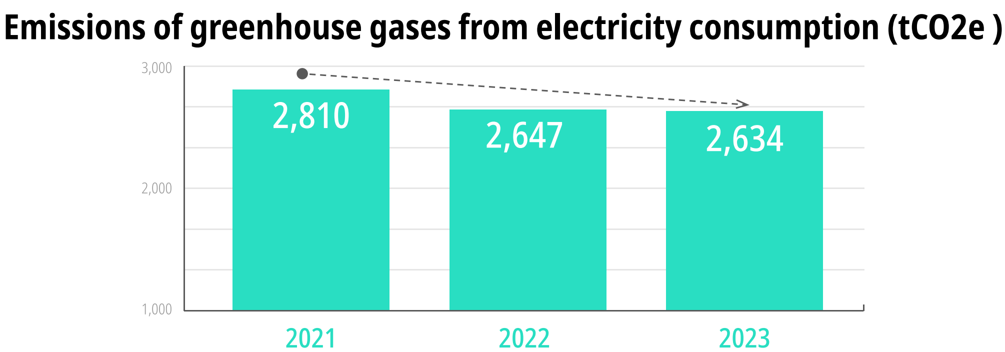
In 2023, TASE implemented projects for transition from fluorescent lighting to LED lighting in its carparks. In addition, it discontinued the purchase of DK lightbulbs (halogen), replacing them with LED lightbulbs, in order to improve its operating energy efficiency.

The TASE building complies with the requirements of Israel Green Building Standard 5281. The facade of the building is comprised of two layers of aluminum and glass, which provides special energy insulation to the building and creates comfortable climate conditions, as reflected in more moderate temperature differences, in both summer and winter, as well as reduced use of air conditioning.

TASE’s power consumption data*:







* The electricity consumption data of The Tel-Aviv Stock Exchange for the years 2021-2022 has been optimized.

TASE is proud to present to you the third Sustainability Report, which provides an overview of its principal environmental, social and governance activities in 2023. The publication of the report is an expression of TASE's ongoing commitment to the promotion of environmental, social, and governance issues as an integral part of its business operations.

Reporting period and cycle

This report represents the activity of TASE in relation to environmental, social and governance issues in the period from January 1 to December 31, 2023. No material changes in the activity of the Company took place during the year. The most recent report was published in August 2022. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. The information presented in the report was collected from the Group's IT systems and various organizational sources, with the guidance of external consultants.

Scope of the report

TASE operates from the State of Israel, which is its primary area of operation. Relevant financial data presented in this report are consistent with those presented in the Company's financial statements for 2023. Together with the data of the financial statements, this report represents the activity of the TASE Group in Israel.

This report is not a part of the financial statements, immediate reports, or periodic reports of TASE. In the event of any inconsistency or contradiction between the stated in this report and the aforementioned reports of the Group, the stated in the financial statements shall prevail.

Material changes in reporting

There were no material changes in relation to prior reports.

Material changes in information

There were no material changes in relation to prior reports.

Reporting assurance

No external assurance was performed for this report. TASE conducts internal control of all outgoing reports and publications to ensure the reliability of the reports, improve the collection process of the necessary information and data, and preserve and enhance the transparency of its internal operations.

For any inquiry, comment or matter pertaining to the report and its content, please contact one of the following:

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Email: cfo@tase.co.il

Orna Goren, Head of Communications & Public Relation Unit

Email: tase.ir@tase.co.il

GRI 1: Foundation 2021

Indicator	Response
Usage Statement	The Tel-Aviv Stock Exchange Ltd. reports in accordance with the GRI Standards. For the period from 1/1/2023 to 31/12/2023
Usage of GRI 1 indicator	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

Indicator	Description of indicator	Page
The organization and the reporting practices		
2-1	Information on the organization	5
2-2	Entities in the organization that report environmental, social and governance aspects	7
2-3	Reporting period, frequency and specification of a contact point	38
2-4	Restatements of information	38
2-5	External assurance	38
Activities and employees		
2-6	Activities, value chain and other business relations	5
2-7	Employees	28
2-8	Workers who are not employees	28
Corporate governance		
2-9	Structure and composition of the board of directors	14
2-10	Nomination and selection of the board of directors	16
2-11	Chairman of the board of directors	14
2-12	The role of the board of directors in overseeing the management of impacts	7, 14
2-13	Delegation of responsibility for managing impacts	7, 14
2-14	The role of the board of directors in sustainability reporting	7
2-15	Conflicts of interest	20
2-16	Communication of critical concerns	19
2-17	Advancement of the board of directors' collective ESG knowledge	16
2-18	Evaluation of the performance of the board of directors	15
2-19	Compensation policy	16
2-20	Process to determine remuneration	16
2-21	Annual total compensation ratio	31

Indicator	Description of indicator	Page
Strategy, policies and practices		
2-22	Statement of the most senior decision-maker in the organization	3
2-23	Policy commitment for responsible conduct	18, 21
2-24	Embedding policy commitments	18
2-25	Processes to remediate negative impacts	18
2-26	Mechanisms for seeking advice and raising concerns	15, 19
2-27	Compliance with laws and regulations	18
2-28	Membership in associations and external initiatives	8, 29
Stakeholders' involvement		
2-29	Approach to stakeholder engagement	10
2-30	Collective agreements	28

GRI 3: Material Topics 2021

Indicator	Description of indicator	Page
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3-2	List of material topics	9

Topic Standards

Indicator	Description of indicator	Page
GRI 201: Economic Performance 2016		
3-3	Management of material topics	17
201-1	Direct economic value generated by the organization	17
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