

June 1, 2026

To the Securities Authority (submitted through MAGNA)

Dear Sir\Madam,

Re: **Immediate Report Concerning the Convening of an Extraordinary General Meeting**

1. In accordance with the provisions of the Companies Law, 1999 (hereinafter: the "**Law**" or the "**Companies Law**"), in accordance with the Securities Regulations (Periodic and Immediate Reports) 1970, and in accordance with the Securities Regulations (Transaction Between a Company and a Controlling Shareholder Therein) 2001 ("**the Transaction Regulations**"), Tefron Ltd. (hereinafter: "**the Company**") is hereby pleased to announce on the convening of an Extraordinary General Meeting of the Company, which will be held on Wednesday, July 8, 2026, at 12:00 PM, at the offices of Firon Law Firm, located at 2 HaShlosha St., Tel Aviv.

2. **The Topic on the Agenda**

Renewing the Company's management agreement with the Company's CEO, Mr. Ben Lieberman (hereinafter: "**Mr. Lieberman**"), who is one of the Company's controlling shareholders.

3. **Description of the Topic on the Agenda**

3.1 **In General:**

Mr. Lieberman, who is one of the controlling shareholders of the Company and a director thereof, has served as the Company's Chief Executive Officer since June 19, 2017.

On July 5, 2023, the Company's General Meeting approved (after receiving the approvals of the Remuneration Committee and the Board of Directors of the Company) the Company's entering into a management agreement with Mr. Lieberman, the main points of which are as follows (hereinafter: the "**Management Agreement**")<sup>1</sup>:

- a. Mr. Lieberman will provide the Company with management services as a full-time CEO in exchange for a fixed monthly payment of management fees in the amount of NIS 150,000 per month plus VAT as required by law (hereinafter: the "**Management Fees**").
- b. Mr. Lieberman is entitled to reimbursement of all direct expenses related to the management services he will provide to the Company as CEO, against the presentation of receipts and in accordance with the Company's procedures.
- c. The term of the engagement under the Management Agreement is three years commencing on June 19, 2023, provided that each party to the agreement may terminate the agreement by written

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<sup>1</sup> For additional details see the Company's immediate report regarding the convening of a General Meeting dated May 30, 2023, reference no. 2023-01-057588, and the Company's immediate report regarding the results of the General Meeting dated July 5, 2023, reference no. 2023-01-075411.

notice to the other party. In the event that the notice of termination is given by the Company, it shall be given 30 days in advance, and in the event that the notice of termination is given by Mr. Lieberman, it shall be given 90 days in advance.

Mr. Lieberman is not entitled to any annual bonus by virtue of his position as the CEO of the Company. In addition, Mr. Lieberman is not entitled to any additional remuneration by virtue of his position as a director of the Company.

It is proposed to renew the Management Agreement for an additional three-year period, commencing on June 19, 2026 and ending on June 18, 2029, with no change to its terms.

### **3.2 Details Regarding Education and Professional Experience**

Mr. Lieberman holds a Bachelor of Science degree in Chemistry and a Graduate Diploma in Public Accounting from McGill University, Montreal, Canada, and he has a CPA license in Canada. Until his appointment as the Company's CEO in 2017, Mr. Lieberman was a businessman who operated in the field of textile for dozens of years.

### **3.3 Tabular Format**

Following is a condensed summary of the remuneration included in the terms of the Management Agreement detailed above (in terms of monthly cost to the Company):

Particulars of the recipient of the remuneration				Remuneration for services							Other remuneration			Total
Name	Position	Scope of position	Rate of holding in share capital	Salary	Grant	Share based payment	Management fees	Consulting fees	Commission	Other	Interest	leasing fees	Other	
Ben Lieberman	CEO	100%	59.50% of the Company's issued and paid-up share capital held jointly with his 3 siblings, in equal parts, through a Canadian company Litef Holdings Inc.	--	--	--	150,000 NIS monthly + VAT	--	--	--	--	--	--	150,000 NIS monthly + VAT

### **3.4 Additional Details**

- (1) The ratio between the cost of Mr. Lieberman's Management Agreement and the cost of the average salary and the cost of the median salary of the Company's employees in Israel, including contractor employees, is 6.5 times and 8.2 times, respectively.

- (2) The rate of the fixed component out of the total remuneration which shall be paid to Mr. Lieberman is 100%. The remuneration which shall be paid to Mr. Lieberman does not include a variable component.

### **3.5 Text of the Proposed Resolution**

To approve the renewal of the Company's Management Agreement with the Company's CEO, Mr. Ben Lieberman, in accordance with the terms detailed in this report for additional three years commencing on June 19, 2026.

#### **4. The Controlling Shareholder Who Has a Personal Interest in the Transaction, the Nature of His Personal Interest and Details of His Holdings in the Company**

The controlling shareholder of the Company that has a personal interest in the renewal of the Management Agreement is Litef Holdings Inc., a private company incorporated in Canada, that is controlled by Mr. Lieberman, who is a party to the Management Agreement, and by his three siblings, Mr. Martin Lieberman, Mrs. Helene Lieberman and Mr. Lorne Lieberman, in equal shares.

Below are details regarding the holdings of the said controlling shareholder in the voting rights and in the issued and paid-up share capital of the Company:

Name of Shareholder	Quantity and Rate of Holdings in the Share Capital and Voting			Quantity and Rate of Holdings in the Share Capital and Voting under the Assumption of Full Dilution <sup>2</sup>		
	Quantity	% in the Share Capital	% in the Voting	Quantity	% in the Share Capital	% in the Voting
<b>Litef Holdings Inc.</b>	7,650,628	59.50%	59.97%	7,650,628	55.07%	55.47%

#### **5. The Manner in which the Consideration Has Been Determined in the Framework of the Transaction**

The terms of the renewal of the Management Agreement were determined in accordance with the terms of the existing Management Agreement between the Company and Mr. Lieberman.

#### **6. Transactions of the Same Type or Similar Transactions during the Previous Two Years**

- a. On March 19, 2025, the General Meeting of the Company approved the renewal of the validity of the letters of indemnity to Mr. Lieberman and his brother, Mr. Martin Lieberman, who is a director in the Company.

<sup>2</sup> Assuming that all of the Company's issued options have been exercised into shares.

- b. On December 27, 2023, the General Meeting of the Company approved the terms of employment of Ms. Miriam (Mimi) Lieberman, Mr. Lieberman's daughter, in her capacity as VP of Business Development of the subsidiary, Tefron USA.
- c. On July 5, 2023, the General Meeting of the Company approved the terms of the engagement in the Management Agreement with Mr. Lieberman for a three-year period commencing on June 19, 2023.

**7. The Reasons of the Remuneration Committee and the Board of Directors for the Approval of the Transaction**

The resolutions of the Remuneration Committee and the Board of Directors of the Company, which were unanimously adopted, were adopted while taking into consideration the principles and parameters set forth in the Company's Remuneration Policy<sup>3</sup>, and while taking into account, amongst else, the following considerations: Mr. Lieberman's education, qualifications, and professional experience; his position as well as the extent of his responsibility as the Company's CEO. The Remuneration Committee and the Board of Directors have found that the renewal of the engagement in the Management Agreement with Mr. Lieberman is in favor of the Company, and it is reasonable under the circumstances, for the following reasons:

- a. Mr. Lieberman has extensive managerial experience which he has accumulated during his years of operation in the textile field, education and skills that contribute to the Company and to its business. The remuneration to be paid to Mr. Lieberman expresses his experience and contribution to the Company in the market in which it operates. Under the circumstances, maintaining the remuneration payable to Mr. Lieberman unchanged from the terms of his existing Management Agreement is reasonable.
- b. The terms of the Management Agreement are according to the Company's Remuneration Policy, and they have been approved by Company's Remuneration Committee and Board of Directors, while taking into account the considerations set forth in Section 267b(a) of the Law and while relating to the issues specified in Section A and B of First Schedule A of the Law.
- c. The Remuneration Committee and the Board of Directors have examined the ratio between the cost of the terms of the Management Agreement of Mr. Lieberman and the average and median cost of employment of the other employees of the Company in Israel, including contractor employees, and determined that these ratios are fair and reasonable under the circumstances and do not adversely affect the Company's employment relations, and this while taking into consideration, among other things, the nature of Mr. Lieberman's position as CEO of the Company and the extent of his responsibility.

The meeting of the Remuneration Committee was attended by Prof. Shoshana Anily (external director), Mr. Aviram Lahav (external director) and Mr. Eytan Stiassnie.

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<sup>3</sup> For details regarding the Remuneration Policy for officers of the Company, see the Company's immediate report dated August 31, 2023, reference no. 2023-01-082402.

The meeting of the Board was attended by Mr. Yossi Shachak (Chairman of the Board), Prof. Shoshana Anily (external director), Mr. Aviram Lahav (external director) and Mr. Eytan Stiassnie.

**8. The Names of the Company's Directors who Have a Personal Interest in the Transaction and the Nature Thereof**

Directors Messrs. Ben Lieberman and Martin Lieberman have a personal interest in the transaction due to the fact that Mr. Ben Lieberman is a party to the engagement in the Management Agreement and Mr. Martin Lieberman is the brother of Mr. Ben Lieberman.

**9. The Approvals Required to Approve the Resolution on the Agenda**

1. The approval of the Remuneration Committee of the Company, which was given during its meeting dated May 31, 2026.
2. The approval of the Board of Directors of the Company, which was given during its meeting dated May 31, 2026.
3. The approval of the General Meeting of the Shareholders of the Company, which will be convened for this purpose on Wednesday, July 8, 2026, as detailed in this report.

**10. The Company's Representative for Handling the Report**

The Company's representative for handling the report is Adv. Itzhak Blau of Firon Law Firm, located at 2 HaShlosa St., Tel Aviv, Tel: 03-7540020, Fax: 03-7540011.

**11. The Required Majority**

The required majority for the purpose of approving the resolutions on the agenda of the General Meeting, is an ordinary majority of the shareholders of the Company who are attending the Meeting in person or via a proxy, and as long as one of the following is fulfilled: (a) counting the votes of the majority at the General Meeting shall include the majority of all the votes of the shareholders who are not controlling shareholders or do not have a personal interest in the approval of the remuneration, who participate in the vote; in counting all of the votes of the aforesaid shareholders, abstaining votes would not be taken into consideration; (b) The total opposing votes from among the shareholders referred to in sub-clause (a) above, shall not be greater than two percent of the total voting rights in the Company.

Accordingly, the holdings rate of the controlling shareholder of the Company will not provide the controlling shareholder the majority required to decide in relation with the proposed resolution on the agenda.

**12. The Meeting and Voting Procedures**

**a. The Quorum and Deferred Meeting**

The quorum for opening the discussion at the General Meeting is two (2) shareholders or more (whose shares have been paid in full), attending the Meeting in person or via a proxy or via a voting card, per item, and holding at least twenty five (25%) of the voting rights in the Company.

If half an hour has passed from the time that was scheduled for the Meeting and a quorum has not been established, the Meeting shall be deferred to the same day and hour in the forthcoming week, or to a different day, hour and place as determined by the Chairman of the Meeting, with the agreement of the majority of the holders of the voting rights attending the Meeting in person or via a proxy or via a voting card, and voting in the matter of the date of the deferred Meeting. The Company shall announce the postponing of the Meeting and the date thereof through an immediate report. The quorum in the deferred Meeting shall be two (2) shareholders attending the Meeting in person or via a proxy or via a voting card, per item, and holding at least twenty-five (25%) of the voting rights in the Company.

**b. The Record Date for Determining the Eligibility of the Shareholders to Participate and Vote at the General Meeting**

The record date for determining the eligibility of a shareholder of the Company to participate and vote at the General Meeting, is the end of the trade day on Tuesday, June 9, 2026 (hereinafter: "**the Record Date**").

If you are an owner of an "American Share", meaning: a Company's share that is not an "Israeli Share", as this term is defined as follows, in order to vote at the Meeting, please see the voting instructions detailed on the Company's internet site whose address is: [www.tefron.com](http://www.tefron.com).

"An Israeli Share"- A Company's share that fulfills one of the following: (a) The share is registered on the Company's Israeli shareholder register (for the purpose of clarity, a Company's share which is registered on the Company's American shareholder register, that is managed by the American Stock Transfer & Trust Company, is not "an Israeli Share"); or (b) The share is registered in favor of the shareholder pursuant to Section 177(1) of the Companies Law, meaning, the share is registered with a member of the Stock Exchange (Tel Aviv Stock Exchange Ltd.) and the aforesaid share is included in the shares registered on the Company's Israeli shareholder register in the name of the Tel-Aviv Stock Exchange Nominee Company Ltd. (hereinafter: "**Unregistered Shareholder**").

**c. The Manner of Voting**

The Shareholders are entitled to vote regarding the resolution, which is on the Meeting's agenda, in person or via a proxy or via a voting card, as defined in Section 87 to the Law and whose format is attached to this immediate report ("**Voting Card**"). In addition, an Unregistered Shareholder is also entitled to vote via an electronic Voting Card which will be transferred to the Company through the electronic voting system at the address <http://votes.isa.gov.il>, which operates according to Title B of Chapter G2 of the Securities Law, 1968 ("**Electronic Voting**", "**Electronic Voting System**", "**Electronic Voting Card**" and "**Securities Law**", respectively).

**d. A Proxy for the Voting**

A shareholder is entitled to appoint a proxy to vote in his place, who is not necessarily a shareholder of the Company. The appointment document regarding the appointment of the proxy must be conducted in accordance with the Company's articles of association. The appointment document

must be delivered to the Chairman of the Meeting or to the Company's offices (to the CFO of the Company, Mr. Gregory Davidson), while making sure the aforementioned appointment document arrives to the Company's offices at least two hours prior to the convening of the Meeting. The Chairman of the Meeting shall have the authority to receive appointment documents which shall be delivered even after the aforementioned appointed time and till the beginning of the Meeting.

e. **Proof of Ownership**

An Unregistered Shareholder shall be entitled to attend the General Meeting only if he provides the Company, prior to the General Meeting, with an original proof of ownership from the member of the Stock Exchange with whom his right to the share is registered, regarding his ownership of the Company's shares on the Record Date, in accordance with the form in the Addendum to the Companies Regulations (Proof of Ownership of a Share for Voting at a General Meeting), 2000 ("**Proof of Ownership**") or alternatively by sending the Company a Proof of Ownership through the Electronic Voting System. In regards with this matter, it shall be noted that an electronic message approved in accordance with Section 44k5 of the Securities Law concerning the Electronic Voting System's user data - shall be viewed as a Proof of Ownership for each shareholder included therein.

An Unregistered Shareholder is entitled to receive the Proof of Ownership from the member of the Stock Exchange through whom he holds his shares, at the branch of the member of the Stock Exchange or by mail to his address, paying only the postage fees, if he has asked for it. A request in this matter would be given in advance for a specific securities account.

Furthermore, an Unregistered Shareholder may give instructions that his Proof of Ownership shall be delivered to the Company through the Electronic Voting System.

f. **Voting in Writing via a Voting Card and Position Statements**

A shareholder is entitled to vote regarding the resolution, which is on the Meeting's agenda, via a Voting Card. For this purpose, the vote of a shareholder who has voted via a Voting Card shall be considered as if the shareholder was present and participated in the Meeting. Voting via a Voting Card, in regard to a shareholder seeking to vote via a Voting Card *in lieu* of participating in the Meeting in person or via a proxy, shall be carried out by means of using the second part of the Voting Card which is attached to this report.

The addresses of the websites of the Securities Authority and the Tel Aviv Stock Exchange Ltd. in which you can find the format of the Voting Card and the position statements, within their meaning in Section 88 of the Companies Law, are: the ISA distribution site <http://www.magna.isa.gov.il> (hereinafter "**the Distribution Site**"); and the website of the Tel Aviv Stock Exchange Ltd. <http://maya.tase.co.il>. The shareholders are entitled to approach the Company directly and receive from it the Voting Card and the position statements, as they may be.

A Stock Exchange member shall sent via email, without consideration, a link to the Voting Card and position statements on the Distribution Site, to every shareholder who is an Unregistered Shareholder and whose shares are listed with the said Stock Exchange member, unless the shareholder has

notified the Stock Exchange member that he is not interested in receiving such a link, as long as the notification has been given in regards of a specific securities account and on a date prior to the Record Date.

The Voting Card must be delivered to the Company's offices (along with the Proof of Ownership) up to 4 hours prior to the time appointed for the convening of the Meeting. For this purpose, the date of delivery is the final date on which the Voting Card and the documents required to be attached to it, reached the Company's offices.

Furthermore, an Unregistered Shareholder is entitled to deliver the Proof of Ownership through the Electronic Voting System, as detailed in Sub-Clause e, above.

The last date for delivering the position statements is up to 10 days prior to the convening of the Meeting, meaning until June 28, 2026.

A Voting Card that no Proof of Ownership has been attached to it (or, alternatively, the Proof of Ownership has not been delivered through the Electronic Voting System), shall be considered null and void.

**g. An Electronic Voting Card**

As aforementioned, an Unregistered Shareholder is also entitled to vote through the Electronic Voting System. Voting via an Electronic Voting Card shall be allowed up to six hours prior to the convening of the General Meeting (or until an earlier date which shall be determined by the Securities Authority, as long as it is less than 12 hours prior to the convening of the Meeting) (the "**System Lock Date**"). The Electronic Voting may be changed or canceled until the System Lock Date and no one shall be able to change it through the system after this date.

**h. General provisions**

A shareholder may contact the Company's registered office and once he has proved his identity, he may withdraw his Voting Card and Proof of Ownership up to 24 hours prior to the date of the convening of the Meeting.

It should be noted that in accordance with Section 83(d) of the Companies Law, if a shareholder has voted in more ways than one, the later vote shall be counted, while concerning this matter a vote of a shareholder in person or via a proxy shall be considered as a later vote to the vote submitted through the Electronic Voting System.

**i. Reviewing the Voting Cards**

One shareholder or more holding shares at a rate equivalent to five percent or more of the total voting rights in the Company, and a shareholder holding such a percentage out of the total voting rights not held by the Company's controlling shareholder as defined in Section 268 of the Companies Law, is entitled, following the convening of the Meeting, to review the voting cards and voting documents transferred to the Company via the Electronic Voting Systems, as stipulated in Regulation 10 of the Companies Regulations (Voting in Writing and Position Statements), 2005.

**13. Adding an Item to the Agenda**

A shareholder, one or more, who holds at least one percent of the voting rights at the General Meeting, may ask the Board, up to 7 days after the date of the convening of the Meeting, to include an item on the agenda of the General Meeting provided that the item is an appropriate item to be discussed at the General Meeting. If the Board deems such an item as appropriate to be discussed at the General Meeting, the Company shall publish an amended immediate report with an amended Voting Card, as necessary, and this no later than seven days after the last date for submitting a shareholder's request for adding an item to the agenda, as stated above.

**14. Reviewing the Documents**

A copy of this immediate report together with the addendums thereto shall be made available for review at the Company's offices Sunday to Thursday during normal working hours, after prior arrangement by telephone: 04-9900870; and this until the date of the convening of the Meeting, as well as on the Securities Authority's website at the address: [www.magna.isa.gov.il](http://www.magna.isa.gov.il).

Respectfully,

Tefron Ltd.

By: Mr. Ben Lieberman, CEO

and Mr. Gregory Davidson, CFO