

MERGER AGREEMENT

Made and signed in Petach Tikva on December 30, 2014

Between: Strauss Group Ltd.
Public company no. 520003781
Of 49 Hasivim St., Petach Tikva
(Hereinafter: the "**Absorbing Company**")

Of the first part;

And: Strauss Fresh Foods Ltd.
Private company no. 511583387
Of 49 Hasivim St., Petach Tikva
(Hereinafter: the "**Target Company**")

Of the second part;

(The Absorbing Company and the Target Company shall hereinafter jointly be called: the "**Merging Companies**")

Whereas The Target Company is a private company that is wholly-owned (100%) by the Absorbing Company; and

Whereas The Merging Companies wish to merge their operations in such manner that all assets and obligations of the Target Company shall be transferred and granted to the Absorbing Company; and

Whereas The merger is designed for the purpose of streamlining and business and economic reorganization, to allow for the combined management and operation of the Merging Companies, which shall, in the estimate of the Merging Companies, lead to cost savings, savings in management time, enhanced control capabilities over the business operations of the Merged Companies, streamlining of work vis-à-vis suppliers, and streamlining of the organizational system; and

Whereas The Merging Companies view the contemplated merger as a move which serves their goals and is in their best interests; and

Whereas Noting the financial condition of the Merging Companies, there is no reasonable concern that as a result of the merger, the Absorbing Company shall be unable to fulfill its undertakings to its creditors; and

Whereas The merger between the Merging Companies shall be executed in accordance with the provisions of Chapter 1 in Part VIII of the Companies Law, 1999; and

Whereas The Merging Companies wish to execute the merger in accordance with the provisions of sections 103B and 103C of Part 5B of the Income Tax Ordinance (New Version), 1961 (hereinafter: the "**Income Tax Ordinance**") and the regulations enacted thereunder;

NOW THEREFORE, THE PARTIES AGREE AND STIPULATE AS FOLLOWS:

1. Preamble

- 1.1 The Preamble to this Agreement forms an integral part of the Agreement and one of the conditions hereof.
- 1.2 The captions of the clauses are for orientation and convenience only, and do not form part of the Agreement and shall not serve for the purpose of its interpretation.

2. Definitions

In this Agreement, the following terms shall have the meaning set forth beside them:

The " Record Date "	December 31, 2014;
" Legal Proceedings "	Civil, criminal or administrative proceedings in a court of law or in arbitration or in a mediation or conciliation proceeding, or in any judicial or quasi judicial or other administrative instance;
The " Companies Law "	The Companies Law, 1999;
The " Merger Regulations "	The Companies Regulations (Merger), 2000;
The " Suspending Conditions "	The suspending conditions set forth in clause 4 below;
The " Merger Completion Date "	The date of receipt of a certificate from the Registrar of Companies attesting to the execution of the merger between the Merging Companies.

3. The Merger

- 3.1 The merger shall be executed in accordance with the provisions of Chapter 1 in Part VIII of the Companies Law and in accordance with the Merger Regulations.
- 3.2 The merger shall be executed in accordance with the provisions of section 103B and 103C of the Income Tax Ordinance and the regulations enacted thereunder, and the parties shall give notice to the income tax assessor pursuant to the provisions of the Income Tax Ordinance.
- 3.3 Effective as of the Record Date, subject to the fulfillment of all Suspending Conditions and the receipt of all approvals required by law (and without derogating from the provisions of section 323 of the Companies Law):
- 3.3.1 All business operations, assets, liabilities, licenses, permits and agreements of the Target Company, without exception, including future, conditional, known and unknown obligations of any and all kinds (hereinafter: the "**Assigned Assets and Liabilities**") shall be transferred and granted to the Absorbing Company. Without derogating from the generality of the foregoing, the "**Assigned Assets and Liabilities**" – including all assets, fixed assets, rights and shares in investee companies, agreements, rights, obligations and liabilities of any and all kinds, tangible and intangible (including intellectual property and goodwill of any and all kinds), liabilities in respect of shareholders' loans granted to the Target Company, those which are known on the date of signing of this Agreement and those which are unknown, those which have matured and those which have not yet matured. In this context, it is agreed that effective as of the Record Date, any and all liabilities and/or obligations to any person and/or body, including to government authorities of any

and all kinds, relating to the Assigned Assets and Liabilities, whereof the origin and/or cause and/or the underlying facts relate to any date, whether before the Record Date or thereafter, shall apply to the Absorbing Company.

- 3.3.2 The Absorbing Company shall be deemed the Target Company in all legal proceedings, those pending and those which shall occur in the future, whether or not the existence of the underlying facts of such proceedings is known on the date of signing of this Agreement.
- 3.3.3 To the extent that any of the assets of the Target Company are pledged to any third party, the said asset shall be transferred to the Absorbing Company as provided above subject to the charge applying thereto, including registration of such charge in the Absorbing Company's Register of Charges.
- 3.3.4 On the Merger Completion Date, the Target Company shall be dissolved without liquidation, and its name shall be deleted from the Registrar of Companies' books.
- 3.4 The Merging Companies shall cooperate for the purpose of the execution of the merger contemplated hereunder, and in this context shall sign all documents and/or approvals required for the receipt of approval from the Registrar of Companies for the merger in accordance with Chapter 1 in Part VIII of the Companies Law and the Merger Regulations, including but not limited to the merger proposal form, notices to creditors, etc.

4. Suspending Conditions

- 4.1 This Agreement and the performance hereof are conditional upon the fulfillment of the following cumulative conditions, and in accordance with the foregoing it is understood that upon the fulfillment of the said conditions, this Agreement shall enter into effect commencing on the Record Date:
 - 4.1.1 Receipt of the approval of the Board of Directors of each of the Merging Companies.
 - 4.1.2 Receipt of the consent of banks to the transfer of assets and liabilities from the Target Company to the Absorbing Company, to the extent that such consent is required by agreement, as well as any and all other approvals (if any) for the purpose of executing and completing the merger, including approval in accordance with all laws.
 - 4.1.3 Receipt of all approvals required and fulfillment of all conditions for the merger for the purpose of executing and completing the merger in accordance with the provisions of Chapter 1 in Part VIII of the Companies Law, the Merger Regulations and all laws.
- 4.2 The Merging Companies hereby covenant to act in good faith and to perform all acts required for the purpose of the fulfillment of all the Suspending Conditions set forth above.
- 4.3 Where all or any of the Suspending Conditions have not been fulfilled within 12 months from the date of signing of this Agreement (hereinafter: the "**Fulfillment Date of the Conditions**") and the parties have not agreed on the extension of the date as provided in clause 4.4 below, the Agreement shall be null and void without this being deemed a breach hereof and without either party having a right to any relief as a result thereof.

- 4.4 Notwithstanding the provisions of clause 4.3 above, each of the Merging Companies shall be entitled to extend the Fulfillment Date of the Conditions by written notice for a period of up to 24 months from the date of signing of this Agreement.

5. The Consideration

In light of the fact that the Target Company is wholly-owned by the Absorbing Company, no consideration shall be paid by the Absorbing Company or by any other person to the Target Company, directly or indirectly, in respect of the merger contemplated in this Agreement.

6. Taxation

- 6.1 The parties are aware that the execution of the transaction contemplated hereunder does not involve the payment of any taxes, including taxes pursuant to the Income Tax Ordinance and/or the Land Taxation Law and/or the Income Tax Law (Inflationary Adjustments), 1985 (save and except for the liability for 0.5% purchase tax in respect of the real estate properties of the Target Company, which shall be transferred to the Absorbing Company in the framework of the merger), subject to compliance with the provisions of sections 103B and 103S of the Income Tax Ordinance and the regulations enacted thereunder.
- 6.2 In regard to the conditions of the provisions of section 103C of the Income Tax Ordinance, to prevent prejudice to the validity of the merger and to the tax benefits of either party, each party covenants to the counterparty to fully and precisely comply, commencing on the date of signing of this Agreement, with the provisions of Part 5B of the Income Tax Ordinance, including any and all changes which shall occur in the Income Tax Ordinance.

7. Miscellaneous

- 7.1 Until the Merger Completion Date the parties may cancel this Agreement consensually, at any and all times and for any and all reasons. In the case of cancellation of this Agreement as aforesaid, the Agreement shall be null and void without this being deemed a breach hereof and without either party having a right to any relief as a result thereof.
- 7.2 Any modification and/or supplement to this Agreement shall be valid only if made in writing and signed by the parties hereto.
- 7.3 The parties hereby mutually covenant to sign any and all documents and to submit any and all approvals and documents which may be required for the execution of the transaction pursuant to this Agreement.
- 7.4 Unique and exclusive jurisdiction in all matters relating to and/or arising from this Agreement is vested in the competent courts in the district of Tel Aviv and them alone, and no other court shall have jurisdiction.

IN WITNESS WHEREOF THE PARTIES HAVE SIGNED:

Strauss Group Ltd.

Strauss Fresh Foods Ltd.