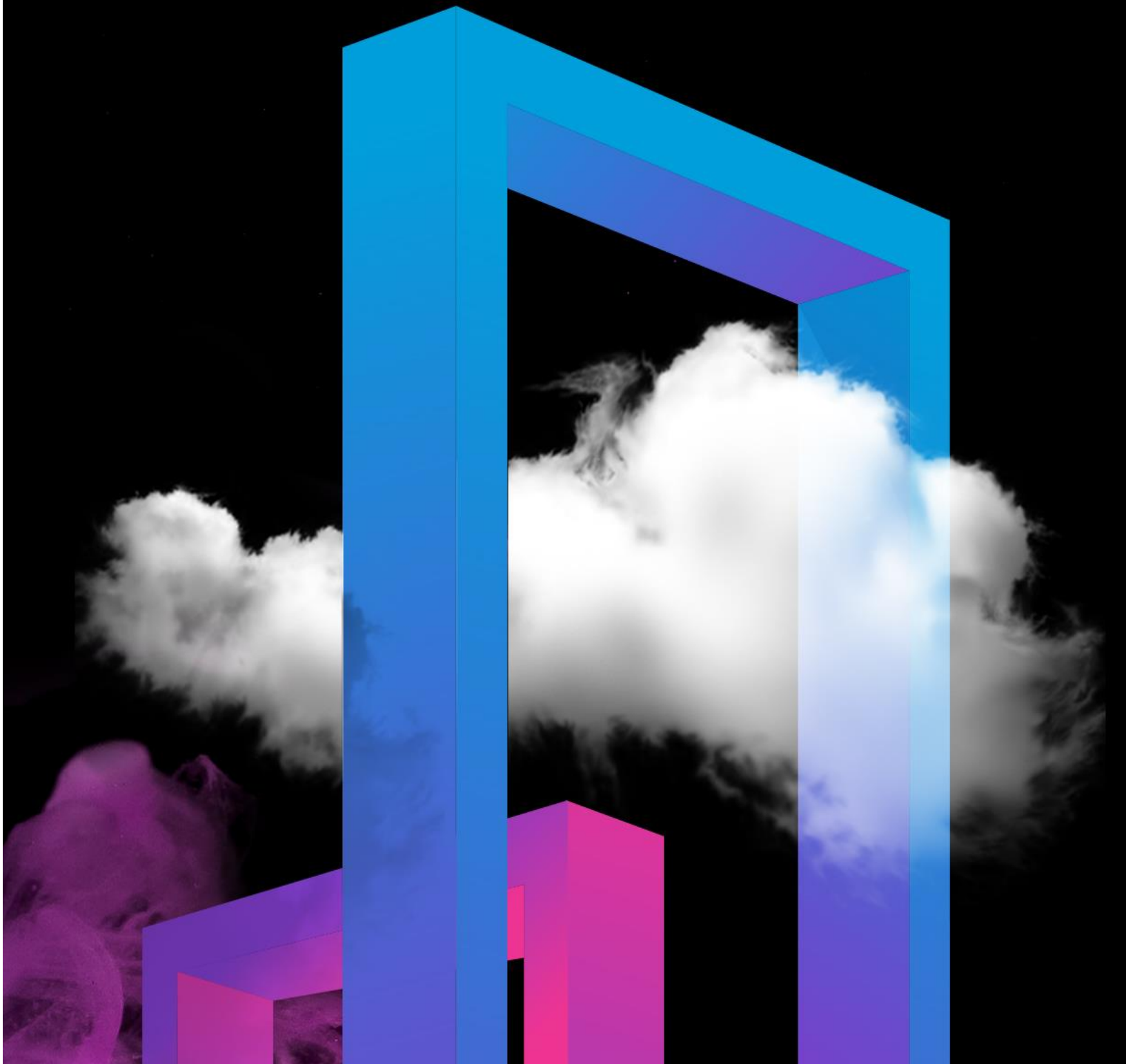


PROXY STATEMENT

2021 Annual General
Meeting of Shareholders

NICE



A large graphic on the left side of the page. It features a vertical rectangular bar with a blue-to-purple gradient. The text "WE ARE NICE" is written in large, white, bold, sans-serif capital letters, centered within the bar.

NICE is a global enterprise software leader, providing cloud platforms for AI-driven business solutions that serve two main markets: Customer Engagement and Financial Crime and Compliance. Our core mission is to transform experiences to be extraordinary and trusted. Our solutions are used by customer service organizations of enterprises of all sizes and verticals, and by compliance and fraud-prevention groups in leading financial institutions, offered in multiple delivery models, including cloud and on-premises.

We help organizations transform customer experiences with solutions aimed at understanding consumer journeys, creating smarter hyper-personalized connections, managing seamless omnichannel interactions and providing digital-centric self-service capabilities. We also help organizations transform their workforce experience with solutions aimed at engaging employees, optimizing operations and automating processes. In the Financial Crime and Compliance market, we protect financial services organizations and their customers' accounts and transactions with solutions that identify risks faster and earlier to prevent money laundering and fraud, as well as ensure compliance in real-time.

NICE is at the forefront of several industry technological disruptions that have greatly accelerated over the course of the recent pandemic: the adoption of cloud platforms by organizations of all sizes and verticals, the shift of consumer and organizational preferences towards digital-centric services and experiences, the growing acceptance of AI, and the need to manage, optimize and engage a diverse and remote workforce. Our suite of integrated portfolio of solutions, based on our unique domain expertise, provide customer experience, financial crime and public safety organizations with industry-leading agility and unmatched innovation that are essential for organizations' success.

2020 was a very successful year for NICE on multiple fronts with a main focus on cloud: we achieved 31% growth in non-GAAP cloud revenue, a 380 basis point increase in non-GAAP cloud gross margin that led to a non-GAAP operating margin of 28.4% and record non-GAAP earnings per share of \$5.73. We also reported cash flow from operations of \$480 million in 2020 and an increase in our recurring revenue to 79% of total revenue in 2020.

NICE LTD.

NOTICE OF 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON April 28, 2021

Notice is hereby given that the 2021 Annual General Meeting of Shareholders (the "Annual General Meeting" or the "Meeting") of NICE Ltd. (the "Company" or "NICE") will be held on Wednesday, April 28, 2021, at 15:00, at the offices of the Company, 13 Zarchin Street, Ra'annana, Israel. Shareholders in the United States are also invited to attend via video conference at our offices at 221 River St, Hoboken, New Jersey. The following items will be voted upon at the Meeting:

1. To elect five (5) non-executive directors to the Board of Directors of the Company;
2. To elect an outside director to the Board of Directors of the Company;
3. To reapprove the Company's Compensation Policy;
4. To approve CEO Equity Plan;
5. To re-appoint the Company's independent auditors and to authorize the Board to set their remuneration; and
6. To discuss the Company's audited annual financial statements for the year ended December 31, 2020.

Approval of matters 1 and 5 above will require the affirmative vote of a majority of the shares present, in person, by proxy or by electronic voting, and voting thereon. Approval of matters 2 through 4 will require the affirmative vote of a majority of the shares present, in person by proxy or by electronic voting, and voting on the matter; provided that either the shares voted in favor of such resolutions include a majority of the shares voted by shareholders who are not "controlling shareholders" and do not have a "personal interest" in such matter pursuant to the requirements and as defined under the Israeli Companies Law, 5759-1999, as amended (the "Israeli Law") or that the total number of shares voted by shareholders who are not "controlling shareholders" and do not have a "personal interest" in such matter, that were cast against such resolutions, do not exceed two percent of the aggregate voting rights in the Company. Matter 6 will not involve a vote of the shareholders.

Shareholders of record at the close of business on March 29, 2021, are entitled to notice of and to vote at the Meeting. All such shareholders are cordially invited to attend the Meeting in person.

Whether or not you plan to attend the Meeting, you are urged to promptly complete, date and sign the enclosed proxy and to mail it in the enclosed envelope, which requires no postage if mailed in the United States.

If your shares are held via the Company's Israeli registrar for trading on the Tel Aviv Stock Exchange, you should deliver or mail (via registered mail) your completed proxy to the offices of the Company at 13 Zarchin Street, Ra'annana, Israel, Attention: Tali Mirsky, Corporate Vice President, General Counsel and Corporate Secretary, together with a proof of ownership (*ishur baalut*), as of the record date issued by your broker. Alternatively, you may vote ordinary shares of the Company electronically

via MAGNA, the electronic voting system of the Israel Securities Authority (the "ISA"), up to six hours before the time fixed for the Meeting. You should receive instructions about electronic voting from your broker.

Return of your proxy does not deprive you of your right to attend the Meeting, to revoke the proxy or to vote your shares in person.

Joint holders of shares should take note that all notices to be given to the shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Shareholders of the Company, and any notice so given shall be sufficient notice to the holders of such share, and furthermore, pursuant to Article 26(d) of the Articles of Association of the Company, the vote of the senior holder of the joint shares who tenders a vote, in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose seniority will be determined by the order in which the names stand in the Register of Shareholders of the Company.

These proposals are described more fully in the enclosed Proxy Statement, which we urge you to read in its entirety. Eligible shareholders may present proper proposals for inclusion in the Meeting by submitting their proposals to the Company within seven (7) days of this Notice. For more information about shareholder proposals, please see Article 18 of the Company's Articles of Association. Should changes be made to any proposal after the mailing of this Proxy Statement, we will communicate the changes to our shareholders through the publication of a press release, a copy of which will be filed with the U.S. Securities and Exchange Commission (the "SEC") on Form 6-K and with the ISA.

Pursuant to the Articles of Association of the Company, a proxy will be effective only if it is received by the Company at least 48 hours prior to the time of the Meeting, or such shorter period as may be determined by the Board of Directors (the "Board") or pursuant to the authorization of the Board, or in the case of shareholders voting ordinary shares of the Company electronically via MAGNA (as described above) at least six hours before the Meeting.

By Order of the Board,

Tali Mirsky
Corporate Vice President, General Counsel and
Corporate Secretary

Date: March 23, 2021

2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS

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NICE LTD.

13 Zarchin Street, Ra'annana, Israel

PROXY STATEMENT

2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS

This Proxy Statement is furnished to the holders of record of ordinary shares or American Depositary Shares (or "ADSs") (collectively, the "Shares") of NICE Ltd. ("NICE" or the "Company") at the close of business on March 29, 2021, in connection with the solicitation by the Board of proxies for use at the 2021 Annual General Meeting of the Shareholders (the "Annual General Meeting" or the "Meeting"), or at any adjournment thereof, pursuant to the accompanying Notice of Annual General Meeting of Shareholders. The Meeting will be held on Wednesday, April 28, 2021, at 15:00, at the offices of the Company, 13 Zarchin Street, Ra'annana, Israel. Shareholders in the United States are also invited to attend via video conference at our offices at 221 River St, Hoboken, New Jersey.

SOLICITATION OF PROXIES

A form of proxy for use at the Meeting and a return envelope for the proxy are enclosed. If a shareholder's Shares are held via the Company's Israeli registrar for trading on the Tel Aviv Stock Exchange, he or she should deliver or mail (via registered mail) his or her completed proxy (or voting instruction card) to the offices of the Company at 13 Zarchin Street, Ra'annana, Israel, Attention: Tali Mirsky, Corporate Vice President, General Counsel and Corporate Secretary, together with a proof of ownership (*ishur baalut*), as of the record date, issued by his or her broker. Alternatively, such a shareholder may vote electronically via MAGNA, the electronic voting system of the Israel Securities Authority (the "ISA"), up to six hours before the time fixed for the Meeting. You should receive instructions about electronic voting from your broker.

Shareholders may revoke the authority granted by their execution of proxies before the effective exercise thereof by filing with the Company a written notice of revocation or duly executed proxy bearing a later date, or by voting in person at the Meeting. However, if a shareholder attends the Meeting and does not elect to vote in person, his or her proxy will not be revoked. Unless otherwise indicated on the form of proxy, if a proxy is properly executed and received by the Company prior to the Meeting, Shares represented by the proxy will be voted in favor of all the matters to be presented at the Meeting, as described above. If a shareholder on the form of proxy makes a specification, the Shares represented thereby will be voted in accordance with such specification. On all matters considered at the Meeting, abstentions of a holder of Shares will be treated as neither a vote "for" nor "against" the matter, although they will be counted in determining if a quorum is present.

Under the terms of the Deposit Agreement among the Company and JP Morgan Chase Bank, N.A., as Depositary, and the holders of the Company's ADSs, the Depositary shall endeavor (insofar as is

practicable and in accordance with the applicable law and the Articles of Association of the Company) to vote or cause to be voted the number of Shares represented by ADSs in accordance with the instructions provided by the holders of ADSs to the Depository. If no instructions are received by the Depository from any holder of ADSs with respect to any of the Shares represented by the ADSs evidenced by such holder's receipts on or before the date established by the Depository for such purpose, the Depository shall vote the Shares represented by such ADSs in accordance with the recommendations of the Board of the Company as advised by the Company in writing, except that the Depository shall not vote that amount of such Shares with respect to any matter with respect to which shareholders are required by law to indicate whether or not they have a personal interest or as to which the Company informs the Depository (and the Company agrees to provide that information as promptly as practicable in writing, if applicable) that (x) the Company does not wish the Depository to vote those Shares, or (y) the matter materially and adversely affects the rights of holders of Shares.

Pursuant to the Articles of Association of the Company, a proxy will be effective only if the Company receives it at least 48 hours prior to the time of the Meeting, or such shorter period as may be determined by the Board or pursuant to the authorization of the Board, or in the case of shareholders voting electronically via MAGNA (as described above) at least six hours before the Meeting.

For information relating to the compensation of our five most highly compensated office holders with respect to the year ended December 31, 2020, please see "Item 6. Directors, Senior Management and Employees – B. Compensation – Executive Officer and Director Compensation" in our Annual Report for 2020 on Form 20-F, which was filed with the SEC on March 23, 2021 (the "Annual Report").

In accordance with the Israeli Law and regulations promulgated thereunder, any shareholder of the Company may submit to the Company a position statement on its behalf, expressing its position on an agenda item for the Meeting to NICE Ltd., 13 Zarchin Street, Ra'annana, Israel, Attn.: Tali Mirsky, Corporate Vice President, General Counsel and Corporate Secretary, no later than ten (10) days prior to the Meeting date. Any position statement received in accordance with the applicable regulations will be filed on a Current Report on Form 6-K with the SEC and the ISA.

RECORD DATE; OUTSTANDING VOTING SECURITIES; VOTING RIGHTS

Only shareholders of record at the close of business on March 29, 2021, will be entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof. On March 8, 2021 the Company had 74,774,827 issued Shares, out of which 63,121,441 are outstanding and 11,653,386 are treasury shares held by the Company. Two or more persons, each being a shareholder, a proxy for a shareholder or a representative of a corporation, holding together Shares conferring in the aggregate at least 25% of the voting power of the Company, present in person or by proxy and entitled to vote, will constitute a quorum at the Meeting.

SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS

The following table sets forth, as of the dates specified below, the number of Shares owned beneficially by all persons known to us to beneficially own more than 5% of the Company's outstanding Shares.

Name	Number of Shares	Percent of Shares Beneficially Owned ⁽¹⁾
Capital Research Global Investors	5,943,322 ⁽²⁾	9.4%
FMR LLC	4,150,204 ⁽³⁾	6.6%
Artisan Partners Limited Partnership	3,566,858 ⁽⁴⁾	5.6%
BlackRock, Inc.	3,359,464 ⁽⁵⁾	5.3%

- (1) Based upon 63,121,441 ordinary shares issued and outstanding as of March 8, 2021.
- (2) The information is based upon a Schedule 13G filed with the SEC by Capital Research Global Investors ("CRGI") on February 16, 2021. CRGI reported that more than 5% of the shares were owned on behalf of EuroPacific GrowthFund
- (3) The information is based upon a Schedule 13G filed with the SEC by the reporting persons on February 8, 2021. FMR LLC and Abigail Johnson reported that these shares are held through certain specified entities.
- (4) The information is based upon a Schedule 13G filed with the SEC by Artisan Partners Limited Partnership on February 10, 2021.
- (5) The information is based upon a Schedule 13G filed with the SEC by BlackRock, Inc. on February 5, 2021.

CORPORATE GOVERNANCE

Introduction

We strongly believe that high standards of corporate governance benefits our shareholders, directors, executive officers and employees and is essential to our long-term business success. For this reason, we devote considerable time and resources to ensure (i) we have an effective corporate governance structure; (ii) our corporate and compensation policies reflect our values and business goals and are aligned with the interests of our shareholders; and (iii) we are operating in a way that is honest, ethical and transparent.

Director Independence

All our Committees of the Board are comprised solely of independent directors. The independence of each director is reviewed at least annually. During these reviews, the Board considers transactions and relationships between each director (and his or her immediate family and affiliates) and our Company and its management to determine whether any such transactions or relationships are inconsistent with a determination that the director is independent. This review is based primarily on responses of the directors to questions in a directors' and officers' questionnaire regarding employment, business, familial, compensation and other relationships with us and our management.

The Board has determined that all of the directors that currently serve and that will serve on the Board following the Annual General Meeting meet the independence requirements pursuant to both NASDAQ rules and the Israeli Law.

As required pursuant to NASDAQ rules, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Board and Board Committees

Under our Articles of Association, the Board must consist of 3 to 13 directors (including at least two statutory "outside directors"). Our Board currently consists of 8 persons, 3 of which are outside directors. All three outside directors meet strict qualification requirements pursuant to the Israeli Law. Mr. David Kostman is currently acting as Chairman of the Board.

The Board has five standing committees: Audit Committee, Internal Audit Committee, Compensation Committee, Nominating Committee and Mergers and Acquisitions Committee. The following table provides membership information for each Board committee as of the date of this Proxy Statement:

Name	Audit Committee	Internal Audit Committee	Compensation Committee	Nominating Committee	Mergers & Acquisitions Committee
David Kostman	Member			Member	Chair
Rimon Ben-Shaoul	Chair				Member
Dan Falk	Member*	Member	Chair	Member	Member
Yocheved (Yochi) Dvir	Member*	Chair	Member		
Yehoshua (Shuki) Ehrlich					Member
Leo Apotheker			Member		Member
Joseph (Joe) Cowan			Member		Member
Zehava Simon	Member	Member	Member		

* Accounting & Financial Expert

Members will serve on these standing committees until their resignation or until otherwise determined by the Board.

Board Practices

Pursuant to the Israeli Law, at least one member of the Board must be an “accounting and financial expert” and all outside directors must be “professionally qualified.” Under NASDAQ rules, each member of our Audit Committee must be financially literate and at least one of the members must have experience or background that results in such member’s financial sophistication. Our Board of Directors has determined that each of Dan Falk and Yocheved Dvir is an “accounting and financial expert” for purposes of the Israeli Law and is financially sophisticated for purposes of applicable NASDAQ rules. In addition, each of the Audit Committee members is financially literate and all outside directors are professionally qualified.

All directors, other than the outside directors, are elected at each annual shareholders' meeting to serve until the next annual meeting. The outside directors are elected each time for a three-year period as required pursuant to the Israeli Law.

Our corporate governance practices are overseen by the Board and the Board Committees. All of our Board committees are headed by an independent director, that is also an outside director, as required pursuant to the Israeli Law.

Our Board and its committees meet regularly throughout the year on a set schedule and hold special meetings as needed. In 2020, all members of the Board participated in at least 94% of the Board and Board committee meetings held during the year, with an average participation rate of 98%.

Our directors are generally entitled to review and retain copies of our documentation and to receive assistance and consultation from outside experts, as required to perform their duties as directors.

Board Oversight

- The Board reviews relevant aspects of risk management of our operations and business strategy and Board Committees review risk in their areas of expertise.
- Our Audit Committee operates under a formal charter and oversees our accounting and financial reporting processes and the audit of our financial statements and assists our Board of Directors in monitoring our financial systems and legal and regulatory compliance. The Audit Committee assists the Board with the oversight of our financial reporting, independent auditors and internal controls.
- The Audit Committee also reviews our financial risk management policies, including our investment guidelines, financings and foreign exchange and currency hedging, as well as other financial transactions.
- The Internal Audit Committee oversees our internal audit function, as well as policies and practices for legal, regulatory and internal compliance (other than regarding financial reporting) and reviews policies and practices that may impact our reputation and risk management.
- The Internal Audit Committee oversees the implementation and enforcement of our company-wide compliance program, that includes our Code of Ethics and Business Conduct, Anti-bribery and Corruption Policy, Insider Trading Policy and Whistleblower Procedures. The full text of our Code of Ethics and Business Conduct is available on our website at <http://www.nice.com> under the “Corporate Responsibility” web page.

- The Compensation Committee oversees compensation, retention, succession and other human resources-related issues and risks.
- The Nominating Committee recommends candidates for election to our Board pursuant to a written charter and observes set procedures in identifying and evaluating candidates for election to the Board.
- A more detailed description of the responsibilities of each standing committee are described in the Annual Report.

Corporate Governance Practices and Compensation

We maintain a high level of corporate governance practices. Below is a summary of the main governance practices and policies related to compensation, that our Board believes help advance our goals and protect the interests of our shareholders.

- Our Compensation Committee is (and must be) comprised of at least three members of our Board, all of whom are (and must be) independent.
- We adopted a Compensation Policy that sets the framework and requirements (including limits) relating to directors' and executives' compensation, and we review this policy at least once a year, including review of peer group comparable data, and require our shareholders to approve such policy at least once every three years (for more information refer to Item 3 of this Proxy Statement).
- We believe the compensation of our executives approved pursuant to our Compensation Policy is balanced and provides the appropriate incentive for delivery of both short-term and long-term shareholder value.
- We base a significant portion of the compensation of our executives on performance.
- We have a cap for annual equity-based compensation of both our Board members and executives pursuant to the Compensation Policy, and as approved in advance by our shareholders from time to time.
- We have a cap for annual cash bonus payments of our executives pursuant to the Compensation Policy.
- We have a claw-back policy for our directors and executives.
- We apply a double-trigger requirement for acceleration of executive equity awards upon a change of control or other corporate transaction.
- We reduced the scope of the authorized pool under our equity-based incentive plan.
- We prohibit short sales by executive officers and members of the Board, as required pursuant to our Insider Trading Policy.

ITEM 1

ELECTION OF DIRECTORS (EXCLUDING “OUTSIDE DIRECTORS”)

Under the Company’s Amended and Restated Articles of Association, the Board is to consist of not less than three (3) and not more than thirteen (13) directors. Directors of the Company, other than outside directors, are elected at each annual general meeting of shareholders. At the Meeting, shareholders will be asked to elect five (5) members to the Board, aside from the three (3) outside directors of the Company. All the nominees for election qualify as “independent directors” under the NASDAQ listing rules and Israeli Law and regulations, as discussed below.

The Company’s Board wishes to be comprised of a balanced combination of experienced directors who are familiar with the Company’s business and practices, namely: Messrs. David Kostman and Rimon Ben-Shaul, and members who provide industry acumen and expertise and bring global perspectives to the Board, namely: Messrs. Yehoshua (Shuki) Ehrlich, Leo Apotheker and Joseph (Joe) Cowan. In addition, we have three outside directors, appointed as mandated by the Israeli Law, namely: Mr. Dan Falk, Ms. Yocheved Dvir and Ms. Zehava Simon. Mr. Falk and Ms. Dvir were elected for an additional three-year term at the 2019 annual general meeting of the Company, and Ms. Simon is standing for reelection this year, as further detailed in Item 2 of this Proxy Statement. This combination positions the Board with the right balance for addressing the next challenges the Company may face and ensures its continued success by maintaining stability during these times of uncertainty.

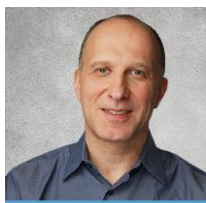
As aforementioned, the Company’s Board is currently comprised of eight (8) directors, including three (3) outside directors. The Company’s Nominating Committee, Internal Audit Committee and Board have proposed the following five (5) nominees as the slate of directors (besides the three outside directors) to be elected at the Meeting to serve as directors of the Company until the next annual general meeting of the shareholders, or until termination of office according to the Company’s Articles of Association and applicable law: Messrs. David Kostman (Chairman), Rimon Ben-Shaul, Yehoshua (Shuki) Ehrlich, Leo Apotheker and Joseph (Joe) Cowan.

The current cash compensation terms of our non-executive directors were approved at the 2015 annual general meeting of shareholders. Accordingly, each non-executive director, including each outside director, is entitled to an annual fee of \$40,000 and a meeting attendance fee of \$1,500 for each Board meeting attended, and \$1,000 for each Board committee meeting attended (in each case paid in US dollars or in NIS based on the exchange rate on the date of the approval by shareholders), subject to additional value added tax, as applicable. In addition, in 2012, our shareholders approved a supplemental annual cash fee for the Chairman of the Board in the amount of NIS 450,000 (equivalent to approximately \$136,000), subject to adjustment for changes in the Israeli consumer price index after September 2012. Also, each director of the Company is covered by the Company’s current directors’ and officers’ liability insurance policy, as approved by the shareholders, and directors and officer’s indemnification of up to the maximum amount permitted by law, all in accordance with any applicable, the Company’s Articles of Association and Compensation Policy. In addition, our non-executive directors are entitled to an annual equity-based award, as approved by our shareholders and pursuant to the terms of the Company’s Compensation Policy. In 2020, the actual grant date value attributed to the 2020 equity grants, calculated as of the date of the 2020 annual general meeting, was US\$250,000

with respect to each of our directors (other than the Chairman) and US\$750,000 with respect to our Chairman.

None of the nominated directors have any relationship with the Company. **Our Nominating Committee, Internal Audit Committee and Board determined that all of the nominees qualify as “independent directors,” as defined by the NASDAQ listing rules and pursuant to regulations under the Israeli Law.**

The following information is supplied with respect to each director nominated and recommended to be elected by the Board of the Company and is based upon the records of the Company and information furnished to it by the nominees.



David Kostman has served as one of our directors since 2001 (with the exception of the period between June 2007 and July 2008), and as our Chairman of the Board since February 2013. Mr. Kostman is currently co-CEO and board member of Outbrain, Inc. and serves on the board of directors of ironSource Ltd. and Tivit S.A. Mr. Kostman is also a former board member of publicly traded Retalix Ltd. (acquired by NCR). From 2006 until 2008, Mr. Kostman was a Managing Director in the investment banking division of Lehman Brothers, heading the Global Internet Group. From April 2003 until July 2006, Mr. Kostman was Chief Operating Officer and then Chief Executive Officer of Delta Galil USA, a subsidiary of publicly traded Delta Galil Industries Ltd. From 2000 until 2002, Mr. Kostman was President of the International Division and Chief Operating Officer of publicly traded VerticalNet Inc. Prior to that Mr. Kostman worked in the investment banking divisions of Lehman Brothers from 1994 to 2000, focusing on the technology and Internet sectors, and NM Rothschild & Sons from 1992 to 1993, focusing on mergers and acquisitions and privatizations. Mr. Kostman holds a Bachelor's degree in Law from Tel Aviv University and a Master's degree in Business Administration from INSEAD.



Rimon Ben-Shaoul has served as one of our directors since September 2001. Between 2001 and 2005, Mr. Ben-Shaoul has served as Co-Chairman, President, and Chief Executive Officer of Koonras Technologies Ltd., a technology investment company controlled by LEADER Ltd., an Israeli holding company. Since 2002 Mr. Ben-Shaoul serves as Chairman of Grand AutoMotive LLP. Mr. Ben-Shaoul also served as a director of MIND C.T.I. Ltd., BVR Systems Ltd. and several private companies. In addition, he served as the President and Chief Executive Officer of Polar Communications Ltd., which manages media and communications investments. Mr. Ben-Shaoul also served as the Chairman of T.A.T Technologies Ltd., a public company listed on NASDAQ and TASE. Between 1997 and 2001, Mr. Ben-Shaoul was the President and Chief Executive Officer of Clal Industries and Investments Ltd., one of the largest holding companies in Israel with substantial holdings in the high-tech industry. During that time, Mr. Ben-Shaoul also served as Chairman of the Board of Directors of Clal Electronics Industries Ltd., Scitex Corporation Ltd., and various other companies within the Clal Group. Mr. Ben-Shaoul also served as a director of ECI Telecom Ltd., Fundtech Ltd., Creo Products, Inc. and Nova Measuring Instruments Ltd. From 1985 to 1997, Mr. Ben-Shaoul was President and Chief Executive Officer of Clal Insurance Company Ltd. and a director of the company and its various subsidiaries. Mr. Ben-Shaoul holds a Bachelor's degree in Economics and Statistics and a Master's degree in Business Administration, both from Tel-Aviv University.



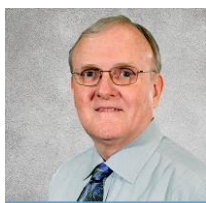
Yehoshua (Shuki) Ehrlich has served as one of our directors since September 2012. Mr. Ehrlich is an active social investor, serving as Chairman of "Committed to Give", a group formed by Israeli social investors for promoting philanthropy in Israel and several other social organizations. Mr. Ehrlich also serves as a board member of the American Joint Distribution Committee and a board member of AfterDox, an angels' investment group. Between the years 2000 and 2010, Mr. Ehrlich served as

Managing Director at Giza Venture Capital, where he focused on the communications, enterprise software and information technology sectors. Additionally, Mr. Ehrlich had a fifteen-year career with Amdocs, a public software company specializing in billing, CRM, order management systems for telecommunications and Internet service providers. In his last role at Amdocs, Mr. Ehrlich served as Senior Vice President of Business Development. Mr. Ehrlich holds a Bachelor of Science in Mathematics and Computer Science from the Tel Aviv University.



Leo Apotheker has served as one of our directors since August 2013. Mr. Apotheker is the Co-Chief Executive Officer of Burgundy Technology Acquisition Corp. Mr. Apotheker was the Managing Partner and co-founder of Efficiency Capital SAS, a growth capital advisory firm, from 2012 to 2014. From 2010 to 2011, Mr. Apotheker served as Chief Executive Officer of Hewlett Packard. From 2008 to 2010, he served as Chief Executive Officer of SAP AG. In addition, he is currently chairman of the

board of Unit4, a leading Dutch software company, Burgundy Technology Acquisition Corp. and Synchron AB, Vice Chairman and Lead Director of Schneider SE, and a member of the board of MercuryGate, P2 Energy Services and Taulia Inc. Mr. Apotheker holds a Bachelor's degree in Economics and International Relations from the Hebrew University of Jerusalem.



Joe Cowan has served as one of our directors since August 2013. From October 2013 until September 2017, Mr. Cowan was the CEO and director of Epicor. Since January 2021, Mr. Cowan has been a director of Drishti Technologies, Inc. and of Auburn University Foundation. Since September 2016 Mr. Cowan has been a director of ChannelAdvisor, Inc. and since January 2019 the Chairman of the Board of SAI Global a private company owned by Baring Private Equity Asia. During 2013, Mr.

Cowan also served as President of DataDirect Networks, Inc. From 2010 until 2013, Mr. Cowan served as the Chief Executive Officer and President of Online Resources Corp. During 2009, he served as an Operating Executive and Consultant at Vector Capital. From 2007 to 2009, Mr. Cowan served as the Chief Executive Officer of Interwoven Inc. From 2004 to 2006, Mr. Cowan served as the President and Chief Executive Officer of Manugistics Inc. and Manugistics Group Inc. Prior to that, Mr. Cowan served in various senior executive positions, including as the Chief Operating Officer of Baan Co. NV and Avantis GOB NV. He has been a Director of DataDirect Networks, Inc. between 2011 and February 2013. Mr. Cowan has also served on the boards of various publicly traded companies, including ChannelAdvisor Inc., Interwoven Inc., Online Resources Corporation, Manugistics Group Inc. and Blackboard Inc., as well as several private companies. Mr. Cowan holds an M.S. degree in Electrical Engineering from Arizona State University and holds a B.S. degree in Electrical Engineering from Auburn University.

It is proposed that at the Meeting the following resolutions be adopted:

- 1.A. “**RESOLVED**, that Mr. David Kostman be elected to serve as a member of the Board of the Company until the next annual general meeting of the Company, effective immediately.”
- 1.B. “**RESOLVED**, that Mr. Rimon Ben-Shaoul be elected to serve as a member of the Board of the Company until the next annual general meeting of the Company, effective immediately.”
- 1.C. “**RESOLVED**, that Mr. Yehoshua (Shuki) Ehrlich be elected to serve as a member of the Board of the Company until the next annual general meeting of the Company, effective immediately.”
- 1.D. “**RESOLVED**, that Mr. Leo Apotheker be elected to serve as a member of the Board of the Company until the next annual general meeting of the Company, effective immediately.”
- 1.E. “**RESOLVED**, that Mr. Joseph (Joe) Cowan be elected to serve as a member of the Board of the Company until the next annual general meeting of the Company, effective immediately.”

Required Vote

The affirmative vote of the holders of a majority of the Shares present, in person or by proxy (or, with regards only to Shares held in Tel Aviv Stock Exchange by electronic voting), and voting on the matter, is required for the approval of the election of each nominee.

The Board recommends a vote FOR the approval of each of the proposed resolutions.

ITEM 2

ELECTION OF AN OUTSIDE DIRECTOR

Pursuant to the requirements under the Israeli Law the Company should appoint at least two outside directors, and the outside directors are elected by the shareholders for three-year terms. All of the outside directors of a company must be members of its internal audit committee and compensation committee, and each other committee of a company's board of directors that is authorized to exercise powers of the Board must include at least one outside director. The Company has fully complied with these requirements.

The Company currently has three outside directors. Mr. Dan Falk and Ms. Yocheved Dvir were elected for an additional three year term by the shareholders of the Company at the Annual General Meeting that took place on September 18, 2019. Ms. Zehava Simon was elected as an additional outside director for a three year term by the shareholders of the Company at the Annual General Meeting that took place on May 14, 2018. Our nominating committee, Internal Audit Committee and Board resolved to recommend that our shareholders elect Ms. Zehava Simon as an outside director for an additional term of three years.

To qualify as an outside director, an individual may not have, and may not have had at any time during the previous two years, any affiliations with the Company or its "affiliates," as such terms are defined in the Israeli Law. In addition, no individual may serve as an outside director if the individual's position or other activities create or may create a conflict of interest with his or her role as an outside director. The Company's Internal Audit Committee has determined that Ms. Simon fully meets these qualifications.

Ms. Simon, as an outside director, shall be entitled to receive compensation identical to that granted to the other non-executive directors from time to time, namely, the annual and per meeting fees, equity grants, as well as directors and officers indemnification and liability insurance, as previously approved at our annual general meetings of shareholders, and as will be amended or approved from time to time. See Items 1 and 3 herein for details regarding the cash and equity-based compensation and liability insurance of the Company's non-executive directors, including outside directors. Changes from time to time in the aforementioned compensation terms during a term of service as an outside director shall be in accordance with applicable laws and regulations.

A brief biography of Ms. Simon is set forth below:



Zehava Simon has served as one of our outside directors since July 2015. Zehava Simon has served as one of our outside directors since July 2015. Ms. Simon served as a Vice President of BMC Software Inc. from 2000 until 2013, most recently as Vice President of Corporate Development. From 2002 to 2011, Ms. Simon also served as Vice President and General Manager of BMC Software in Israel. Prior to that, Ms. Simon held various positions at Intel Israel, which she joined in 1982, including acting as leader of Finance and Operations and Business Development for Intel in Israel. Ms. Simon is currently a board member of Audiocodes Ltd. and Nova Measurements, both public companies traded on NASDAQ and TASE. Ms. Simon is a former member of the board of directors of Insightec Ltd., M-Systems Ltd. (acquired by SanDisk Corp.), Tower Semiconductor Ltd. and Amiad Water Systems, a public company traded on the London Stock Exchange. Ms. Simon holds a B.A. in Social Sciences

from the Hebrew University, Jerusalem, a law degree (LL.B.) from the Interdisciplinary Center in Herzliya and an M.A. in Business and Management from Boston University.

It is proposed that at the Meeting the following resolution be adopted:

“RESOLVED, that Ms. Zehava Simon be elected to a three-year term as outside director of the Company, effective as of July 9, 2021.”

Required Vote

Under the Israeli Law, the election of an outside director requires the affirmative vote of a majority of the shares present, in person or by proxy, and voting on the matter; provided that the shares voted in favor of the election include at least a majority of the shares voted by shareholders who are not “controlling shareholders” and do not have a “personal interest”, except for personal interest that is not a result of such shareholders relation to the “controlling shareholders” in such matter pursuant to the requirements and as defined under the Israeli Law.

The Israeli Law requires that each shareholder voting on the proposed resolution indicate whether or not the shareholder is a controlling shareholder or has such a personal interest in the proposed resolution. Otherwise, the votes of such shareholder may not be counted.

Under the Israeli Law, a “personal interest” of a shareholder (i) includes a personal interest of any members of the shareholder’s family (or spouses thereof) or a personal interest of an entity with respect to which the shareholder (or such family member) serves as a director or chief executive officer, owns at least 5% of its outstanding share capital or voting power or has the right to appoint a director or chief executive officer and (ii) excludes an interest arising solely from the ownership of our Shares.

To avoid confusion, in the enclosed form of proxy card, we refer to such a personal interest as a “personal benefit or other interest.” The proxy card includes a box you can mark to confirm that you are not a controlling shareholder and do not have a personal interest in this matter. If you do not mark this box, your vote will not be counted. If you are unable to make this confirmation, please contact the Company's Corporate Secretary and General Counsel, at +972-9-775-3199 or tali.mirsky@nice.com for instructions on how to vote your Shares represented by your ADSs and indicate that you are a controlling shareholder or have a personal interest or, if you hold your ADSs in “street name,” you may also contact the representative managing your account, who would then contact us on your behalf. Shareholders who hold their shares through banks, brokers or other nominees that are members of the TASE should indicate whether or not they are a controlling shareholder or have a personal interest on the form of voting card that we have filed via MAGNA (if voting manually) or on the electronic voting form (if voting electronically via MAGNA).

The Board recommends a vote FOR approval of the proposed resolution.

ITEM 3

REAPPROVAL OF COMPENSATION POLICY FOR EXECUTIVES AND DIRECTORS

Pursuant to the Israeli Law, we are required to adopt a policy governing the compensation of executives and directors (or "Office Holders"¹) (the "Compensation Policy"). In general, according to the Israeli Law, the Compensation Policy is required to be recommended for approval by the Compensation Committee, followed by the approval of the Board and finally by the shareholders of the Company (by a special majority).

As required pursuant to the Israeli Law, the Company's Compensation Policy serves as the framework for decisions concerning the terms of employment or engagement of executives and directors, and is based upon certain principles, including advancement of the Company's objectives, business plan and long-term strategy, and the creation of appropriate incentives for our Office Holders.

As a leading global software company, with an extensive worldwide presence and a majority of executives (including the Chief Executive Officer or "CEO") residing in the US, the Company is required to maintain a compensation framework and practices that are in line with those of its peers in order to be competitive in its pursuit of the best talents. Unlike the Company's peers, that are not subject to the requirements of the Israeli Law, the Compensation Policy imposes forward looking limitations on our Board's authority to approve executive compensation, including setting a maximum cap upon each compensation component. Any deviation from the limitations set forth under the Company's Compensation Policy would require the specific approval of the Company's shareholders in advance, and therefore the limits set under the Compensation Policy must provide our Board with appropriate authority to determine the compensation terms for our executives.

The Compensation Policy is required to be reviewed from time to time by the Compensation Committee and the Board, in order to consider its adequacy, and must be reapproved in accordance with the above-mentioned approval process at least once every three years.

In order to evaluate the Compensation Policy relative to the Company's needs, our Compensation Committee and Board analyzed the Company's experience in implementing the existing Compensation Policy, and reviewed benchmark information relating to the compensation of executive officers of peer group companies that is based on (i) surveys conducted in 2019 by Radford, an international compensation surveying company, targeting software companies on a global basis; and (ii) the Peer Group Study (as defined below).

In light of the substantial growth of the Company and changes in the Company's business in recent years, as well as changes in the business of the companies which have been previously identified as our peers, our Compensation Committee and Board have conducted a review and comprised an updated peer group, which better applies to our Company's characteristics as of today. The Peer Group Study includes 15 peer group companies as detailed below (the "Peer Group"). The Peer Group is

¹ The Israeli Companies Law defines the term "office holder" of a company to include a director, the chief executive officer, the chief operating officer, a vice president and any officer of the company who is directly subordinate to the chief executive officer.

comprised of software technology companies that are global and publicly traded, and that are generally comparable to the Company in terms of revenues and market cap (the “Peer Group Study”).

Citrix Systems, Inc.	Pegasystems, Inc.
Fiserv, Inc.	PTC, Inc.
Five9, Inc.	RingCentral, Inc.
Guidewire Software, Inc.	Splunk, Inc.
MongoDB, Inc.	Anaplan, Inc.
Nuance Communications, Inc.	Snowflake, Inc.
Okta, Inc.	Paycom Software, Inc.
Check Point Software Technologies Ltd.	

The Compensation Committee and the Board reviewed the Company's Compensation Policy, as well as the comparison to compensation policies of other large global Israeli companies (that are also subject to the Israeli Law) and the actual compensation practices of the Peer Group. The Compensation Committee and Board concluded that our Compensation Policy and our compensation practices provide a very high standard of corporate governance and are aligned with the Company's pay to performance philosophy. The Compensation Committee and the Board evaluated the framework required for appropriately incentivizing the Company's executives, after taking into consideration the significant growth of the Company over the last few years (as further described in Item 4 in this Proxy Statement), and determined that our current Compensation Policy in the form approved by our shareholders in 2015 by a vast majority (and as amended thereafter by our shareholders, including the amendments approved by our shareholders at the 2019 and 2020 Annual General Meeting of Shareholders), **should be reapproved in its current form without presenting any amendments**, all as reflected in Exhibit "A".

The Compensation Committee and Board believe that the Compensation Policy in its current form, provides the right balance between setting a clear framework and boundaries for executive compensation, while addressing the increasing competitive environment for talent in the Company's industry. The Compensation Policy aligns the interests of the executive officers and non-executive directors of the Company with the long-term growth of the Company and our shareholders' interests, and is adequate to allow successful execution of the currently contemplated strategic plans of the Company.

Below is a summary of the key elements of the Company's compensation practices, that our Compensation Committee and Board believe help align the interests of our Office Holders with those of our shareholders.

Key Principles:
✓ Review of the Compensation Policy at least annually to ensure its compliance with applicable laws and regulations, market practices, and its conformity with the Company's targets and strategy.
✓ Completely independent Compensation Committee comprising of at least three members.

✓ Executive compensation that balances performance targets and time horizons through rewarding business results, long-term performance and strategic decisions.
✓ Regular review of executive compensation.
✓ Review of applicable benchmark information when making decisions relating to executive compensation.
✓ Require that the variable compensation of executives include a significant performance-based element.
✓ Large part of our executive compensation is performance-based, with annual and long-term incentive targets based on objective performance measures.
✓ Cap on annual equity-based compensation of both our Board members and executives.
✓ Cap on annual cash bonus payments of our executives.
✓ Executive annual equity grant must comprise of at least 40% performance-based criteria.
✓ Double-trigger requirement for acceleration of executive equity awards upon a change of control or other corporate transaction.
✓ Reduced authorized pool under our equity-based incentive plan.
✓ Significantly reduced the dilution levels over the last few years and are committed to maintaining dilution levels below the 10% threshold.
✓ Prohibition on short sales by executive officers and members of the Board.
✓ Claw-back policy.

It is proposed that at the Meeting the following resolution be adopted:

“**RESOLVED**, that the Compensation Policy, in the form attached as Exhibit A to the Company’s Proxy Statement, be, and it hereby is, reapproved.”

Required Vote

Under the Israeli Companies Law, approval of a compensation policy or an amendment thereto, requires the affirmative vote of a majority of the shares present, in person or by proxy, and voting on the matter; provided that either (i) the shares voted in favor include a majority of the shares voted by shareholders who are not “controlling shareholders” and do not have a “personal interest” in such matter pursuant to the requirements and as defined under the Israeli Companies Law; or (ii) that the total number of Shares voted by shareholders who are not “controlling shareholders” and do not have a “personal interest” in such matter against such resolution does not exceed two percent of the outstanding Shares.

The Israeli Companies Law requires that each shareholder voting on the proposed resolution indicate whether or not the shareholder is a controlling shareholder or has a personal interest in the proposed resolution. Otherwise, the votes of such shareholder may not be counted. For a discussion of personal interests and voting procedures with respect thereto, please see Item 2 above, under the caption “Required Vote”.

The Board recommends a vote FOR approval of the proposed resolution.

ITEM 4

CEO EQUITY PLAN

Mr. Eilam has served as our Chief Executive Officer ("CEO") since 2014 and has led the Company to tremendous growth and outstanding financial performance, resulting in an increase in shareholder value by over 600% since he became our CEO. Mr. Eilam's leadership has played a key factor in the Company's success, utilizing his intimate understanding of the Company's business and markets to guide the Company's strategy, and his management and leadership skills to push the Company to an excellent level of execution of its strategic vision.

Mr. Eilam's annual base salary is \$750,000 and his target annual bonus is 100% of his annual base salary. In addition, each year the Company provides Mr. Eilam with an annual equity award. In 2018, the shareholders approved a three-year framework for annual equity awards to our CEO, which has come to an end and is now being brought before our shareholders for extension for an additional three year term. Pursuant to the Companies Law, the compensation terms of our CEO are generally required to be approved by the Compensation Committee, the Board and the shareholders of the Company.

The Company is not requesting to make any changes to the regular annual CEO compensation package.

Annual Equity Award Framework

Our Compensation Committee and our Board recommend to our shareholders, to extend the equity award framework previously approved for 2018 through 2020, for another three-year period beginning as of 2021 (the "Award Framework"). Under the extended Award Framework, our Compensation Committee and Board may approve annual equity-based grants for Mr. Eilam for each of the years 2021 to 2023 pursuant to the terms of the Award Framework, without the need for further approval by the Company's shareholders.

Any award approved by our Compensation Committee and Board, to be granted under the Award Framework, shall be consistent with the terms of the Compensation Policy. The Compensation Policy sets a maximum cap for equity awards to the CEO, which is based on a defined percentage of the issued and outstanding ordinary shares of the Company and is further capped by an absolute dollar value, should the Company's market cap exceed \$12 billion (which the Company has already significantly exceeded since the adoption of such caps in 2019). In addition, the Award Framework shall be subject to the Company remaining below the 10% dilution threshold.

The annual equity awards to be granted under the Award Framework shall be consistent with the Company's practice over the last few years, as detailed below:

- The structure (including the performance criteria) will be determined each year by our Compensation Committee and Board and will be set according to the principles described below, consistent with the Company's Compensation Policy and with our equity grant strategy for executive officers.
- The annual grants will consist of restricted share units ("RSUs"), with at least 40% of the RSUs being subject also to performance-based vesting criteria ("PRSUs").

- The RSUs shall vest in four equal annual installments over a period of four years, beginning upon the first anniversary of the date of their approval by the Board (and with respect to the PRSUs – also conditioned upon the achievement of the performance criteria set therefor).
- The performance criteria of the PRSUs shall be based on year-over-year improvement of the Company's financial performance, based on financial performance criteria which the Compensation Committee and Board shall determine to be appropriate performance metrics at such time for measuring the Company's achievements and for continued long-term creation of shareholder value (e.g. for 2021 the financial performance criteria are based on a certain combination of year-over-year growth of operating income per share and of revenues relative to a base line of the 2020 financial results).
- The year-over-year rate of improvement which will be required in order to achieve the performance vesting criteria shall be binary for the entire amount of PRSUs, so that there is no partial achievement with respect to the performance criteria. The performance will be evaluated following the announcement of our financial results for the applicable year. The PRSUs can either, upon achievement of the performance criteria, become qualified for vesting subject to the time-based vesting element, or otherwise expire.
- The performance criteria and targets of our CEO's awards are commercially sensitive, and their disclosure would be detrimental to the interests of the Company and its shareholders alike. However, the Board shall consider whether to disclose the performance criteria and targets in retrospect, to the extent their disclosure is at such time no longer detrimental to the interests of the Company and its shareholders.
- The value of each annual grant shall not exceed the cap set in our Compensation Policy for equity awards to our CEO. All of the terms of the equity awards granted under the Award Framework which are not specifically set forth herein, shall be in accordance with the Company's 2016 Share Incentive Plan.
- For the extended period of the Award Framework, the Compensation Committee and Board have decided to also apply a claw-back provision, whereby PRSUs granted under the Award Framework will be subject to recoupment, to the extent amounts payable thereunder are based on incorrect figures that are subsequently restated, in the same manner as set forth in our Compensation Policy.
- All annual equity awards granted to our CEO are subject to double trigger acceleration under the terms previously approved for our CEO.

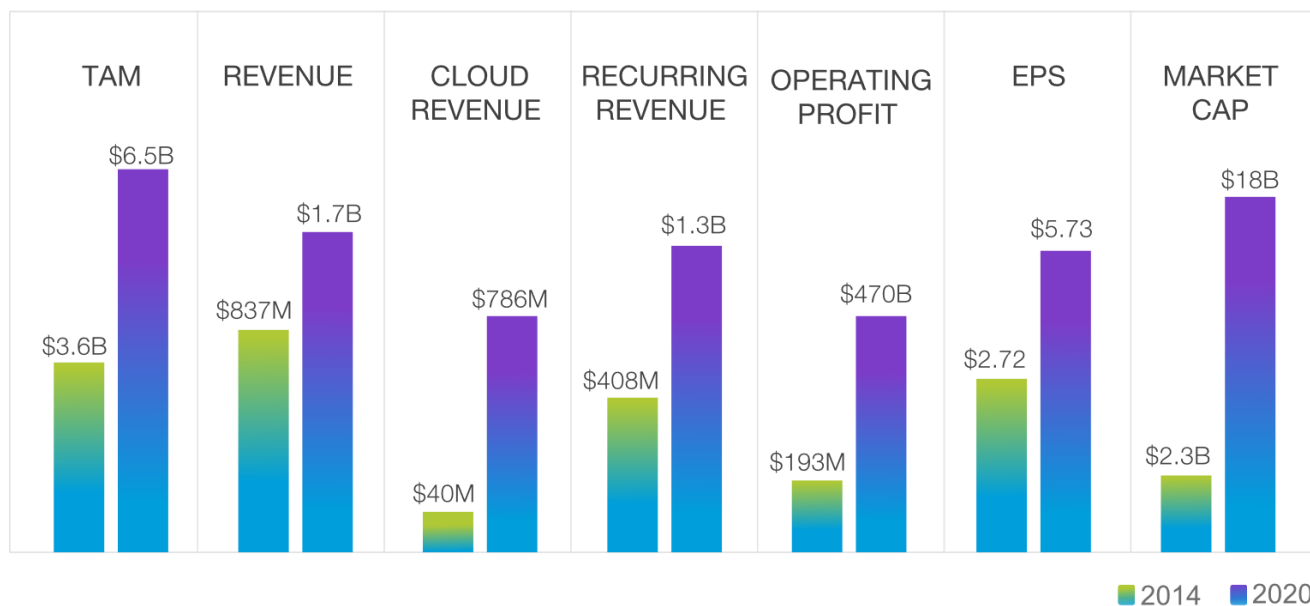
For the year 2021, our Compensation Committee and Board approved, subject to the approval by the shareholders of the Award Framework, the grant of 52,500 RSUs (31,500 RSUs and 21,000 PRSUs). The grant date fair value of the grant (which assumes all RSU and PRSUs will vest), is, as of the date hereof, approximately \$12 Million, and would bring the total value of our CEO's target compensation for 2021 to below the median range of the Peer Group Study.

Special Long Term Performance Equity Award

Our Board designed a long-term strategic plan for the Company including key objectives targeting the continued growth of the Company's business over the next few years, which in the Board's view are going to drive long term shareholder value creation. Our Compensation Committee and Board believe that Mr. Eilam is the most suitable person to lead our Company and execute its long-term strategic. As illustrated below, under Mr. Eilam's leadership, the Company experienced accelerated growth over the

last couple of years, in particular in its cloud business. Accordingly, our Compensation Committee and Board have decided to recommend a special long term equity award to our CEO that will be aligned with the Company's strategic plan, while also providing a strong retention incentive (the "Special Long-Term Award"). The Special Long-term Award is a non-recurring award that is separate from Mr. Eilam's ongoing annual compensation package.

The charts below illustrate our Company's growth during Mr. Eilam's tenure as our CEO and show the factual results of his contribution to the Company.



*All company financial figures are Non-GAAP and shown for FYE 2014 and FYE 2020. TAM shown for CY 2014 and CY 2020. Company Market Cap as of December 31, 2014 and as of February 2021.

The Special Long-term Award is structured as a unique equity award and will consist of 100,000 RSUs (the "SRSUs"), all of which shall be performance based and have a special extended vesting period of three years (single cliff after three years, commencing as of the Board Approval Date, as defined below), and subject to the achievement of the performance criteria described below.

The performance criteria set by the Compensation Committee and Board for the Special Long-term Award are specific performance objectives tied to the compounded annual growth rate of a certain key growth engine of the Company over the next three years (i.e. 2021, 2022 and 2023, relative to a base line of 2020), which will be evaluated at the end of the three year period. Our Compensation Committee and Board believe, that the achievement of such performance objectives will be a key factor in the Company's ability to achieve its strategic plans and create shareholder value (the "Performance Criteria"). In the event that the achievement level of the Performance Criteria is 100% or higher, then all of the SRSUs shall have met their performance terms. In the event that the achievement level for the Performance Criteria is less than 85%, then none of the SRSUs shall have met their performance terms and all the SRSUs shall expire. In the event that the achievement level for the Performance Criteria is at 85%, then 85% of the SRSUs shall have met their performance terms, and between 85% and 100% achievement level – the performance score will increase on a linear basis. The performance objective set for the SRSUs shall include a mechanism intended to incentivize our CEO to also overachieve the performance targets set by the Board for each individual year during the three year

term. In the event of such overachievement during a certain year, then, provided the annual compounded growth rate of the full three year period will be, following the three year period, above the threshold target of 85% - all of the SRSUs shall become vested at the end of the three year period, in line with the principles of pay for performance. Our Compensation Committee and Board have also determined appropriate principles for adjustments to the Performance Criteria following a merger or acquisition or similar event.

Our Compensation Committee and Board believe the Performance Criteria is based on a challenging performance target, looking forward into a long term period of three years, and tied to a key growth factor of the Company's business, that, if achieved, will be a key-element to the business of the Company in the coming years and to the creation of shareholder value.

The Performance Criteria are commercially sensitive, and their disclosure would be detrimental to the interests of the Company and its shareholders alike. However, should the Company, in the future, disclose the business metric upon which the Performance Criteria are based, the Board shall consider whether disclosure of the Performance Criteria in retrospect is no longer detrimental to the interests of the Company and its shareholders.

Equity Claw-back - The SRSUs granted as part of the Special Long-term Award will be subject to recoupment, to the extent amounts payable thereunder are based on incorrect figures that are subsequently restated.

The annualized value of the SRSUs over their three-year term, using the grant date fair value based on the date hereof, is approximately \$7.6 million for each year.

This Special Long-term Award shall be subject to double trigger acceleration under our CEO's existing double trigger mechanism (as previously approved by our shareholders as part of his terms of employment), provided however, that any acceleration shall only apply to a pro-rated portion of the SRSUs ("Pro-rated SRSUs") – determined in accordance with the relative period of time that has passed between the Board Approval Date (as defined below) and the closing of the triggering transaction and subject further to achievement of the Performance Criteria – which shall be relative to the applicable pro-rated period. Upon the closing of a triggering transaction, the Company shall evaluate the level of performance until the end of the last fiscal quarter preceding the closing of a triggering transaction and shall apply a linearly pro-rated performance target to determine whether the SRSUs have met the Performance Criteria for such pro-rated period. If the pro-rated performance objective is deemed to have been met at the closing of the triggering transaction, then the Pro-rated SRSUs shall accelerate.

The Board approved the proposed grant of this Special Long-Term Award on March 22, 2021 (the "Board Approval Date"), subject to the approval of the Company's shareholder. If approved by the shareholders, Mr. Eilam's grant will be effective as of the date of its approval by the shareholders, while the vesting of the SRSUs will begin as of the Board Approval Date.

In recommending the approval of the Award Framework and the Special Long-Term Award, our Compensation Committee and Board also took into consideration an analysis prepared by a reputable international corporate governance advisory institution that evaluated the CEO's compensation under methodologies that are common in the US for evaluating CEO compensation in relation to performance.

The analysis indicated a strong alignment between the Company's performance and the CEO pay, showing that the total CEO annual compensation is within the median range of the Peer Group Study, while the Company's performance relative to the peer group companies is above the 75th percentile.

Our Compensation Committee and Board designed the Special Long-term Award in order to allow our CEO to reach a compensation level, for the three-year term and assuming the Performance Criteria are fully met, which is still below the 75th percentile range of the Peer Group Study (assuming the annualizing of the value of the award over each of the three years). Our Compensation Committee and Board believe that such compensation level would be appropriate if our CEO continues to lead the Company throughout such period to achieve the defined performance targets.

The Compensation Committee and Board believe that the approval of the Special Long-Term Award is in the best interest of the Company and its shareholders, creates a strong long-term retention effect, and aligns our CEO's compensation with the successful execution of the Company's strategic plans, ultimately generating substantial value to our shareholders.

The proposed terms of the Award Framework presented above are within the authority granted under the terms of the Compensation Policy. As the proposed Special Long-Term Award to our CEO is intended to be a special award, that is not part of our CEO's regular annual compensation terms (and is not intended to reflect our regular policy for compensating our executives) such award *is not* covered by the Compensation Policy.

It is to be noted, that the Company did not implement any plans for reduction in force or salary cuts and did not seek governmental aid as a result of the coronavirus pandemic.

It is proposed that at the Meeting the following resolution be adopted:

"RESOLVED, that the Award Framework and Special Long-term Award, as described in Item 4 of the Proxy Statement and upon the terms detailed therein, be, and they hereby are, approved."

Required Vote

Under the Israeli Companies Law, approval of CEO compensation requires the affirmative vote of a majority of the shares present, in person, by proxy or by electronic voting, and voting on the matter; provided that either (i) the shares voted in favor of such matter include at least a majority of the shares voted by shareholders who are not "controlling shareholders" and do not have a "personal interest" in such matter pursuant to the requirements and as defined under the Israeli Companies Law, or (ii) the total number of shares voted by shareholders who are not "controlling shareholders" and do not have a "personal interest" in such matter, that were cast against such resolutions, do not exceed two percent of the aggregate voting rights in the Company.

The Israeli Companies Law requires that each shareholder voting on the proposed resolution indicate, prior to the voting at the Meeting, whether or not the shareholder is a controlling shareholder or has a personal interest in the proposed resolution. Otherwise, the votes of such shareholder may not be counted. For a discussion of personal interests and voting procedures with respect thereto, please see Item 2 above, under the caption "Required Vote".

The Board of Directors recommends a vote FOR approval of this proposed resolution.

ITEM 5

REAPPOINTMENT OF INDEPENDENT AUDITORS

At the Meeting, the shareholders will be asked to approve the reappointment of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as the Company's independent auditors until the next annual general meeting of the Company. The reappointment has been recommended by the Company's Audit Committee and Board of Directors. Kost Forer Gabay & Kasierer, CPA, has no relationship with the Company or with any affiliate of the Company, except as auditors, and, to a certain extent, as tax consultants. The shareholders will also be asked to authorize the Board to set the compensation of the auditors in accordance with the amount and nature of their services, or to delegate such power to the Company's Audit Committee, as contemplated by the Sarbanes-Oxley Act of 2002.

It is proposed that at the Meeting the following resolution be adopted:

"RESOLVED, that Kost Forer Gabay & Kasierer, CPA, a member of Ernst & Young Global, be reappointed as the independent auditors of the Company until the next annual general meeting of the Company, and that the Board of Directors of the Company be authorized to set their compensation in accordance with the amount and nature of their services, or to delegate such power to the Audit Committee of the Company."

Required Vote

The affirmative vote of the holders of a majority of the Shares present, in person, by proxy or by electronic voting, and voting on the matter is required for the approval of this matter.

The Board of Directors recommends a vote FOR approval of this proposed resolution.

ITEM 6

CONSIDERATION OF THE ANNUAL FINANCIAL STATEMENTS

The Company's audited financial statements for the year ended December 31, 2020 are included in the Company's Annual Report on Form 20-F, which was filed with the Securities and Exchange Commission (SEC) on March 23, 2021. The Annual Report is also available on the Company's website at www.nice.com. You may read and copy this report without charge at the SEC's public reference room at 100 F Street, N.W., Washington, D.C. 20549. Copies of such material may be obtained by mail from the Public Reference Branch of the SEC at such address, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The Company's SEC reports are also available to the public at the SEC's website at <http://www.sec.gov>. These reports are not a part of this Proxy Statement. The Company will hold a discussion with respect to the financial statements at the Meeting.

This item will not involve a vote of the shareholders.

By Order of the Board of Directors,

Tali Mirsky
Corporate Vice President, General Counsel and Corporate Secretary

Date: March 23, 2021

Exhibit A
Executives & Directors Compensation Policy

I. Overview

1. Definitions

Company	NICE Ltd.
Law	The Israeli Companies Law 5759-1999 and any regulations promulgated under it, as amended from time to time.
Compensation Committee	A compensation committee satisfying the requirements of the Law.
Office Holder	Director, CEO, and any senior executive directly subordinate to the CEO all as defined in section 1 of the Law.
Executive	Office Holder, excluding a director.
Terms of Office and Employment	Terms of office or employment of an Executive or a Director, including the grant of an exemption, an undertaking to indemnify, indemnification or insurance, Separation Package, and any other benefit, payment or undertaking to provide such payment, granted in light of such office or employment, all as defined in the Law.
Total Cash Compensation	The total annual cash compensation of an Executive, which shall include the total amount of: (i) the annual base salary; and the annual cash target incentive (Target MBO as defined in section 9 below).
Equity Value	The value of the total annual Equity Based Components, valued using the same methodology utilized in the Company's financial statements.

2. Global Strategy Guidelines

- 2.1. Our Company is a global software company, operating in a competitive global market, with offices and employees globally spread.
- 2.2. Our vision and business strategy is directed towards growth, profitability, innovation, and customer focus, all with a long term perspective.
- 2.3. We strongly believe that our business success is much reliant on the excellence of our human resources through all levels. In particular we believe that the company's ability to achieve its goals require us to recruit motivate and retain high quality and experienced leadership team and directors.
- 2.4. Therefore, we believe in creating a comprehensive, customized compensation policy for our Office Holders (the "**Policy**"), which shall enable us to attract and retain highly qualified senior leaders. Moreover, the Policy shall motivate our senior leaders to perform to the full extent of their abilities and to achieve ongoing targeted results in addition to a high level business performance in the long term, aligned with

our business strategy.

- 2.5. The Policy sets forth our philosophy regarding the Terms of Office and Employment of our Office Holders and is designed to allow us to be responsive to marketplace changes with respect to compensation levels and pay practices.
- 2.6. The Policy is tailored to ensure a compensation which balances performance targets and time horizons through rewarding business results, long-term performance and strategic decisions.
- 2.7. The policy provides our Compensation Committee and our Board of Directors with adequate measures and flexibility, to tailor each of our Executive's compensation package, based among others on geography, business tasks, role, seniority, and skills.
- 2.8. The Policy shall provide the Board of Directors with guidelines as to exercising its discretion under the Company's equity plans.
- 2.9. The Policy is guided by the applicable principles set forth in the Law.

3. Principles of the Policy

- 3.1. The Policy shall guide the Company's management, Compensation Committee and Board of Directors with regard to the Office Holders' compensation.
- 3.2. The Policy shall be reviewed at least annually by the Compensation Committee and the Board of Directors, to ensure its compliance with applicable laws and regulations as well as market practices, and its conformity with the Company's targets and strategy. As part of this review, the Board of Directors will analyze the appropriateness of the Policy in advancing achievement of its goals, considering the implementation of the Policy by the Company during previous years.
- 3.3. Any proposed amendment to the Policy shall be brought up to the approval of the Shareholders of the Company and the Policy as a whole shall be re-approved by the Shareholders of the Company at least every three years, or as otherwise required by Law.
- 3.4. Our Policy shall be global, but its implementation shall be aligned with local practices and legal requirements and with our intention to treat our Executives fairly and consistently on a global basis.
- 3.5. The approval procedures of Terms of Office and Employment as well as back-up data shall be documented in detail and such documentation shall be kept in the Company's offices for at least seven years following approval.
- 3.6. The compensation of each Office Holder shall be taxed and subject to mandatory or customary deductions and withholdings, in accordance with the applicable local laws.
- 3.7. Our CEO shall be entitled to determine that non-material changes (i.e. not exceeding an amount equal to two monthly base salaries for such calendar year) will be made to the benefit terms (i.e., not to the base salary or variable components) of such Executives subordinate to our CEO, without seeking the approval of the Compensation Committee.

4. Compensation Committee Independence

- 4.1. Our Compensation Committee will be comprised of at least three members of our Board of Directors. Each member of our Compensation Committee must meet the independence requirements established under applicable law and/or the applicable rules of any market on which the shares of the Company are traded.

II. Executive Compensation

1. When examining and approving Terms of Office and Employment, the Compensation Committee and Board members shall review the following factors and shall include them in their considerations and reasoning:
 - 1.1. Executive's education, skills, expertise, professional experience and specific achievements.
 - 1.2. Executive's role, scope of responsibilities and location.
 - 1.3. Executive's previous compensation.
 - 1.4. The Company's performance and general market conditions.
 - 1.5. The ratio between the cost of an Executive's compensation, including all components of the Executive's Terms of Office and Employment, and the cost of salary of the Company's employees in particular with regard to the average and median ratios, and the effect of such ratio on work relations inside the Company as defined by the Law.
 - 1.6. Comparative information, as applicable, as to former Executives in the same position or similar positions, as to other positions with similar scopes of responsibilities inside the Company, and as to Executives in peer companies globally spread. The peer group shall include not less than 10 global companies similar in parameters such as total revenues, market cap, industry and number of employees. The comparative information, as applicable, shall address the base salary, target cash incentives and equity and will rely, as much as possible, on reputable industry surveys, taking into consideration for each Executive, among other parameters, the compensation levels and practices applicable to such Executives location.
2. The compensation of each Executive shall be composed of, some or all, of the following components:
 - i. Fixed components, which shall include, among others: base salary and benefits;
 - ii. Variable components, which may include: cash incentives and equity based compensation.
 - iii. Separation Package;
 - iv. Directors & Officers (D&O) Insurance, indemnification; and
 - v. Other components, which may include: change in control payment, Sign-on bonus, relocation benefits, studies opportunities and Leave of Absence, etc.
3. The plan for Executives compensation mix shall comprise of, some or all, of the following components:

<u>Compensation Component</u>	<u>Purpose</u>	<u>Compensation Objective Achieved</u>
Annual base salary	Provide annual cash income based on the level of responsibility, individual qualities, past performance inside the Company, and past experience inside and outside the Company.	<ul style="list-style-type: none"> • Individual role, scope and capability based compensation. • Market competitiveness.
Performance-based cash incentive compensation	Motivate and incentivize individual towards reaching Company, unit and individual's periodical and long-term goals and targets.	<ul style="list-style-type: none"> • Reward periodical accomplishments. • Align Executive' objectives with Company, unit and individual's objectives. • Market competitiveness.
Long-term equity-based Compensation	Align the interests of the individual with the Shareholders of the Company, by creating a correlation between the Company's success and the value of the individual holdings.	<ul style="list-style-type: none"> • Company performance based compensation. • Reward long-term objectives. • Align individual's objectives with shareholders' objectives. • Market Competitiveness.

4. The compensation package shall be reviewed with each Executive once a year, or as may be required from time to time.

Fixed Compensation

5. Base Salary:

- 5.1. Our Compensation Committee and Board of Directors shall determine, from time to time, the target percentile, and/or range of percentiles, that our Executives' base salary shall meet, with respect to the peer group companies as aforesaid.
- 5.2. The base salary is intended to provide annual cash income based on the level of responsibility, individual qualities, past performance inside the Company, and past experience inside and outside the Company.

6. Benefits

- 6.1. Benefits granted to Executives shall include any mandatory benefit under applicable law, as well as:
- 6.1.1. Pension plan/ Executive insurance as customary in each territory.
- 6.1.2. Additional benefits may be offered as part of the general employee benefits package (Private medical insurance disability and life insurance, transportation (including Company car), communication & media, Israeli education fund, etc.) – in accordance with the local policy of the Company.
- 6.2. An Executive will be entitled to sick days and other special vacation days (such as recreation days), as required under local standards and practices.
- 6.3. An Executive will be entitled to vacation days (or redemption thereof), in correlation with the Executive's seniority and position in the Company (generally up to 28 days annually), subject to the minimum vacation days requirements per country of employment as well as the local national holidays.

7. Variable Components

- 7.1. When determining the variable components as part of an Executive's compensation package, the contribution of the Executive to the achievement of the Company's goals, revenues, profitability and other key performance indicators ("**KPI**") shall be considered, taking into account, among others, the Company's long term perspective and the Executive's position.
- 7.2. Variable compensation components shall be comprised of cash components which shall be mostly based on measurable criteria and on equity components, all taking into consideration a long term perspective.
- 7.3. Our Board of Directors shall be authorized to reduce or cancel any cash incentive under circumstances which the Board of Directors deems, at its absolute discretion, to be exceptional.

8. Cash Incentives

8.1. Management by Objectives ("**MBO**") Plan

- 8.1.1. MBOs are incentive cash payments to the Executives that vary based on the Company and unit's performance and on their individual performance and contribution of the Executive to the Company.
- 8.1.2. For each calendar year, our Compensation Committee and Board of Directors shall adopt an MBO plan, which will set forth, for each Executive, targets, a corresponding target MBO payment (which shall be referred to as the "**Target MBO**"), and the rules or formula for calculation of the MBO payment once actual achievements are known.
- 8.1.3. The Compensation committee and Board of Directors may include in the MBO plan predetermined thresholds, caps, multipliers, accelerators and decelerators to correlate an Executive's MBO payments with actual achievements.
- 8.1.4. The Target MBO of each Executive shall be calculated as a percentage of such Executive's annual base salary, which shall not exceed 150% for each Executive.
- 8.1.5. The annual MBO payment for each Executive in a given year shall be capped as determined by our Board of Directors, but in no event shall exceed 200% of such Executive's Target MBO.
- 8.1.6. At least 80% of the targets shall be measurable. Such objective targets may include, among others, one or more of the following, with respect to the Executive:
 - Company's / Unit's Revenues
 - Company's / Unit's Operating Income
 - Pre-tax profits above previous fiscal year
 - Company's/ Unit's Bookings
 - Collection
 - Customer satisfaction ("**CSAT**")
 - KPIs
 - EPS

- The achievement of predefined targets

A non-substantial portion of up to 20% of the targets may be based on non-measurable criteria. If and to the extent permissible pursuant to the Law, with respect to all Executives except our CEO, our Compensation Committee and our Board of Directors may increase the portion of targets that are based on non-measurable criteria above the rate of 20%, up to the maximum portion permissible pursuant to the Law, but not to more than 50%. Such non-measurable criteria may be determined by our CEO with the approval of our Compensation Committee and our Board of Directors.

- 8.1.7. The objective targets, as well as their weight, shall be determined in accordance with the Executive's position, the Executive's individual roles, and the Company and Unit's long term and short term targets. The measurable objective targets shall include one or more financial target, weighing at least 50% of the Target MBO.
- 8.1.8. In the event that the Company's targets are amended by the Board of Directors during a particular year, the Board of Directors shall have the authorization to determine whether, and in which manner, such amendment shall apply to the MBO plan.
- 8.1.9. The Board of Directors shall annually determine a threshold with respect to the Company's objective targets under which no MBO payments shall be distributed.
- 8.1.10. Adjustment to the Company and/or Unit objective targets may be made, when applicable, following major acquisitions, divestiture, organizational changes or material change in the business environment.
- 8.1.11. The value of the aggregate MBO payments for all Executives in a calendar year shall not exceed 10% of the Company's non-GAAP net operating income.

8.2. Special Payments upon M&A

- 8.2.1. Our Compensation Committee and Board of Directors shall be authorized to grant an Executive, in connection with an event of a Change in Control or the applicable events of Corporate Transaction (as such terms are defined in the Company's most recent equity plan, currently the 2016 plan), with payment in cash, in equity, or by a combination thereof, equal to up to 200% of such Executive's annual Total Cash Compensation.
- 8.2.2. Our Compensation Committee and Board of Directors shall be authorized, in the event they deem it is required or instrumental in the context of effecting an acquisition (or a merger where the Company is the surviving entity) by the Company, to grant an executive of the target company who will become an Executives following the acquisition, a one-time equity grant equal to up to two times the maximum Equity Value permitted for our Executives under this Policy.

9. Equity Based Compensation

- 9.1. The Company shall grant its Executives, from time to time, equity based compensation, which may include any type of equity, including without limitation, any type of shares, options, restricted share units and restricted shares (restricted share units and restricted shares shall each be referred to herein as "**RSUs**"), which may be subject to either time-based vesting only ("**TRSUs**") or subject to vesting based on both time and performance criteria ("**PRSUs**"), share appreciation rights or other shares based awards ("**Equity Based Components**"), under any existing or future equity plan (as may be adopted by the Company), and subject to any applicable law. Equity Based Components may include any equity in a subsidiary of the Company, which Equity Value shall be determined by an independent appraisal and approved by the Board of directors.
- 9.2. The Company believes that it is not in its best interest to limit the exercise value of Equity Based Components.
- 9.3. Equity Based Components provide incentives in a long term perspective and shall be granted under the most recent equity plan of the company that defines the terms of these grants to all Company's employees. Our Equity Based Components (including PRSU's) shall be in accordance with and subject to the terms of our existing or future equity plan and shall vest gradually in installments, throughout a period which shall not be shorter than 3 years with at least a 1-year cliff.
- 9.4. Equity Based Components may consist of a combination of any type of equity provided that no less than 40% of the units and or shares, as applicable, under any grant of RSUs or options exercisable for the par value of the ordinary shares shall be PRSUs or options as aforementioned with vesting terms based on both time and performance criteria, as applicable.
 - 9.4.1. With respect to the PRSU's, our Compensation Committee and Board of Directors shall determine for each Executive, measurable performance criteria, a corresponding performance payment and the rules or formula for calculation of the payment once actual achievements are known.
 - 9.4.2. In the event that the Company's targets are amended by the Board of Directors during a particular year, the Board of Directors shall have the authorization to determine whether, and in which manner, such amendment shall apply to the measurable performance criterias of the PRSU's.
 - 9.4.3. Adjustment to the Company's measurable performance criteria may be made, when applicable, following major acquisitions, divesture, organizational changes or material change in the business environment.
- 9.5. In determining the Equity Based Components granted to each Executive, our Compensation Committee and our Board shall consider the factors specified in section II(1) hereinabove, and in any event its Equity Based Components granted to an Executive in a single calendar year shall not exceed: (i) with respect to the CEO - 0.12% of the issued and outstanding share capital of the Company on the date of grant; and (ii) with respect to each of the other Executives - 0.06% of the issued and outstanding share capital of the Company on the date of grant. Notwithstanding the foregoing, during a single calendar year in which one of the following special

circumstances has occurred: (a) the hiring a new Executive who loses the rights to significant equity or other variable compensation as a result of joining the Company; (b) hiring or retaining an Executive who has a unique value for the future business of the Company; or (c) special retention of Executives in relation to a certain M&A event (each, a “Special Event”), then (i) the CEO may be granted additional Equity Based Components equal to 0.03% of the issued and outstanding share capital of the Company on the date of grant (up to a total of 0.15%); and (ii) each other Executive may be granted additional Equity Based Components equal to 0.02% of the issued and outstanding share capital of the Company on the date of grant (up to a total of 0.08%).

The applicable dilution caps for Equity Based Components under this Section 9.5, shall be further subject to a value-based cap equal to an Equity Value reflecting a market cap of \$12 billion and in any event not be lower than the Equity Value which reflects a market cap of \$6 billion.

The foregoing in this Section 9.5 shall constitute the cap under the Policy for all equity awards to the Company’s Executives.

- 9.6. In the event of a Corporate Transaction or a Change in Control event (as such terms are defined in the Company's most recent equity plan, currently the 2016 plan), unvested equity based compensation may be accelerated as determined by the Board of Directors.

10. Separation Package

- 10.1. The following criteria shall be taken into consideration when determining Separation Package: the duration of employment of the Executive, the terms of employment, the Company’s performance during such term, the Executive’s contribution to achieving the Company’s goals and revenues and the retirement’s circumstances.
- 10.2. Other than payments required under any applicable law, local practices, vesting of outstanding options, transfer or release of pension funds, manager's insurance policies etc. - the maximum Separation Package of each Executive shall not exceed the value of a one-time Total Cash Compensation of such Executive's. Separation Package shall include any payment and/or benefit paid to an Executive in connection with such Executive's separation, all as defined in section 1 of the Law.

11. Others

- 11.1. **Relocation** – additional compensation per local practices and law may be granted to an Executive under relocation circumstances. Such benefits shall include reimbursement for out of pocket one time payments and other ongoing expenses, such as housing allowance home leave visit, etc., in accordance with the Company's relocation practices, or otherwise approved as relocation expenses by the Compensation Committee and Board of Directors. The Compensation Committee and Board of Directors may, if they deem it is appropriate under the circumstances, provide compensation for additional general relocation expenses, in an amount that does not exceed 15% of the annual base salary.

- 11.2. **Leave of absence** – an Executive shall be treated in accordance with pay practices in the relevant country, which may also have an effect on base salary and MBO payments, and vesting of equity in accordance with the Company’s Equity plans.
- 11.3. Our Compensation Committee and our Board of Directors may approve, from time to time, with respect to any Executive, if they deem to be required under special circumstances or in case of an exceptional contribution to the Company, including in cases of retention or attraction of an Executive, the grant of a onetime incentive in cash, in equity, or by a combination thereof, of up to 100% the Executive's annual base salary.

12. **Clawback Policy**

- 12.1. In the event of a restatement of the Company’s financial results, we shall seek from our Office Holders reimbursement of any payment made due to erroneous restated data, with regards to each Office Holder’s Terms of Office and Employment that would not otherwise have been paid. The reimbursement shall be limited to such payments made during the 3-year period preceding the date of restatement. The above shall not apply in case of restatements that reflect the adoption of new accounting standards, transactions that require retroactive restatement (e.g., discontinued operations), reclassifications of prior year financial information to conform with the current year presentation, or discretionary accounting changes. The above shall not derogate from any mandatory claw-back requirements pursuant to any applicable law and regulations.
- 12.2. Our Compensation Committee and Board of Directors shall be authorized subject to any applicable law and regulations, not to seek recovery to the extent that (i) to do so would be unreasonable or impracticable or;(ii) there is low likelihood of success under governing law versus the cost and effort involved;

III. **Director Remuneration:**

Our non-executive Directors shall be entitled to remuneration composed of cash compensation which includes annual fee and meeting participation fee, as well as equity based compensation, as an incentive for their contribution and efforts as directors of the Company.

In setting the compensation of our non-executive Directors, the Compensation Committee shall consider, among others, parameters it deems necessary in order to attract and retain highly skilled and experienced Directors.

1. Cash Compensation:

- 1.1. The Company's non-executive directors may be entitled to receive an equal cash fee per year and per meeting in the amount equal to up to 2 times the fixed amount¹ under the Law.
- 1.2. The Vice Chairman of the Board of Directors and/or the Chairman of any Committee of the Board of Directors may be entitled to receive a cash fee per year and per meeting of up to 3 times the fixed amount under the Law.
- 1.3. The Chairman of the Board of Directors shall be entitled to receive a cash fee per year and per meeting of up to 6 times the fixed amount under the Law.
- 1.4. The Company's non-executive directors shall be reimbursed for their reasonable expenses incurred in connection with attending meetings of the Board of Directors and of any Committees of the Board of Directors.

2. Equity Based Compensation:

- 2.1. Each of the Company's non-executive directors shall be entitled to receive equal equity based compensation per year, which value shall not exceed USD 250,000.
- 2.2. The Vice Chairman of the Board of Directors and/or the Chairman of any Committee of the Board of Directors shall be entitled to receive equity based compensation per year of up to twice the equity based compensation per year of the other non-executive directors.
- 2.3. The Chairman of the Board of Directors may be entitled to receive equity based compensation per year of up to three times the equity based compensation per year of the other non-executive directors.
- 2.4. The aggregate annual equity based compensation granted to all the non-executive directors shall not exceed the Equity Value of number of securities granted under our relevant equity plan, convertible into 0.3% of the Company's outstanding share capital at the time of grant.
- 2.5. The equity based compensation of each of the Company's non-executive directors shall vest in 4 quarterly installments.
- 2.6. Equity based compensation granted to our non-executive directors shall be granted under the existing or future equity plan of the Company.

3. Outside Directors Compensation:

- 3.1. The compensation of our outside directors, if any, shall be determined and capped in accordance with the applicable laws and regulations (currently the comparative compensation mechanism specified in section 8a-8b of the Companies Regulations (Rules regarding Compensation and Expense Reimbursement of Outside Directors) - 2000).

¹ As of February 2015 - NIS 89,920 per year and NIS 3,350 per meeting.

IV. Indemnification and Insurance

The Office Holders shall be entitled to the same directors and officer's indemnification of up to the maximum amount permitted by law, directors and officers liability insurance as shall be approved by the Compensation Committee, Board of Directors and our shareholders, all in accordance with any applicable law and the Company's articles of association.

We shall be authorized to provide our directors and officers with a liability insurance policy providing a liability coverage of up to USD 125,000,000 (including Side A Difference in Conditions). The premium levels per annum shall be derived from the coverage limitations under this Compensation Policy and be determined by our Compensation Committee in accordance with market conditions at the time the liability insurance is purchased, and provided they shall have no material impact on the profitability, property or financial obligations of the Company.

Our Compensation Committee shall be authorized, with respect to a specific material transaction or a series of related transactions, constituting together a material transaction - to the extent such insurance coverage is required in the opinion of our Compensation Committee, in order to provide adequate coverage for our directors and officers with respect to such a transaction - to purchase coverage in amounts of up to 3 times the then existing limit of coverage, with costs of up to 3 times the then existing limit of premium amounts; in both (i) and (ii) - without an additional shareholders' approval, if and to the extent permitted under the Law.

General

- 1.1. The Compensation Committee and our Board of Directors shall be authorized to approve a deviation of up to 15% from any limits, caps or standards detailed in this Policy, and such deviation shall be deemed to be in alignment with this policy
- 1.2. This Policy is set as guidance for the Company's relevant organs, with respect to matters involving the compensation of its Office Holders, and is not intended to, and shall not, confer upon any of the Office Holders, any rights with respect to the Company.