



## NEXXEN INTERNATIONAL LTD.

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### Related Party Transaction Policy

#### I. Policy

Nexxen International Ltd. (the “**Company**”) recognizes that Related Party Transactions (as defined below) present a heightened risk of conflicts of interest (or the perception thereof), and therefore the Company has adopted this policy pursuant to which all Related Party Transactions shall be subject to approval or ratification in accordance with the procedures set forth in this policy.

Under the rules of the Securities and Exchange Commission (the “**SEC**”), the Company must disclose all Related Party Transactions (as defined below). In addition, the SEC rules require the Company to describe its policies and procedures for the review, approval, or ratification of related person transactions that are reportable under the SEC rules, and whether these policies are in writing.

The Company must also comply with the requirements of Rule 13 of the AIM Rules for Companies (the “**AIM Rules**”) in relation to related party transactions, which are set forth in Section III below, and with the requirements set forth in the Israeli Companies Law, 5759-1999 (the “**Companies Law**”), which are set forth in Section IV below.

#### Definitions

For the purposes of this Related Party Transaction Policy (the “**Policy**”), so long as the Company remains a “foreign private issuer” under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), a “**Related Party Transaction**” is a transaction or loan reportable by the Company under Part I, Item 7.B. of Form 20-F and includes transactions or presently proposed transactions, between the Company and a Related Party (as defined below), which are material to the Company or the Related Party, and any such transactions between the Company and a Related Party that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets. A transaction involving an amount exceeding \$120,000 is presumed to be material, though transactions involving lower amounts may be material based on the facts and circumstances.

For purposes of this Policy, a “**Related Party**” is:

- a) an enterprise that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company;
- b) an associate;
- c) an individual owning, directly or indirectly, an interest in the voting power of the Company that gives such individual significant influence over the Company, and close members of any such individual's family;
- d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors (or nominees) and senior management of companies and close members of such individuals' families; and
- e) an enterprise in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Company and enterprises that have a member of key management in common with the Company.

“*Associate*” means an unconsolidated enterprise in which the Company has a significant influence or which has significant influence over the Company.

“*Close members of an individual's family*” are those that may be expected to influence, or be influenced by, that person in their dealings with the Company.

“*Control*” is the possession, direct or indirect, of the power to direct or cause the direction of management and policies of an entity through ownership, by contract, or otherwise.

“*Significant influence*” over an enterprise is the power to participate in the financial and operating policy decisions of the enterprise but is less than control over those policies. Shareholders beneficially owning a 5% interest in the voting power of the Company are presumed to have a significant influence on the Company.

## II. Procedures

### Audit Committee Approval

The Audit Committee (the “*Committee*”) of the Board of Directors of the Company (the “*Board*”) shall review the relevant facts and circumstances of each Related Party Transaction (other than pre-approved transactions as described below) and either approve or decline to approve the Related Party Transaction. Such review shall include if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party, the extent of the Related Party's interest in the transaction and shall also take into account the conflicts of interest and/or corporate opportunity provisions of the Company's organizational documents and Code of Conduct and Ethics (the “*Code*”) and, where the Related Party involves a director or director nominee, whether the Related Party Transaction will impair the director or director nominee's independence under applicable rules and regulations. Any Related Party Transaction

shall be consummated and shall continue only if the Committee has approved or ratified such transaction in accordance with the guidelines set forth in this Policy.

In the event an executive officer or director of the Company becomes aware of a Related Party Transaction that has not been previously approved or ratified under this Policy, he or she shall notify the Chief Legal Officer to facilitate the following review:

1. If any unapproved Related Party Transaction is pending or ongoing, the facts and circumstances relative to the transaction will be submitted to the Committee promptly and the Committee shall consider all of the relevant factors described in this Policy. Based on such review, the Committee shall evaluate alternatives relative to the transaction, including but not necessarily limited to ratification, amendment or termination of the Related Party Transaction.
2. If any unapproved Related Party Transaction is completed, the Committee shall evaluate the transaction taking into account the relevant factors described in in this Policy to determine whether rescission of the transaction is appropriate. Depending on the circumstances, the Committee may also request that the Chief Legal Officer re-evaluate the Company's controls and procedures relative to identification and administration of potential Related Party Transactions and determine whether any changes should be recommended for approval.

If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

Management shall present to the Committee each proposed Related Party Transaction, including all relevant facts and circumstances relating thereto and shall update the Committee as to any material changes to any approved (including pre-approved Related Party Transactions pursuant to this Policy) or ratified Related Party Transaction and shall provide a status report of all then-current Related Party Transactions at least annually at a regularly scheduled meeting of the Committee or as needed.

No director may participate in the approval or ratification of a Related Party Transaction for which he or she is a Related Party or in which he or she otherwise has a direct or indirect interest.

#### *Pre-Approved Transactions*

The Committee has reviewed and pre-approved each of the following types of Related Party Transactions, which shall be deemed to be approved or ratified, as applicable, under this policy even if the aggregate amount involved will exceed \$120,000, unless specifically determined otherwise by the Committee:

1. Compensation to an executive officer or director of the Company if the compensation is required to be reported in the Company's Annual Report on Form 20-F and such compensation has been approved, and recommended to the Board for approval, by the Compensation Committee of the Board, and, if required by Israeli law, was also approved by Company's shareholders.
2. Transactions that are in the Company's ordinary course of business and where the interest of the Related Party arises only:
  - a) from the Related Party's position solely as a director of another corporation or organization that is a party to the transaction; or
  - b) from the direct or indirect ownership by such Related Party and all other Related Parties, in the aggregate, of less than a 10% equity interest in another Party (other than a partnership) which is a party to the transaction; or
  - c) from both such positions described in (a) and such ownership described in (b);
  - d) from the Related Party's position as a limited partner in a partnership in which the Related Party and all other Related Parties, in the aggregate, have an interest of less than 10%, and the Related Party is not a general partner of and does not have another position in the partnership; or
  - e) from the Related Person's position as a partner, controlling shareholder or executive officer of another entity that, during any of the three preceding fiscal years, made payments to, or received payments from, the Company for property or services in an amount not exceeding the greater of \$200,000 or 5% of such other entity's consolidated gross revenues during such fiscal year (excluding payments arising solely from investments in the company's securities or payments under non-discretionary charitable contribution matching programs).
3. Transactions that are in the Company's ordinary course of business and where the interest of the Related Party arises solely from the ownership of a class of equity securities in the Company and all holders of such class of equity securities of the Company will receive the same benefit on a pro rata basis.
4. Transactions where the rates or charges involved in the transactions are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
5. Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

### Disclosure

All Related Party Transactions are to be disclosed in the Company's applicable filings and financial statements as required by the Securities Act of 1933, as amended, and the Exchange

Act and related rules, and applicable accounting standards. Furthermore, any material Related Party Transaction shall be disclosed to the full Board.

The Company may be required to disclose additional information regarding Related Party Transactions if such information: (1) has otherwise been made publicly available or (2) must be disclosed in accordance with Israeli law.

#### Other Agreements

Management shall assure that all Related Party Transactions are not in violation of, and are approved in accordance with, any requirements of the Company's financing or other material agreements.

#### Interpretation

Notwithstanding anything herein to the contrary, this Policy shall be interpreted in such a manner as to comply with Part I, Item 7.B. of Form 20-F and Nasdaq Rule 5630(a). In the event that a Related Party Transaction would constitute a conflict of interest or a corporate opportunity under the Code, the provisions of the Code also shall apply to such Related Party Transaction. Any such Related Party Transaction may not be approved hereunder unless it is also approved in accordance with the provisions of the Code and disclosed to the public to the extent required by law or the rules of the Nasdaq Stock Market LLC.

### **III. AIM Requirements**

The Company must also comply with the AIM Rules. Rule 13 of the AIM Rules deals with transactions with related parties. This rule applies to any transaction with a related party which exceeds 5% in any of the applicable class tests set out in the AIM Rules.

For the purposes of Rule 13 of the AIM Rules, a "related party" is:

1. a person who is (or was within the twelve months preceding the date of the transaction) a director or shadow director of the Company or of any other company which is (and, if has ceased to be such, was while he was a director or shadow director of that other company) its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking of its parent undertaking;
2. a substantial shareholder (meaning a person who holds any legal or beneficial interest directly or indirectly in 10% or more in any class of the Company's AIM securities (excluding treasury shares) or 10% or more of the voting rights of the Company or in any subsidiary, sister or parent undertaking either at the time of or within twelve months of the transaction); or
3. an associate of a person falling within paragraphs (1) and (2) above being:
  - a) the family of such a person;

- b) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object;
- c) any company in whose equity shares such a person individually or taken together with his or her family (or if a director, individually or taken together with his or her family and any other director of that company) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) to the extent that they are or could be able:
  - i. to exercise or control the exercise of 30% or more of the votes (excluding treasury shares) able to be cast at general meetings on all, or substantially all matters, or
  - ii. to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;
- d) any other company which is its subsidiary undertaking, parent undertaking or subsidiary undertaking of its parent undertaking;
- e) any company whose directors are accustomed to act in accordance with the directions or instructions of the person described in paragraph (1) above; or
- f) any company in the capital of which the person described in paragraph (1) above (either alone or together with any other company described in sub-paragraphs (d) or (e) or both taken together) is or would be on the fulfilment of a condition or the occurrence of a contingency be, interested in the manner described in paragraph (c) above.

The Company must notify the Regulatory Information Service provider retained by the Company without delay as soon as the terms of a relevant transaction with a related party are agreed disclosing:

1. certain particulars as required by the AIM Rules; and
2. the name of the related party concerned and the nature and extent of their interest in the transaction; and
3. a statement that, with the exception of any director who is involved in the transaction as a related party, the directors consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as the holders of its shares are concerned.

#### **IV. Israeli Law Requirements**

The Companies Law requires that an Office Holder (as defined below) promptly disclose to the Board any personal interest that such Office Holder may have and all related material

information known to such Office Holder concerning any existing or proposed transaction with the Company.

An “**Office Holder**” is defined in the Companies Law as a general manager, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of such person’s title, a director and any other manager directly subordinate to the general manager.

A “**personal interest**” includes an interest of any person in an act or transaction of a company, including a personal interest of one’s relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director or general manager or in which such person has the right to appoint at least one director or the general manager, but excluding a personal interest stemming solely from one’s ownership of shares in the company. A **personal interest** includes the personal interest of a person for whom the Office Holder holds a voting proxy or the personal interest of the Office Holder with respect to the Office Holder’s vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter.

#### *Approval of Non-Extraordinary Transaction*

If it is determined that an Office Holder has a personal interest in a *non-extraordinary transaction*, meaning any transaction that is in the ordinary course of business, on market terms or that is not likely to have a material impact on the company’s profitability, assets or liabilities, approval by the Board is required for the transaction unless the Company’s Articles of Association provide for a different method of approval. Any such transaction that is adverse to the Company’s interests may not be approved by the Board.

#### *Approval of Extraordinary Transaction*

Approval first by the Audit Committee and subsequently by the Board is required for an *extraordinary transaction* (meaning any transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the Company’s profitability, assets or liabilities) in which an Office Holder has a personal interest.

#### *Board and Audit Committee Participation and Vote*

A director and any other Office Holder who has a personal interest in a transaction which is considered at a meeting of the Board or the Audit Committee may generally (unless it is with respect to a transaction which is not an extraordinary transaction) not be present at such a meeting or vote on that matter unless a majority of the directors or members of the Audit Committee, as applicable, have a personal interest in the matter. If a majority of the members of the Audit Committee or the Board have a personal interest in the matter, then all of the directors may participate in deliberations of the Audit Committee or Board, as applicable, with respect to such transaction and vote on the approval thereof and, in such case, shareholder approval is also required.

### *Transactions with Controlling Shareholders*

Certain additional disclosure and approval requirements apply under Israeli law to certain transactions with controlling shareholders, certain transactions in which a controlling shareholder has a personal interest and certain arrangements regarding the terms of service or employment of a controlling shareholder. For these purposes, a controlling shareholder is any shareholder that has the ability to direct the Company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the Company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder for these purposes.

Adopted: June 2021

Amended: March 5, 2024