

November 4th, 2021

The Phoenix Holdings Ltd.
("the Company")

To
The Securities Authority
www.isa.gov.il

To
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Re: D&O liability Insurance policy approval for the Company and its subsidiaries

The Company is hereby reporting on the decision of the Compensation Committee dated 2.11.2021, regarding the approval of the Company's engagement in Directors and Officers Liability Insurance Policy in the Company and in its subsidiaries, including those serving on behalf of the controlling shareholders, for an annual insurance period commencing on 3.11.2021, in accordance with Regulation 1B1 of the Companies Regulations (Facilitating Transactions with Stakeholders), 5760-2000 ("Facilitation Regulations").

The main points of the engagement are as follows:

1. The limit of liability coverage is in the amount of 130M US dollars per case and in the aggregate for the insurance period with the addition of reasonable legal costs, which are beyond the aforesaid limit of liability for claims in Israel;
2. The deductible payable by the Company shall not exceed 250K US dollars per claim and in claims related to The Securities Law in Israel, the amount of the Company's deductible shall not exceed the sum of 500K US dollars per claim;
3. The cost of the annual premium for the aforementioned coverage and the amount of the deductibles are in accordance with market conditions and are determined in accordance with the offers received by the Company from the reinsurers;
4. In addition, the Compensation Committee authorized the Company's management to strive and increase the policy coverage and to determine the final conditions for insurance policy coverage within the limit of liability coverage in the amount of up to US 140 million, in accordance with the principles set forth in the Compensation Policy and the decision of the Committee, subject to that the annual premium and deductible are in acceptable market conditions and their cost may not materially affect the Company's profitability, assets or liabilities.

info center:
972-3-7332222

The Phoenix Holdings LTD
Head Office: 53 Derech Hashalom Givatayim 53454, ISRAEL
Fax: 972-3-5734516 | www.phoenix.co.il | info@phoenix.co.il

קשר לקוחות: *3455
03-7332222

הפניקס אחזקות בע"מ
משרד ראשי: דרך השלום 53, גבעתיים 53454
פקס: 03-5734516 | www.phoenix.co.il | info@phoenix.co.il

5. The policy will be renewable every year for up to three years in total, from the date of its approval as stated in this immediate report above, whether by extending the validity of the policy described above and whether by entering into a new liability insurance policy, provided that the Compensation Committee approves that there is no material change in the terms of the new policy with respect to the terms of the policy subject to this immediate report.

The main reasons of the Compensation Committee for approving the granting of the liability insurance policy as stated above, are as follows:

1. Purchasing a liability insurance policy for directors and officers is common among public companies in Israel and is essential to enable the Company's directors and officers to act freely for the benefit of the Company, while reducing their level of personal exposure.
2. The liability insurance policy for directors and officers terms, including the scope of insurance coverage, were agreed and shall be agreed in accordance with the assessment of the Company and after consultation with its insurance consultant, in the framework of comprehensive negotiations in relation to all the directors and officers in the Company, including those who are the controlling shareholders of the Company and their relatives, given the scope of the Company's activities and occupation and they are the same for all directors and officers in the Company, including in respect of the controlling shareholders and their relatives.
3. The engagement is on market terms and may not materially affect the Company's profitability, assets, or liabilities.
4. The liability insurance policy complies with the Companies Law, 5769-1999 (Hereinafter: "The Companies Law"), The Securities Law, 5728-1968 and the Company's AOA and the limit of liability is in accordance with the Company's Compensation Policy approved by the General Meeting of the Company's shareholders according to Section 267A(a) of The Companies Law.

Respectfully,

The Phoenix Holdings Ltd.

c/o Meni Neeman, Adv., Chief Legal Counsel
and Secretary of the Company

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