

December 15, 2021

**The Phoenix Holdings Ltd. ("The Company")**

To The Securities Authority <a href="http://www.isa.gov.il">www.isa.gov.il</a>	To The Tel Aviv Stock Exchange Ltd. <a href="http://www.tase.co.il">www.tase.co.il</a>
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**Re: Immediate Report regarding Collective Agreement**

The Company is hereby announcing that on December 14, 2021, a new collective agreement was signed between The Phoenix Insurance Company Ltd., a subsidiary of the Company (Hereinafter: "**The Phoenix Insurance**") and The New Histadrut - The General Federation of Labor in Israel - Histadrut HaMaof (Hereinafter: "**The Histadrut**") and the Employees Union, for the period from 1.1.2022 to 31.12.2024. At the same time, a new collective agreement was also signed for the same period with The Phoenix Pension & Provident Ltd., a subsidiary of the Company (Hereinafter: "**The Phoenix Pension & Provident**") (Hereinafter collectively: "**The Agreement**"; the two companies together: "**The Phoenix**").

Under the new collective agreement, the provisions of the previous collective agreements<sup>1</sup> in The Phoenix Insurance will continue to apply during the term of the agreement, and they will commence from 1.1.2022 in The Phoenix Pension & Provident, except for changes defined in the new agreement, the main ones of which are as follows:

1. **Salary increase** - During the term of the agreement, The Phoenix will pay permanent employees and employees in probationary period, subject to the conditions defined in the agreement<sup>2</sup>, salary increase at an average rate of 3.03% per year. The salary increase for hourly employees in the various call centers will be in accordance with the tables included in the agreement.
2. **Minimum salary** - The monthly minimum salary for a full-time employee will be NIS 6,000 gross starting in 2022, and NIS 6,500 gross in 2024.
3. **Pension insurance** - Increasing the provision for pension insurance per employee by 1%, of which 0.5% for benefits at the expense of the employer and 0.5% for benefits at the employee's expense. In total, the pension provisions (employer's part and employee part) will be at a rate of not less than 22.83%.
4. **Annual bonus** - Insofar as The Phoenix meets the full (100%) profit targets to be determined by The Phoenix's BOD in relation to specific year - The Phoenix will allocate a budget to pay a bonus to employees, that its total cost will be in an amount equal to 6.835% of the annual salary cost, in the year preceding the year in which the bonus will be paid. For meeting targets in the range of 70% -130% of the profit target, the bonus budget will relatively-linearly increase or decrease in the relevant

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<sup>1</sup> See details in the Immediate Report dated January 5, 2016 (Reference No. 2016-01-075355) regarding the collective agreement from 2016, as well as in the Immediate Report dated May 6, 2019 (Reference No. 2019-01-039201) regarding the collective agreement from 2019.

<sup>2</sup> That are not call centers hourly paid employees.

range. Insofar as The Phoenix does not meet 70% of the profit targets set in relation to specific year - there will be no eligibility for a bonus distribution for that year.

5. **Dental Insurance and Health Insurance** - The Phoenix will act to insure its employees with a collective dental insurance policy and will act to improve the existing collective health insurance, with a total annual cost of about NIS 5 million.
6. **Claims exhaustion and industrial silence** - The agreement constitutes a full and complete exhaustion of the parties' claims for the validity period of the agreement. The parties to the agreement have undertaken to maintain mutual industrial silence regarding the matters settled in the agreement.
7. The average annual estimation cost of human resource costs (excluding costs subject to meeting targets) for the years of The Phoenix agreement, is about NIS 23.6 million. The average annual estimation cost of the annual bonuses expected to be granted for the years 2021, 2022 and 2023, assuming compliance with 100% of the profit targets of the relevant years, will be in the amount of approximately NIS 28.9 million per year.
8. It is hereby clarified that some of the above-mentioned amounts are in place of costs in respect of headcount costs that would have been given by The Phoenix even if this agreement had not been signed. It is also clarified that the aforesaid data do not include cost estimates for benefits whose scope of implementation is uncertain, including for The Phoenix's compliance with the profit target to be determined for specific year.
9. Some of the information contained in this report is forward-looking information within the meaning of the Securities Law, depending, inter alia, in the scope of employees, the financial results of The Phoenix and its compliance with the profit targets to be determined.
10. The Phoenix management thanks the Employees Union and the Histadrut for their cooperation and reaching a new collective agreement for the benefit of the Company and its employees.

Respectfully,

**The Phoenix Holdings Ltd.**

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