

## **The Phoenix Holdings Ltd.**

**("The Company")**

### **Shelf Prospectus**

By virtue of this Prospectus, the Company will be able to issue different types of securities in accordance with the provisions of the law - Ordinary shares, of NIS 1 nominal value each, of the Company ("**Company Shares**"), preferred shares, non-convertible bonds (including by way of expanding existing series of Company bonds, as shall be from time to time), bonds that can be converted to Company shares (including by way of expanding existing series of convertible bonds to Company shares, as shall be from time to time), warrants that can be exercised for the Company's shares, warrants that can be exercised for bonds, warrants that can be exercised for convertible bonds to Company shares, commercial securities as well as any security which by law, may be issued by virtue of the Shelf Prospectus at the relevant date ("**Securities**").

The Securities offering under this Prospectus shall be made in accordance with the provisions of section 23A (f) of the *Securities Law, 5728-1968* (the "**Securities Law**"), using shelf offering reports, in which all the special details of the same offer will be completed, including details and terms of the Securities and composition of the units offered, in accordance with the provisions of any law and the regulations and guidelines of the Tel Aviv Stock Exchange Ltd. ("**TASE**"), as they shall be at that time.

The following risk factors may have a major impact on the Company's business: Macro risks (State of the economy, interest rate risk, credit spread risk and risk of equity instruments); industry risks (Insurance risks, catastrophe risk, regulatory changes, competition, and portfolio retention level); and risks unique to the Company (Information systems risks, cyber risks and information security and class action lawsuits and powers of the Commissioner). For additional details, including details about all the risk factors that may have an impact on the Company, see section 4.13 of Chapter A of the Company's 2021 Periodic Report, which was published on March 29, 2022 (Reference No.: 2022-01-036997) ("**Periodic Report**"), brought in this Prospectus by way of reference. For details about the risk factors that may have an impact on Excellence Investments Ltd. (and the companies under its control) and Gama Management and Clearing Ltd., which are investee companies, see sections 2.5.15 and 2.6.19 in Chapter A of the Periodic Report.

For details regarding restrictions on the distribution of dividends by the Company, see section 1.8.3 of Chapter A of the Periodic Report.

For details regarding the Company's option for early redemption of the Company's bonds, see section 1.4 below.

For details regarding the rating of the Company's bonds, see section 1.4 below.

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The Company's Auditor CPA drew attention to the aforesaid in Note 43 to the Company's financial statements as of December 31, 2021, attached to the Periodic Report, as well as in the Note [6] to the Company's financial statements as of March 31, 2022, attached to the Company's Interim Report for the Q1 of 2022, which were published on May 31, 2022 (Reference No.: 2022-01-055212), brought in this Prospectus by way of reference.

A copy of this Prospectus is available for public review on the Securities Authority's distribution website, at: [magna.isa.gov.il](https://magna.isa.gov.il) and on the TASE's website, at: [maya.tase.co.il](https://maya.tase.co.il).

**Date of Prospectus: 24 August, 2022**

## Table of Contents

Subject	Page
<b>1. Introduction</b>	<b>5</b>
1.1 General	5
1.2 Permits and approvals	5
1.3 Share capital	6
1.4 Bonds	7
<b>2. Offer of Securities according to the Prospectus</b>	<b>9</b>
<b>3. Company Capital</b>	<b>11</b>
3.1 The registered and issued share capital of the Company as of the date of the prospectus	11
3.2 Developments in the Company's capital in the three years preceding the prospectus date	11
3.3 Stakeholders holding the Company's securities	11
3.4 Control of the Company	12
3.5 Convertible securities into Company shares	12
3.6 The TASE rate of the Company's shares - adjusted	12
<b>4. The Tangential Rights to the Company's Shares and the Company's Articles of Association</b>	<b>13</b>
4.1 The tangential rights to the Company's shares	13
4.2 Arrangements set forth in the AOA in accordance with certain provisions of the Companies Law	13
<b>5. Details about the Company and its Activities</b>	<b>16</b>
5.1 Description of the Company's business	16
5.2 BOD's report on the state of the Company's business and the financial statement for the year ended December 31, 2021, and for a period of three months ending March 31, 2022	19
5.3 Details regarding subsidiaries of the Company and related companies	20
<b>6. Company Management</b>	<b>21</b>
6.1 Directors and senior officers	21
6.2 The provisions of the Company's AOA relating to the appointment, term of office and replacement of directors	21
6.3 Authorized signatories of the Company	21
6.4 The Company's Auditor CPA	21
6.5 Registered office	21
<b>7. Stakeholders in the Company</b>	<b>22</b>
7.1 Benefits for stakeholders and senior officers	22
7.2 Transactions with controlling shareholders or transactions in which the controlling shareholders have an interest	22
7.3 Holdings of stakeholders and senior officers in the Company's securities	22
<b>8. Financial Statements</b>	<b>23</b>

**-Convenience Translation Only-  
The Hebrew immediate report is the binding report-**

8.1	The financial statements included in the Prospectus by way of reference	23
8.2	Letters of approval from the Company's Auditor CPA	23
8.3	Effective internal control reports over financial reporting	23
8.4	Consent to the inclusion of an actuary	23
8.5	Event report	24
<b>9.</b>	<b>Additional Details</b>	<b>27</b>
9.1	Legal opinion	27
9.2	Application fee for permission to publish a prospectus	28
9.3	Review of documents	28
<b>10.</b>	<b>Signatures</b>	<b>29</b>

## **Chapter 1- Introduction**

### **1.1. General**

The Company is a public company and a reporting corporation, as these terms defined in the *Companies Law, 5769-1999*, and in the *Securities Law, 5728-1968* ("**Companies Law**" and "**Securities Law**", respectively).

### **1.2. Permits and approvals**

The Company has received all the permits, approvals and licenses required by any law to publish this Shelf Prospectus.

This Shelf Prospectus is a Shelf Prospectus (as defined in section 23A (a) of the *Securities Law*) ("**the Prospectus**") and offering securities according to it shall be made according to the shelf offering report/s, in which the special details for that offer will be completed.

**The permission of the Securities Authority to publish the Prospectus does not constitute a verification of the details presented therein or a confirmation of their reliability or completeness, nor does it express an opinion on the nature of the Securities offered.**

The Company received an Approval in Principle from the TASE, which refers to the listing for trading of the Securities to be offered through a shelf offering report/s ("**the Approval in Principle**").

**The Approval in Principle of the TASE should not be considered an approval of the details presented in the Prospectus, or to their reliability, or to their completeness, and it does not express an opinion on the Company, or on the nature of the Securities offered in the Prospectus or to be offered through a shelf offering report.**

Granting of the TASE's approval in connection with the Securities that will be offered (if offered) according to the shelf offering report/s, does not constitute an approval for listing for trading of the said Securities, and the listing for trading of the Securities offered under the Prospectus will be subject to approval for listing for trading according to a shelf offering report which will be submitted in accordance with the *Securities Law* and the *Securities (Shelf Offering of Securities) Regulations, 5766-2005*.

The granting of the Approval in Principle does not constitute an commitment to grant approval for the listing of the Securities for trading according to the shelf offer report. The provisions of the TASE Regulations and the guidelines thereunder will apply on the approval of an application for listing of securities for trading according to a shelf offer report, as they shall be in effect at the time of application for registration under the shelf offering report.

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**1.3. Share capital**

1.3.1. The Company's capital, as of the date of publication of the Prospectus, is as follows:

	Registered share capital	Registered share capital	Issued and paid-up share capital	
			Without dilution	Full dilution
<b>Ordinary shares of NIS 1 nominal value each</b>	300,000,000	300,000,000	256,731,337	278,233,188

1.3.2. The Company's shareholders' equity composition as of March 31, 2022 (in thousands of NIS):

Share capital	310,366
Equity funds and premiums on equities	851,131
Capital funds	942,575
Balance of profit	7,587,379
Deducting the cost of treasury shares	(155,628)
Total capital attributed to the Company's shareholders	9,535,823
Rights that do not confer control	278,224
<b>Total capital</b>	<b>9,814,047</b>

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**1.4. Bonds**

The following are details about the bonds issued by the Company, and which are in turnover<sup>1</sup>:

Series	Issue date	Nominal value at the date of issue (NIS)	Nominal value as of March 31, 2022 (in thousands of NIS)	Estimated nominal value at the date close to the publication of the prospectus (in thousands of NIS)	Amount of interest accrued as of March 31, 2022 (in thousands of NIS)	Book value as of March 31, 2022 (in thousands of NIS)	Stock market value close to the date of publication of the prospectus (in thousands of NIS)	Type of interest and interest rate	Date of payment of principal	Date of interest payments	Base linkage principal and interest	The Company's right to make early redemption
4	8.5.2019	300,000,000	338,013	338,013	863	336,044	339,129	Annual interest rate varies at the rate of the Bank of Israel interest rate plus a margin of 1.28%	Annual payments, on July 31 of each of the years 2020 and 2021 and 2025-2028 (inclusive)	Quarterly payments on January 31, April 30, July 31, and October 31 of each of the years 2019-2028 (inclusive)	-	Yes, as set out in section 6.2 of the trust deed
	3.2.2021	127,384,000										
5	20.2.2020	220,000,000	822,616	850,560	1,793	839,879	847,541	Fixed annual interest rate of 0.44%	Annual payments, on May 1 in each of the years 2022-2024 and 2028-2030 (inclusive)	Half-yearly payments, on May 1 of each of the years 2020-2030 (inclusive) and on November 1 of each of the years 2020-2029 (inclusive)	The consumer price index	Yes, as set out in section 6.2 of the trust deed
	6.9.2020	380,000,000										
	3.2.2021	222,616,000										
6	6.1.2022	300,000,000	300,000	300,000	1,292	297,032	277,500	Fixed annual interest rate of 1.94%	Annual payments, on December 31 in each of the years 2024-	In semi-annual payments on June 30 and December 31 of each of the years	-	Yes, as set out in section 6.2 of the trust deed

<sup>1</sup> On September 29, 2020, and January 18, 2022, the Company made full early redemption of the Series 2 Bonds and the Series 3 Bonds, respectively. For details, see the Company's Immediate Reports of September 30, 2020, and January 18, 2022 (References No.: 2020-01-106440 and 2022-01-008097) (This information constitutes an inclusion by way of reference).

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									2032 (inclusive)	2022-2032 (inclusive)		
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The Company's bonds are material to the Company.

As of the date of the Prospectus, the Company has complied with all the terms and commitments under the trust deeds and no conditions were met that establish a ground for placing bonds for immediate repayment.

The trustee of the bondholders:

Reznik Paz Nevo Trusts Ltd.

The following are the contact details with the trustee: 14 Yad Harutzim St., Tel Aviv-Yafo 6770007, Phone: 03-6389200; Fax: 03-6389222; Contact person of the Trustee: Adv. Michal Avtalion-Rishoni, Co-CEO.

Bond rating:

The Company's bonds are rated by Midroog Ltd., with a rating of Aa3.il (on a positive outlook), and by S&P Global Ratings Degrees Ltd., with a rating of ilAA- (stable outlook). For additional details, see the Company's Immediate Reports of January 17, 2022, and December 14, 2021 (References No.: 2022-01-007671 and 2021-01-109786, respectively) (This information constitutes an inclusion by way of reference).

For details regarding the bonds issued by the Company and which are in the turnover as of the date of publication of this Prospectus, including the rating of the bonds, see section 4.12.4 in Chapter A of the Periodic Report, Note 27 (e) of the financial statements attached to the Periodic Report and section 9 of the BOD's report of the Interim Report.

## **Chapter 2 - Offer of Securities according to the Prospectus**

According to the Prospectus, securities may be offered to the public according to a shelf offering report.

The offer of the securities according to the Prospectus will be made in accordance with the provisions of section 23A (f) of the *Securities Law*, using a shelf offering report/s, in which all the special details of the same offer will be completed, including the details and terms of the composition of the offered units, in accordance with the provisions of any law and in accordance with the regulations and guidelines of the TASE, as they shall be at the time.

### **Chapter 3 - Company Capital**

**3.1. The registered and issued share capital of the Company as of the date of the Prospectus**

For details regarding the registered share capital and the issued and paid-up share capital of the Company as of the date of the Prospectus, see section 1.3.1 above.

**3.2. Developments in the Company's capital in the three years preceding the Prospectus date**

**3.2.1. Development in registered capital**

In the three years preceding the Prospectus date there were no changes in the Company's registered capital.

**3.2.2. Development in issued and paid-up capital**

In the three years preceding the prospectus date there were no changes in the Company's issued capital, except as detailed below:

3.2.2.1. BuyBack of the Company's shares, totaling 5,395,661 of the Company's shares, as detailed in section 1.7.4 in Chapter A of the Periodic Report for 2020, which was published on March 25, 2021 (Reference no.: 2021-01-044709), and as detailed in section 1.8.4 in chapter A of the Periodic Report.

3.2.2.2. Allotment of a total of 588,390 shares of the Company, considering the exercise of unlisted options for trading allotted by the Company<sup>2</sup>.

**3.3. Stakeholders holding the Company's securities**

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<sup>2</sup> On December 3, 2019, 33,392 shares were allotted; on April 1, 2021, 13,144 shares were allotted; on April 8, 2021, 50,164 shares were allotted; on April 27, 2021, 18,718 shares were allotted; on June 2, 2021, 4,067 shares were allotted; on July 4, 2021, 27,492 shares were allotted; on July 8, 2021, 13,445 shares were allotted; on July 12, 2021, 7,449 shares were allotted; on July 13, 2021, 7,412 shares were allotted; on August 26, 2021, 72,756 and 15,345 shares were allotted; on September 15, 2021, 10,593 shares were allotted; on November 2, 2021, 22,571 shares were allotted; on December 2, 2021, 4,022 shares were allotted; on December 12, 2021, 70,303 shares were allotted; on January 5, 2022, 12,559 shares were allotted; on January 31, 2021, 6,089 shares were allotted; on April 4, 2022, 38,570 shares were allotted; on April 14, 2022, 26,399 shares were allotted; on April 20, 2022, 30,915 shares were allotted; on April 26, 2022, 47,493 and 3,057 shares were allotted, on May 9, 2022, 33,074 shares were allotted, on July 5, 2022, 3,697 shares were allotted and on August 4, 2020, 15,664 shares were allotted.

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For details, to the best of the Company's knowledge and its directors, the stakeholders' holdings in the Company's securities, close to the date of this Prospectus, are as detailed in the Company's Immediate Reports dated July 7, 2022 (Reference No.: 2022-01-071883), which is brought in this Prospectus by way of reference) ("**Holdings' Ledger**").

**3.4. Control of the Company**

Belenus Lux S.a.r.l is the controlling shareholder in the Comapny. Belenus is being held by by Matthew Botein and Lewis (Lee) Sachs. For additional details see the Holdings' Ledger.

**3.5. Convertible securities into Company shares**

As of the date of the Prospectus, there are 16,106,209 options that are not listed for trading, convertible up to 16,106,229 of the Company's shares. For details regarding the said options, including the Company's options plan, see Note 37 to the Company's financial statements as of December 31, 2021, attached to the Periodic Report.

**3.6. The TASE rate of the Company's shares – adjusted**

Below are data on the high and low closing rates (adjusted for dividends) (in agoras) of the Company's share from January 1, 2020, to August 15, 2022, close to the date of publication of the Prospectus:

Year	Low closing gate		High closing rate	
	Rate	Date	Rate	Date
1.1.2020-31.12.2020	1,102.19	22.3.2020	2,157.82	28.12.2020
1.1.2021-31.12.2021	2,072.76	6.1.2021	3,916.52	28.12.2021
1.1.2022-15.8.2022	3,203	13.6.2022	4,300	20.4.2022

On August 15, 2022, shortly before the date of publication of the Prospectus, the closing rate of the Company's share was 3,947 agoras.

## **Chapter 4 - The Tangential Rights to the Company's Shares and the Company's Articles of Association**

### **4.1. The tangential rights to the Company's shares**

For details regarding the tangential rights to the Company's shares, see the wording of the Company's Articles of Association ("the **Company's AOA**"), as published in the Immediate Report by the Company on August 24, 2020 (Reference No.: 2020-01-092733), the contents of which are presented in this Prospectus by way of reference.

### **4.2. Arrangements set forth in the AOA in accordance with certain provisions of the Companies Law**

The arrangements under the *Companies Law* set forth in the Company's AOA shall be detailed below according to sections of the *Companies Law* specified in Regulation 26 (d) of the *Securities (Details, Structure and Form of Prospectus) Regulations, 5729-1969* ("**Prospectus Details Regulations**"), insofar as such arrangements have been set forth:

#### **4.2.1. Appointment of directors and term of office**

The annual general meeting of the Company will appoint the directors.

The directors shall be appointed every two years, in an ordinary resolution to be passed at the annual general meeting of the Company in that year.

Directors whose term of office has terminated will be eligible for re-election.

The Company may, by special resolution, terminate the term of office of any director before the end of his term of office, and it may appoint, by ordinary resolution, another person under him.

Such director shall serve in his position until the next general meeting at which directors are appointed, and he will be eligible for re-election.

#### **4.2.2. Legal quorum at a general meeting and chairperson of the meeting**

A legal quorum at a general meeting shall be formed when 3 shareholders holding at least one third of the total voting rights in the Company are present, by themselves or by proxy.

If, half an hour after the date set for the meeting, the legal quorum is not formed, it will be postponed to the same day on the following week, at the same time and place. If no valid quorum is found at the adjourned meeting half an hour after the scheduled time of the meeting, then two shareholders present on their own or by a proxy will constitute a valid quorum. The Chairperson of the BOD, if there is any, or any other person appointed for this purpose by the BOD, will serve as chairperson at any

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general meeting. If there is no such chairperson or if he is not present after 15 minutes from the scheduled time of the meeting, or if he does not wish to chair the meeting, the shareholders present at the meeting shall elect one of them to be the chairperson.

4.2.3. Decision making in the BOD

Questions discussed at any BOD meeting shall be decided by a majority of votes, and in the event of a tie, the chairperson of the BOD shall have an additional or decisive vote.

4.2.4. Dividend distribution, benefit shares, funds and capitalization of funds and profits

The BOD may, before offering any dividend, set aside amounts from the Company's profits, as it deems fit, as a fund reserved for exceptional needs or for dividends' comparison and all sorts of other purposes, as the BOD, in its sole discretion, will deem it beneficial to the Company's affairs, and it may invest the sums set forth above in such investments (except for company shares) as it deems fit, and occasionally handle these investments and change them and make use of all or part of them for the benefit of the Company, and it can divide the reserved fund into special funds, as it deems fit, and use the fund or any part of it in the Company's business, without having to hold them separately from the rest of the Company's assets.

The BOD may announce a dividend to be paid to members in accordance with their rights and shares in profits, and it can set a date for payment.

No dividend will be paid except from the Company's profits, and no interest will be paid by the Company on the dividends.

The Company's profits, subject to any right granted to other types of shares at the time of the issue, will be distributable to the Company's shareholders, in proportion to the amount of capital repaid or deemed to have been repaid at the expense of the nominal value of the shares held by them respectively, on time as determined by the BOD in the announcement of the dividend.

All dividends will be distributed and paid in proportion to the amounts paid or deemed to have been paid at the expense of the nominal value of the shares during each part or parts of the period for which the dividend is paid. However, if a share has been allotted under other conditions, the said conditions shall prevail over these provisions.

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The BOD announcing a dividend may decide that this dividend shall be paid in full or in part by way of distribution of certain assets, and especially by way of the distribution of fully repaid shares, bonds, or stock bonds of any company, or in one or more of these ways.

The BOD may decide that all kinds of funds, investments or other assets, which form part of the Company's profits, which have not yet been distributed, which are entitled to the reserved fund or are in the hands of the Company and are available for distribution and dividend purposes or representing premiums received through the issuance of shares and about to be credited to the premiums account of the shares - will become capital and will be distributed among those shareholders who were entitled to receive them, which were distributed by way of a dividend, and by the same ratio - on this basis these shareholders were made entitled to these funds in the form of capital and that all the principal which has thus become capital, or any part thereof, will be used for the benefit of these shareholders for full repayment - according to the nominal value, or in the premium (as stipulated in the resolution) - of the shares, or bonds or series of bonds of the Company which have not yet been issued, which will be distributed accordingly as above, or for the settlement, in whole or in part, of all liabilities required to be paid on the shares, the bonds, or the stock of the issued bonds, and that any such distribution or any such remit shall be accepted by these shareholders as a full remit of their share in the fund which has become the said capital.

The shares that will be distributed as benefit shares, shall be of the same type or types as the shares which gave their holders the right to receive the said benefit shares.

**The description of the provisions of the AOA above is a concise description of the provisions of the AOA in connection with those matters and it is not a substitute for reviewing the full text of the Company's AOA.**

**It shall be clarified that in any case of conflict between the provisions of the Company's AOA and provisions that cannot be stipulated in the Companies Law and / or the Securities Law, or in any regulation by virtue of them, the said provisions shall prevail the provisions of the AOA.**

## **Chapter 5 - Details of the Company and its Activities**

### **5.1. Description of the Company's business**

5.1.1. In accordance with Regulations 6B and 44 (A1) of the Prospectus Details Regulations, the chapter describing the Company's business is included in the Prospectus by reference to Chapter A of the Periodic Report as well as to the Interim Report.

5.1.2. From the date of publication of the Periodic Report and / or the Interim Report until the date of publication of the Prospectus, the Company has not published any material immediate reports.

5.1.2.1. A claim has been filed in the Haifa Regional Labor Court against a subsidiary of the Company, The Phoenix Insurance Company Ltd. ("**The Phoenix Insurance**"), accompanied by a motion to certify the claim as a class action. The matter of the claim is that in PHI (loss of working capacity) insurance, The Phoenix Insurance has breached its contractual liability as reflected in the insurance offer regarding the insurance period, compared to the provisions of the policy in relation to "insurance policy holder's age"; as well as on the grounds that The Phoenix Insurance failed to disclose properly the date of termination of insurance, as part of the contract. For additional details see the Company's Immediate Report dated June 6, 2022 (Reference no.: 2022-01-057471) (This information constitutes an inclusion by way of reference).

5.1.2.2. The Company entered into an agreement (through a wholly owned company) with three partners, for the establishment of a new Underwriting Company (In this section "**The Agreement**" and "**The Underwriting Company**", respectively). In accordance with terms of the agreement, the company will hold (indirectly) 19.99% of the issued and paid-up capital as well as the voting rights of the new Underwriting Company. The transaction, as stated above, is conditional on the preconditions set, including the requirements and conditions for obtaining an underwriter license and registration in the Underwriters' Register of the Securities Authority, in accordance with the Securities Regulations (Underwriting), 5767-2007. For additional



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details see the Company's Immediate Report dated June 12, 2022 (Reference no.: 2022-01-072013) (This information constitutes an inclusion by way of reference).

5.1.2.3. The Phoenix Pension and Provident Fund Ltd., a subsidiary of the Company ("**The Phoenix Pension and Provident**") filed to the National Labor Court, a motion to appeal the decision of the Tel Aviv Regional Labor Court, which approved a motion for approval of a class action lawsuit against The Phoenix Pension and Provident Fund, claiming to increase management fees in 2007 without sending advance notice as required by law. For additional details see the Company's Immediate Report dated June 14, 2022 (Reference no.: 2022-01-060504) (This information constitutes an inclusion by way of reference).

5.1.2.4. The Tel Aviv-Yafo District Court issued a judgment approving a settlement agreement in the motion to certify a claim as a class action, which was filed against The Phoenix Pension and Provident Fund Ltd. and against two other companies (In this section: "the **Defendants**" and "the **Settlement Agreement**", respectively) in the matter of the allegation of unlawful collection of handling fees/collection fees/operating fees/commission/early repayment fee or any other payment collected by the Defendants from their members who took out loans from them. According to the settlement agreement, The Phoenix Pension and Provident Fund will reimburse 45% of the handling fees collected, as defined in the settlement, together with interest and linkage, and will also pay compensation to the class representative plaintiff and the fees of their attorneys, in amounts that are not material to The Phoenix Pension and Provident Fund and against which there is an appropriate provision in the books. For additional details see the Company's Immediate Report dated June 19, 2022 (Reference no.: 2022-01-062076) (This information constitutes an inclusion by way of reference).

5.1.2.5. The Phoenix Insurance Company Ltd. contracted in a binding agreement for the provision of a loan (secured by collateral) in the amount of USD 130 million (In this section: "**The Loan**"), using Nostro money of The Phoenix Insurance, to El Al Matmid Frequent Flyer Ltd.

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For additional details see the Company's Immediate Report dated June 23, 2022 (Reference no.: 2022-01-077968) (This information constitutes an inclusion by way of reference).

- 5.1.2.6. The Capital Market, Insurance and Savings Authority issued a Circular amending the provisions of the previously issued consolidated circular regarding updating the demographic assumption system and a mortality improvement model for insurance companies and pension funds (In this section: "**The Circular**"). In accordance with the Circular and towards the end of a study carried out by The Phoenix Insurance regarding the retirement age and pension uptake rates, as detailed in section 5.5.3.2 of the report of the Company's BOD in the Interim Report, The Phoenix Insurance made a preliminary estimate of the expected direct impact on its financial results and the economic solvency ratio of The Phoenix Insurance. For additional details see the Company's Immediate Report dated July 3, 2022 (Reference no.: 2022-01-069297) (This information constitutes an inclusion by way of reference).
- 5.1.2.7. An addendum to the shareholder agreement of The Phoenix Capital Ltd. ("**The Phoenix Capital**") was signed between The Phoenix Investments and Finances Ltd., a wholly owned and controlled subsidiary of the Company, and Safra Consultation and Investments Ltd., which regulated issues that are not material to the Company and the management of The Phoenix Capital, and among other things, adapted as part of the implementation of the Company's strategic plan, the manner of making decisions at The Phoenix Capital for the holding rates of the parties. According to a valuation by The Phoenix Capital conducted by an external appraiser, the Company is expected to record in its financial statements for June 30, 2022, a one-off capital gain as a result of assuming control in The Phoenix Capital (which derives as a result of the aforementioned amendment) in the amount of about NIS 85 million after tax. For additional details see the Company's Immediate Report dated July 28, 2022 (Reference no.: 2022-01-078765) (This information constitutes an inclusion by way of reference).

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- 5.1.2.8. A second-tier subsidiary of the Company, The Phoenix Capital Raising (2009) Ltd. ("**The Phoenix Capital Raising**") carried out debt collection in the amount of NIS 400 million, through the issuance of a new series of Bonds (Series 13) and by expanding an existing series of Bonds (Series 11) of The Phoenix Capital Raisings. The aforementioned bonds were recognized by the Commissioner of the Capital Market, Insurance and Savings Authority at the Ministry of Finance, as a second-tier capital instrument by The Phoenix Insurance. For additional details, see the Company's Immediate Reports dated June 14, 2022, July 26, 2022, and July 28, 2022 (Reference no.: 2022-01-073339, 2022-01-078144 and 2022-01-078840, respectively) (This information constitutes an inclusion by way of reference).
- 5.1.2.9. Ms. Marilyn Victoria Hirsch has ceased to be a Director of the Company as of August 4, 2022. For additional details see the Company's Immediate Report dated August 4, 2022 (Reference no.: 2022-01-080859) (This information constitutes an inclusion by way of reference).
- 5.1.2.10. A judgment was rendered by the Central District Court approving an agreed motion for the plaintiff's withdrawal from the motion to certify of the claim as a class action, which was filed against The Phoenix Insurance Company Ltd. as well as against two additional insurance companies (In this section: "**The Defendants**") and which is concerned with the claim that in insurance policies covering mechanical engineering equipment the Defendants determine the value of the equipment for the purpose of determining the premium according to the value of new equipment, disregarding the age of the equipment; however, in the event of total loss of equipment the Defendants pay the policyholders insurance benefits in accordance with the equipment's actual value upon the occurrence of the insurance event, taking into consideration the age of the equipment. For additional details see the Company's Immediate Report dated August 14, 2022 (Reference no.: 2022-01-102331) (This information constitutes an inclusion by way of reference).

5.2. **BOD's report on the state of the Company's business and the financial statement for the year ended December 31, 2021, and for a period of three months ending March 31, 2022**

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See Chapter B and Chapter C, respectively, for the Periodic Report, as well as the Interim Report.

**5.3. Details regarding subsidiaries of the Company and related companies**

- 5.3.1. For details about investments in subsidiaries and included companies, see Regulation 11 in Chapter D of the Periodic Report.
- 5.3.2. For details about the income of subsidiaries and included companies and income therefrom, see Regulation 13 in Chapter D of the Periodic Report.

## **Chapter 6 - Company Management**

6.1. **Directors and senior officers**

For details about the Company's directors, close to the date of the Prospectus, see Regulation 26 in Part 4 of the Periodic Report. It should be noted that as mentioned in section 5.1.2.9 above, Ms. Marilyn Victoria Hirsch, ceased to serve as a Director of the Company as of August 4, 2022.

For details about senior officers in the Company (who are not directors), close to the date of the Prospectus, see Regulation 26A in Part 4 of the Periodic Report.

6.2. **The provisions of the Company's AOA relating to the appointment, term of office and replacement of directors**

For the provisions of the Company's AOA regarding the maximum and minimum number of directors, methods of appointment or election, duration of office, substitutes, termination of office, salary, and the appointment of BOD's committees and the powers conferred on them, see the Company's AOA.

6.3. **Authorized signatories of the Company**

The Company does not have independent signatories.

6.4. **The Auditor CPA of the Company**

KOST FORER GABBAY & KASIERER EY from 144A Derech Menachem Begin, Tel Aviv-Yafo 6492102.

6.5. **Registered office**

53 Derech Hashalom, Givatayim.

## **Chapter 7 - Stakeholders in the Company**

### **7.1. Benefits for stakeholders and senior officials**

For details regarding the benefits that the Company paid and undertook to pay, for each of the 5 highest-paid recipients among the Company's senior officers and subsidiaries in 2020 and 2021, see Regulation 21 in Chapter D of the Company's Periodic Report of 2020, published March 25, 2021 (Reference No.: 2021-01-044709), included in the Prospectus by way of reference ("Periodic Report 2020"), and see Regulation 21 in Chapter D of the Periodic Report (respectively and as the case may be).

### **7.2. Directors' compensation**

See Regulations 21 and 22 in Chapter D of the Periodic Report.

### **7.3. Compensation for senior officers from after the period of the Periodic Report until the date of publication of the Prospectus**

In the period between the date of the Periodic Report and the date of publication of the Prospectus, the above officers were paid salaries and / or management fees, as the case may be, in accordance with the above conditions in proportion to the number of months in this period.

### **7.4. Transactions with controlling shareholders or transactions in which the controlling shareholders have an interest**

For details about transactions with the controlling shareholders or transactions in which the controlling shareholders have a personal interest, which the Company contracted during the years 2020 and 2021 or they are still in effect at the time of the Prospectus, see Regulation 22 in Chapter D of the Periodic Report, Note 42 to the Company's financial statements as of December 31, 2021, which were attached to the Periodic Report.

### **7.5. Holdings of stakeholders and senior officers in the Company's securities**

7.5.1. For the date of the Prospectus - see section 3.3 above.

7.5.2. For the date that is 12 months prior to the date of the Prospectus - see the Company's Immediate Report dated July 8, 2021, and July 11, 2021 (Reference No.: 2021-01-050941 and 2021-01-051130,

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respectively), as well as the Company's Immediate Reports dated July 13, 2021 (Reference No.: 2021-01-052261 and 2021-01-052651), brought in the Prospectus by way of reference.

## **Chapter 8 - Financial Statements**

### **8.1. The financial statements included in the Prospectus by way of reference**

8.1.1. In accordance with Regulations 6B and 60B of the Prospectus Details Regulations, the Company refers to the Company's financial statements as of December 31, 2021, and March 31, 2022, published as part of the Periodic Report and the Interim Report (respectively).

8.1.2. In accordance with Regulations 9C and 38D of the *Securities (Periodic and Immediate Reports) Regulations, 5730-1970 ("Reporting Regulations")*, the Company refers to the report on the Company's separate financial information as of December 31, 2021, and March 31, 2022, published as part of the Periodic Report and the Interim Report, respectively.

8.1.3. In accordance with Regulations 9D and 38E of the Reporting Regulations, the Company refers to the liabilities' ledger report of the Company and the consolidated subsidiaries in its financial statements, according to the due dates for December 31, 2021, and March 31, 2022, published on March 29, 2022, and on 31 May 2022 (References No.: 2022-01-036997 and 2022-01 -055212) (This information constitutes an inclusion by way of reference).

8.2. In accordance with Regulation 62 (a1) of the Prospectus Details Regulations, below are letters of consent for the inclusion of the Company's auditor CPA, which include the agreements of the Company's auditor to include in the Prospectus, including by way of reference, the reports of the Company's auditor to the financial statements specified in section 8.1.1 above:

### **8.3. Effective internal control reports over financial reporting**

In accordance with Regulations 6B and 60E of the Prospectus Details Regulations, the Company refers to the annual report and the quarterly report regarding the effectiveness of the internal control over financial reporting and disclosure as well as managers statements attached to the Periodic Report and the Interim Report (as the case may be), included by way of reference.

### **8.4. Consent to the inclusion of an actuary**

In accordance with Regulation 62 (a1) of the Prospectus Details Regulations, below is a letter of consent for the inclusion of an actuary of The Phoenix Insurance Company Ltd., which includes his consent to include in the

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The Hebrew immediate report is the binding report-**

Prospectus, including by way of reference, the attached statement to the financial statements as of December 31, 2021, of the Company:

- 8.5. In accordance with Regulation 60B (b) of the Prospectus Details Regulations and as defined in Regulation 56A of the Prospectus Details Regulations, attached below is a report regarding events that occurred after the date of signing the Company's financial report for the Q1 of 2022, i.e., from 30 May 2022, which were published on 31 May 2022, until the date close to the publication of the Shelf Prospectus:

**Event Report**

In the period after the date of signing the financial statements of the Company and of The Phoenix Insurance as of March 31, 2022, which were signed on May 30, 2022, and published on May 31, 2022, and until the date of issuance of the permit for the Prospectus, no material events occurred (within the meaning of Regulation 56A of the Prospectus Details Regulations).

1. A claim has been filed in the Haifa Regional Labor Court against The Phoenix Insurance Company Ltd., which is concerned with the claim is that in PHI (loss of working capacity) insurance, The Phoenix Insurance has breached its contractual liability as reflected in the insurance offer regarding the insurance period, compared to the provisions of the policy in relation to "insurance policy holder's age"; as well as on the grounds that The Phoenix Insurance failed to disclose properly the date of termination of insurance, as part of the contract. For additional details see the Company's Immediate Report dated June 6, 2022 (Reference no.: 2022-01-057471) (This information constitutes an inclusion by way of reference).
2. The Company entered into an agreement (through a wholly owned company) with three partners, for the establishment of a new Underwriting Company (In this section "**The Agreement**" and "**The Underwriting Company**", respectively). In accordance with terms of the agreement, the company will hold (indirectly) 19.99% of the issued and paid-up capital as well as the voting rights of the new Underwriting Company. The transaction, as stated above, is conditional on the preconditions set, including the requirements and conditions for obtaining an underwriter license and registration in the Underwriters' Register of the Securities Authority, in accordance with the Securities Regulations (Underwriting), 5767-2007. For additional details see the Company's Immediate Report dated June 12, 2022 (Reference no.: 2022-01-072013) (This information constitutes an inclusion by way of reference).
3. The Phoenix Pension and Provident Fund Ltd., filed to the National Labor Court, a motion to appeal the decision of the Tel Aviv Regional Labor Court, which approved a motion for approval of a class action lawsuit against The Phoenix Pension and Provident Fund, claiming to increase management fees in 2007 without sending advance notice as required by law. For additional details see the Company's



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Immediate Report dated June 14, 2022 (Reference no.: 2022-01-060504) (This information constitutes an inclusion by way of reference).

4. The Tel Aviv-Yafo District Court issued a judgment approving a settlement agreement in the motion to certify a claim as a class action, which was filed against The Phoenix Pension and Provident Fund Ltd. and against two other companies (In this section: "the **Defendants**" and "the **Settlement Agreement**", respectively) in the matter of the allegation of unlawful collection of handling fees/collection fees/operating fees/commission/early repayment fee or any other payment collected by the Defendants from their members who took out loans from them. According to the settlement agreement, The Phoenix Pension and Provident Fund will reimburse 45% of the handling fees collected, as defined in the settlement, together with interest and linkage, and will also pay compensation to the class representative plaintiff and the fees of their attorneys, in amounts that are not material to The Phoenix Pension and Provident Fund and against which there is an appropriate provision in the books. For additional details see the Company's Immediate Report dated June 19, 2022 (Reference no.: 2022-01-062076) (This information constitutes an inclusion by way of reference).
5. The Phoenix Insurance Company Ltd. contracted in a binding agreement for the provision of a loan (secured by collateral) in the amount of USD 130 million (In this section: "**The Loan**"), using Nostro money of The Phoenix Insurance, to El Al Matmid Frequent Flyer Ltd. For additional details see the Company's Immediate Report dated June 23, 2022 (Reference no.: 2022-01-077968) (This information constitutes an inclusion by way of reference).
6. The Capital Market, Insurance and Savings Authority issued a Circular amending the provisions of the previously issued consolidated circular regarding updating the demographic assumption system and a mortality improvement model for insurance companies and pension funds (In this section: "**The Circular**"). In accordance with the Circular and towards the end of a study carried out by The Phoenix Insurance regarding the retirement age and pension uptake rates, as detailed in section 5.5.3.2 of the report of the Company's BOD in the Interim Report, The Phoenix Insurance made a preliminary estimate of the expected direct impact on its financial results and the economic solvency ratio of The Phoenix Insurance. For additional details see the Company's Immediate Report dated July 3, 2022 (Reference no.: 2022-01-069297) (This information constitutes an inclusion by way of reference).
7. An addendum to the shareholder agreement of The Phoenix Capital Ltd. was signed between The Phoenix Investments and Finances Ltd., a wholly owned and controlled subsidiary of the Company, and Safra Consultation and Investments Ltd., which regulated issues that are not material to the Company and the management of The Phoenix Capital, and among other things, adapted as part of the implementation of the Company's strategic plan, the manner of making decisions at The Phoenix Capital for the holding rates of the parties. According to a valuation by The Phoenix Capital conducted by an external appraiser, the Company is

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expected to record in its financial statements for June 30, 2022, a one-off capital gain as a result of assuming control in The Phoenix Capital (which derives as a result of the aforementioned amendment) in the amount of about NIS 85 million after tax. For additional details see the Company's Immediate Report dated July 28, 2022 (Reference no.: 2022-01-078765) (This information constitutes an inclusion by way of reference).

8. The Phoenix Capital Raising carried out debt collection in the amount of NIS 400 million, through the issuance of a new series of Bonds (Series 13) and by expanding an existing series of Bonds (Series 11) of The Phoenix Capital Raisings. The aforementioned bonds were recognized by the Commissioner of the Capital Market, Insurance and Savings Authority at the Ministry of Finance, as a second-tier capital instrument by The Phoenix Insurance. For additional details, see the Company's Immediate Reports dated June 14, 2022, July 26, 2022, and July 28, 2022 (Reference no.: 2022-01-073339, 2022-01-078144 and 2022-01-078840, respectively) (This information constitutes an inclusion by way of reference).
9. Ms. Marilyn Victoria Hirsch has ceased to serve as a Director of the Company as of August 4, 2022. For additional details see the Company's Immediate Report dated August 4, 2022 (Reference no.: 2022-01-080859) (This information constitutes an inclusion by way of reference).
10. A judgment was rendered by the Central District Court approving an agreed motion for the plaintiff's withdrawal from the motion to certify of the claim as a class action, which was filed against The Phoenix Insurance Company Ltd. as well as against two additional insurance companies (In this section: "**The Defendants**") and which is concerned with the claim that in insurance policies covering mechanical engineering equipment the Defendants determine the value of the equipment for the purpose of determining the premium according to the value of new equipment, disregarding the age of the equipment; however, in the event of total loss of equipment the Defendants pay the policyholders insurance benefits in accordance with the equipment's actual value upon the occurrence of the insurance event, taking into consideration the age of the equipment. For additional details see the Company's Immediate Report dated August 14, 2022 (Reference no.: 2022-01-102331) (This information constitutes an inclusion by way of reference).

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**Mr. Benjamin Gabbay**  
**Chairperson of the BOD**

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**Mr. Eyal Ben Simon**  
**CEO**

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**Mr. Eli Schwarz**  
**CFO**

**Date of signature: August 23, 2022**

## **Chapter 9 – Additional Details**

### **9.1. Legal Opinion**

The Company received the following legal opinion:



26 Av, 5782  
23 August, 2022

**To:**  
**The Phoenix Holdings Ltd.**  
**53 Derech HaShalom**  
**Givatayim**

Dear Sir and Madam,

**Re: Draft of the Shelf Prospectus of The Phoenix Holdings Ltd. from August [ ], 2022 ("the Company" and "the Shelf Prospectus", respectively)**

Regarding the Shelf Prospectus in question, we hereby confirm, that in our opinion, the directors of the Company were duly appointed, and their names are included in the Shelf Prospectus.

We agree that this opinion will be included in the Prospectus.

Sincerely,

**Omer Tikolsky, Attorney   Yotam Dauber, Attorney**  
**M. Firon & Co., Advocates**

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M. Firon & Co., Advocates Adgar Tower 360, 2 Hashlosa St. Tel – Aviv 6706054, Tel: 03-7540000  
Tel Aviv, Haifa, Nazereth, Beer Sheva, Netanya; Romania, Greece, Bulgaria and Serbia [www.firon.co.il](http://www.firon.co.il)

9.2. **Application fee for permission to publish a prospectus**

In accordance with section 4A of the *Securities (Application Fee for Permission to Publish a Prospectus) Regulations, 5755-1995*, the Company paid the Securities Authority an application fee for a permit to publish the Prospectus, however, an additional fee will be paid for the securities offered at the time of publication of the shelf offer report/s (insofar that they are published), in amounts and dates as provided in the said regulations.

9.3. **Review of documents**

Copies of the Prospectus, the Company's AOA and any opinion or approval mentioned in the Prospectus, are available for public review during normal business hours at the Company's offices at 53 Derech Hashalom, Givatayim. In addition, a copy of the Prospectus is available for public review on the distribution website of the Securities Authority at: [magna.isa.gov.il](http://magna.isa.gov.il) and on the TASE's website at: [maya.tase.co.il](http://maya.tase.co.il).

## **Chapter 10 – Signatures**

### **The Company**

**The Phoenix Holdings Ltd.**

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### **The Directors**

**Benjamin Gabbay**

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**Roger Abravanel**

\_\_\_\_\_

**Ben Carlton Langworthy**

\_\_\_\_\_

**Itzhak Shukrie Cohen**

\_\_\_\_\_

**Dr. Ehud Shapira**

\_\_\_\_\_

**Eliezer Yones**

\_\_\_\_\_

**Richard Kaplan**

\_\_\_\_\_

**Rachel Levin**

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