

The Phoenix Holdings Ltd.

Attn.: Menachem Neeman, General Counsel

Date: December 13, 2022

Dear Meni,

**Re: Execution of a Non-Binding Term Sheet for Joinder of Investors in the Controlling Stake of the Phoenix Holdings Ltd. (the "Company")**

We wish to update you that on December 13, 2022, Centerbridge Partners, L.P. ("Centerbridge") and Gallatin Point Capital LLC ("Gallatin"), the entities indirectly controlling Belenus Lux S.a.r.l, have executed a non-binding term sheet (the "Term Sheet") setting forth the principal terms pursuant to which a consortium comprised of ADQ, Gallatin, and other UAE and international investors, would purchase the controlling stake in the Company through a newly formed joint entity.

More specifically, an Abu-Dhabi based group, comprised of two or more investors, led by ADQ Developmental Holdings LLC (ADQ) (the "Group") would purchase, through a newly formed joint entity, a stake of between 25% and 30% of the Company from funds managed by affiliates of Centerbridge and from Gallatin and its associated managed accounts (together, the "Existing Holders"). Concurrently, certain management members of the Company (including CEO Eyal Ben Simon and Chairman Benny Gabbay) are expected to buy a stake in the Company, currently anticipated to represent 1-2% of the Company, on the same terms from the Existing Holders and remain in their roles. The remainder of the controlling stake of the Company would be held by entities controlled by Gallatin.

The agreed upon purchase price is based on a 100% equity valuation of NIS 9,200,000,000 (representing a price of NIS 36.588 per share), adjusted for dividends distributed to the Existing Holders in the period prior to Closing.

The Term Sheet contemplates that the parties will share control of the Company, with the parties' representation on the Company's board of directors based on a mechanism that takes into account their respective holdings, including members from the Group and Gallatin. The final transaction, governance and holding structures with respect to the control stake have not yet been determined between the parties and will be subject to regulatory approvals. The parties intend to sign a shareholder agreement with customary provisions, including as to their respective board appointment rights, mechanisms for the future sale of shares in the Company and a lock-up period.

The Term Sheet is non-binding and the contemplated transaction will be subject, *inter alia*, to completion of due diligence and customary conditions precedent, including receipt of required regulatory approvals (including the approval of the Commissioner of the Israeli Capital Market, Insurance and Savings Authority) (the "Commissioner")) and there is no certainty that the transaction will be completed or as to whether or when it would be completed. A preliminary notice in respect of the proposed transaction was given to the Commissioner prior to the execution of the Term Sheet. Such notice did not constitute a formal application for a control permit and any such application, when made, will be subject to the review and approval process required by applicable law.

Sincerely,

**Belenus Lux S.a.r.l**

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**Name:**

**Title:**

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**Name:**

**Title:**