

To:

The Phoenix Holdings Ltd. (the "Company")

Attn.: Adv. Menachem Neeman, Deputy CEO, General Counsel and Company Secretary

Date: 21 July 2023

Re: Termination of Term Sheet

Reference is made to our previous notification dated December 13, 2022, pursuant to which we had informed you that Gallatin Point Capital LLC and Centerbridge Partners, L.P., the entities indirectly controlling Belenus Lux S.à.r.l., had executed a non-binding term sheet for the purchase of the control stake in the Company by a UAE-based investor consortium alongside other international investors (the "Consortium" and the "Term Sheet", respectively).

We hereby notify you that the parties have come to a mutual understanding regarding termination of the Term Sheet inter alia in light of the potential regulatory limitations that would have arisen from the acquisition of the control stake by the Consortium resulting in potential restrictions for several members of the Consortium to undertake additional material investments in Israel.

In parallel with the termination of the Term Sheet, in light of the continued belief of the members of the Consortium in the Company and their desire to become shareholders, the parties are finalizing an agreement pursuant to which the controlling shareholder will sell the Consortium shares in the Company while still retaining at least 30% of the fully diluted shareholding of the business and thus the control stake. It is contemplated that those shares would be sold at the same price per share as that contemplated under the original transaction.

Sincerely,

Belenus Lux S.à.r.l.



By: Tetiana Zymogliad

Title: Class A manager



By: Zhak Cohen

Title: Class B Manager