

16 July 2024

To:

Phoenix Holdings Ltd.

Attn: Adv. Menachem Neeman, Deputy CEO, Chief Legal Counsel

Dear Meni,

**Re: Execution of Agreements for the Sale of Shares in the Phoenix Holdings Ltd. (the "Company")**

Centerbridge Partners, L.P. and Gallatin Point Capital LLC (the "**Funds**"), the entities controlling (indirectly) Belenus Lux S.à.r.l. ("**Belenus**"), are pleased to inform you as follows, further to our announcement of April 21, 2024 regarding the grant of a permit to the Funds and the ultimate shareholders of the Funds by the Capital Market, Insurance and Savings Authority (the "**Capital Market Authority**") to hold means of control in the Company and the insurers controlled by the Company (the "**Holding Permit**"):

1. On July 15, 2024, Belenus signed several agreements for the sale of ordinary shares of the Company held by it, as described below (together, the "**Transactions**"). The Transactions total approximately 16.48% of the Company's issued share capital (and constituting approximately 21.43% of the Company's issued share capital, if the Additional Affinity Transaction (as defined below) is consummated). All Transactions are conducted through out of market transactions at a price per share of NIS 37.50.
  - 1.1. Transaction with Affinity Partners ("**Affinity**"): A transaction for the sale of ordinary shares of the Company, constituting 4.95% of the issued share capital of the Company as of the closing of the transaction, for a purchase price reflecting a price per share of NIS 37.50 (an aggregate purchase price of approximately NIS 466 million, as adjusted for number of shares sold at closing). The transaction with Affinity shall be consummated no later than 16 business days from the date of execution of the agreement. In addition, at the time of execution of the purchase agreement, Belenus and Affinity entered into a forward agreement, whereby, subject to receipt of a holding permit by Affinity from the Capital Market Authority, Affinity will purchase additional shares in the Company constituting the same percentage and on the same price as the shares sold in the first transaction (i.e., shares constituting 4.95% of the issued shares of the Company on the date of closing of the additional transaction, and a price of NIS 37.50 per share, subject to certain price adjustments set forth in the agreement) (the "**Additional Affinity Transaction**"). The latest date for completion of the Additional Affinity Transaction is six months from the date of signing.

- 1.2. A transaction with a US based investment fund (the "**Investor**"). The transaction with the Investor is for the sale of 3,900,000 ordinary shares of the Company, constituting approximately 1.55% of the issued share capital of the Company as of the date of execution of the agreement, for a purchase price of NIS 37.50 (and for an aggregate purchase price of approximately NIS 146,250,000). The transaction with the Investor shall be consummated no later than August 5, 2024.
- 1.3. Transactions with additional separate, international investors. In addition, Belenus entered into several agreements with international investors for the purchase of, in the aggregate, an additional 4.99% of the Company's issued and outstanding share capital at a price per share of NIS 37.50, which are expected to close in the upcoming days.
- 1.4. Deal with Delek Group Ltd. ("**Delek Group**"). A transaction with Delek Group for the sale of ordinary shares of the Company, constituting 4.99% of the issued share capital of the Company, as of the date of consummation of the transaction, for a purchase price reflecting a price per share of NIS 37.50. As part of the transaction, in consideration for the shares sold to the Delek Group, (i) Belenus will repay to Delek Group the full amount (principal and interest) of the subordinated loan that Delek Group provided to Belenus as part of the transaction dated November 3, 2019, in which Belenus acquired the Delek Group's entire holdings in the Company at the time (the "**Acquisition of Control**"), and (ii) the parties agreed to a final settlement of the purchase price adjustments to the consideration pursuant to the Acquisition of Control transaction, such that altogether Delek will be entitled to a total amount of approximately NIS 250 million. Accordingly, following the repayment of the loan to the Delek Group and the settlement of the purchase price adjustments under the Acquisition of Control as aforesaid, at the closing of the transaction, Delek Group will pay NIS 220 million in cash to Belenus. The transaction is expected to close in the upcoming days.
2. Upon consummation of all or part of the Transactions and full repayment of the debt to the financial institutions that provided Belenus with a senior loan as part of the Acquisition of Control, the pledge on the means of control in the Company held by Belenus (and the means of control in Belenus held by the Funds) will be released and the pledge permit granted to the financial institutions by the Capital Market Authority will expire.
3. Upon completion of the Transactions, Belenus will hold ordinary shares of the Company constituting approximately 14.97% of the Company's issued share capital (and assuming the completion of the Additional Affinity Transaction, Belenus will hold a percentage of approximately 10.02% of the Company's issued share capital). As of the date of completion of the first of the Transactions, Belenus will cease to hold the controlling core in the Company, and as of such date, the control permit of the Funds in the Company will expire and the Holding Permit will come into effect.

Respectfully,

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

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**Name:**

**Function:**

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**Name:**

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