

Translation of Immediate Report

T121
Public

Bank Leumi Le-Israel B.M.
Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
3 Abba Hillel Silver St. Lod 7129404
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
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April 16, 2024
Reference: 2024-01-043524

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report

Nature of Event: *Deed of Trust for Credit-Linked Notes (Series 2)
that will be Issued to Institutional Investors and will be listed on TACT Institutionals*

Reference numbers of previous reports on the matter: _____, _____,

Attached please find is a file [Deed of Trust Report Sanitized isa.pdf](#)

The company is not an envelope company as that term is defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the event or matter: *April 16, 2024, at 18:12.*

Details of signatories authorized to sign on behalf of the corporation:

Name of signatory	Title
<i>Liat Shuv</i>	<i>Head of the Corporate Division</i>

In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here](#).

Reference numbers of previous reports on the matter (does not constitute inclusion by way of reference):

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Ticker: Leumi

Address: 3 Abba Hillel Silver St. Lod 7129404, Tel: 076-8858111, 076-8859419

Facsimile: 076-8859732 Electronic Mail: David_S@bll.co.il company's website:

www.leumi.co.il

Previous names of the reporting entity:

Name of Electronic Reporter: David Raoul Sackstein, Position: Advocate, General Secretary 3 Abba Hillel Silver St. Lod 7129404, Phone: 076-8857984, Facsimile: 076-8859732 Electronic Mail: David.sackstein@bankleumi.co.il

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

Deed of Trust

Signed in Tel Aviv-Jaffa on April 16, 2024

BETWEEN

Bank Leumi le-Israel B.M., public company 52-001807-8

Of 34 Yehuda Halevy St., Tel Aviv 6513616

(hereinafter – the “**Bank**”)

As the First Party;

AND

Hermetic Trust (1975) Ltd., Private Company No. 51-070519-7

30 Sheshet Hayamim Street, Bnei Brak 5120261

Tel: +972-3-5544553 Fax: +972-3-5271451.

(hereinafter – the “**Trustee**”)

As the Second Party;

WHEREAS: The Bank’s Board of Directors has decided to approve the issue of Credit Linked Notes (Series 2) for institutional investors (as these terms are defined below), under the terms as set forth in This Deed and the addenda and appendices to it;

AND WHEREAS: The Trustee declares that it is a company limited by shares that was incorporated in Israel under the Companies Law, and its main purpose is to engage in trusteeship and in other activities that are generally carried out by a trust company, and that it meets all the qualifying terms and conditions required from a trustee to the Notes pursuant with the Securities Law;

AND WHEREAS: The Trustee does not have any interest in the Bank and the Bank does not have any vested interest in the Trustee, that goes beyond the Trustee serving as a trustee for the Bank’s additional notes;

AND WHEREAS: The Bank requested that the Trustee should serve as a trustee for the Holders of the Credit Linked Notes (Series 2) of the Bank and the Trustee agreed to sign This Deed of Trust and to act as the Trustee of the said Notes Holders, including of the Holders of the Redeemable Security (as defined in Section 6.7 below), insofar as they shall exist;

AND WHEREAS: The Trustee declares that it is not precluded pursuant to the Securities Law or any other law from engaging with the Bank in This Deed of Trust;

AND WHEREAS: The Bank declares that it is not precluded pursuant to any law and/or agreement from engaging with the Trustee in This Deed of Trust;

AND WHEREAS: There is no impediment under any law and/or agreement to issue the Credit Linked Notes (Series 2) by the Bank and all the approvals required by law and pursuant to the Bank's documents of incorporation, and also according to any agreement (insofar as this is relevant) for the issuance of the Credit Linked Notes (Series 2) have been obtained, apart from approval from the TASE for listing of the Notes for trading on the trading system for institutional investors.

Now, therefore, the Parties have agreed, represented and stipulated as follows:

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1. **Interpretation and Definitions**

- 1.1. The preamble to This Deed of Trust, and all of the appendices hereto, constitute an integral part thereof.
- 1.2. The division of This Deed of Trust into sections and the section headings provided herein are for convenience and ease of reference only and shall not be used for interpretation.
- 1.3. This Deed of Trust shall come into effect on the date of the actual allocation of the Notes by the Bank. It is hereby agreed that in the event that the issuance of the Notes is canceled for whatever reason, This Deed of Trust shall be null and void without any of the parties to the Deed having any claim against the other party.
- 1.4. In This Deed of Trust and Notes, the following terms shall have the meaning set out opposite them, unless explicitly stated otherwise.

“Notes” or “Credit Linked Notes (Series 2)”¹

- Credit Linked Notes (Series 2) of NIS 1 p.v. each, registered, whose terms shall be pursuant to the terms set forth in This Deed of Trust and the addenda and appendices to it;

“Credit Event”

- One or more of the following: (1) “Failure to Pay” as defined in **Appendix C** of This Deed of Trust, (for this purpose, “Payment Requirement” shall be any amount greater than zero), as well as the failure of a Reference Entity (borrower) to pay all or part of the amounts it is obliged to pay under any of the terms and conditions of the Reference Obligations (loans) (after the Grace Period has elapsed (as per the definition of this term in **Appendix C** of This Deed of Trust), as this is determined in the terms of the relevant Reference Obligation in respect of that payment); (2) “Bankruptcy”: as this term is defined in **Appendix C** of This Deed of Trust, as well as bankruptcy or insolvency of the Reference Entity or an assertion of the Bank that the Reference Entity is unable to pay its debts, all or part thereof, or a written admission of the Reference Entity as to its inability to pay its debts under any of the Reference Obligations on time; and

¹ It should be clarified that the Notes (Series 2) are not CPI-linked in any manner and they bear the protected credit risk (as defined in Section 2.1 below).

also (3) “Restructuring” as this term is defined in **Appendix C** of This Deed of Trust (for this purpose, the “Default Requirement” shall be any amount greater than zero), as well as restructuring of any of the terms and conditions of the Reference Obligations, involving erasure or delay of the date of payment of the principal, interest or fees that the Reference Entity is required to pay under any of the terms and conditions of the Reference Obligations, which leads to a credit loss event of the Bank (namely, debt erasure, implementing a specific provision in respect of the restructuring in the Bank's financial statements or a similar debit to the profit and loss account in the Bank's financial statements). It should be emphasized that the Bank has the right (but not the obligation) to determine that a Credit Event has occurred, at its absolute and sole discretion, and that the Trustee and/or the Notes Holders shall have no claim, of any type or kind, against the Bank once the Bank has determined that a Credit Event either has or has not occurred;

The “Stock Exchange”

- The Tel Aviv Stock Exchange Ltd.;

“Credit Facility Collateral”

The collateral, including the specific collateral (as they are defined in **Appendix A** of This Deed of Trust) that serve to secure the repayment of the Credit Facility, and as such to ensure repayment of the Reference Obligations. The collateral is of first degree, and information regarding it, pursuant to what is specified in **Appendix A1** of This Deed of Trust has been given to the Trustee, pursuant to the provisions of Section 2,2 below;

“TASE Guidance”

- The provisions of the TASE Rules and Regulations, the guidelines by virtue thereof and the bylaws of the TASE Clearing House (as applicable), in the wording as shall be from time to time;

The “Nominee Company”

- The nominee company of Bank Leumi le-Israel B.M., or any other nominee company that will replace it;

“Special Resolution”

- A resolution passed by a general meeting of Notes Holders which was attended, in person or by proxy, by Holders of at least fifty percent (50%) of the balance of the par value of the Notes outstanding or at the deferred meeting of this meeting, which was attended by Holders of at least twenty percent (20%) of the said balance and which was passed (whether at the original meeting or at the deferred meeting) by a majority of at

least two thirds (66.6%) of all votes of the participants in the vote, excluding abstainers;

“Ordinary Resolution”

- A resolution passed by a general meeting of Notes Holders which was attended, in person or by proxy, by at least two Notes Holders, who together hold at least twenty-five percent (25%) of the outstanding balance of the par value of the Notes in circulation on the date scheduled for the meeting, or at the deferred meeting of this meeting (the quorum for which shall be pursuant to the provisions of Sections 19.4 and 19.5 of the Second Addendum to This Deed), and which was passed (either at the original meeting or at the deferred meeting) by a majority of votes of those participating in the vote, excluding abstentions;

The “Reference Obligations”

- The total amount of Reference Obligations and the financial credit (namely, the debt balance in the relevant current account of the Reference Entity at the Bank) that the Bank has provided and/or shall provide to each of the Reference Entities, which constitute part of the Credit Facility (as this term is defined below) of each of the Reference Entities, in the Reference Entity’s bank account, as set forth in **Appendix A1** of This Deed of Trust, which has been transferred to the Trustee, pursuant to the provisions of Section 2.2 below. The said Reference Obligations and financial credit are of the same insolvency ranking, and their repayment (including repayment of the Credit Facility balance) is secured by the Credit Facility Collateral, as set forth in the information to be given to the Trustee pursuant to the provisions of Section 2.2 of the Deed of Trust.

The “Reference Entities”

- Corporations that are customers of the Bank, which have been granted or will be granted the Reference Obligations, as set forth in the information to be provided to the Trustee pursuant to Section 2.2 below;

The “Register”

- The register of Notes Holders, as set out in Section 28 to This Deed of Trust;

The “Trustee”

- The Trustee mentioned at the head of This Deed of Trust or any other trustee that will replace it pursuant to the terms and conditions of This Deed of Trust;

The “Companies Law”

- The Companies Law, 1999 (and regulations thereunder as shall be from time to time);

The “ Insolvency Law ”	- Insolvency and Economic Rehabilitation Law, 2018, and the regulations promulgated thereunder, as they will be from time to time;
The “ Securities Law ” or “ Law ”	- The Securities Law, 1968 and the regulations enacted thereunder, as amended from time to time;
The “ Settlement Date ”	- The date of payment of the Notes consideration to the Bank against allocation of the Notes to the Offerees;
“ Trading Day ”	- Any day during which transactions are performed on the Stock Exchange;
“ Business Day ”	- Every day on which most banks in Israel are open for business.
“ Amortization Schedule ”	- The amortization schedule of the Notes’ principal as set forth in Section 2.5 of This Deed, or the amortization schedule as shall be updated in the event of principal reduction due to the occurrence of a Credit Event, as set forth in Section 6 of This Deed and/or in the event of early redemption, as set forth in Sections 5.1 and 5.2 of the terms and conditions listed overleaf;
“ MAYA ”	- The internet system for announcements to companies operated by the TASE, whose address is: https://maya.tase.co.il ;
The “ Notes Holders ” or “ Holders ”	- Any of the following; (1) anyone to whose credit are registered with a TASE member Credit Linked Notes (Series 2) of the Bank that are included among the Credit Linked Notes (Series 2) listed in the name of the Nominee Company in the Register (hereinafter - “ Unregistered Holder ”); (2) anyone to whose credit are registered Credit Linked Notes (Series 2) in the Register, and in the case of a number of co-owners, the first registered co-owner in the Register (hereinafter - “ Registered Holder ”);
“ Related Holder ”	- A controlling shareholder (insofar as it exists), its relative or a corporation in control of any of them;
The “ Credit Facility ”	- The total amount of the credit facility that was authorized and provided to the Reference Entities by the Bank, except with respect to two of them, for which the credit facility will be authorized and/or provided subsequent to the signing date of This Deed of Trust, ²

² Regarding this matter, see the information pertaining to two of the Reference Entities, as outlined in Section 2.6 in **Appendix A1** to This Deed of Trust.

or that has been recorded or shall be recorded as a liability in its books (as the case may be), for each of the Reference Entities in a specific account, which includes balances and revaluation balances (as per their definition above, in respect of which the Bank acquires partial protection via the issue of the Notes under This Deed of Trust); and might include additional components, as set forth in the definition of the Credit Facility components in **Appendix A** of This Deed. This Appendix along with information regarding any said Credit Facility shall be provided to the Trustee and available for examination by both the potential and existing Notes Holders, pursuant to the provisions of Section 2.2 below.

The “TASE Clearing House”

- The clearing house of the Tel Aviv Stock Exchange Ltd.;

“Institutional investors”

- Investors listed in Sections 15a(b)(1) and (2) of the Securities Law;

The “Protected Credit Risk”

- As this term is defined in Section 2.1 below;

The “Base Amount”

- The amount of the Credit Linked Notes (Series 2) attributable to the accrued principal amount of all the Reference Obligations (as this term is defined above) that were provided and/or shall be provided by the Bank to each of the Reference Entities (as this term is defined above), in respect of which the Bank has acquired protection under This Deed of Trust. Should a Credit Event (as this term is defined above) occur during the life of the Notes, a principal amount shall be deducted from the Notes Principal in the amount of the Base Amount that is relevant to that Reference Entity (for the avoidance of doubt, without taking into account any interest that the loan bears in relation to which the Credit Event occurred), and all pursuant to the provisions of Section 6 below. The Base Amount in relation to each Reference Entity is set forth in **Appendix B** of This Deed of Trust, shall be deducted in the event in which mandatory early redemption is carried out pursuant to the provisions of Section 5.2 of the terms and conditions listed overleaf;

The “Principal Amount” or the “Notes’ Principal”

- The par value of the Credit Linked Notes (Series 2) in circulation (and not yet paid up), as shall be updated in the event of early redemption, as set forth in Sections 5.1 and 5.2 of the terms and conditions listed overleaf and/or in the event of principal reduction due to the occurrence of a Credit Event, as set forth in Section 6

of This Deed, and all pursuant to the provisions of This Deed of Trust;

- | | |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The “Bank of Israel Interest” | - The rate of interest in unlinked New Israeli Shekels that the Governor of the Bank of Israel announces from time to time as the declared interest rate of the Bank of Israel; |
| “This Deed” or the “Deed of Trust” or “This Deed of Trust” | - This Deed of Trust including the addenda and appendices attached to it and which constitute an integral part thereof in their wording as shall be from time to time, and whose terms and conditions also include the specific information regarding the Reference Obligations and the Reference Entities in the Trustee’s possession and which is available for examination by the potential and existing Notes Holders pursuant to the provisions of Section 2.2 below; |
| The “Bank's Credit Risk Rate” | - As this term is defined in Section 3.5.9 below; |
| The “Note Certificate” | - The Note Certificate that is attached as the First Addendum to This Deed of Trust. |

1.5. Reference in This Deed of Trust to the plural shall also imply the singular and vice versa, reference to the masculine shall also imply the feminine and vice versa, and reference to a person shall also imply a corporation, all provided that This Deed does not contain any contrary explicit or implicit provision or unless the content or the context require otherwise.

1.6. The conditions and the terms relating to the credit derivative, as defined and set forth in This Deed of Trust (including the term listed along side them in English), and in **Appendix C** of This Deed of Trust, are based on the agreements and the definitions relating to this matter published by the ISDA (International Swaps and Derivatives Association).

1.7. In any event of a discrepancy between the Deed of Trust and the documents attached thereto, the provisions of the Deed of Trust shall prevail.

1.8. Any decision or calculation made by the Bank pursuant to This Deed of Trust, shall be made at its full and sole discretion, and without the need to consult with any entity or obtain any approval. The Bank's calculations shall be made using the customary

method at the Bank in relation to similar reference obligations and credit facilities and in good faith.

- 1.9. Wherever This Deed states “subject to any law”, the intention is subject to any law that is in accordance with Israeli law, apart from insofar as it has been stipulated in This Deed on the provisions of the law, insofar as they can be made subject to conditions.

2. **Issuance of Notes**

2.1. **Credit-Linked Notes**

The Notes issued under This Deed of Trust bear part of the credit risk to which the Bank is exposed in respect of the Reference Obligations that the Bank has provided to the Reference Entities in the field of real estate, insofar as a Credit Event shall occur (as these terms are defined in Section 1.4 above) (hereinafter - the “**Protected Credit Risk**”). The specific details regarding each of the Reference Obligations and the Reference Entities are in the possession of the Trustee and are available for examination by both the potential and existing Notes Holders, pursuant to the provisions of Section 2.2 below.

By issuing the Notes under This Deed of Trust, the Bank shall receive protection from the Protected Credit Risk, as under the terms and conditions of the Notes, in the case in which the Bank shall determine, at its absolute and sole discretion, that a Credit Event (as this term is defined in Section 1.4 above) has occurred regarding one or more of the Reference Obligations (as this term is defined in Section 1.4 above), that the Bank has provided to any of the Reference Entities or regarding any of the Reference Entities, and detailed and specific information regarding which is in the possession of the Trustee and is available for examination by both the potential and existing Notes Holders, pursuant to the provisions of Section 2.2 below, the Notes' Principal shall be reduced by the full Base Amount attributable to that particular Reference Obligation and to that particular Reference Entity, regarding which the said Credit Event has occurred. The said reduction of the Notes' Principal, constitutes a cash settlement of the Protected Credit Risk. The Base Amount in relation to each Reference Obligation and Reference Entity is set forth in **Appendix B** of This Deed of Trust. In relation to the reduction of the said Notes' Principal, see Section 6 below.

On the occurrence of a Credit Event or a said Credit Event, the Notes' Principal shall be reduced either fully or partially (as applicable) and shall cease to bear interest in relation to the deducted amount commencing from the Effective Date of the reduction, all as set forth in Sections 6.2 and 6.6 below, respectively.

The information pertaining to the Reference Obligations and Reference Entities, to which the Notes' Principal is exposed, is contained in Appendices A and A1, which are available for review at the Trustee, pursuant to the provisions of Section 2.2.1 and in Appendix B that is attached to the Deed of Trust. Appendices A and A1 constitute an integral part of the Deed of Trust and are available for review at the Trustee of the Notes in accordance with the mechanism detailed in Section 2.2.1 below. Pursuant to the Bank's decision regarding the occurrence of a Credit Event, the Notes' Principal shall be reduced pursuant to the provisions of Section 6 below, and consequently each investor, considering acquisition of the Notes or holding the Notes, is recommended to contact the Trustee in accordance with the mechanism set forth in Section 2.2.1 below in order to review all the Deed of Trust appendices and the information contained therein.

2.2. Provision of information to the Notes Holders and investors examining investment in the Notes

- 2.2.1. Immediately prior to issuance of the Notes under This Deed of Trust, the Bank provided the Trustee with information regarding the Reference Obligations and Reference Entities as set forth in **Appendices A, A1 and B** of This Deed of Trust. The Trustee shall present the appendices and the said information to each of the following: (a) each Credit Linked Notes (Series 2) Holder who presents to the Trustee written authorization of its holding of the Notes and (b) each Institutional Investor examining the possibility of investing in the Notes (those aforementioned in subsections (a) and (b) shall be referred to hereinafter as - the **"Parties Entitled to the Information"**). All, subject to the fact that the specific Party Entitled to the Information signs a confidentiality agreement regarding the information in the wording deemed satisfactory by the Trustee and the Bank.
- 2.2.2. Subsequent to issuance of the Notes and their listing on the trading system for Institutional Investors by the Bank, the Trustee shall present to the Parties Entitled to the Information requesting it, the information it has received from

the Bank regarding the Reference Obligations and the Reference Entities as set forth in **Appendices A, A1 and B**, as shall be updated from time to time pursuant to the provisions of This Deed of Trust, subject to the provisions of Sections 2.2.1 above.

2.2.3. It should be clarified that during the lifetime of the Notes, the Bank shall provide the Trustee with information set forth in **Appendices A1 and B** of This Deed of Trust, with it updated to June 30 and December 31 in each calendar year during the lifetime of the Notes (each of the said dates shall be referred to hereinafter as - the “**Half-Year Date**”) and this shall be within 28 days of each said Half-Year Date (hereinafter - “**Half-Year Update**”). The Trustee shall present the information in the said Half-Year Update to the Parties Entitled to the Information who shall request it, subject to their signing the confidentiality agreement, pursuant to the mechanism set forth in Section 2.2.1 above. It should be clarified that, as part of the Half-Year Update, the Bank shall not provide the Trustee with information regarding: (a) Reference Obligations, regarding which, prior to the relevant Half-Year Date the Bank determined that a Credit Event had occurred in relation to them, and in relation to them the Trustee shall be provided with information as stated **in Appendix A2** of This Deed of Trust once every calendar quarter, that has been transferred to the Trustee, and which the Trustee shall enable to be reviewed by those Parties Entitled to the Information alone who request this, subject to their signing the confidentiality agreement, pursuant to the mechanism set forth in Section 2.2.1 above; or (b) Reference Obligations that have been fully repaid in early redemption as set forth in Sections 5.1 and 5.2 of the terms and conditions listed overleaf.

2.3. Listing on the TACT Institutional System of the TASE

2.3.1. The Notes issued under This Deed of Trust are issued via a private placement to Institutional Investors. The Bank undertakes to list the Notes in the trading system for Institutional Investors operated by the TASE (hereinafter - the “**TACT Institutional System**”) within thirty (30) days of the Clearance Date. To this end, the Bank filed with the TASE, prior to the date of issue, an application to approve listing of the Notes on the TACT Institutional System (which is subject to TASE approval). Insofar as by the end of 45 days from the

Clearance Date, the Notes are not listed on the TACT Institutional System, the Bank shall effect full early redemption of the Notes, with the amount to be paid to the Notes Holders in such an event being equivalent to the par value of the Notes, in other words – the Notes' Principal balance in addition to the Notes' accrued and outstanding interest by the early redemption date in practice. In addition, the Bank undertakes not to list the Notes on the TASE main list.

2.3.2. The Bank shall act in accordance with the provisions of the TASE Guidance and the TASE Rules and Regulations in respect of the TACT Institutional System. Without detracting from the generality of the aforementioned, the Bank shall provide the TASE with notice of the payment amount and the principal and interest rates at least four (4) trading days prior to the Effective Date for payment of each installment under This Deed of Trust.

2.3.3. The provisions of This Deed of Trust and the provisions of the Notes shall be changed, if and insofar as this is required in accordance with the TASE Rules & Regulations and the guidelines by virtue thereof, and pursuant to the rules applying to the TACT Institutional System, in wording to the satisfaction of the Trustee, without the need to obtain any further approval from the Notes Holders, provided that the Trustee is convinced that the change required by the TASE or the Israel Securities Authority does not prejudice the rights of the Holders and has approved the change in advance and in writing. At the Trustee's request, insofar as changes are required in the provisions of the Deed of Trust in order to list the Notes on the TACT Institutional System, the Bank shall provide the Trustee with written explanations regarding the need to effect those changes. For this purpose, it is clarified that the following changes in the terms and conditions of the Deed of Trust shall not be deemed as changes that do not prejudice the rights of the Notes Holders (hereinafter - **“Changes that are not within the Power of the Trustee”**) and shall require receipt of prior approval of the Notes Holders in a Special Resolution: (1) reduction of the Notes' interest rate listed on the Notes; (2) a change of the date of payment of the principal and/or the interest not in accordance with what is stated in This Deed of Trust; (3) the omission or change in any of the grounds for a call for immediate repayment; (4) changes relating to the reports to the Trustee pursuant to the

provisions of the Deed of Trust; (5) increasing the Credit Facility to the Reference Entity at a rate exceeding the permitted increase rate as this is defined in **Appendix A** of the Deed of Trust; (6) provisions pertaining to the Registration Bureau (as this term is defined in Section 15.12 below); and (7) a change or omission of any of the provisions of Section 6 below. It should also be clarified that the said changes in this section shall be subject to approval of the TASE.

2.4. The terms and conditions of the Notes shall be as set forth in the Note Certificate, This Deed of Trust and in the terms and conditions overleaf, attached to This Deed, and also in the rest of the addenda and appendices to the Deed of Trust, including in the information regarding the Reference Obligations and the Reference Entities in the possession of the Trustee and available for review by the Parties Entitled to the Information pursuant to the provisions of Section 2.2 above.

2.5. The principal of the Credit Linked Notes (Series 2) shall be repayable in one installment, constituting 100% of the principal of the Credit Linked Notes (Series 2) on August 24, 2030, six months after the existing contractual repayment date of the latest Reference Obligation (after the passage of all grace periods to which the relevant Reference Entity is entitled in respect of that Reference Obligation, in accordance with its terms).

Notwithstanding the above, the said Amortization Schedule is correct as of the issuance date, and is expected to change if the Bank determines that a Credit Event has taken place, and consequently it shall effect a reduction of the Notes' Principal (for more information, see Section 6 of the Deed of Trust) or in the event of an early redemption taking place with respect of any of the Reference Obligations (for more information, see Sections 5.1 and 5.2 of the terms listed overleaf). If such a change does take place, the Bank will draw up a new Amortization Schedule that will reflect the revised amount and repayment date, and report the new Amortization Schedule in accordance with the provisions of This Deed of Trust.

For information about the reduction of the principal of the Notes following the Bank's finding that a Credit Event has occurred, see Section 6 below. For further details regarding the conditional right to receive a payment for the collection amounts that the

Bank shall collect (insofar as it shall collect) in respect of the Reference Obligations whose balance has been reduced from the Notes' Principal balance following the occurrence of a Credit Event (pursuant to the provisions of Section 6 below), see Section 6.5 below. For further details regarding the terms and conditions of the Credit Linked Notes (Series 2), see Sections 5.1 and 5.2 of the terms and conditions overleaf.

2.6. The outstanding balance of the Notes' Principal shall bear annual interest at the rate of the Bank of Israel Interest plus 2.3%, all as set forth in Section 3 of the terms and conditions listed overleaf.

2.7. In any case where a payment date of a principal and/or interest amount takes place on a day which is not a business day, the payment date will be postponed to the first business day thereafter, without any amount being added, except interest.

2.8. The Notes (principal and interest) shall not be linked to any linkage basis.

3. **The Bank's Obligation**

3.1. The Bank undertakes towards the Trustee to pay all the principal and interest amounts payable pursuant to the terms and conditions of the Credit Linked Notes (Series 2), in accordance with and subject to the provisions of This Deed of Trust, and to comply with all the other terms and obligations imposed thereon pursuant to the Note and pursuant to This Deed of Trust.

3.2. The issue of the Notes and the engagement in This Deed of Trust was approved by the Bank as required by law, in accordance with its incorporation documents and pursuant to the directives of the Bank of Israel.

3.3. The Bank declares that the Notes have an ordinary seniority equal to the repayment rank of all deposits by the public deposited with the Bank from time to time.

3.4. The Bank did not engage in any other agreement, nor did it make any other commitment that contradicts its undertakings pursuant to This Deed.

3.5. The Bank declares, confirms and undertakes in relation to the Reference Obligations (as per their definition in Section 1.4 of This Deed), as follows:

- 3.5.1. The Bank has provided the Trustee with information regarding all the Reference Obligations, updated as of the closest date prior to the date of signing This Deed of Trust, as set forth in **Appendices A1 and B** of This Deed of Trust.
- 3.5.2. The Reference Obligations were provided to the borrowers in accordance with the Bank's ordinary underwriting procedures, subject to the Bank's credit procedures.
- 3.5.3. As of the date of signing This Deed of Trust, the Reference Entities are not in arrears in payment under the terms and conditions of the Reference Obligations, and the Bank is not conducting any legal actions in relation to the Reference Entities in respect of any of the Reference Obligations. For the purpose of this section, "**arrears in payment**" – refers to arrears in excess of fourteen (14) business days in relation to the payment whose date of payment has arrived under the loan agreement, in relation to which the Reference Entity was given notice of breach by the Bank, and the Reference Entity has not amended the breach pursuant to the said written demand from the Bank.
- 3.5.4. During the thirty (30) months prior to the date of signing This Deed of Trust, in relation to the credit provided by the Bank, no Credit Event has occurred among any of the Reference Entities, the Reference Obligations or the Credit Facilities (as these terms are defined in Section 1.4 above).
- 3.5.5. As of the closest date prior to the date of signing This Deed of Trust, the Bank has no information indicating a concern over the capability of the Reference Entities to repay the Reference Obligations, and which was not given over to the Trustee immediately prior to issuing the Notes as part of the information regarding the Reference Obligations pursuant to the provisions of Section 2.2 above.
- 3.5.6. As of the date of signing This Deed of Trust, the Bank's methodology in relation to determining the ranking of each of the Reference Entities and the Reference Obligations (as these terms are defined in Section 1.4 above) is identical to the Bank's methodology in relation to determining the ranking of other borrowers or other Reference Obligations, and no change has occurred in the said methodology due to engagement in the Deed of Trust.

- 3.5.7. To the best of the Bank's knowledge, as of the closest date prior to the date of signing This Deed of Trust: (a) the Bank had received no written notification claiming illegality or invalidity of the loan agreements and/or the Credit Facility Collateral documents; and (b) the Bank had received no written notification informing it of any material breach by the Reference Entities of the loan agreements or the Credit Facility Collateral documents, and which had not been amended by them.
- 3.5.8. As of the closest date prior to the date of signing This Deed of Trust, the Bank had not sent to any of the Reference Entities a written warning prior to a call for immediate repayment of the Reference Obligations and the Bank is unaware of any tangible intention to send such a notice.
- 3.5.9. During the lifetime of the Notes, the amount that shall constitute the Credit Risk amount remaining with the Bank from the sum of the Reference Obligations (as per their definition in This Deed) that the Bank had provided to each Reference Entity (hereinafter - the "**Bank's Credit Risk Rate**") shall be no less than the minimum rate set forth in **Appendix A** of This Deed of Trust.
- 3.5.10. The specific collateral shall only serve the Reference Obligations or other components of the Reference Entities' Credit Facility that are not included in the Credit Facility (as it is defined above), after the final and full repayment of that part of the Reference Obligation that reflects the Base Amount from the Credit Facility (as it is defined above) of the Reference Entity. Until the date of final and full repayment of that part of the Reference Obligation that reflects the Base Amount from the Credit Facility (as it is defined above), all the proceeds from realization of the specific collateral shall be received in the account of the Reference Entity in which the Credit Facility was granted.
- 3.5.11. No offset or lien shall be applied to the funds in the Reference Entity's account in which the Credit Facility was granted in favor of other Reference Obligations and/or credit facilities granted to the same Reference Entity by the Bank.
- 3.5.12. The Bank shall treat the Credit Facility Collateral, including the specific collateral, as these terms are defined in Section 1.4 above, in the manner and

pursuant to its regulations, and as is customary at the Bank in the management of debt of the kind of these Reference Obligations and credit facilities.

The Bank shall continue, at all times, to manage the Reference Obligations, the Credit Facilities and the relationships and ties with the Reference Entities, independently, according to its regulations and as is customary at the Bank in the management of debt of the kind of these Reference Obligations and credit facilities. It should be clarified that the Bank shall not have any obligation to consult or obtain the consent of any entity, including the Trustee and/or the Notes Holders, for any action or decision in respect of management of the Reference Obligations, the Credit Facilities, Credit Facility Collateral and the relationships and ties with the Reference Entities.

During the life of the Notes, the Bank shall be entitled, among others, to act for the registering of second-degree liens on the Credit Facility Collateral, to change the covenants in relation to the Reference Obligations and the Credit Facilities and to independently manage enforcement actions and realization of the collateral, insofar as they are required. The Bank shall act in management of the Reference Obligations, the Credit Facilities and the relationships and ties with the Reference Entities, in accordance with its regulations and as is customary with this kind of Reference Obligations and credit facilities, and as it would have acted in the case that the full credit risk in respect of the Reference Obligation was in the hands of the Bank, and subject to the provisions of This Deed.

It should be clarified, that apart from what is expressly stated in this Section 3.5, the Bank does not provide any representation, authorization or undertaking in relation to the Reference Obligations, in relation to the Reference Entities or in relation to the Credit Facilities, including in relation to the terms and conditions of the Reference Obligations, the chances of a Credit Event materializing, the quality of the Credit Facility Collateral, the robustness of the Reference Entities and/or in relation to any other issue in respect of the Reference Obligations, the Reference Entities and the Credit Facilities. Furthermore, the Bank does not undertake to update the information provided to the Trustee pursuant to the provisions of Section 2.2 above, insofar as a change occurs in relation to it during the lifetime of the Notes, apart from as part of the Half-Year Update as set forth

in Section 2.2.3 above, and unless insofar as this is required pursuant to the other provisions of This Deed of Trust.

3.5.13. For the additional undertakings of the Bank, see Sections 2.5 and 2.6 of **Appendix A** of This Deed of Trust.

It should be clarified, for the avoidance of doubt, that the information relating to the Reference Obligations is set forth only in **Appendices A, A1 and B** of This Deed of Trust and in the information in the possession of the Trustee. The information set forth in **Appendices A and A1** shall be available only to the Parties Entitled to the Information who shall act in accordance with the provisions of Sections 2.2.1 and 2.2.2 above. The Parties Entitled to the Information shall have no claim or suit against the Bank in respect of the fact that the information relating to the Reference Obligations is set forth only in **Appendices A, A1 and B** of This Deed of Trust.

4. **Absence of Collateral for Credit Linked Notes (Series 2)**

- 4.1. Without derogating from the Bank's obligation to repay the Notes pursuant to the provisions of This Deed of Trust, the Credit Linked Notes (Series 2) are not secured by any collateral (as this term is defined in the Securities Law).
- 4.2. Apart from creating liens and specific collateral in relation to the part attributable to the Bank's Credit Risk Rate (as defined above) in the Reference Obligations, the Bank shall be entitled to pledge and transfer its property (and as such in its remaining rights and undertakings by virtue of the Reference Obligations), all or part thereof, and to conduct transactions with it as it shall deem fit, without any limitation in the amount or otherwise, including the sale of part of the credit risk regarding repayment of the Reference Obligations or the purchase of insurance regarding part of the credit risk relating to the repayment of the Reference Obligations (hereinafter - "**Actions to Reduce the Bank's Credit Risk**"). As stated, the Bank's Credit Risk Rate shall not be any lower than the rate stated in Section 3.5.9. above. The Bank's Credit Risk Rate, as of the time of issuing the Notes under This Deed of Trust, is included in **Appendix A1** of This Deed of Trust, which was given to the Trustee prior to issuance of the Notes pursuant to the provisions of Section 2.2 above.

- 4.3. The Bank's undertaking is towards all the Holders of the Credit Linked Notes (Series 2), as they shall be from time to time, in a manner that all the Holders of the Credit Linked Notes (Series 2) are on an equal security ranking among themselves (pari-passu) regarding fulfillment of the Bank's undertaking, without any right of seniority or preference over one another.
- 4.4. The Bank reserves the right to assume, at any given time, any further obligations of any type whatsoever, as it deems fit, including undertakings whose seniority is higher than and/or equal to and/or lower than that of the Credit Linked Notes (Series 2), without having to obtain the approval of the Trustee or the Notes Holders for said actions.
- 4.5. For the avoidance of doubt, it is hereby clarified that the Trustee is under no obligation to examine, and the Trustee did not, in fact, examine, the need to provide collateral to secure the payments to the holders of the Credit Linked Notes (Series 2). The Trustee was not asked to conduct, nor did the Trustee conduct in practice an economic, accounting or legal due diligence test as to the state of the Bank's business, in respect of the Reference Obligations, the Reference Entities, the Credit Facilities and/or in respect of the Protected Credit Risk, and these are subject to the examination of the Parties Entitled to the Information, in light of the information regarding the Reference Entities and the Reference Obligations in the possession of the Trustee as set forth in **Appendices A and A1** of This Deed of Trust, and in light of the information contained in **Appendix B** of This Deed of Trust. By entering into This Deed of Trust, and by agreeing to act as trustee for the holders of the Credit Linked Notes (Series 2), the Trustee does not express an opinion, whether explicit or implicit, as to the ability of the Bank to meet its obligations towards the Notes Holders. The aforesaid shall not derogate from the duties of the Trustee pursuant to the law and/or pursuant to This Deed of Trust, nor shall it derogate from the duty of the Trustee (where such duty applies to the Trustee by law) to examine the effect of changes at the Bank, as from the issuance date of the Notes and thereafter, insofar as such changes could adversely affect the ability of the Bank to meet its obligations to the Holders of the Credit Linked Notes (Series 2).
- 4.6. It is also clarified that the Trustee's signing the Deed of Trust should not be construed as expressing an opinion regarding the quality of the Offered Securities or the advisability of the investment therein.

5. Issuance of Additional Notes Series and Provision of Additional Loans

5.1. The Bank reserves the right to issue (either by private placement or by public offering), at any given time, other series of notes and/or other financial instruments (hereinafter - “**Additional Series**”), at its discretion, at the same terms of the Credit Linked Notes (Series 2) issued under This Deed of Trust or under other terms that the Bank deems fit, and including other series of Notes whose seniority is higher than and/or equal to and/or lower than that of the Credit Linked Notes (Series 2), without having to obtain the approval of the Trustee for carrying out the said actions, and also without prejudicing the Bank’s obligation of repayment towards the Holders of the Credit Linked Notes (Series 2), imposed on the Bank by virtue of This Deed of Trust. The issuance of said Additional Series shall be carried out subject to the TASE Guidance and to receipt of its approval. It is clarified that the Bank shall not issue Additional Series (as this term is defined in this section above) that bear part of the credit risk to which the Bank is exposed in respect of the Reference Obligations (as they are defined in This Deed of Trust).

5.2. [Deleted]

5.3. The Bank may increase the principal amount of Reference Obligations provided to any Reference Entity, including by granting additional Reference Obligations to the same Reference Entity, provided that following that increase, there will be no deviation beyond the amount of the Credit Facility of that Reference Entity, and this is without the need to obtain consent of the Trustee and/or the Holders of the Credit Linked Notes (Series 2) for this. It should be clarified that increasing the principal of the Reference Obligations as stated, shall be possible at any time during the life of the Notes and even regarding a Reference Obligation with regard to which a Credit Event occurred, insofar as such an event did occur. It should be clarified that the Bank may increase the Credit Facility of any Reference Entity by a rate that does not exceed the permitted increase rate prescribed in **Appendix A** of This Deed of Trust, that was given to the Trustee, and this is without the need to obtain consent of the Trustee and/or the Holders of the Credit Linked Notes (Series 2) for this.

5.4. The series of Credit Linked Notes (Series 2) shall not be able to be expanded.

6. **Reduction of the Notes' Principal following the occurrence of a Credit Event and a conditional right to receive payment in respect of collection amounts that the Bank shall collect (insofar as it shall collect)**

- 6.1. Should one of the events listed in the definition of a "Credit Event" in Section 1.4 above, the Banks shall retain the right (but not the obligation) to determine, at its absolute and sole discretion, and without it being subject to any obligation to consult with any entity, that a Credit Event has occurred in relation to the Reference Obligation and/or the Reference Entity (as the term "Credit Event" is defined in This Deed; hereinafter - the "**Loan in Breach**"). It should be clarified that the Trustee and/or the Notes Holders shall have no claim, of any type or kind, against the Bank in respect of the Bank's decision that a Credit Event (as it is defined in This Deed) either has or has not occurred and/or in relation to the information in the possession of the Notes Holders prior to the Bank's decision and/or in relation to its timing. It should further be clarified that the occurrence of a Credit Event in relation to any of the Reference Obligations provided to a certain Reference Entity does not prevent the occurrence of additional Credit Events in relation to the Reference Obligations provided to that Reference Entity and/or to other Reference Entities, which may enable, each on its own, write-off of the relevant Base Amount from the Notes' Principal as stated in Section 6 below.
- 6.2. Should the Bank determine that a Credit Event has occurred, a principal amount (cash settlement) will be deducted from the Notes' Principal, as it shall be at that time, to the extent of the full Base Amount attributable to the relevant Reference Entity (the amount **deducted** from the Notes' Principal balance shall be referred to hereinafter as - the "**Reduction Amount**"; the amount of the Credit Linked Notes (Series 2) Principal balance, after the Reduction Amount has been deducted from it, shall be referred to hereinafter as - the "**Reduced Principal Amount**").
- 6.3. Within two Trading Days from the date on which the Bank determined that a said Credit Event has occurred, and in any case no later than four (4) Trading Days prior to the date laid down for payment of interest (as it is defined in Section 4.3 of the terms and conditions listed overleaf), the Bank shall publish an immediate report regarding the Bank's decision that a Credit Event has occurred in which the Bank shall provide details regarding the expected reduction (hereinafter - the "**Reconciliation Report**"). In the Reconciliation Report, the Bank shall mention that a Credit Event has occurred and that due to that, a reduction is to be made in the Notes' Principal balance equivalent

to the Reduction Amount, in which the Bank shall provide the following details alone: (a) mention of the Reduction Amount and the percentage it accounts for in terms of the original series; (b) the Reduced Principal Amount and the percentage it accounts for in terms of the original series; (c) the effective date for the reduction, which shall occur at the end of the Trading Day on which the Reconciliation Report was published (hereinafter - the “**Effective Date of Reduction**”); (d) the actual date of effecting the reduction in practice; (e) the Distribution Ratio (as this is defined in Section 6.10 below); and also – (f) an updated Amortization Schedule of the Notes subsequent to effecting the reduction, according to which the Notes Holders shall be entitled to repayment of the Reduced Principal Amount alone (subject to the provisions of Section 6.6 below). The details as to the identity of the Reference Entity or the Reference Obligation in relation to which the Credit Event occurred shall not be published in the Reconciliation Report, but shall be conveyed to the Trustee in parallel to publication of the Reconciliation Report, together with an updated Amortization Schedule in an active Excel format. The Notes Holders shall be entitled to obtain these details pursuant to the mechanism set forth in Section 2.2 of This Deed of Trust.

- 6.4. The date of effecting the reduction shall take place on the Trading Day occurring no less than three (3) Trading Days after the date of publication of the Reconciliation Report, and no more than fifteen (15) Trading Days from that date. It is clarified that in light of the provisions of Section 6.7 below pertaining to the conditional right to receive a payment for the collection amounts that the Bank shall collect (insofar as it shall collect), the TASE Clearing House and the Trustee, pursuant to the data it receives from the TASE Clearing House, shall maintain a list of TASE members holding the Notes on the Effective Date of Reduction and the number of Notes held by them on that date. It is clarified that inclusion in the list of Notes Holders on the Effective Date of Reduction shall not grant the Holders included therein any right to receive any payments in respect of the Reduction Amount, unless this is subject to the provisions of Section 6.9 below.

It is clarified, for the avoidance of doubt, that nothing in the aforementioned shall prejudice the outstanding payment of any mandatory early redemption amount in respect of a measurement date for a said redemption that occurs prior to the Date of Reduction, all pursuant to the provisions of Section 5.2 of the terms and conditions listed overleaf.

- 6.5. On publication of the Reconciliation Report, suspension of trading of the Notes shall be carried out until the date of effecting the reduction and commencing from that date, trading of the Notes shall be renewed pursuant to the Reduced Principal Amount alone.
- 6.6. Commencing on the Effective Date of Reduction the Reduction Amount (namely, the amount deducted from the Notes' Principal balance) shall cease to bear interest, and the Bank shall no longer be obliged to pay interest to the Notes Holders in respect of it, apart from outstanding interest that has accrued in respect of the Reduction Amount until the Effective Date of Reduction. Said interest shall be paid on the date of effecting the reduction to those persons whose names are registered in the Register of Notes Holders on the Effective Date of Reduction and shall constitute full and final settlement of all the Bank's obligations towards the Notes Holders in respect of the Notes' interest in relation to the Reduction Amount. A notice regarding the said interest rate shall be published pursuant to the provisions of Section 3.2 of the terms and conditions listed overleaf and according to which the Bank shall convey the interest rate in terms of the Reduction Amount and also in terms of the Reduced Principal (namely – in terms of the outstanding series subsequent to deduction of the Reduction Amount).

The provisions of the Deed of Trust shall continue to apply in relation to the Reduced Principal Amount, which shall continue to bear interest pursuant to the terms and conditions of the Notes and the provisions of This Deed of Trust. It should be clarified that the provisions of this section shall not derogate from the entitlement of the holders of the redeemable security to receive their relative share of the collection amounts pursuant to the provisions of this Section 6 below.

- 6.7. In the event of a said reduction of the Notes' Principal and concurrently, a redeemable security (hereinafter - the **"Redeemable Security"**), which represents the Reduction Amount (hereinafter - the **"Redeemable Security Amount"**), shall be registered to the credit of the Notes Holders who held the Notes on the Effective Date of Reduction.³

The Redeemable Security shall grant its holders the right to receive their relative share in the collection amounts (as this term is defined in Section 6.9 below), that shall be collected, insofar as they are collected, during the period until the date of termination

³For the operational needs of the TASE Clearing House alone, the Redeemable Security Amount shall be classified as "an outstanding debt balance". It should be clarified that the aforementioned classification shall not be construed as an undertaking of the Bank to pay the Redeemable Security Amount, and that any said payment, insofar as it shall be paid, shall be paid subject to the provisions of Section 6 of the Deed of Trust.

of the collection proceedings (as it is defined below), and which shall include, among others, interest and/or interest on arrears and/or principal payments, to be collected by the Bank in respect of the Loan in Breach (subject to the provisions of Section 6.8 relating to the collection of interest and/or interest on arrears payments by the Bank in respect of the Loan in Breach), all according to the payment distribution mechanism derived from the distribution ratio as it is defined in Section 6.10 below and subject to its terms and conditions.

The “**Date of Termination of the Collection Proceedings**” – (a) the date on which the Bank shall effect an accounting write-off, as per the meaning of this expression in Section 29D of the Reporting to the Public Directives (Annual Financial Statements) No. 632; or – (b) after fifteen (15) years have elapsed from the date on which the Bank determined that the relevant Credit Event occurred, whichever is the earlier.

- 6.8. It should be clarified that the Redeemable Security is not a security, it is not marketable on the TACT Institutional system and is a technical term used by the TASE for the purpose of presenting the amount that the Redeemable Security holders might receive from the collection amounts.

For the avoidance of doubt, the Redeemable Security Amount shall not be linked to any linkage basis nor shall it bear interest. However, it is clarified, that insofar as the Bank shall collect in practice amounts of interest and/or interest on arrears in respect of the Loan in Breach during the repayment period (as this is defined in Section 6.9 below), the amounts to be paid to the Redeemable Security holders might exceed the Redeemable Security Amount (and even the amount of the Notes’ Principal that was written off and that is represented by the Redeemable Security in addition to the interest that would have accrued to this amount had the Credit Event not occurred) (hereinafter - the “**Surplus Amounts**”). In such a case, the Surplus Amounts will be classified as an interest payment on the Redeemable Security.

It is hereby clarified, furthermore, that from the date the Credit Event occurs, the Bank will manage the Loan in Breach and the credit facility within which that loan is made in accordance with its procedures and according to the Bank’s common practice regarding managing debt of the same type as the Reference Obligations and credit facilities, including by making additional Reference Obligations to the same borrower, up to the amount of the credit facility (and subject to the Bank’s right to increase it in

accordance with the permitted increase rate specified in the provisions of **Appendix A** to This Deed of Trust), and within this, the Bank may carry out collection and realization processes, as necessary at the Bank's absolute and exclusive discretion, as it would if the full credit risk in respect of the Loan in Breach applied to the Bank (hereinafter - the "**Failed Debt Management**"). For the purpose of revaluating the Redeemable Security by the Holders, the Trustee will be given the most up-to-date available information in the Bank's possession on the relevant date for making the revaluation, as specified in **Appendix A2** to This Deed of Trust and in accordance with the provisions of Section 2.2.3 above.

- 6.9. During the period starting on the date of the reduction and ending at the end of the collection proceedings (hereinafter - the "**Repayment Period**"), payments for the Redeemable Security will be made by the Bank once every calendar quarter, subject to the following and in accordance with the Collection Amounts the Bank receives.

For this purpose, the "**Collection Amounts**" – funds that the Bank will successfully collect due to the Loan in Breach, and actually receive in the customer's account during the Repayment Period, including amounts that the Bank will successfully collect through realizing the Credit Facility Collateral, including interest payments and/or interest on arrears payments that the Bank will successfully collect from the Reference Entities for the Loan in Breach, and less (a) payments and expenses to third parties, as required to manage and operate the activity that the credit facility is used to finance, (b) expenses that the Reference Entity owes the Bank according to the terms of the credit facility provided to it and the terms of the Loan in Breach (including fees in accordance with the terms of the credit facility, and in accordance with the Bank's tariff table, as applicable from time to time), and (c) the total collection expenses paid by the Bank to third parties, in connection with the Failed Debt Management.

- 6.10. The Collection Amounts will be distributed on a pro rata basis between the holders of the Redeemable Security and the Bank, according to the ratio of: (a) the Redeemable Security Amount, and (b) that borrower's outstanding loan principal, as measured at the relevant monthly measurement date, as described below (hereinafter - the "**Distribution Ratio**"). To clarify, the mechanism described in this section only applies to determining the Distribution Ratio to be used when calculating the distribution amounts owed to the holders of the Redeemable Security, in accordance with the Collection Amounts, as defined above. Furthermore, it is clarified that insofar

as the Bank makes additional loans to the same borrower after the occurrence of a Credit Event, the Reference Obligations' outstanding principal amount will be updated to reflect the additional principal amounts provided by the Bank in this way, and the Distribution Ratio will be updated accordingly and in accordance with the remaining provisions of this Section 6.

The Bank will measure this Distribution Ratio on a monthly basis during the Repayment Period, on the **last** day of each calendar month during this period (hereinafter - the "**Monthly Distribution Ratio**" and the "**Monthly Measurement Date**," as applicable). Accordingly, the holders of the Redeemable Security will be entitled to receive their share of the collection funds the Bank actually receives during the month ending on the Monthly Measurement Date, according to the measured Monthly Distribution Ratio (hereinafter - the "**Monthly Entitlement**"). The Monthly Entitlement to the Collection Amounts will be paid to the holders of the Redeemable Security once per calendar quarter, within thirty (30) days after the end of each calendar quarter during the Repayment Period (hereinafter - the "**Quarterly Redemption Date**"), in respect of the relevant months in that quarter.

6.11. Within ten (10) days of the end of each calendar quarter during the Repayment Period, the Bank will publish an immediate report, containing only the following details about the collection and the expected quarterly redemption: (a) the Monthly Distribution Ratios, as measured by the Bank on the relevant Monthly Measurement Dates to the Quarterly Redemption Date; (b) the Redeemable Security Amount in accordance with the Monthly Distribution Ratios, divided into collected principal and interest payments (hereinafter - the "**Quarterly Redemption**"); (c) the rate that constitutes the Quarterly Redemption in terms of the outstanding balance of the Redeemable Security and its rate in terms of the original series; (d) that the effective date for determining the entitlement to be paid the Quarterly Redemption amounts is the Effective Date of Reduction (as stated in Section 6.3 above); (e) the remaining Repayment Period until the end of the collection proceedings; and (f) the Quarterly Redemption payment date to the holders of the Redeemable Security, which shall occur within twenty (20) days of the date of making a report, as set forth above.

6.12. Any amount repaid to the holders of the Redeemable Security in accordance with the provisions of this Section 6, if any, shall be repaid to all holders of the Redeemable

Security, pro rata, according to the par value of the Redeemable Security held by each holder, out of the total par value of the Redeemable Security at the time.

6.13. To clarify, the Trustee under This Deed shall also serve as the Trustee for holders of the redeemable securities, if any, and the provisions of This Deed of Trust shall apply to the Trustee and to the redeemable securities, *mutatis mutandis*. Even after the final and full repayment of the Credit Linked Notes (Series 2), the Trustee shall remain the Trustee for the holders of the redeemable securities, if there are any at that time, until the last of the redeemable securities expires (as stated in Section 6.14 below), or until the full repayment of the last of the redeemable securities under the provisions of This Deed of Trust, whichever is earlier.

6.14. The Redeemable Security shall be valid until it is fully repaid in accordance with the provisions of this Section 6 or until the end of the collection proceedings, whichever is earlier, at which time the Redeemable Security will be delisted. Payment to the holders of the Redeemable Security in accordance with the above provisions, or the Bank's finding that they are not entitled to any payment due to the Redeemable Security, insofar as no Collection Amounts are actually received during the Repayment Period, will constitute a full and final settlement of all of the Bank's liabilities towards the Notes Holders in respect of the reduced principal of the Notes, as set forth above. To clarify, after such a full and final settlement, the Redeemable Security will be delisted from the Stock Exchange Clearing House.

6.15. To clarify, any amount reduced from the Notes' outstanding principal in accordance with the provisions of this Section 6 will be reduced for all Holders of Credit Linked Notes (Series 2), pro rata according to the par value of the Notes they hold out of the total par value of the outstanding Notes.

6.16. If the Reduction Amount is equal to the outstanding Credit Linked Notes (Series 2) principal at that time, the entire outstanding principal of the Notes will be reduced, and the following provisions shall apply: on the reduction date, (a) the outstanding note principal, as applicable at that time, shall be fully reduced, and (b) the Notes Holders will no longer be considered as the Notes Holders; furthermore, from the Effective Date of Reduction (c) the Notes shall no longer bear interest, and (d) the Bank shall have no liability towards the Notes Holders in connection with principal and/or interest payments in respect of the Notes, not including any interest accrued due to the reduction

amount and until the Effective Date of Reduction that has not yet been paid, which shall be paid upon performing the reduction.

- 6.17. If the reduction performance date falls on a non-business day, the performance date shall be postponed to the first business day thereafter.
- 6.18. **It is clarified, for the avoidance of doubt, that the reduction of the outstanding principal balance in accordance with the provisions of this Section 6 constitutes an inseparable part of the terms of the Credit Linked Notes (Series 2), and accordingly, a reduction of the note principal in accordance with this section or non-redemption of the Redeemable Security if its redemption conditions are not met shall not be a breach of the terms of the Notes or the Deed of Trust, and in any case, will not give rise to any cause of action and/or claim or demand against the Bank on the part of the Trustee and/or on the part of the Notes Holders, and no prior or retroactive consent on the part of the Trustee and/or the Holders will be required to perform the reduction in accordance with the provisions of this Section 6. Without detracting from the foregoing, the Notes Holders shall be considered to have agreed to the reduction of the Notes principal, as described in this Section 6 and in accordance herewith, in whole or in part (as applicable), and to have irrevocably waived their rights to the reduced principal payments and the interest on it in accordance with the Notes (subject to the provisions of Section 6.6 above), and any other right that follows from them.**
- 6.19. **It is clarified, furthermore and for the avoidance of doubt, that in case of a Credit Event, the Notes Holders may lose entitlement to a full payment of the outstanding principal of the Notes and the interest that has not yet accrued and has not yet been paid thereon. It is clarified, furthermore, that in case of insolvency proceedings against the Bank, the Redeemable Security's status shall be that of the Bank's unsecured debt, and its repayment will remain limited to the sources listed in Section 6.7 above and to the other terms of this Section 6.**
- 6.20. **Shortly prior to the Bank's finding regarding the occurrence of a Credit Event in accordance with the provisions of this Section 6, the Bank will seek the Israel Tax Authority's confirmation of the date the taxable event occurred and regarding the duty to deduct tax at the source, if such a duty arises. However, it is clarified that**

a principal reduction in accordance with the provisions of This Deed of Trust shall not be contingent on obtaining such a confirmation.

6.21. As is expected when making decisions on investments, it is necessary to consider the tax consequences of an investment in the Offered Securities. We advise any investor who is considering purchasing the Notes to seek professional advice in accordance with each investor's specific data and circumstances, in order to clarify the tax consequences to which it will be subject.

7. Right to Demand Immediate Repayment of the Notes

7.1. Subject to the provisions of Section 7.2 below, the Trustee may demand immediate repayment of the outstanding balance of the Credit Linked Notes (Series 2) in accordance with the provisions of this Section 7 below, **only** at the occurrence of one or more of the cases listed in this Section 7.1 below:

7.1.1. If a temporary or permanent liquidator or a temporary or permanent trustee is appointed by a court or if a valid resolution is passed to liquidate the Bank by the Bank (with the exception of liquidation for purposes of a merger with another company) and such appointment or resolution, as the case may be, is not revoked within forty-five (45) days from the day they are passed. Notwithstanding the foregoing, the Bank will not be given any remediation period if a permanent and final liquidation order is handed down by the court or if a permanent liquidator is appointed for the Bank, and in respect of petitions or orders filed or handed down, as applicable, by the Bank or with its consent.

7.1.2. If an order is issued for the appointment of a temporary and/or permanent receiver and/or special administrator on behalf of the court for the Bank and/or all or a material portion of its assets, or a Trustee or a temporary Trustee is appointed for all or a material portion of the Bank's assets, which has not been dismissed or revoked within 45 (forty-five) days, except in the event that a permanent receiver is appointed, in which case no remediation period shall apply. Notwithstanding the above, the Bank shall not be given any remedial period in respect of the applications or orders filed or issued, as the case may be, by the Bank or with its consent.

- 7.1.3. Where the Bank filed an application for receivership or the appointment of a temporary or permanent receiver for all or a material portion of its assets.
- 7.1.4. If a foreclosure is imposed on a material portion of the Bank's assets or the execution office takes any action against a material portion of the Bank's assets, and the foreclosure is not lifted or the action is not revoked, as applicable, within 45 (forty-five) days from the day the foreclosure is imposed or the action is performed, as applicable. Notwithstanding the above, the Bank shall not be given any remedial period in respect of the motions or orders filed by the Bank or issued with its consent, as the case may be.
- 7.1.5. Where a stay of proceedings order was issued to the Bank, including pursuant to the Insolvency Law, or the Bank filed a motion to reach a settlement or an arrangement with its creditors pursuant to Section 350 of the Companies Law (except for the purpose of a merger with another company and/or a change in the Bank's structure, including a split and with the exception of arrangements between the Bank and its shareholders that do not impact the Bank's ability to repay the Notes), or if a motion for an arrangement or settlement is filed with the Bank's creditors pursuant to the Insolvency Law (and without its consent), or if an initiation of proceedings order against the Bank is granted under the Insolvency Law (without its consent), which were not rejected or canceled within 45 days from the day on which the motion was filed or the order was given, as applicable. Notwithstanding the foregoing, the Bank will not be granted a corrective period with respect to a request for a motion or order submitted by the Bank or with its consent.
- 7.1.6. The Bank has not made a payment it owes the Notes Holders (except due to a reduction of the Notes principal following the Bank's finding that a Credit Event has occurred, as specified in Section 6 above, or due to the non-repayment of the Redeemable Security if the redemption conditions in accordance with the provisions of the Deed of Trust are not met), and the Bank does not remediate this breach within fourteen (14) days from the date of receiving the Trustee's notice of the breach.

- 7.1.7. The Bank suspended or announced its intention to suspend its payments under This Deed of Trust (except due to a reduction of the Notes principal following the Bank's finding that a Credit Event has occurred, as specified in Section 6 above, or due to the non-payment of the Redeemable Security, if the redemption conditions are not met), or if the Bank ceases conducting its business or announces its intention to do so.

For the purposes of this Section 7.1 – a “**Material Portion of the Bank's Assets**” – Bank assets whose aggregated value exceeds 50% of the total value of the Bank's assets, according to the Bank's most recently published consolidated financial statements; the “**Trustee**,” for the purposes of Sections 7.1.1 and 7.1.2 – as defined in Section 4 of the Insolvency Law.

- 7.2. Upon the occurrence of any of the events listed in Section 7.1 to This Deed, the following provisions shall apply:

- 7.2.1. Before exercising its power to demand immediate repayment, as stated in the Deed of Trust, the Trustee must convene a meeting of Holders of the Credit Linked Notes (Series 2) and receive the meeting's instructions.
- 7.2.2. Such Notes Holders' resolution to call for immediate repayment of the Notes shall be passed by a Notes Holders' meeting attended, in person or by proxy, by holders of at least fifty percent (50%) of the par value balance of Notes as of the meeting's effective date; the said resolution will be passed by a majority of Holders of the par value of the Notes represented in the vote, or by such a majority in an deferred meeting of the Notes Holders attended by holders of at least twenty percent (20%) of said balance.
- 7.2.3. In the event that any of the events listed in Section 7.1 above was canceled or removed by the meeting's convening date, and the resolution of Notes Holders' meeting as aforesaid was passed in accordance with Section 7.2.2 above, the Trustee will be required to call, within a reasonable amount of time, for immediate repayment of all outstanding Credit Linked Notes (Series 2).
- 7.2.4. That said above in Section 7.1 notwithstanding, the Trustee shall not demand the Notes' immediate repayment even if one or more of the events listed in

Section 7.1 above occurs, unless it has given the Bank prior written notice of its intention to do so and the Bank has not complied with that said in the notice within fourteen (14) days from receiving it; that said, the Trustee is under no obligation to give the Bank such a notice if there is a reasonable concern that making the notice will jeopardize the possibility of demanding the Notes' immediate repayment. For this purpose, convening a meeting of Notes Holders whose agenda includes passing an immediate repayment resolution shall be considered a notice to the Bank.

- 7.3. For the avoidance of doubt, it should be clarified that demanding immediate repayment in accordance with the above provisions of this section shall not detract from and/or prejudice any remedy and/or right available to the Notes Holders under any law and/or the terms of the Deed of Trust, including the Trustee's option to claim damages on behalf of the Holders due to any breach of the Bank's representations in This Deed; not demanding the immediate repayment of the outstanding Notes principal at the occurrence of one of the cases described above in Section 7.1 shall not constitute a waiver of any of the Notes Holders' or the Trustee's rights.
- 7.4. It is clarified, for the avoidance of doubt, that a reduction of the Notes principal or non-payment of the Redeemable Security, if the redemption conditions are not met in accordance with the provisions of Section 6 above, or making an early redemption in accordance with Section 5 of the overleaf terms, shall not constitute a cause to demand the Notes' immediate repayment.
- 7.5. It is hereby clarified that the Trustee's obligations under this Section 7 are subject to the Trustee's actual knowledge of the relevant facts, cases, circumstances, and events, whether in accordance with the Bank's public reports or in accordance with the Bank's written notice to the Trustee. This does not derogate from the Trustee's obligations under any law.

8. Claims and proceedings by the Trustee

- 8.1. Without detracting from any other provision, and subject to the provisions of Section 7 above, the Trustee may, at its discretion – and will be obligated to do so by an ordinary resolution, after giving the Bank additional written notice at least seven (7) days in advance – take any action, including legal action and requests for instructions, as the Trustee deems appropriate and subject to any law for the purpose of exercising the Holders of the Credit Linked Notes (Series 2)’ rights, protecting their rights, and enforcing the performance of any other undertaking the Bank has made. Regardless of the above, the Trustee has the right to bring those dates forward if the Trustee is of the opinion that any delay in calling for repayment of the Notes places the rights of the Holders of the Credit Linked Notes (Series 2) at risk. The Trustee will be allowed to institute legal proceedings and/or other proceedings even if the Credit Linked Notes (Series 2) have not been made immediately repayable - all in order to protect the rights of the holders of Credit Linked Notes (Series 2) and subject to any law.
- 8.2. For the avoidance of doubt, it is clarified that nothing in any of the provisions set out in Section 8 will infringe and/or derogate from the Trustee's right that is hereby conferred upon him, to apply, at any given time, at his own discretion and without having to inform the Bank, to the appropriate Court for guidance on any matter related to and/or which arises from This Deed and/or the performance of the trusteeship pursuant thereto, even before demanding the immediate repayment of the Credit Linked Notes (Series 2).
- 8.3. Subject to the provisions of This Deed of Trust, the Trustee may, but is not obliged to, convene at any given time a general meeting of the Holders of the Credit Linked Notes (Series 2) in order to discuss and/or receive its guidance on any matter pertaining to the Deed of Trust and may also reconvene it.
- 8.4. Whenever the Trustee is obligated to perform any action under the terms of the Deed of Trust, including launching proceedings or bringing lawsuits at the demand of the Holders of the Credit Linked Notes (Series 2), as set forth in this section, the Trustee may, at its sole discretion, withhold the performance of any action pursuant to the Deed of Trust, in order to seek guidance from the meeting of the Holders of the Credit Linked Notes (Series 2) and/or guidance from the court on the course of action it must take, as

long as the above does not harm the Holders of the Credit Linked Notes (Series 2). Despite the aforesaid, the Trustee may not delay immediate repayment procedures resolved upon by a meeting of the holders of the Credit Linked Notes (Series 2). It should be clarified that where the Trustee is required to take urgent action and where refraining from taking such action prior to convening Holders of Credit Linked Notes (Series 2) meetings by the Trustee shall cause, in the Trustee's opinion, damage and/or loss to Holders of the Credit Linked Notes (Series 2), the Trustee may not refrain from taking such urgent action until the convening of a meeting of the Holders of Credit Linked Notes (Series 2).

9. **Proceeds under trust**

- 9.1. All proceeds the Trustee receives, including as a result of proceedings it takes against the Bank, if any (excluding the Trustee's fees, expenses, and repayment of any debt owed to it), will be held by the Trustee in trust and will be used by the Trustee for the following purposes, in the following order: first – to settle the expenses, payments, levies, and liabilities incurred by the Trustee, imposed on it, or paid by it incidentally or as a result of actions taken to carry out the trust or otherwise in connection with the terms of the Deed of Trust, including its wages (provided that the Trustee is not paid double wages or a double reimbursement of such expenses from both the Bank and the Holders).

The balance shall be used, subject to statutory provisions, for the following purposes and in the following order: first – to pay Holders who bore payments under Section 25.4 below (first to Holders who bore such payments in excess of their relative share and then to Holders who bore their relative share of such payments); second – to pay the Holders of the Credit Linked Notes (Series 2) the arrears interest they are owed under the terms of the Credit Linked Notes (Series 2), *pari passu* and in proportion to the arrears interest amount owed to each of them without priority or preemptive right to any of them; third – to pay the interest owed to the Holders of the Credit Linked Notes (Series 2) in accordance with the terms of the Notes, *pari passu* and in proportion to the interest amount owed to each of them without priority or preemptive right for any of them; fourth – to pay the Notes Holders the principal amounts owed to them in accordance with Credit Linked Notes (Series 2) they hold, *pari passu*, whether these principal amounts have become due or not and in proportion to the

amounts owed to them without, any preference with respect to the time the Bank had issued Notes or otherwise; the Trustee shall pay any remaining surplus, if at all, the Bank or its successors the surplus. The payment of the amounts by the Trustee to the Holders of Credit Linked Notes (Series 2) is subject to the rights of the holders of the Notes which the Bank has already issued and the rights of the Holders of Credit Linked Notes (Series 2) which will be issued by the Bank in the future, if any.

Note that tax will be deducted at the source out of all such payments to the Notes Holders, if there is a lawful obligation to deduct such a tax.

- 9.2. Notwithstanding the provisions of Section 9.1 above, where the amount received as a result of instituting the said proceedings, which is distributable at any time whatsoever, as stated in that section, is less than NIS 1 million, the Trustee will not be required to distribute it; rather, the Trustee may distribute the said amount or alternatively invest it, in whole or in part, in any of the investments permitted in accordance with Section 14 below; however, the Trustee will, in any event, distribute the remaining funds that have been deposited with him in accordance with the provisions of Section 9.1 above, at the earlier of the following: (1) If the balance of the amount deposited with the Trustee is NIS 1 million or more; (2) Together with the first payment of interest or principal to Holders of the Credit Linked Notes, which is paid after receipt of the amount to be received as a result of instituting the said proceedings; (3) Close to the end of the calendar year following the last date on which funds were received by the Trustee for distribution; (4) If such an ordinary resolution for said payment is passed, and all subject to the Stock Exchange's provisions and its Rules and Regulations.
- 9.3. Despite the aforesaid, the Trustee's fees and his expenses shall be paid out of the said funds immediately when they become due (and with regard to the expenses that have already been paid by the Trustee, the amounts of those expenses shall be reimbursed to the Trustee immediately upon the receipt of the funds by the Trustee).

10. Distribution notice

The Trustee shall notify the Holders of the Credit Linked Notes (Series 2) of the date and location where any of the payments mentioned in above is to be made, with an advance notice of fourteen (14) days to be delivered in the manner provided in Section 26 below. After the date specified in the said notice, the Holders of Credit Linked Notes (Series 2) shall be entitled to interest for the Credit Linked Notes (Series 2) at the rate set in the Not, but only for the outstanding principal amount (if any) after deduction of the amount paid to them or offered to pay to them as aforesaid.

11. Non-Payment for Reasons that Are Not under the Bank's Control

- 11.1. Any amount due to a Holder of Credit Linked Notes (Series 2) which was not paid on the date on which it was due to be paid for reasons which are not under the control of the Bank, even though the Bank was willing to pay it in full and on time, shall cease to bear interest as from the date on which it was due to be paid and the Notes Holder shall be entitled to receive only the amounts he was entitled to on the date specified for such payment on account of the principal or interest.
- 11.2. If such an amount is not paid within fourteen (14) days of the scheduled payment date, the Bank shall deposit that amount with the Trustee, and such a deposit shall be deemed a settlement of that payment, and if the entire amount owed due to the Notes or the redeemable securities (within the meaning thereof in Section 6.7 above) is settled – it shall be deemed that security's redemption.
- 11.3. All funds that the Trustee may invest in accordance with This Deed shall be invested by it, on its behalf or to its order, in shekel-denominated deposits in Israeli Banks or in State of Israel-issued securities or in any other securities whose rating may be no lower than AA, subject to the provisions of any law, and subject to the provisions of Section 14 below. Once he has invested the said amounts, the Trustee shall not owe to the entitled parties the amount invested, but rather the consideration received from the disposal of the investments, net of the expenses relating to such an investment, including in respect of management of a trust account, should such an account be opened, the fees net of the mandatory payments applicable to the trust account, and net of his fees. The Trustee will transfer funds to the entitled Notes Holders and pay

them out of such funds, against the proof the Trustee requires and to its full satisfaction.

- 11.4. The Trustee shall hold the abovementioned amounts and shall invest them in the abovementioned manner until one year has elapsed from the redemption date of the Credit Linked Notes (Series 2). After that date, the Trustee shall return the amounts it accrues (including their yield, if any), less the Trustee's expenses and fees and other expenses incurred in accordance with the provisions of This Deed (such as service providers' fees, etc.) to the Bank, which shall hold these amounts in trust for the Holders of the Credit Linked Notes (Series 2). The Bank shall give the Trustee written confirmation of the return of the above amounts and their receipt in trust for the Notes Holders, and such a confirmation shall absolutely release the Trustee from any obligation whatsoever in connection with the amounts specified in the confirmation, and the Trustee will not owe the Holders of the Credit Linked Notes (Series 2) any payment due to such amounts it had held, and the Bank shall indemnify the Trustee due to any claim and/or expense and/or harm of any type it incurs due to and following the funds' transfer in this way, unless a judicial decision finds that the Trustee has been negligent or has acted in bad faith or maliciously. Any such funds that the person entitled to them does not claim from the Bank until the end of seven (7) years from the Notes' final repayment date will be transferred to the Bank, and the Bank may use them for any purpose whatsoever, provided that at the end of the seven (7) year period, the Bank sends the entitled party a notice and the entitled party does not claim the funds within thirty (30) days from the date of sending the notice.
- 11.5. The Trustee shall transfer to each holder of a Credit Linked Note (Series 2) for whom amounts and/or funds due to the Notes Holders were deposited with the Trustee, those amounts payable to such holders of the Credit Linked Notes (Series 2) out of those funds deposited as mentioned above, net of all expenses and mandatory payments applicable to the trust account in which the Trustee deposited the aforementioned funds, against presentation of the evidence required by the Trustee, to his full satisfaction.

12. Receipts as Evidence

- 12.1. Without detracting from any other term hereof, a signed receipt by a sole registered Credit Linked Notes (Series 2) Holder or by any of the registered joint Holders of Credit Linked Notes (Series 2), or a TASE member's proof of making a transfer through the Stock Exchange Clearing House (for an unregistered Holder), shall constitute proof of the full settlement of any payment made by the Bank and/or the Trustee and/or the TASE member through the Stock Exchange Clearing House due to the Credit Linked Notes (Series 2), and shall fully release the Bank and/or the Trustee (as applicable) from anything in connection with paying the amounts stated in the receipt.
- 12.2. A receipt from the Trustee regarding the deposit of the amounts of the principal and interest with the Trustee in favor of the Holders of Credit Linked Notes (Series 2) as set out in Section 12.1 above, shall be considered as a receipt from the Holder of the Credit Linked Notes (Series 2) for purpose of Section 12.1 above.

13. Presentation of the Notes to the Trustee and registration in connection with a partial repayment

- 13.1. When making any interest payment or partial principal and interest payment, the Trustee may demand a Holder of Credit Linked Notes (Series 2) to present to the Trustee the Credit Linked Notes (Series 2) for which the payments are made, and the Notes Holder shall be obligated to present the Note Certificate, provided that this does not obligate the Holder to pay any payment and/or expense and/or impose any liability and/or responsibility whatsoever on it.
- 13.2. The Trustee may enter a comment with respect to the amounts paid and the payment date on the Credit Linked Notes (Series 2). In special cases, the Trustee shall be entitled, at his own discretion, to waive the requirement to present the Notes after he was given an indemnity letter or a guarantee to his satisfaction in respect of damages that might be caused due to failure to write such a comment, all as he deems fit.
- 13.3. Notwithstanding the above, the Trustee may, as his own discretion, maintain records in some other manner, in respect of such partial repayments.

14. Investment of funds

All the funds that the Trustee may invest under This Deed shall be invested in one of Israel's five largest Banks, whose rating is no lower than AA or an equivalent rating, in its name or to its order, in NIS-denominated deposits and/or State of Israel securities whose rating is no lower than AA, as the Trustee deems appropriate and subject to the provisions of any law. Where the Trustee has invested the funds as aforesaid, it shall only owe the entitled holders in respect of those amount the consideration that will be received upon the disposal of the investments, net of the expenses relating to the said investment and to the management of the trust account, should such account be opened, the fees and net the mandatory payments applicable to the trust account; the said remaining funds shall be handled by the Trustee in accordance with Sections 9 and 11 to This Deed, as the case may be.

15. The Bank's obligations towards the Trustee

The Bank undertakes the following obligations towards the Trustee, for as long as the Credit Linked Notes (Series 2) are outstanding:

- 15.1. To consistently manage the Bank's businesses regularly and appropriately.
- 15.2. To give the Trustee a copy of the documents and information that the Bank submitted to the Notes Holders, as applicable, and to give the Trustee or its authorized representative (notice of whose appointment will be given by the Trustee to the Bank upon its appointment) additional information about the Bank, no later than ten (10) business days from the date of the Trustee's demand, provided that such information may be vital and/or necessary for protecting the Notes Holders' rights, that the Trustee acted in good faith, and that there is no legal impediment to transferring such information. They will keep confidential all such information, including information provided to the Trustee and/or its authorized representative by the Bank in accordance with Section 2.2 above, that is not in the public domain, and will not transfer it to another and will not use it, unless disclosing the information or using it is required for the purpose of fulfilling their role in accordance with the Deed of Trust or pursuant to a court order, and in any case – subject to their signature on an accepted written non-disclosure undertaking with respect to the information provided to them, to the Trustee's and the Bank's satisfaction. It is hereby clarified that the delivery of information to the Notes Holders for the purpose of upholding their rights will not

constitute a breach of the Trustee's obligation to maintain confidentiality, provided that the Trustee delivers only the information required for the purpose of protecting the rights of the Notes Holders and that the Trustee coordinates with the Bank the content and timing of the disclosure in advance, to the extent possible and permissible and to the extent that it shall not materially jeopardize the rights of the Notes Holders, in order to allow the Bank a reasonable amount of time to apply to court in order to prevent the delivery of information as aforesaid, and in any event only the essential information will be delivered. Notwithstanding the foregoing, the Bank shall not transfer information to the Trustee that may prejudice the Bank's stability, including in accordance with the provisions of the Proper Conduct of Banking Business Directives, provided that in such a case, the Bank shall give the Trustee a reasonable explanation for not providing this information. Documents and/or information delivered to the Trustee and/or anyone on its behalf in accordance with this subsection will be delivered, provided that their delivery is not considered criminal "insider trading," as this term is defined in the Securities Law, and subject the Trustee and/or anyone appointed on its behalf and/or the Notes Holders or third parties to whom the information is delivered (as applicable) signing an accepted written non-disclosure undertaking with respect to the information delivered to them, to the Bank's and the Trustee's satisfaction.

- 15.3. To conduct regular bookkeeping in accordance with the generally accepted accounting principles and in respect of these books, keep in his offices such books, including the documents that serve as references for these books and the other documents relating to his business. To the extent that the Trustee appoints such an agent, the agent's identity will be authorized by the Bank, and its rights will be subject to signing a non-disclosure agreement to the Bank's satisfaction.
- 15.4. To notify the Trustee in writing and within two trading days after it became aware of any case in which foreclosure has been imposed or an execution action has been made with respect to more than 50% of the Bank's assets, and any case in which a receiver and/or a special administrator and/or a liquidator and/or any other official holding similar roles and powers has been appointed with respect to more than 50% of the Bank's assets by virtue of the Insolvency Law or any other similar legal provisions, and to take all steps required to remove the foreclosure or cancel the receivership,

liquidation, or management, as the case may be, and bear the costs incidental to those steps.

- 15.5. In addition to the foregoing, to notify the Trustee in writing of the occurrence of one or more of the cases listed in Section 7.1 above, no later than two (2) trading days from the event's occurrence, and without taking into account the remediation period set forth in Section 7.1.
- 15.6. To deliver the reports listed in Section 31 below to the Trustee.
- 15.7. To deliver to the Trustee, upon his request, no later than thirty (30) days from the date of issuance of the Notes pursuant to This Deed and/or from the date of expansion of the series of the Notes a true copy of the original of the Notes Certificate.
- 15.8. To deliver to the Trustee the amortization schedule for paying the Notes (principal and interest), in an Excel file, no more than thirty (30) days of the day the Notes in accordance with This Deed are issued and/or the day the Notes series is expanded.
- 15.9. Proper Conduct of Banking Business Directive No. 332 by the Banking Supervision Department sets forth restrictions on a banking corporation (and a corporation controlled by a banking corporation) from purchasing shares or convertible securities into shares it had issued (in Directive No. 332, "securities" are defined as "shares of the banking corporation or securities that are convertible into shares of the banking corporation or that can be exercised into shares of the banking corporation"). Furthermore, it is clarified that, except as aforementioned, as of the signing date of This Deed of Trust, there are no restrictions on the Bank's right to distribute dividends to its shareholders and/or to carry out a buyback of its shares and/or to carry out any other distribution pursuant to the Companies Law.
- 15.10. To allow the Trustee to take part in the Bank's General Meetings (whether Annual General Meetings or Extraordinary General Meetings of the Bank's shareholders), without conferring upon the Trustee a voting right in such meetings.
- 15.11. Without detracting from the provisions of This Deed, bear the reasonable expenses due to legal handling of proceedings to be conducted on behalf of the Notes Holders, as well as with respect to debt settlement agreements, repayment procedures, collection procedures, valuations, and payments to the Trustee, insofar as a trustee is

appointed, with respect to Notes Holders' proceedings against the Bank in connection with the Notes issued under This Deed of Trust only.

15.12. The Bank undertakes that within three (3) business days from the date of listing the Notes in the TACT Institutional System under This Deed, it shall deliver the following documents to the Registration Bureau: the note certificate, the amortization schedule, and This Deed of Trust. The Bank further warrants that during the Notes' life cycle and as long as the Notes are listed on the TACT Institutional System, it will transfer the following documents and information about the Notes to the Registration Bureau, within three (3) days from the date on which one of the following comes to its attention: changes in the terms of the Notes that may affect their price (including new transactions therein), changes in the cash flow, an early redemption, and debt settlement arrangement terms. The Bank shall forward to the Trustee a confirmation that these documents were transferred to the Registration Bureau on the dates specified above, no later than five (5) business days from the date the Notes are listed on the TACT Institutional System in accordance with This Deed and/or the change as set forth above, as the case may be. The above shall not detract from the Bank's obligation to obtain the Stock Exchange's approval for the changes, as required, in accordance with the provisions of the Stock Exchange's Articles of Association and the TASE Guidance.

In this matter, the **"Registration Bureau"** - as defined in the Regulation Codex; **"Regulation Codex"** - Principles of Business Management, Volume 5, Part 2 - Equity, Measurement and Risk Management, Chapter 4 - Management of Investment Assets, published by the Commissioner of Capital Markets, Insurance and Savings as shall be from time to time.

16. **Additional obligations**

Insofar as the Credit Linked Notes (Series 2) become due for an immediate repayment, the Bank will perform, from time to time and whenever required by the Trustee, all reasonable actions to enable the Trustee to exercise all the powers vested in it, and in particular, the Bank will perform the following actions: make the declarations and sign all the documents and perform or cause the performance of all necessary or required actions in accordance with the law, in order to validate the authorities, powers, and authorities exercised by the

Trustee, as well as give all notices, orders, and instructions that the Trustee considers beneficial, as the Trustee requires.

17. Motions filed with the court

The Trustee may, at any time and subject to any law, make applications in connection with the Trust to any competent court. The Trustee may also consent to or authorize any application to the court at the demand of a Credit Linked Notes (Series 2) Holder. If an application to a court is made at the decision of the Holders of the Credit Linked Notes (Series 2), the Holders of the Credit Linked Notes (Series 2) shall indemnify the Trustee for all reasonable expenses it incurs because of such an application, actions made as a result of it, or in connection with it.

18. Proxies

18.1. The Bank hereby irrevocably appoints the Trustee as its proxy, to execute and carry out in its name and in its stead, all the actions that it will be required to take pursuant to the terms and conditions of This Deed, and to act in its name upon exercising all or some of the powers granted to the Trustee, provided the Bank has not taken the actions it is required to take under the terms and conditions of This Deed within a reasonable amount of time from the Trustee's demand, and provided that it has given the Bank an advance written notice within a reasonable amount of time, of its intention to exercise its powers pursuant to this section.

18.2. An appointment pursuant to Section 18.1 above shall not obligate the Trustee to take any action and does not detract from the Bank's undertakings pursuant to the Deed of Trust, and the Bank hereby exempts the Trustee and its agents in advance in the event that it does not take any action or does not take such action on time or in the proper manner, and the Bank waives in advance any claim against the Trustee and its agents in respect of any damage that was caused or may be caused to the Bank directly or indirectly, in respect thereof, based on any action taken or not taken at all, or that was not taken by the Trustee and its agents on time, unless a judicial decision finds that the act and/or omission were made in bad faith and/or with negligence and provided that the Bank did not perform the actions it must perform hereunder within a reasonable time of the Trustee's demand.

19. Other agreements

Subject to the provisions of any law and the limitations imposed on the Trustee by law, the execution of the Trustee's duties pursuant to This Deed, or his very status as trustee, shall not prevent the Trustee from engaging in various contracts with the Bank, or from entering into transactions with the Bank in the ordinary course of the Trustee's business, unless it places the Trustee under conflict of interest.

20. Reports regarding the affairs of the Trusteeship

- 20.1. If the Trustee learns of a material breach of This Deed and/or of the terms of the Credit Linked Notes (Series 2) on part of the Bank, from the Bank's public reports or from the Bank's notice to the Trustee under the Deed of Trust, it shall notify the Holders of the Credit Linked Notes (Series 2) of the breach and of the steps taken to prevent or enforce the Bank's undertakings, as applicable, within a reasonable time. This requirement shall not apply if the event in question was published by the Bank in accordance with the Law. The Trustee's above obligation is subject to its actual knowledge of such a breach.
- 20.2. The Trustee will inform the Bank of any report submitted under this section, unless this infringes on the Notes Holders' rights.
- 20.3. That said in this section does not detract from any other or additional duty to report the Trustee has under any law.
- 20.4. At the request of holders of more than five percent (5%) of the par value balance of Notes, the Trustee shall deliver to the Notes Holders data and details about his expenses in connection with the Trust, which is the subject matter of the Deed of Trust.
- 20.5. If Holders holding more than five percent (5%) of the outstanding par value of the Notes petition to receive information about the Trustee's inspections of the Notes, including in relation to checking the Company's compliance with its undertakings toward the Notes Holders under the Deed of Trust, the Trustee shall cooperate with the Holders in connection with obtaining such information, subject to the confidentiality provisions set forth in Section 15.2 above and to any law (for the avoidance of doubt, it is clarified that when receiving such a demand, the Trustee

will transfer the data as soon as possible and regardless of the report in the aforementioned annual report).

20.6. As of the date of signing This Deed, The Trustee declares that he is covered by professional liability insurance totaling USD 10 million for the period (hereinafter – the “**Coverage Amount**”). If prior to the full repayment of the Notes, the “coverage amount” is reduced to less than USD 8 million, for any reason, the Trustee shall inform the Bank no later than seven (7) Business Days from the date on which he was informed of the said reduction by the insurer, in order to publish an immediate report on the matter. The provisions of this Section shall apply until such time as the Securities Law Regulations regulating the Trustee’s insurance coverage obligation shall come into effect. Once such Regulations come into effect, the Trustee shall be required to inform the Bank only if it does not comply with the requirements of the Regulations.

21. The Trustee’s Compensation

The Bank will pay the Trustee’s fees in exchange for its services, in accordance with This Deed of Trust, as follows:

- 21.1. Annual payments equal to NIS 21,000 for the first year of the trust, and NIS 16,000 for each subsequent year of the trust, from the second year onwards.
- 21.2. NIS 600 for each Bank shareholder meeting the Trustee partakes in.
- 21.3. NIS 600 per hour for special actions (as defined below) performed within its duties under the Securities Law and/or as set forth in the Deed of Trust.
- 21.4. The annual fees shall be paid to the Trustee at the beginning of every year of trust in respect of the next year of trust or any part thereof. Any other payment shall be paid to the Trustee on demand, and in any case – no later than thirty (30) days from the date of the demand.
- 21.5. Without prejudice to the provisions of this Section 21, the payments set out in the Deed of Trust shall be paid to the Trustee in respect of the period by the end of the trust period of the Credit Linked Notes (Series 2) that will be issued pursuant to the terms of the Deed of Trust and the appointment of a receiver to the Bank, the

appointment of a managing receiver, the appointment of a liquidator for the Bank and/or the management of the Trust under the supervision of a Court, will not detract from the Trustee's right to the payment of his fees and expenses as set out in This Deed.

21.6. In addition to the above fees, the Trustee shall be entitled to reimbursement of reasonable expenses incurred within its duties and/or by virtue of the powers granted to it under This Deed (without limitation), including the expenses and costs of summoning and convening a Notes holders' meeting, reimbursement for bank account actions of any kind, including bank fees, issuing printouts and powers of attorney, securities' sales and transfers, courier services, photocopies, travel, etc., provided that the Trustee gives the Bank prior notice of its intent to obtain an expert opinion with respect to expert opinions as set forth below in Section 22.2, unless such a notice might infringe on the Holders' rights, at the Trustee's exclusive discretion. For this purpose, the publication of the results of a meeting that resolved to obtain an expert opinion shall be considered prior notice to the Bank.

21.7. "Special actions," for the purposes of This Deed, are:

21.7.1. Actions that the Trustee must perform in order to fulfill its legal obligation under the Securities Law in general, and in particular, under Amendments 50 and 51 to the Securities Law;

21.7.2. Actions resulting from a breach or a suspected breach of This Deed by the Bank;

21.7.3. Actions in connection with a demand for the immediate repayment of the Notes and/or actions in connection with a decision of the Notes Holders' meeting to demand the immediate repayment of the Notes;

21.7.4. Special actions, as required or as necessary, to fulfill the Trustee's duties under This Deed in connection with the Notes Holders' rights and to protect them, including because of any failure to comply with the Bank's undertakings under This Deed, gathering Notes holders' meetings as set forth in This Deed, and including because of the participation in Notes holders' meetings and the implementation of the Notes holders' meeting's

resolutions that impose any duty on the Trustee, and taking any action and measure required to protect the Notes Holders' rights;

21.7.5. Urgent actions required to prevent a material prejudice to the Notes Holders' rights, if waiting until a meeting is gathered is impossible;

21.7.6. Entering into negotiations with the Bank if the Bank intends to make requests or offers to the Notes Holders;

21.7.7. Negotiating with the Bank on the Notes Holders' behalf to change the terms and conditions of the Notes;

21.7.8. Payment to the Notes Holders received by him out of the safety cushions, as deposited with the Trustee to perform its duties, including, but not limited to, for indemnity and/or to perform and take legal action and to pay the Notes Holders the funds the Trustee receives.

21.8. It is hereby clarified that if additional expenses are imposed on the Trustee because of a future change in laws and/or regulations and/or other binding provisions that apply to the Trustee's service, which will be required of the Trustee to fulfill its duties as a reasonable trustee, the Bank shall pay the Trustee's reasonable expenses.

21.9. The Bank shall deposit the amounts the Trustee determines from time to time with the Trustee, as the Trustee's foreseeable expenses and costs.

21.10. The Bank shall bear any payment and/or expense in connection with the Notes, from their issuance to their final repayment, as well as any payment and/or expense in connection with the Redeemable Security during the Repayment Period (as these terms are defined in Section 6 above). These expenses include, inter alia, service providers' fees, such as lawyers, underwriters, trustee, financial consultants, etc., if hired, and taxes and fees that are not payable by Notes Holders under the law. The value added tax at the lawful rate shall be added to all payments and/or amounts owed to the Trustee under the provisions of this section or as stated herein.

21.11. All amounts in this section are linked to increases in the Consumer Price Index, with the base index being the index published on April 15, 2024, for March 2024. It is further clarified for the avoidance of doubt that whenever an amount is linked to the

Consumer Price Index, the linked amount will not be reduced from the nominal amount specified in This Deed.

21.12. The Bank shall bear all payments pursuant to this section; however, if the Trustee is replaced because its trusteeship is not ratified, as set forth in the law or at the Notes Holders' decision, the Notes Holders shall bear the difference between the wages owed to the trustee thus appointed and the wages owed to the Trustee it replaces, if that difference is unreasonable; if Section 35E1 of the Law stipulates provisions on an unreasonable difference, they shall apply as an inseparable part of this section and override its provisions. The holders will bear the said difference by offsetting the proportionate share of the difference from each payment that the Bank makes to holders of the Notes in accordance with the terms of the Deed of Trust and by remitting the said amount directly to the Trustee.

21.13. That said in other sections of This Deed regarding coverage of expenses and costs in connection with the Trustee's actions is intended in addition to that said in this section.

22. Special Powers

22.1. The Trustee may deposit all the notes and documents that serve as evidence, represent or establish its right in connection with any asset held by it at that time, in a safe or in any other place of its choosing, with any banker or any bank or with any attorney, insofar as this is reasonable and coordinated with the Bank. If the Trustee does so, it will not be held liable for any loss in connection with such a deposit, provided that it does not act negligently, and it will be entitled to pay all amounts it must pay on account of such a deposit or in connection therewith at the Bank's expense, as long as the Trustee has given the Bank prior notice of it. The Bank shall reimburse the Trustee for any such expense.

22.2. As part of its execution of the trust's affairs pursuant to This Deed, the Trustee may act according to the opinion or advice of an attorney, an accountant, an appraiser, surveyor, broker or other expert. Regardless of whether such an opinion or advice were given at the request of the Trustee or at the request of the Bank or in any other manner, the Trustee shall bear no responsibility to any losses or damages that may be caused as a result of any action or omission by him in reliance on such advice

and/or opinion, provided that it did not act negligently and/or in bad faith and/or maliciously.

22.3. Any such advice or opinion may be given, or sent, or delivered orally, by letter, telegram, telephone, facsimile or any other electronic means for transfer of information, and the Trustee shall bear no responsibility for actions he carried out based on an advice or opinion or information delivered in one of the aforementioned manners, even if there were errors therein or if they were inauthentic, provided that the Trustee was unaware of it and did not act negligently.

22.4. The Trustee shall not be required to inform any party of the signing of This Deed and will not be allowed to interfere in any way with the management of the Bank's business or affairs, subject to the provisions of any law which may not be conditioned upon, provided it is not expressly stated otherwise in This Deed. The provisions of this section shall not restrict the Trustee in performing the actions it must perform in accordance with the provisions of This Deed of Trust.

22.5. The Trustee shall use the trusteeship, the powers, authorizations and power conferred upon him pursuant to This Deed, at his sole discretion, and - except in the event of fraud or negligence that is not exempt under law - will not bear responsibility for any damage caused due to errors in judgment made in good faith.

22.6. Any exemption from liability that was granted to the Trustee pursuant to the provisions of This Deed, if any, is subject to the condition that the Trustee's action (or omission) - including exercising his judgment - in respect of which the exemption was given, was not done in gross negligence that is not exempt under law, in bad faith, in breach of fiduciary duty or maliciously, or in breach of the provisions of the Deed of Trust and the Notes.

23. The Trustee's power to engage agents

As part of the management of the trust's business, the Trustee may appoint an agent that will act in his stead and pay his fees at the expense of the Bank, whether such agent is a lawyer or otherwise, in order to perform, or participate in, the performance of various business transactions and to take, or participate in, various actions that should be performed in connection with the trust, without derogating from the generality of the aforesaid,

including the institution of legal proceedings, provided that such actions are reasonable under the circumstances and do not jeopardize the rights of the Notes Holders and in advance coordination with the Bank, as far as possible under the circumstances of the matter. The Trustee shall also be entitled to settle the reasonable fee of any such agent at the expense of the Bank, provided that he is allowed to do so pursuant to This Deed or pursuant to the fees agreement with the Bank, and the Bank will reimburse to the Trustee for any such expense immediately upon receipt of the initial demand to that effect from the Trustee, to the extent that the Trustee has given the Bank advance notice regarding the appointment of such agents. To clarify, no advance notice will be given to the Bank of such an appointment, if such an advance notice materially infringes the Notes Holders' rights, in which case the notice will be given retroactively, immediately after the appointment. The appointment of an agent shall not detract from the Trustee's duties pursuant to This Deed or pursuant to any law.

24. Appointment of the Trustee; the Trustee's Powers

- 24.1. The Bank hereby appoints the Trustee as Trustee for the Holders of Credit Linked Notes (Series 2).
- 24.2. The Trustee shall not be obliged to inform any party whatsoever of the signing of This Deed.
- 24.3. Subject to the provisions of any law, the Trustee is not required to act in a manner that is not expressly specified in This Deed of Trust in order to become aware of any information, including about the Bank and/or in connection with the Bank's ability to meet its obligations to the holders of the Credit Linked Notes (Series 2) and this is not part of its role.
- 24.4. Subject to the provisions of any law and to what is stated in This Deed of Trust, the Trustee undertakes, by signing This Deed, to maintain confidential any information provided to him by the Bank, not to disclose such information and not to use it for any purpose, unless such disclosure or use is required for the purpose of protecting the rights of the holders of the Notes and securing the Bank's undertakings pursuant to the Deed of Trust or a Court order.

- 24.5. The Trustee will be entitled to rely on the assumption in Section 28 below and to rely on the accuracy of the identity of unregistered Notes Holders, as submitted to the Trustee by any person whose name is listed as an attorney-in-fact in a power of attorney, if the identity of the holder was not specified in the power of attorney.
- 24.6. As part of his trusteeship, the Trustee may rely on any written document including a letter of instruction, a notice, request, agreement or certificate, which is expected to be signed or issued by a certain person or entity, which the Trustee believes in good faith has been signed or issued by such person or entity.

25. **Indemnity of the Trustee**

- 25.1. The Bank and Notes Holders (on the relevant effective date as specified in Section 25.6 below, each in respect of their obligation as stated in Section 25.4 below) hereby undertake to indemnify the Trustee and any of its officers, employees, agents or experts it shall appoint and/or will be appointed by the Trustee in accordance with the provisions of This Deed of Trust and/or a resolution adopted by a meeting of Notes Holders pursuant to the provisions of This Deed of Trust (hereinafter - all or part, jointly and/or severally - **“Parties Entitled to Indemnity”**):
- 25.1.1. For any monetary in under a judgment or arbitral award (for which there is no stay of execution) or under a settlement that has been completed (and to the extent that the settlement concerns the Bank, the Bank consented to the settlement), whose cause relates to actions performed by the Parties Entitled to Indemnity or that they must perform hereunder, and/or under the law and/or under a competent authority’s instruction and/or under any law and/or at the demand of the Notes Holders and/or at the Bank’s demand under This Deed; and
- 25.1.2. For the fees of the Parties Entitled to Indemnity and reasonable expenses they have incurred and/or expected to incur in connection with such actions which they have taken or which they believe were necessary to take in connection with the trusteeship and/or in connection with using powers and authorizations given pursuant to This Deed, as well as in connection with various legal proceedings, attorneys’ opinion and other experts’ opinions, negotiations, discussions, reasonable expenses, insolvency proceedings,

collection proceedings, debt arrangements, debt assessment, valuations, claims and demands with regard to any matter and/or thing that were carried out and/or were not carried out in any manner in connection with the matter under discussion and/or in connection with their role under This Deed.

And all, on condition that:

- 25.1.3. The Parties Entitled to Indemnity do not demand indemnity in advance in a matter that cannot be delayed, without derogating from their right to demand indemnity retrospectively;
- 25.1.4. No final judicial decision has been made, finding that the Parties Entitled to Indemnity acted in bad faith and/or that they did not act in their professional capacity, in contrast with the provisions of the law and/or the provisions of This Deed of Trust;
- 25.1.5. No final judicial decision has been made, finding that the Parties Entitled to Indemnity acted with negligence that is not exempt under law, as applicable from time to time;
- 25.1.6. No final judicial decision has been made, finding that the Parties Entitled to Indemnity acted with malicious intent.

The indemnity undertaking under this section shall be referred to hereinafter as the **“Indemnity Undertaking”**.

- 25.2. Even if it is claimed against the Parties Entitled to Indemnity that they are not entitled to indemnity for any reason, the Parties Entitled to Indemnity will be entitled to be paid the amount owed to them for the Indemnity Undertaking, upon their first demand. If it is determined in a final court decision that the Parties Entitled to Indemnity do not have any right to indemnity, they will return the amounts of the indemnity undertaking paid to them.
- 25.3. Without detracting from the effectiveness of the Indemnity Undertaking, whenever the Trustee must perform any action under the terms of the deed of trust and/or by law and/or under a competent authority’s instruction and/or under any law and/or at the Notes Holders’ demand and/or at the Bank’s demand and/or to protect the Notes

Holders' right, including, but not limited to, launching proceedings or filing claims at the Notes Holders' demand, as set forth in this note, the Trustee may refrain from taking any such action, until it receives a letter of indemnity to its satisfaction from the Bank - if the action is taken due to the Bank's demand, or from the Notes Holders or from some of them - if the action is not performed at the Bank's demand or if the Bank did not provide the Indemnity Letter and/or a monetary deposit to cover the Indemnity Undertaking (hereinafter - the "**Financial Cushion**"). If the Bank fails to deposit the Financial Cushion amount on the date it was required to do so by the Trustee, the latter will contact the Notes Holders, who held the Notes on the Effective Date (as stated in Section 25.6 below), and will request that they deposit with it all or the outstanding balance of the Financial Cushion amount, as applicable, in accordance with their proportionate share therein (as this term is defined below). If the Notes Holders do not deposit the entire Financial Cushion amount in practice, the Trustee will not be obligated to take the relevant action or proceeding. The above does not exempt the Trustee from taking any urgent action, as required to prevent the Notes Holders' rights from being materially prejudiced.

The Trustee may set the amount of the Financial Cushion, and may repeatedly create additional cushions in this way, from time to time, at the amount it determines. The Trustee will refund to the Bank and/or Notes Holders (as applicable) any amount it will not use, plus any profits accrued in respect of this amount, and net of its expenses.

25.4. The Indemnity Undertaking:

25.4.1. **Will apply to the Bank** in any case where (1) actions were carried out under any law and/or were required to be carried out under the terms of the Deed of Trust, or to protect the rights of the Notes Holders; and (2) actions that were carried out and/or are required to be carried out at the demand of the Bank.

25.4.2. **Will apply to the Holders** who held Notes as of the Effective Date (as described in Section 25.6 below) in any event of (1) actions that were carried out and/or required to be carried out at the demand of the Notes Holders (excluding actions that were carried out at the demand of Notes Holders in

order to protect the Notes Holders' rights); And (2) non-payment by the Bank of the amount of the Indemnity Undertaking which applies to it in accordance with Section 25.4.1 above (subject to the provisions of Section 25.6 below). It should be clarified that the payment in accordance with subsection (2) above does not detract from the Bank's obligation to bear the Indemnity Undertaking in accordance with the provisions of Section 25.4.1 above.

25.5. In the event where: (A) The Bank fails to pay the amounts required to cover the Indemnity Undertaking and/or fails to deposit the Financial Cushion amount, as applicable; and/or (B) the indemnity obligation applies to the Notes Holders pursuant to Section 25.4.2 above and/or the Notes Holders were required to deposit the Financial Cushion amount pursuant to Section 25.3 above, the funds will be collected as follows:

25.5.1. Firstly - The amount will be financed out of the amounts of interest, and if the amounts of interest will not be sufficient, out of the amounts of the Principal which the Bank is required to pay to all of the Notes Holders after the date of the required action, and the provisions of Section 9 to This Deed of Trust will apply.

25.5.2. Second – to the extent that the Trustee believes that the amounts deposited in the Financial Cushion and the interest as aforesaid are sufficient to cover the Indemnity Undertaking, the holders holding on the Effective Date (as set forth below in Section 25.6) will deposit the difference, each according to their relative share (as this term is defined), with the Trustee. The amount deposited by each Holder will bear annual interest at a rate equal to the interest on the Notes and payment thereof will have priority as specified in Section 9.1 above.

In this section, “**Proportionate Share**” means: the proportionate share of the Notes held by the Holder on the relevant effective date as specified in Section 25.6 below out of the par value of the Notes outstanding at that time. To clarify, the relative share calculation will remain permanent, even if there is a change in the par value of the Notes held by that holder after that time.

To clarify, the Holders of the Notes who bear the responsibility to cover the expenses may bear the expenses as set forth above in this section beyond their relative share, in which case, the repayment of these amounts will be subject to the order of preference, as set forth in Section 9 above.

25.6. On the effective date for determining the liability of a Holder in respect of the Indemnity Undertaking and/or payment of the Financial Cushion is as follows:

25.6.1. In any case where the indemnity liability and/or payment of the “financial cushion” are required due to a urgent decision or action required to prevent material adverse effect on the rights of Notes Holders without such decision or action first being approved by a Notes holders' meeting - the effective date for the liability shall be the end of the trading day on which the action was taken or the decision was made, and if such day is not a trading day, then the trading it preceding it.

25.6.2. In any case where an “indemnity liability” and or payment of a “financial cushion” is required in accordance with a resolution of a Notes holders' meeting - the effective date for the liability shall be the date for participating in the meeting (as set in the meeting's convening notice), and such liability shall also apply to a Holder, who was not present or did not participate in the meeting.

25.6.3. In any other event or in the event of disputes as to the Effective Date, as it will be determined by the Trustee, subject to its absolute discretion.

25.7. Payment by the holders, instead of the Bank, of any amount whatsoever which applies to the Bank in accordance with this Section 25, will not release the Bank from its obligation to act reasonably to collect the funds from the Bank, if it is required to make the payment. It should be clarified that the above does not require the Trustee to instigate legal proceedings against the Bank.

25.8. It should be clarified that subject to what is stated in this Section 25, the Trustee is first entitled to indemnity from the Bank (and not from the Notes Holders) in respect of expenses it accrued in connection with actions it carried out by virtue of the Deed of Trust or in order to protect the Notes Holders, and it is only when the Trustee does

not receive indemnity from the Bank for any reason whatsoever (or in cases where the expenses are due to demands for further proceedings on behalf of the Notes Holders), is it entitled to demand indemnity from the Notes Holders and act with the Bank to receive the funds it received from the Notes Holders instead of the Bank, if the Bank is required to transfer them in accordance with the provisions of this Section 25.

26. Notices

- 26.1. Unless otherwise stated in This Deed of Trust, any notice to the holders of Credit Linked Notes (Series 2) on behalf of the Bank or the Trustee shall be issued by reporting through the MAYA system (as defined in Section 1.4 above). The Trustee may instruct the Bank to post a report immediately and the Bank will be required to post any such report on the MAYA system in the name of the Trustee, as worded and delivered in writing by the Trustee to the Bank. Any notice that will be posted as described above shall be deemed to have been delivered to the holders of the Credit Linked Notes (Series 2) on the day on which the report was posted on the MAYA system.
- 26.2. Any notice or demand on behalf of the Trustee to the Bank or on behalf of the Bank to the Trustee may be delivered by (1) registered mail according to the address specified in the Deed of Trust, or according to another address on which the Bank shall inform the Trustee or the Trustee shall inform the Bank in writing; (2) email or facsimile or by courier, and any such notice or demand shall be considered to have been received: (1) if delivered by registered mail – three business days from the day on which it was delivered at the post office; (2) if delivered by email or facsimile (after verifying by phone that the notice was received) – after one business day from the day on which it was delivered; (3) if delivered by a courier – when it was delivered to the addressee by the courier or when the addressee was presented with it, as the case may be.
- 26.3. Copies of notices and summons the Bank shall deliver to the holders of the Credit Linked Notes (Series 2) shall also be delivered by the Bank to the Trustee. It is clarified that, for the purpose of complying with the provisions of this Section, the

publication of a report on the MAYA reporting system shall be viewed as delivery thereof to the Trustee.

27. Waiver, compromise and changes in the Deed of Trust

- 27.1. The Trustee may waive - from time to time and at any time, if in his opinion this does not infringe the rights of the holders of Credit Linked Notes (Series 2) - any breach of or non-compliance with any of the terms and conditions of the Deed of Trust by the Bank, except with respect to the following: The terms and conditions of the Notes and the definitions relating thereto, including the definition of a Credit Event, credit facilities and base amount; the Notes' repayment terms, including principal and interest, and the dates of payment of the principal and/or interest of the Notes; the interest rate for the Notes; grounds for calling for immediate repayment of the Notes; early redemption of the Notes; reports that the Bank is required to submit to the Trustee pursuant to the provisions of This Deed; changes outside the scope of the Trustee's powers as described in Section 2.3.3 above.
- 27.2. Subject to the provisions of the Companies Law and the regulations promulgated thereunder, including Section 350 to the Companies Law and the provisions of the Insolvency Law, and after obtaining the advance approval of the meeting of holders of Credit Linked Notes (Series 2), the Trustee may, by way of a special resolution, whether before or after the principal of the Credit Linked Notes (Series 2) becomes repayable, reach a compromise with the Bank in connection with any right or claim of the holders of Credit Linked Notes (Series 2) and to agree with the Bank on any settlement regarding any arrangement of its rights, including waiver of any right of the Bank or right of the holders of Credit Linked Notes (Series 2) or claim of the Bank and/or the holders of Credit Linked Notes (Series 2) towards the Bank and to agree to amend the terms and conditions of the Credit Linked Notes (Series 2), provided that the settlement is not a material debt settlement arrangement as defined in Section 328 to the Insolvency Law.
- 27.3. The Trustee and the Bank may reach an agreement, whether before or after the principal of the Credit Linked Notes (Series 2) becomes repayable, to change the Deed of Trust that was signed in relation to the Credit Linked Notes (Series 2), provided that one of the following conditions is met:

- 27.3.1. The Trustee was convinced that the change does not prejudice the holders of Credit Linked Notes (Series 2) (including, without derogating from the generality of the above, if it will be required to make changes to the Deed of Trust and/or the Notes in order to list the Notes on the main list of the TASE or on the TACT Institutional System), except concerning the following: The terms and conditions of the Notes and the definitions relating thereto, including the definition of a Credit Event, credit facilities and base amount; the terms and dates of payment of the principal and/or interest of the Notes; the interest rate for the Notes; grounds for calling for immediate repayment of the Notes; early redemption of the Notes; reports that the Bank is required to submit to the Trustee pursuant to the provisions of This Deed; changes outside the scope of the Trustee's powers as described in Section 2.3.3 above.
- 27.3.2. The proposed change was approved in a special resolution passed in a general meeting of holders of the Credit Linked Notes (Series 2).
- 27.4. The Bank will issue an immediate report regarding any change as aforesaid, immediately upon execution thereof.
- 27.5. Where the Trustee has reached a compromise with the Bank after obtaining advance approval of the meeting of the holders of the Credit Linked Notes (Series 2) as aforesaid, the Trustee shall be exempt from liability for this action, as approved by the general meeting, provided that by implementing the resolution of the general meeting the Trustee did not breach his fiduciary duty or acted in bad faith or maliciously.
- 27.6. In any case where the Trustee uses his rights pursuant to this Section, he may but is not required to, demand that the holders of the Credit Linked Notes (Series 2) deliver to him the Notes for the purpose of entering a note regarding any compromise, waiver, change or amendment as aforesaid, and the Bank shall enter such a note at the request of the Trustee.
- 27.7. Without derogating from the above, the Notes' terms may also be changed as part of an arrangement or settlement approved by the court pursuant to Chapter C, Part J to the Insolvency Law.

28. Registry of the Notes Holders; Transfer and Split

- 28.1. The Bank will hold and maintain in its office a register of the Notes Holders.
- 28.2. The Credit Linked Notes (Series 2) shall be allocated in the name of the nominee company and registered in its name in the register of holders of the Notes. The Bank shall not be required to record in the Notes Holders' Register any notice of explicit, implicit or estimated trust, nor any encumbrance or charge of any type or any equitable right, claim or offset or any other right in connection with the Notes.
- 28.3. The Notes Holders' Register shall serve as prima facie evidence as to the correctness of the records contained therein. In case of a discrepancy between the Notes Holders Register and a Note Certificate, the evidentiary value of the Notes Holders Register will supersede that of the Note Certificate.
- 28.4. The Bank shall only recognize the ownership of the person in whose name the Notes were registered. The legal heirs, administrators of the estate or executors of the will of a Registered Holder and any person that will be entitled to the Credit Linked Notes (Series 2) as a result of bankruptcy of a Registered Holder (and, in the case of a corporation – as a result of a liquidation thereof), may be registered as the holder thereof after providing evidence to the satisfaction of the Bank's managers, of its right to be registered as the holder thereof.
- 28.5. The Notes may be transferred in respect of any par value amount, provided that such amount is in whole New Israeli Shekels in accordance with a transfer letter drawn up in the format normally used by the Bank and properly signed by their Registered Holder, or his legal representatives and receiver of the Certificate. The letter of transfer should be delivered to the Bank's registered office to be recorded, together with the Notes and any proof of identity or right that will be required by the Bank for the purpose of proving the transferor's right to transfer them, as well as any the amount required for any mandatory payment in respect of the transfer, if any. The Bank may retain the letter of transfer.
- 28.6. Where only part of the principal amount specified in the said Notes is transferred, the certificate of the Note will be first split into several certificates, in accordance with the following provisions, such that the aggregate amount of all principal amounts

specified in those certificates shall be equal to the principal amount specified in the said Note's certificate.

28.7. All expenses involved in the transfer, including stamp duty and other levies, if any, shall be payable by the party requesting the transfer.

28.8. Any Credit Linked Note (Series 2) certificate can be split by means of filing an application (signed by the registered holder of that Note) for a split of the said certificate into several Credit Linked Notes (Series 2), whose aggregate principal amount is equal to the principal amount specified in the certificate whose split is requested, against the delivery of that certificate to the Bank at its registered office for the purpose of carrying out the split; the application for a split signed by the registered owner of the said Credit Linked Notes (Series 2) shall be attached to the certificate delivered to the Bank.

28.9. The split shall be carried out within three (3) months from the date on which the certificate was delivered at the Bank's registered office as aforementioned.

28.10. The certificates of the new Credit Linked Notes (Series 2) issued as a result of the split shall each have a par value in whole New Israeli Shekels.

28.11. All expenses involved in the split, including levies, if any, shall be payable by the party requesting the split.

29. Replacing the Trustee and expiry of its tenure

29.1. The tenure of the Trustee and its expiry and the appointment of a new Trustee shall be subject to the provisions of This Deed of Trust.

29.2. Subject to the provisions of any law, a holders' decision to terminate the Trustee's tenure and to appoint a new Trustee in his stead shall be approved in a special resolution passed in a general meeting of holders of the Credit Linked Notes (Series 2).

29.3. Subject to the provisions of any law, the Trustee whose tenure has expired shall continue to serve until the appointment of another trustee. The Trustee shall transfer to the new trustee all documents and amounts which it has collected in connection

with the trust that is the subject matter of the Deed of Trust of Credit Linked Notes (Series 2) and shall sign any documents required for this purpose. Each new trustee shall have the same powers, duties and powers and will be able act, for all intents and purposes, as if he was appointed Trustee from the outset.

29.4. The Bank will publish an immediate report in any case where a trustee resigns and/or a new trustee is appointed.

30. Notes Holders' Meeting

Meetings of the Credit Linked Notes (Series 2) shall be conducted in accordance with the provisions of the Second Addendum to This Deed.

31. Reporting to the Trustee

As long as there will be outstanding Credit Linked Notes (Series 2) for which the Trustee serves as trustee and as long as any payment is to be made thereunder, the Bank will provide to the Trustee with:

- 31.1. Audited financial statements of the Bank for the fiscal year ended on December 31 of the previous year, shortly after the publication thereof and no later than three (3) months from the end of the reported period.
- 31.2. Every interim half-year and quarterly report, shortly after the publication thereof, to which the Bank will attach the review report of its independent auditor in connection with the quarterly report.
- 31.3. Every immediate report that will be submitted by the Bank to the Israel Securities Authority - on the date on which the report is submitted to that authority.
- 31.4. A copy of every document delivered by the Bank to the Holders of Credit Linked Notes (Series 2) and the details of any information that the Bank delivers to them in any other manner, and any additional information pursuant to a reasonable demand by the Trustee and subject to the provisions of any law and the signing of a written non-disclosure agreement to the Bank's satisfaction.
- 31.5. Any other report which the Bank is required to deliver to the Trustee pursuant to the law or pursuant to the provisions of This Deed of Trust.

It is clarified that, for the purpose of complying with the provisions of this Section, the publication of a report on the MAYA reporting system shall be viewed as delivery thereof to the Trustee.

32. **Addresses**

For purposes of This Deed, the addresses of the parties shall be as set forth in the preamble to This Deed, or any other address in respect of which a proper notice was given in writing.

33. **Electronic signature**

By signing This Deed, the Trustee authorizes the Bank's electronic authorized signatories to sign in his name and in his stead an electronic copy of the Deed of Trust for the purpose of its transmission on the MAYA.

34. **Governing law and jurisdiction**

34.1. This Deed of Trust and its appendices and addenda shall be governed solely by Israeli law. In any matter that is not referred to in This Deed and in any case of a discrepancy between the provisions of the law that may not be conditioned upon and the provisions of This Deed, the parties shall act in accordance with the provisions of Israeli law that may not be conditioned upon.

34.2. The only Court that will have jurisdiction to discuss matters pertaining to the Deed of Trust shall be the competent Court of Tel Aviv-Jaffa.

35. **The Trustee's liability**

35.1. Notwithstanding the provisions of any law and in the Deed of Trust, insofar as the Trustee has acted to execute his role in good faith and within a reasonable amount of time, and also clarified the facts that a reasonable trustee would have clarified under the circumstances, the Trustee shall not be held liable toward a holder of the Notes for damage caused to such holder as a result of the Trustee's exercising his judgment pursuant to Sections 35H(d1) or 35I1 of the Securities Law, unless the plaintiff proves that the Trustee acted in gross negligence. It is hereby clarified that where a discrepancy arises between the provisions of this section and other provisions in the Deed of Trust, the provisions of this section shall prevail.

36. General

36.1. Without detracting from any other provision in This Deed, any waiver, extension, discount, silence, refraining from taking action (hereinafter in this section, each - a “**Waiver**”) on the part of the Bank and/or on the part of the Trustee, regarding the non-compliance or partial compliance or incorrect compliance with any of the parties' undertakings pursuant to This Deed, shall not be considered a waiver on the part of the Bank and/or the Trustee, as the case may be, of any right but rather as a limited consent for the special circumstances under which it was given. Furthermore, it should be clarified that failure by the Bank to determine that a credit event occurred on a certain date does not prevent the Bank to determine at a later date that a Credit Event occurred.

36.2. Without derogating from any other provision of This Deed, any change in the Bank' or the Trustee's undertakings, including waiver as defined in Section 36.1 above, requires the advance written consent of the counterparty. Any other consent, whether given orally or by way of waiver and refraining from taking action, or in any way other than in writing, shall not be considered as consent of any type whatsoever.

In witness whereof the parties have signed:

Bank Leumi le-Israel B.M.

Hermetic Trust (1975) Ltd.

I the undersigned, Adv. _____, license no. _____, hereby confirm that This Deed was lawfully signed by the authorized signatories of the Bank.

_____, Adv.

Appendix A

This appendix is available for review at the Trustee of the Notes in accordance with the mechanism detailed in Section 2.2.1 to the Deed of Trust

Appendix A1

This appendix is available for review at the Trustee of the Notes in accordance with the mechanism detailed in Section 2.2.1 to the Deed of Trust

Appendix A2

This appendix is available for review at the Trustee of the Notes in accordance with the mechanism detailed in Section 2.2.1 to the Deed of Trust

Appendix B

The amount of the principal of Credit Linked Notes (Series 2) attributable to the accrued principal amount of all the Reference Obligations that were provided by the Bank to each of the Reference Entities, in respect of the repayment of which the Bank has acquired protection under This Deed of Trust, and which will be deducted in full upon the occurrence of a Credit Event, is as follows:

Loans	The aggregate amount of the Reference Obligations that have been advanced to or will be advanced to the Reference Entities immediately prior to the signing date of the Deed of Trust	Base Amount	The rate of the Base Amount out of the Reference Obligations amount
Loans to Borrower A	70,700,000.00	56,559,797.06	80.00%
Loans to Borrower B	55,510,072.94	44,407,899.02	80.00%
Loans to Borrower C	49,813,301.25	39,850,498.02	80.00%
Loans to Borrower D	156,744,112.36	125,394,839.97	80.00%
Loans to Borrower E	214,696,000.00	171,756,183.74	80.00%
Loans to Borrower F	43,340,000.00	34,671,875.60	80.00%
Loans to Borrower G	139,500,000.00	111,599,599.58	80.00%
Loans to Borrower H	21,000,000.00	16,799,939.72	80.00%
Loans to Borrower I	202,000,000.00	161,599,420.18	80.00%
Loans to Borrower J	44,500,093.57	35,599,947.12	80.00%

Regarding this appendix, see the definitions of “Reference Obligations” and the “Reference Entities” in Section 1.4 to the Deed of Trust.

Appendix C

The relevant ISDA definitions

"Bankruptcy" means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

"Failure to Pay" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

"Grace Period" means the applicable grace period with respect to payments under the relevant Reference Obligation under and in accordance with the terms of such Reference Obligation in effect as of the date as of which such Obligation is issued or incurred.

"Obligation" means any obligation which is a Reference Obligation and any other obligations of a Reference Entity that are a part of the credit facility (credit facility) as defined above.

"Restructuring" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a governmental authority (including any court, tribunal, administrative or other governmental body) and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a governmental authority (including any court, tribunal, administrative or other governmental body) in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred: (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals; (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates; (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium; or (iv) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation to any other Obligation.

Provided, however, that none of the following shall constitute a Restructuring: (i) the occurrence of, agreement to or announcement of any of the events described above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and (ii) the occurrence of, agreement to or announcement of any of the events described above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

First Addendum to the Deed of Trust – Note

Bank Leumi le-Israel B.M.

Registered Note (Series 2) of NIS 1 p.v. each No. 1

1. This is to certify that Bank Leumi le-Israel B.M. (hereinafter - the “**Bank**”) shall pay Bank Leumi le-Israel B.M. Nominee Company Ltd. or whoever will be at that time the Registered Holder of this Note, principal and interest payments, all subject to the provisions of the Deed of Trust (as defined below).
2. This Note is issued pursuant to a deed of trust dated April 16, 2024, drawn up and signed between the Bank as the first party and Hermetic Trust (1975) Ltd. as a trustee as the second party (hereinafter – the “**Deed of Trust**”). It is clarified that the provisions of the Deed of Trust constitute an integral part of the terms and conditions of the Notes.
3. The Notes are not secured by any collateral, as indicated in Section 4 to the Deed of Trust.
4. The Notes shall have equal seniority among themselves (pari-passu), with no priority for any one of them over the others.
5. This Note is issued subject to the terms and conditions set out overleaf and in the Deed of Trust.
6. The provisions of the Deed of Trust will constitute an inseparable part of the provisions of this Note and will be binding towards the Bank and the Holders of the Notes which are included in the aforementioned series.

Signed with the Company’s stamp, which was stamped on: April 16, 2024

Bank Leumi le-Israel B.M.

Terms Written Overleaf

1. General

- 1.1. The terms and conditions of the Credit Linked Notes (Series 2) (the terms and conditions written overleaf) are an integral part of the provisions of the Deed of Trust.
- 1.2. The definitions and terms that were not defined in this document (the terms and conditions written overleaf), shall have the meaning assigned to them in the Deed of Trust in connection of the Credit Linked Notes (Series 2).

2. The Notes' Principal

- 2.1. The principal of the Credit Linked Notes (Series 2) shall be repayable in one installment, constituting 100% of the principal of the Credit Linked Notes (Series 2) on August 24, 2030, six months after the contractual repayment date of the latest Reference Obligation (after the passage of all grace periods to which the relevant Reference Entity is entitled in respect of that Reference Obligation, in accordance with its terms). Notwithstanding the above, the said amortization schedule is correct as of the issuance date, and is expected to change if the Bank will determine that a Credit Event took place (for more information, see Section 6 to the Deed of Trust) or an early redemption will take place with respect of any of the Reference Obligations (for more information, see Sections 5.1 and 5.2 below). If such a change takes place, the Bank will draw up a new amortization schedule that will reflect the revised amount and repayment date and report the new amortization schedule in accordance with the relevant provisions of the Deed.
- 2.2. For information about the reduction of the principal of the Notes following the Bank's finding that a Credit Event has occurred, see Section 6 to the Deed of Trust. For further details regarding the conditional right to receive Collection Amounts that the Bank shall collect (insofar as it shall collect) after the occurrence of a Credit Event against the Redeemable Security, and the reduction of the Notes' principal in accordance with Section 6 to the Deed of Trust, see Section 6.7 to the Deed of Trust.
- 2.3. For further details regarding the Bank's right to execute full or partial early redemption of the Credit Linked Notes (Series 2), see Section 5.1 below. For information about mandatory early redemption by the Bank in the event of early redemption of a Reference Obligation, see Section 5.2 below.

3. Interest rate

3.1. The outstanding balance of the principal of the Credit Linked Notes (Series 2) in circulation shall bear annual interest at the rate of the Bank of Israel Interest plus 2.3% (hereinafter - the “**Spread Rate**” and the “**Notes’ Interest**”, respectively). The Notes’ Interest shall be paid in 76 monthly installments, on the 24th of each calendar month as from May 2024 through August 2030 (inclusive) (hereinafter - the “**Monthly Interest Payment Date**”), in respect of the period ending a day before the payment date, is calculated on the basis of 365 days per year according to the number of days in that period (hereinafter - the “**Interest Period**”); with the only exception being that the first interest payment will be made on May 23, 2024 (hereinafter - the “**First Interest Payment Date**”) in respect of the period starting on the first trading day after the Notes’ initial issuance, and which ends on May 23, 2024 (a day before the First Interest Payment Date) (hereinafter - the “**First Interest Period**”), calculated based on 365 days per year. The last interest payment will be made on August 24, 2030, the final repayment date of the principal of the Notes, against the submission of the Notes to the Bank, as described in Section 4.3 below.

3.2. Four (4) trading days before the effective date for the interest payment (as defined below), the Bank will submit the TASE a notice regarding the interest rate that will be paid in respect of the Interest Period in connection with which such notice is submitted, and the interest rate in annual terms. The interest rate shall be calculated on the basis of a weighted average (by number of days) - the calculation will be made at an accuracy level of five digits after the decimal point - of the Bank of Israel’s interest rates in effect on each day in the relevant Interest Period, plus the spread rate. For example: If, in the Interest Period, there were 30 days, and for 10 of these days, the Bank of Israel interest rate was 3.25% and for 20 of these days, the Bank of Israel interest rate was 3.75%, then the weighted average of Bank of Israel interest rate for the period shall be 3.58333% (at an accuracy level of five digits after the decimal point), based on the following calculation:

$$[(10*3.25\%)+(20*3.75\%)] / 30 = 3.58333\%$$

3.3. If the spread is 1%, then the annual interest rate to be paid for the Interest Period in respect of which the above calculation was made shall be 4.58333%, and the actual interest rate to be paid on the next interest payment date in respect of a 30-day period

shall be equal to the product of the Notes' Interest Rate (as defined in Section 3.1 above) multiplied by 30 and divided by 365, that is to say - 0.37671%.

- 3.4. It should be clarified that where the Bank of Israel interest rate was increased, then the business day following the date on which the Bank of Israel interest rate was increased shall be deemed as the relevant change date for the purpose of calculating the interest rate in accordance with Section 3.2 above; and where the Bank of Israel interest rate was reduced, then the date on which the Bank of Israel interest rate was reduced shall be deemed as the relevant change date for the purpose of calculating the interest rate in accordance with Section 3.2 above.
- 3.5. It should also be clarified that if there are changes to the Bank of Israel interest rate subsequent to the date of submission to the TASE of the notice on the interest rate as stated above, and up to the end of the Interest Period, the interest shall be calculated for the days from the date of submission of the notice to the TASE (inclusive) until the end of the Interest Period in accordance with the Bank of Israel interest rate at the rate fixed on the business day prior to the date of submission of the notice to the TASE, plus the spread as stated above.
- 3.6. The Credit Linked Notes (Series 2) are issued at par value, and therefore without a discount.

4. Principal and interest payments

- 4.1. The payment on account of the principal shall be paid to the persons, whose names will be registered in the Notes Holders' Register on the payment day, that is to say - August 24, 2030, against delivery to the Bank of the Notes Certificates on the payment date, at its registered office or any other location regarding which the Bank will give notice. The Bank's notice as aforementioned shall be delivered no later than five (5) business days prior to the payment date.
- 4.2. Notwithstanding the provisions of Section 4.1 above, if the Notes' principal is reduced (in accordance with the provisions of Section 6 to the Deed of Trust) or if an early redemption will be carried out with respect of any of the Reference Obligations (in accordance with the provisions of Sections 5.1 and 5.2 below), the amortization schedule will be revised in accordance with the provisions of the Deed of Trust, and the payment on account of the principal will be revised accordingly, including by way of bringing forward the final repayment date (if relevant).

- 4.3. Payments on account of the interest shall be paid to the persons, whose names will be registered in the Notes Holders' Register six (6) days before the payment date, that is to say, on the 18th of each calendar month of each of the years 2024 (starting in May) through July 2030, except for the last interest payment date, that will be made together with the last payment of the principal to persons, whose names will be listed on the Notes' Holders Register on payment date (hereinafter - the "**Effective Date for Payment of Interest**") against delivery to the Bank of the Notes Certificates on the payment date, at described in Section 4.1 above.
- 4.4. Any payment payable pursuant to the terms of the Notes to Entitled Parties who are Unregistered Holders shall be transferred by the Bank to the Nominee Company, in order for it to be transferred to the Entitled Parties through the Stock Exchange's clearing house and through TASE members.
- 4.5. Any payment payable pursuant to the terms of the Notes to Entitled Parties who are Registered Holders shall only be made by way of bank transfer to the bank account, whose details shall be delivered to the Bank by a written notice to be posted by registered mail; this notice shall bind the Bank only with respect to payments, the record date for settlement of which shall be fifteen (15) Business Days after the date on which the notice was received at the Bank's registered office.
- 4.6. If the Entitled Party has not provided to the Bank, in time, a written notice regarding the details of its bank account to which payments should be transferred pursuant to the Notes, any such payment will be made by check, which will be posted by registered mail to the last address recorded in the register of Notes Holders. Posting a check to an Entitled Party by registered mail, as aforesaid, will be considered, for all intents and purposes, as payment of the amount that is specified therein, on the date on which it was posted as aforesaid, provided that it was paid upon its proper presentation for collection.
- 4.7. If the Bank is unable, for any reason which is not under its control, to pay any amount to Entitled Parties, the provisions of Section 11 to the Deed of Trust shall apply.
- 4.8. Any mandatory payment required by law shall be deducted from any payment in respect of the Notes.
- 4.9. The Notes (interest and principal) shall not be linked to any linkage basis.
- 4.10. Where the repayment date or the specified date for any payment of interest and/or interest fall on a day which is not a Business Day, the date of that payment shall be postponed to the following Business Day without payment of any additional payment.

4.11. Any payment on account of Principal and/or interest which has been paid with a delay exceeding seven (7) days after the set date for its payment in accordance with the terms of the Credit Linked Notes (Series 2), for a reason which is dependent upon the Partnership, will bear interest in arrears from the set date for its payment until the actual date of payment. For that purpose, “**Interest on Arrears**” means annual interest at the rate of the interest payable on the Notes, as it will be from time to time, plus 4% on an annual basis, calculated pro-rata for the period from the date set for the payment through the actual payment date. If Interest on Arrears will be paid, the Bank will publish an immediate report at least two (2) trading days before such payment, announcing the rate of the Interest on Arrears for that period and its payment date. It should be clarified that this Section 4.11 will not apply to payments of redeemable securities, as stated in Section 6.7 to the Deed of Trust (if any are issued).

5. Early redemption

5.1. Early redemption initiated by the Bank

As from the listing date of the Credit Linked Notes (Series 2) on the TACT Institutional System, the Bank will be allowed, subject to its sole discretion, to carry out a full early redemption of the Credit Linked Notes (Series 2) (for the avoidance of doubt, the early redemption will not include amounts reduced as per Section 6 to the Deed of Trust) in the following cases:

- (a) If the Bank determines, based on an opinion it received from an external legal advisor, whose identity was agreed upon between the Trustee and the Bank, that the issuance of the Notes, payment thereunder, or the fulfillment of the obligations thereunder became unlawful in accordance with any relevant law “(hereinafter - “**Illegality**)”).
- (b) The amount of the Notes’ principal decreased to an amount constituting five percent (5%) or less of the amount of the Notes’ principal as on the date on which This Deed was signed.
- (c) The Bank decided, at its sole discretion, to execute a full early redemption of the Notes.

It should be clarified that the right to decide on the execution of early redemption in accordance with this Section 5.1 is reserved to the Bank alone, and that the Notes Holders will not have any right to demand early redemption of the Notes under any

circumstance whatsoever. Nothing in the aforesaid derogates from the rights of the Notes Holders to make the Notes repayable immediately upon the occurrence of one of the events listed in Section 7 to the Deed of Trust, and in accordance with its terms.

In the event of an early redemption in accordance with the provisions of this Section 5.1, the following provisions will apply, all subject to the provisions of the TASE Rules and Regulations, and the guidance available thereunder, as they will be on the relevant date:

- 5.1.1 The early redemption shall be executed in relation to all Holders of Credit Linked Notes (Series 2), who will be registered in the Notes' Holders Register at the end of the redemption effective date (as defined below), pro rata according to the par value of the Notes they hold out of the total par value of the Notes in circulation. The date set for the redemption in accordance with the provisions of this Section 5.1 shall apply six (6) days before the early redemption date (hereinafter - the "**Redemption Effective Date**").
- 5.1.2 The amount that will be paid to holders of Credit Linked Notes (Series 2) in the event of early redemption in accordance with Section 5.1(a) or (b) above, shall be equal to the par value of the redeemable Notes, that is to say, the principal (as it will be on the early redemption date) plus interest accrued and not yet paid through the actual early redemption date (the calculation of the interest shall be carried out as set out in Section 5.1.3 below).

However, the amount that will be paid to holders of Credit Linked Notes (Series 2) in the event of early redemption in accordance with Section 5.1(c) shall be equal to the highest of the following: (1) The par value of the redeemable Notes, that is to say, the principal (as it will be on the early redemption date) plus interest accrued and not yet paid through the actual early redemption date (the calculation of the interest shall be carried out as set out in Section 5.1.3 below); or (2) the balance of expected cash flow of the redeemable notes (principal and interest) on the early redemption date, discounted using the Bank of Israel's interest rate on the date of the announcement regarding the early redemption plus 1.5% calculated annually. The discounting of the Notes will be calculated as from the date of the expected payment date of the Early Redemption and until the final repayment date set for the Notes, as stated in Section 2.1 above.

- 5.1.3 When the Bank makes a decision regarding the execution of early redemption as aforesaid, it will announce it by way of issuing an immediate report that will be posted on the MAYA system, at least seventeen (17) days and no more than forty five (45) days before the early redemption date (hereinafter in this section - the “**Notice Date**”). In the aforementioned notice, the Bank will announce the principal amount which will be repaid as part of the early redemption, as well as the interest which has accrued with respect to the aforementioned principal amount, until the early repayment date, and the calculation of the interest rate in respect of the amount that was redeemed as part of the early redemption shall be made in accordance with the mechanism and formula set in Section 3.2 above. It should be clarified that if there are changes to the Bank of Israel interest rate in the period from the announcement date through the actual execution of early redemption, the interest shall be calculated for the days from the date of submission of the notice (inclusive) until the early redemption date in accordance with the Bank of Israel interest rate at the rate fixed on the business day prior to the date of submission of the notice, plus the spread (as defined in Section 3.1 above).
- 5.1.4 The date of Early Redemption will not fall during the period between the effective date for the interest payment for the Credit Linked Notes (Series 2) and the actual payment date.

5.2. Mandatory early redemption following the repayment of a Reference Obligation

- 5.2.1. If a partial or full early repayment of any of the Reference Obligations is executed by the Reference Entities, the Bank will execute a mandatory early redemption as described below in this section: As from the signing date of This Deed of Trust and through the Notes’ final repayment date, the Bank will measure the balance of the accumulated principal amount of all of the Reference Obligations advanced by the Bank to each of the Reference Entities as of the last day of each calendar month (hereinafter - the “**Measurement Date for Redemption**” and the “**Cumulative Principal Amount**”, respectively).
- 5.2.2. If on any Measurement Date for Redemption the Cumulative Principal Amount will be lower than it was on the signing date of This Deed of Trust or on the preceding Measurement Date for Redemption (the later of the two) (the amount of such a difference shall be named hereinafter - the “**Amount of Repaid**”

Reference Obligations Principal”), then the Bank will repay to the Notes Holders - as part of an early redemption - an amount equal to the product of: (a) The base amount attributed to the relevant Reference Entity multiplied by (b) the rate of the repaid Reference Obligations principal amount out of the total Reference Obligations principal amount advanced by the Bank to that Reference Entity as of the Measurement Date for Redemption that preceded the relevant Measurement Date for Redemption (hereinafter - the “**Mandatory Early Redemption Amount**”), all in addition to the accrued and outstanding interest (at the Notes’ interest rate) on the amount redeemed as part of the early redemption, in relation to the period through the early redemption date.

- 5.2.3. Any amount that will be repaid by the Bank as part of an early repayment in accordance with the provisions of this Section 5.2 shall be repaid in relation to all Holders of Credit Linked Notes (Series 2), who will be registered in the Notes’ Holders Register on the mandatory early redemption date (as defined below), pro rata according to the par value of the Notes they hold out of the total par value of the Notes in circulation, and will be equal to the par value of the Notes redeemable as part of a mandatory early redemption. The date set for the mandatory early redemption in accordance with the provisions of this Section 5.2 shall fall six (6) days before the mandatory early redemption date (hereinafter - the “**Mandatory Redemption Effective Date**”).
- 5.2.4. Prior to the execution of early redemption in accordance with the provisions of this section, and in accordance with the provisions of Section 5.2.5 below, the Bank will deliver to the Trustee a notice to which it will attach a detailed calculation in an active Excel file (hereinafter in this section 5.2 - the “**Notice to the Trustee**”), which will include the following data: (a) the Amount of Repaid Reference Obligations Principal; (b) the base amount attributed to the relevant Reference Entity; (c) the amount of Notes’ principal that will be repaid as part of an early redemption (that is to say, the Mandatory Early Redemption Amount); (d) the rate of early redemption in terms of the outstanding balance of the series of Notes and in terms of the original series; (e) the interest rate in respect of the principal amount repaid as part of an early redemption through the early redemption date; (f) the mandatory early redemption date (in accordance with the provisions of Section 5.2.6 below); (g) the Mandatory Redemption Effective Date as defined above; and - (h) a revised amortization schedule of the

Notes' principal. As from the mandatory early redemption date (as defined in Section 5.2.6 below), Holders of Credit Linked Notes (Series 2), will be entitled to repayment on a current basis of the Notes' principal amount less the Mandatory Early Redemption Amount alone. The interest rate shall be calculated in accordance with the mechanism and formula set in Section 3.2 above. It should be clarified that if there are changes to the Bank of Israel interest rate subsequent to the date of submission of the notice to the Trustee as stated above and through the date of actual execution of early redemption, the interest shall be calculated for the days from the date of submission of the notice to the Trustee (inclusive) until the early redemption date in accordance with the Bank of Israel interest rate at the rate fixed on the business day prior to the date of submission of the notice to the Trustee, plus the spread (as defined in Section 3.2 above).

- 5.2.5. The early redemption date will apply no earlier than seventeen (17) days from the notice delivery date to the Trustee and no later than forty-five (45) days from such date, but not in the period between the interest due date and actual payment date. Concurrently with submitting the notice to the Trustee, the Bank will inform the TASE of the execution of the early redemption by way of posting a report on the MAYA system in accordance with the dates set in this section.
- 5.2.6. To the extent that the early redemption is a partial early redemption, its date in accordance with the provisions of this Segment 5.2 shall be the Monthly Interest Payment Date (as defined in Section 3.1 above), which falls after the date on which the notice was issued to the Trustee (hereinafter - the **"Mandatory Early Redemption Date"**).
- 5.2.7. The minimum amount of each early redemption as stated in this section will be no less than NIS 1 million (hereinafter - the **"Minimum Amount"**). Notwithstanding the foregoing, the Bank will be entitled to perform early redemption of less than NIS 1 million, provided that the frequency of the repayments does not exceed one repayment per year.

Second Addendum

Meetings of the Credit Linked Notes (Series 2)

Subject to the provisions of the Deed of Trust, the following provisions shall apply to general meetings of holders of Credit Linked Notes (Series 2):

Summoning a Meeting

1. The Trustee or the Bank may summon the holders of Credit Linked Notes (Series 2) to a meeting of Notes Holders. If the Bank convenes such a meeting, it is required to notify the Trustee, in writing, of the place, date and time at which the meeting is to be held, as well as of the matters that will be discussed therein, and the Trustee or a representative on his behalf may participate in such a meeting without having a voting right.
2. The Trustee will be required to summon a general meeting of the holders of Credit Linked Notes (Series 2) based on a written request of one or more Notes Holders, which hold together at least five percent (5%) of the par value of the outstanding balance of the Notes principal. Where the meeting is convened at the request of the Holders of the Notes, the Trustee may demand from those who requested the convening of the meeting, including in advance thereof, indemnity for the reasonable costs involved therein.
3. It is clarified that the said indemnity demand by the Trustee will not have an adverse effect on the convening of a meeting convened for the purpose of carrying out an action which is intended to prevent the infringement of the rights of the Notes Holders and such an indemnity demand will not detract from the Bank's duty to bear the expenses involved in the convening of the said meeting.
4. The Trustee shall convene a holders' meeting within twenty one (21) days from the day on which the request to convene such meeting was made, for a date as set out in the summons, provided that the date of the meeting shall not be earlier than seven (7) days and not later than twenty one (21) days from the date of the summons; however, the Trustee may bring forward the meeting to a date that is at least one (1) day after the date of the summons, if he believes that such action is required in order to protect the Notes Holders' rights. In the event that it has done so, the Trustee will specify, in the meeting summons report, the reasons for the earlier scheduling of the convention date.

5. In the event that the Trustee has not convened a Holders' meeting, in accordance with a Holder's demand, by the date specified in Section 4 above, the Holder will be entitled to convene the meeting, provided that the convention date will be within fourteen (14) days after the end of the period for the summoning of the meeting by the Trustee, and the Trustee will bear the expenses spent by the Holder in connection with the convention of the meeting.
6. Where a holders' meeting as stated in Section 2 above did not take place within the period set in Section 4 above, the court may order its convening, at the request of a holder. Where the court issues such an order, the Trustee will bear reasonable expenses incurred by the applicant as part of the court proceedings, as prescribed by the court.
7. Whenever it is not practically possible to convene a Holders' meeting or to conduct it in the manner specified in the Deed of Trust, the court may, at the request of the Bank or a Note Holder entitled to vote during the meeting or the Trustee, instruct that a meeting be convened and conducted in the manner determined by the court, and the court may issue supplementary instructions for this purpose insofar as it shall deem this to be appropriate.
8. The aforesaid does not detract from the Trustee's power to convene a Holders' meeting, whose purpose is merely to consult Notes Holders. A summons for such a meeting shall be published at least one (1) day before the convening of the said meeting (hereinafter - **"Consultation Meeting"**).
9. The Nominee Company shall not use the voting rights of the Notes registered in its name in the Register of Notes Holders, and such voting rights shall be conferred upon the Holder or any person named by him, provided that the holder received from the Nominee Company a power of attorney empowering him to vote.

Defects in convening holders' meetings

10. No resolution lawfully passed in a meeting convened as aforesaid shall be disqualified, even if due to error, if notice thereof was not given to all Notes Holders, or if such notice was not received by all Notes Holders. The provisions of this Section shall apply if the summons for the meeting (or for a deferred meeting, as the case may be) was also published on the MAYA system.
11. The court may order, at the request of a Holder, the cancellation of a resolution passed in a holders' meeting, that was convened or conducted without meeting the conditions prescribed for that purpose in This Deed.

12. If the defect regarding the convening of the meeting pertains to the meeting's location or date, a Holder who attended the meeting will not be allowed to demand the cancellation of the resolution despite the defect.

Meeting's location

13. All meetings of Notes Holders will be held in Israel, at the Bank's registered office, or at another location which will be announced by the Bank and/or the Trustee, and the Bank will bear the reasonable costs associated with the alternative location.

Notice on convening of a meeting

14. Notice of a Holders' meeting shall be published according to the provisions of the Deed of Trust, as they shall be from time to time, and the Trustee will inform the Bank of the convening of the meeting.
15. The meeting convention notice will include the agenda, the proposed resolutions and arrangements regarding voting in writing, as outlined below.

The Meeting's Agenda

16. The Trustee shall decide the agenda of a Holders' meeting and will include therein items that require the convening of a Holders' meeting pursuant to Sections 1 and 2 above, as well as an item that was requested by a Holder as stated in Section 17 below.
17. One or more Notes Holder holding at least five percent (5%) of the balance of the par value of the Note Series, may ask the Trustee to include an item on the agenda of a Holders' meeting to be convened in the future, provided that this item is appropriate for discussion by such a meeting.
18. At a Holders' meeting, resolutions shall be passed on those items set out in the agenda alone.

Quorum

19. The meeting of the Notes Holders shall be opened by the chairman of the meeting after he has determined that the quorum required for any of the items on the meeting's agenda exists, as follows:
- 19.1. In a meeting convened for the purpose of passing an ordinary resolution, the quorum for opening the meeting will be at least two (2) Notes Holders - attending in person or by proxy - who together hold at least twenty-five percent (25%) of the outstanding balance of the par value of the Notes in circulation on the meeting's effective date,

and a deferred meeting of this meeting will take place in accordance with the provisions of Section 19.4 below.

- 19.2. In a meeting convened for the purpose of passing a special resolution, a legal quorum will be formed if the meeting was attended by Notes Holders - in person or by proxy - who together hold at least fifty percent (50%) of the outstanding balance of the par value of the Notes in circulation on the meeting's effective date, and a deferred meeting of this meeting will take place in accordance with the provisions of Section 19.4 below.
 - 19.3. If, within half an hour from the time appointed for the commencement of a meeting, no legal quorum as stated in Sections 19.1 or 19.2 above (as the case may be) is present, the meeting shall be adjourned to another date no sooner than two (2) business days after the date set for the original meeting, or one business day, if the Trustee believes this is required to protect the rights of the Notes Holders (hereinafter - the "**Deferred Meeting**"); if the meeting was deferred, the Trustee shall give the reasons for the deferral in the meeting summons report.
 - 19.4. If a quorum is not present in a deferred meeting, as outlined in Section 19.3 above within half an hour from the time appointed for the meeting, the meeting will be held with any number of attendees, or in a meeting convened in order to pass a special resolution - if it was attended by Notes Holders - either in person or through their representatives, who together hold or represent at least 20% of the outstanding balance of the par value of the Notes on the meeting's effective date, unless it is prescribed otherwise in law or in the Deed of Trust.
 - 19.5. Notwithstanding what is stated in Section 19.4 above, if a Holder's meeting is convened at the request of Holders holding at least five percent (5%) of the balance of the par value of the Notes in circulation (as stated in Section 2 above), in order to pass an ordinary resolution the Deferred Meeting shall be held only if it is attended by Notes Holders holding at least five percent (5%) of the balance of the par value of the Notes in circulation on the meeting's effective date.
20. A deferred meeting will only include discussion of matters which were up for discussion in the original meeting and regarding which no resolution was made.

21. A holder who is a related holder (as defined by the Deed of Trust) shall not be taken into account for the purpose of determining the quorum at a meeting, and their votes shall not be counted in the number of votes cast in the meeting.

Effective date for ownership of the Notes

22. Notes Holders that are entitled to participate in and vote at the Holders' meeting are those who held Notes on the date to be specified in the resolution to summon a Holders' meeting in accordance with the provisions of the law.

Participation and voting in the meeting

23. The voting in the meeting shall be conducted only in relation to items listed in the summons.
24. A Notes Holder is entitled to participate in and vote at any general meeting in person, by proxy, or through a voting slip in which it will specify its vote. The chairman of the meeting may decide that voting shall be conducted either during the meeting by way of vote of hands or through voting slips that will be submitted at a time to be decided by him.
25. In the event that the chairman decided that the vote will be carried by way of a voting slip, the chairman of the meeting shall notify the Notes Holders of this decision by issuing a notice in accordance with the provisions of Section 27.1 to the Deed of Trust. In addition, the Trustee will ensure that the text of the voting slip shall be posted on the MAYA system and will set the time at which the vote will be closed and by which the holders should send to the Trustee their slips, after they have filled them out and signed them according to law. The Trustee may either extend or shorten the voting times by voting slip and shall duly notify the Notes Holders in accordance with the provisions of Section 27.1 to the Deed of Trust. The Trustee may demand that holders declare within the voting slip whether or not they have conflicting interests. A holder who will not fill out the voting slip in full and/or will not prove his entitlement to participate and vote in the meeting shall be considered as not having delivered a voting slip.
26. A lawfully completed and signed voting slip, on which the Holder of the Notes has stated his manner of voting, which has reached the Trustee by the last date stipulated for this, shall be deemed as attendance at the meeting in respect of the existence of the quorum in said Meeting.
27. At each vote of the Notes Holders, the vote will be decided by counting the votes cast, such that each Notes Holder or its proxy will have one vote in respect of NIS 1 p.v. in Notes from

the relevant series, by virtue of which its is entitled to vote, and its ownership therein it has proven.

28. A Notes Holder may vote with regard to a portion of the Notes it holds, including to vote in favor of a particular resolution with one portion of its Notes and to vote against it with another portion of its Notes, all as that Notes Holder deems fit.
29. Where a Note is jointly held, only the vote of the person who wishes to vote, whether in person or by proxy, and who is registered first in the Notes Holders' Register shall be counted.
30. Unless expressly stated otherwise in the Deed of Trust, any resolution carried in a Holders' meeting will be carried as an ordinary resolution by counting the votes cast.
31. Abstaining votes shall not be taken into account in the counting of the votes of those participating in the vote.
32. The Trustee shall participate in a meeting via its employees, officers, functionaries or another person appointed by him, but shall not have a right to vote.
33. A person or persons who will be appointed by the Trustee, the Bank and any other person or persons who will be authorized for this purpose by the Bank, may attend the Notes Holders' meetings without any voting rights. If, at the Trustee's discretion, a discussion in part of the meeting should be held without the presence of the Bank's representatives, the Bank's representatives or anyone acting on its behalf shall not attend that part of the meeting. Notwithstanding the provisions of this Section, the Bank may attend the opening of the meeting in any event in order to express its position regarding any topic on the agenda of the meeting, and/or in order to present a particular issue (as the case may be).

Chairman

34. At every meeting of holders, the Trustee or anyone appointed by the Trustee shall serve as the chairman of that meeting (hereinafter - the "**Meeting Chairman**").

Reviewing Conflicts of Interest

35. A holder who will not fill out the voting slip in full and/or will not prove his entitlement to participate and vote in the meeting in accordance with the provisions of the Second Addendum, shall be considered as not having delivered a voting slip and therefore as having opted not to vote on the item(s) included in the voting slip. The votes of Holders listed in Section 35L5 to the Securities Law, and the vote of a Related Holder as defined in Section

1.4 above shall not be taken into account for the purpose of determining the legal quorum, and their votes will not be counted in votes held in Holders' meetings.

36. Except for what is stated in Section 45 above, the Trustee shall count the votes cast by all voters, excluding the votes of Notes Holders, who will note in the voting slip that their vote should not be taken into account due to conflict of interest of those Holders, and without the Trustee independently assessing their vested interest. Where the provisions of the law apply whereby the Trustee is required to assess the existence of a conflict of interest among Notes Holders, the Trustee will act in accordance with the provisions of the law.
37. A holder with such conflict of interest shall not be taken into account for the purpose of determining the legal quorum at a Holders' meeting, and their votes shall not be counted in the number of votes cast in such a meeting. Furthermore, subject to the provisions of any law, when counting the votes cast in a Holders' meeting, the Trustee shall not take into account the votes of Holders that did not comply with its demand as set out in Section 35 above or the votes of Holders that noted that they have a conflict of interest as stated in that Section (hereinafter - **"Holders with a Conflict of Interest"**). Notwithstanding the foregoing, in the event that the total holdings of those participating in the vote who are not Holders with a conflict of interest has fallen below a rate of five percent (5%) of the balance of the par value of the Notes, the Trustee will take into account, in the tally of votes, also the votes of the Holders with a conflict of interest.

Voting and actions via an agent/proxy

38. An instrument of appointment of a person holding a power of appointment and/or an agent shall be drawn up in writing and signed by the appointer or by his proxy who was duly authorized in writing to do so. Where the appointer is a corporation, the appointment will be drawn out in writing, stamped with the corporation's stamp and signed by the authorized signatories of the corporation.
39. The instrument of appointment of an agent will be drawn up in any form that will be acceptable to the Trustee.
40. A proxy is not required to be a Notes Holder himself.
41. The instrument of appointment and the power of attorney or the other certificate according to which the instrument of appointment or a certified copy of such power of attorney shall be delivered to the Trustee by the time of opening of the meeting, unless otherwise determined in the notice regarding the convening of the meeting.

42. A vote cast pursuant to the terms set out in the document that appoints a proxy shall be valid even, prior to that: (1) The appointer has passed away or declared legally incompetent; or (2) the instrument of appointment was revoked; (3) the Note in respect of which the vote was cast was transferred, unless a notice was received by the Trustee prior to the meeting's convening date regarding the death of the appointer, or a declaration regarding legal incompetency, the revocation or transfer as stated above, as the case may be.

Subsequent meeting

43. A meeting that was opened will be deferred in accordance with the notice of the Trustee or the chairman of the meeting and may have one or more sessions.

44. The Trustee or a resolution passed by a simple majority of voters during a meeting attended by a legal quorum may, from time to time, decide to postpone the continuation of the meeting (hereinafter - the "**Original Meeting**"), the discussion or the passing of a resolution on a topic listed on the agenda to another date and place as decided by the Trustee or the meeting (hereinafter - "**Subsequent Meeting**").

45. Only topics which were on the agenda and in respect of which no resolution was passed will be discussed in a Subsequent Meeting.

46. Where a holders' meeting was deferred without changing its agenda, summons for the new date for the subsequent meeting shall be issued as soon as possible and no later than twelve (12) hours before the subsequent meeting; the said summons will be given under Section 14 above.

Position notices

47. The Trustee and one or more Notes Holders holding at least five percent (5%) of the par value of the Notes through the Trustee may contact the Notes Holders in writing in order to convince them as to their vote regarding any of the items to be discussed in that meeting (hereinafter in this addendum - the "**Position Notice**").

48. In a meeting convened following the request of Notes Holders as stated in Section 2 above, each holder holding the Notes through the Trustee will be allowed to publish a Position Notice as described above.

49. The Trustee and the Bank will each be allowed to publish a separate Position Notice to Notes Holders in response to a Position Notice sent under Sections 47 or 48 above, or in response to another query received from Notes Holders.

Minutes of Meetings

50. The Trustee shall draw up minutes of the meeting of the Notes Holders, which shall be recorded in the register of minutes and kept in the Trustee's registered office for a period of seven (7) years from the date of the meeting. The minutes of each such meeting shall be signed by the meeting's chairman, and each such signed minute shall serve as prima facie evidence of what is stated therein, and unless there is evidence to the contrary, any resolution that was passed in such a meeting shall be deemed to have been duly passed. The Trustee may draw up minutes of a meeting or parts thereof by means of a recording.
51. The register of minutes of the Notes Holders' meetings shall be maintained at the Trustee's office and shall be available for perusal by the Bank and Notes Holders, and a copy thereof will be sent to each Notes Holder that will request such a copy.
52. The announcement of the chairman of the meeting that a resolution had been passed or rejected, and the entry made to that effect in the register of minutes, shall be prima facie evidence thereof.
53. The Trustee will be entitled to delay the submission of any minutes, to any entity whatsoever, if it believes, in its exclusive discretion, that the submission of all or part of the minutes may jeopardize the rights or cause to jeopardize the rights of the Notes Holders.



Bank Leumi le-Israel B.M (hereinafter – the “Bank”)

April 16, 2024

To
The Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv 6525216

To,
The Israel Securities Authority
2 Kanfei Nesharim St.
Jerusalem 95464

Dear Sir/Madam,

Re: **Deed of Trust for Credit Linked Notes (Series 2) that will be Issued to Institutional Investors and will be Listed on the TACT-Institutionals System**

The Bank hereby reports as follows:

1. On April 16, 2024, the Bank completed the pricing process in connection with the issuance of Credit Linked Notes (Series 2) (hereinafter - the “Notes”), that were offered to the investors listed in Sections 15A(b)(1) and (2) to the Securities Law, 1968, at a total amount of NIS 798,240,000 million.
2. The Notes provide the institutional entities with an exposure to financial credit provided by the Bank to borrowers in the field of real estate, and they will be listed on the TACT-Institutionals in accordance with the approval of the Tel Aviv Stock Exchange Ltd., that was received on April 16, 2024.
3. Attached hereby is the deed of trust for the issuance of the Notes and a document summarizing the terms of the issuance.

Sincerely,

Bank Leumi le-Israel B.M.

By: Liat Shuv, Head of Corporate Division



April 16, 2024

To
The Tel Aviv Stock Exchange Ltd.

Re: **Terms of Credit Linked Notes (Series 2) that will be Issued to Institutional Investors and will be Listed on the TACT-Institutionals System**

Set forth below are the terms of the Credit Linked Notes (Series 2) that will be issued by us, and will be listed on the TACT Institutionals platform. We know and agree that the data provided by us below will be published by the Tel Aviv Stock Exchange Ltd. on its websites:

Security no.: 1205897 **Name of bond:** Credit Linked Notes (Series 2) **Rating:** None

Notes	Credit Linked Notes (Series 2)
Total par value of the series	NIS 798,240,000
Total value of the series	NIS 798,240,000
Currency of par value of notes	NIS
Price of NIS 1 par value in the issuance	NIS 1

Interest	Bank of Israel interest plus 2.3%
Number of interest payments per year	12
Rate of first interest	¹ 0.67068%
Effective date for payment of first interest	May 18, 2024
Payment date of first interest	May 24, 2024
Effective dates for interest payments	Six (6) days before the payment date, that is to say – the 18th of every relevant month, in each of the years 2024 (starting in May) through July 2030 (inclusive), except for the last interest payment date, that will be paid together with the payment of the principal of the Notes, to persons whose names will be registered in the Register of Notes Holders on the payment day.
Interest payment dates	24th of each calendar month starting in May 2024 through August 2030.

Principal redemption	One-off, if the Bank does not execute early redemption.
Number of principal payments	One payment, in an amount constituting 100% of the principal if the Bank does not execute early redemption as set out in Sections 5.1 and 5.2 to the terms overleaf, which are attached to the Deed of Trust for the Credit Linked Notes (Series 2).
Effective date for principal payment	August 24, 2030
Principal payment date	August 24, 2030
Discount rate (if any)	-

Linkage (principal and interest)	Unlinked
Linkage type (index/currency)	-
Exchange rate/base index date	-
Exchange rate/base index value	-

¹ Assuming that the first trading date after the initial issuance of the Notes will be April 18, 2024.



Sincerely

Bank Leumi le-Israel B.M

I, the undersigned, David Sackstein (Adv.) hereby confirm that the above application and the appendices thereto were lawfully signed by the Bank.

April 16, 2024
Date

Adv. Signature and Seal