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Israel Corporation Ltd.

Registrar Number: 520028010

To:	To:	Form <i>Taf</i> /022	Transmitted through the Magna
The Securities Authority	Tel Aviv Stock Exchange	(Public/Cover Letter)	system: March 28, 2018
www.isa.gov.il	www.tase.co.il		Reference No. : 2018-01-031036

Shelf Offering Report

Section 23A(f) of the Securities Law, 5728-1968
Securities Regulations (Shelf Offering of Securities), 5766-2005

Please mark the following sections, if applicable:

- The shelf offering report includes an ATM plan.
- In the shelf offering report, only shares of a real estate investment fund are offered.
- In the shelf offering report, only negotiable securities are offered.
- In the shelf offering report, negotiable securities and other securities are offered.
- The shelf offering report includes an exchange offer.
- The shelf offering report includes a supplemental notice.

1. A shelf offering report is hereby filed: *Shelf Offering Report, March 28, 2018, for Reporting isa.pdf*. Prospectus No.: 29690. Note: To be keyed in for the internal use of the ISA.
2. The date on which the shelf offering was published by virtue of which the report is being filed is *May 5, 2016*, and the Reference No. (of Form *Taf*012) of the shelf prospectus is *2016-01-059611*.
3. The date and time of the commencement of the period for the submission of subscriptions is: March 28, 2018, at 09:00 a.m.

The date and time of the end of the period for the submission of subscriptions is: March 28, 2018, at 16:30.

4. The securities that are being offered:

Type of security	Name of security	Security No. on the Stock Exchange	Number of securities in a unit	The securities are being offered to:
<i>Other: Shekel-denominated bond</i>	<i>Israel Corporation Bond 12</i>	<i>0</i>	<i>1,000</i>	<i>To the public</i>
<i>Other: Dollar-linked bond</i>	<i>Israel Corporation Bond 13</i>	<i>0</i>	<i>1,000</i>	<i>To the public</i>

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5. a. The consideration that is expected to be received for the securities of the various types, divided according to immediate consideration, future consideration and/or listing for trading, and divided according to the consideration to the issuer and the consideration to the offeror, as the case may be.

The data regarding the consideration shall be filled out in NIS 000's.

Security No. on the Stock Exchange	Name of security	Immediate Consideration (In NIS 000's)		Future Consideration (In NIS 000's)	
		Issuer	Offerors*	Issuer	Offerors*
	<i>Israel Corporation Bond 12</i>	630,000	0	_____	_____
	<i>Israel Corporation Bond 13</i>	340,000	0	_____	_____

* You are required to fill out the details set forth below, if there is an offeror who is not the issuer whose name appears in the heading.

In the event of listing for trading:

Security No. on the Stock Exchange	Name of security	Number	Average Closing Rate*	Total
_____	_____	_____	_____	0

* Note: The average closing rate of the security of that type, in the first three trading days after the listing for trading (in the event that this figure is not known, you are required to report a revaluation, and subsequently, to report the calculation according to the final closing rate in Form *Taf028*)

The consideration calculated in New Israel Shekels: 970,000,000.00.

b. The Account for the Prospectus Fee:

The fixed amount, as it was on the date of the filing of the application for permission to publish the prospectus, dated 2016: *NIS 4,200*

The total amount for the calculation of the fee: $970,000,000 * 0.03\% = NIS 295,200$.

6. Attached hereto are the minutes from the meeting of the Board of Directors at which the wording of the shelf offering report was approved.

or

The wording of the shelf offering report, signed by all of the members of the Board of Directors.

7. Attached hereto is a report/other authorization, signed in the original, which concerns:

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8. Attached hereto is the authorization by the Stock Exchange for the listing for trading of the securities being offered or the securities that will derive from the conversion thereof or the exercise thereof.
9. Attached hereto is a stamped deed of trust
or
 Attached hereto is an undertaking to stamp the letters of undertaking that are being offered.
10. Attached hereto is an underwriting agreement.
11. Attached hereto is a document in respect of which a declaration is made in the shelf offering report in the matter of: _____
12. Attached hereto is a letter of undertaking to refrain from making arrangements that are not set forth in the shelf prospectus or in the shelf offering report.
13. Attached hereto is a limited partnership agreement and the registration certificate of the limited partnership.
14. Attached hereto is the trust agreement of the limited partnership.
15. Attached hereto is certification pursuant to the Income Tax Regulations.
16. Attached hereto is a Power of Attorney that was used for the signing of the shelf offering report or of any other document.
17. Attached hereto is an application pursuant to Section 24 of the Securities Law, 5728-1968.
18. Attached hereto is a file of the documents in respect of which a declaration was made in Sections 6 to 17 of this application: [StockExchangeCertificationMarch 27, 2018 isa.pdf](#)
19. Attached hereto is certification by an attorney of receipt of the permits that are required for the offering of the securities: [GornitzkyAttorneysCertification isa.pdf](#)

Explanation: In any place where a file is attached, a number of documents may be attached.

*The name of the authorized signatory to the report and the name of the authorized electronic signatory:
Maya Alchek-Kaplan*

Position: Vice President, General Counsel & Company Secretary

Date of signature: March 28, 2018.

The reference numbers of previous documents in the matter (the reference does not constitute incorporation by reference):

Securities of the Corporation are listed for trading on the Tel Aviv Stock Exchange.

Date of update of form structure: February 20, 2018

Abbreviated name: ISRAEL CORPORATION

Address: P.O.B. 20456, Tel Aviv, 61204

Tel: 03-6844517, 03-6844500, Fax: 03-6844587

E-mail: mayaak@israelcorp.com

Previous names of the reporting entity: Israel Corporation Ltd.

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Name of electronic reporter: Maya Alcheh-Kaplan.

His *[sic]* position: Vice President, General Counsel & Company Secretary, Name of Employer Company:
23 Aranha St., Tel Aviv, 61204, Tel: 03-6844517, Fax: 03-6844587, E-mail: mayaak@israelcorp.com

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March 28, 2018

Israel Corporation Ltd. (hereinafter: the “Company”)

Shelf Offering Report

Pursuant to the Company’s Shelf Prospectus bearing the date of May 5, 2016 (hereinafter: the “**Shelf Prospectus**” or the “**Prospectus**”) and in accordance with the provisions of the Securities Regulations (Shelf Offering of Securities), 5766-2005, the Company hereby publishes a shelf offering report for the issue and listing for trading on the Tel Aviv Stock Exchange Ltd. (hereinafter: the “**TASE**”) of new bonds, Series 12 Bonds and Series 13 Bonds of the Company, as set forth in this Report below (hereinafter: the “**Shelf Offering Report**” or the “**Offering Report**”).

1. **The Offered Securities**

1.1 **Series 12 Bonds**

1.1.1 Up to NIS 630,000,000 par value of registered Series 12 Bonds, which are being offered at 100% of the par value thereof, bearing annual interest at a fixed rate that will be determined in a tender for the Series 12 Bonds (as defined in Section 2 of the Offering Report) and that will not exceed 3.35%. The Series 12 Bonds shall be due and payable (principal) in six annual payments (not equal) on the 30th of September of each of the years 2021 to 2026 (inclusive), as set forth below: the first payment in respect of the principal shall be made on September 30, 2021, and it shall be at a rate of 10% of the par value of the principal; the second, third, fourth and fifth payments in respect of the principal shall be made on the 30th of September of each of the years 2022 to 2025, as the case may be, and each one shall be at a rate of 17.5% of the par value of the principal; the sixth (and final) payment in respect of the principal shall be made on September 30, 2026, and it shall be at a rate of 20% of the par value of the principal.

The interest on the outstanding balance, as it shall be from time to time, of the Series 12 Bond principal shall be paid commencing from September 2018, twice a year (except in 2018), on the 31st of March and on the 30th of September of each of the years 2019 to 2026 (inclusive), in such a manner that the first payment of the interest shall be made on September 30, 2018, and the last interest payment shall be made on September 30, 2026, together with the last payment of the bond principal, against the delivery of the Series 12 Bond certificates to the Company. The interest payments shall be made for the six-month period ended on the last day prior to the relevant interest payment date, and they shall be in the amount of the annual interest divided by two (the number of interest payments per year), with the exception of the first interest payment, which shall be made on September 30, 2018, and which shall be paid in respect of the period commencing on the first trading day after the date of

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the tender of the Series 12 Bonds and ending on the last day prior to the aforesaid payment date, and which shall be paid pursuant to the interest that will be determined in the tender and that will be calculated in accordance with the number of days in the aforesaid period, and based on 365 days per year. In the Immediate Report that shall be submitted by the Company on the results of the tender in respect of the Series 12 Bonds, the Company shall give notice of the annual interest rate that shall be determined in the tender; the semi-annual interest rate (which shall be the annual interest rate that is determined in the tender, divided by two); and the interest rate that shall be paid in respect of the first interest period, as stated above.

The Series 12 Bond principal and the interest in respect thereof will not be linked. For further details, see also Sections 3, 4 and 5 of the Terms and Conditions Listed Overleaf for the Series 12 Bonds, which are attached to the Deed of Trust for the Series 12 Bonds, which is attached as **Appendix A1** to this Offering Report.

1.2 **Series 13 Bonds**

- 1.2.1 Up to NIS 340,000,000 par value of registered Series 13 Bonds, which are being offered at 100% of the par value thereof, bearing annual interest at a fixed rate that will be determined in a tender for the Series 13 Bonds (as defined in Section 2 of the Offering Report) and that will not exceed 5.6%. The Series 13 Bonds shall be due and payable (principal) in six annual payments (not equal) on the 30th of September of each of the years 2021 to 2026 (inclusive), as set forth below: the first payment in respect of the principal shall be made on September 30, 2021, and it shall be at a rate of 10% of the par value of the principal; the second, third, fourth and fifth payments in respect of the principal shall be made on the 30th of September of each of the years 2022 to 2025 (inclusive), as the case may be, and each one shall be at a rate of 17.5% of the par value of the principal; the sixth (and final) payment in respect of the principal shall be made on September 30, 2026, and it shall be at a rate of 20% of the par value of the principal.

The interest on the outstanding balance, as it shall be from time to time, of the Series 13 Bond principal shall be paid commencing from September 2018, twice a year (except in 2018), on the 31st of March and on the 30th of September of each of the years 2019 to 2026 (inclusive), in such a manner that the first payment of the interest shall be made on September 30, 2018, and the last interest payment shall be made on September 30, 2026, together with the last payment of the bond principal, against the delivery of the Series 13 Bond certificates to the Company. The interest payments shall be made for the six-month period ended on the last day prior to the relevant interest payment date, and they shall be in the amount of the annual interest divided by two (the number of interest payments per year), with the exception of the first interest

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payment, which shall be made on September 30, 2018, and which shall be paid in respect of the period commencing on the first trading day after the date of the tender of the Series 13 Bonds and ending on the last day prior to the aforesaid payment date, and which shall be paid pursuant to the interest that will be determined in the tender and that will be calculated in accordance with the number of days in the aforesaid period, and based on 365 days per year. In the Immediate Report that shall be submitted by the Company on the results of the tender in respect of the Series 13 Bonds, the Company shall give notice of the annual interest rate that shall be determined in the tender; the semi-annual interest rate (which shall be the annual interest rate that is determined in the tender, divided by two); and the interest rate that shall be paid in respect of the first interest period, as stated above.

The Series 13 Bond principal and the interest in respect thereof shall be linked to the representative rate of the dollar, in accordance with the following terms of linkage: should it transpire that the rate of the payment of any payment on account of the principal and/or interest of the Series 13 Bonds is higher than the representative rate of the dollar as of March 26, 2018¹ (hereinafter: the “**Base Rate**”), then the Company shall make the said payment of principal and/or interest, increased relative to the rate of increase of the payment rate over the Base Rate. Should the payment rate be lower than the Base Rate, then the Company shall make the said payment of principal and/or interest, decreased relative to the rate of the drop in the payment rate as compared with the Base Rate. The method of the linkage of the principal and/or the interest shall not be modified during the period of the bonds. For further details, see also Sections 3, 4 and 5 of the Terms and Conditions Listed Overleaf for the Series 13 Bonds, which are attached to the Deed of Trust for the Series 13 Bonds.

The terms “the representative rate”, “dollar” and “the payment rate” shall have the meanings specified beside them in the Deed of Trust for the Series 13 Bonds of the Company, which is attached as **Appendix A2** to this Offering Report.

- 1.3 It should be clarified that, in any event, the cumulative total of the Series 12 Bonds and the Series 13 Bonds, which shall be allocated pursuant to this Shelf Offering Report to the public and to the Qualified Investors, shall not exceed the total amount of NIS 970 million par value. See also Section 8 of this Offering Report with respect to the rating of the bonds that are being issued pursuant to this Offering Report.

¹ 3.491 – the representative rate of the dollar that was published at 15:30, on the date on which the tender was conducted for qualified investors. This is the Base Rate, as defined in the Deed of Trust for the Series 13 Bonds of the Company.

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- 1.4 It should be clarified that the bonds (Series 12 and Series 13), insofar as issued, will be listed for trading on the TASE in the name of Tel Aviv Stock Exchange Nominee Company Ltd. (hereinafter: the “**Nominee Company**”).
- 1.5 The trustee for the Series 12 Bondholders and for the Series 13 Bondholders is Hermetic Trust (1975) Ltd., of 113 Hayarkon Street, Tel Aviv, Tel: 03-5544553, Fax: 03-5271039 (hereinafter: the “**Trustee**”). The contact persons on behalf of the Trustee are Mr. Dan Avnon and/or Ms. Merav Ofer, Tel: 03-5544553, Fax: 03-5271039, Email: hermetic@hermetic.co.il. The Deed of Trust that applies to the Series 12 Bonds is the Deed of Trust that was signed on March 27, 2018, between the Company, of the first part, and the Trustee, of the second part (hereinafter: the “**Deed of Trust for Series 12**”). The Deed of Trust for Series 12 is attached as Appendix A1 to the Offering Report. The Deed of Trust that applies to the Series 13 Bonds is the Deed of Trust that was signed on March 27, 2018, between the Company, of the first part, and the Trustee, of the second part (hereinafter: the “**Deed of Trust for Series 13**”). The Deed of Trust for Series 13 is attached as Appendix A2 to the Offering Report. It is clarified that in the event of the cancellation of the issue of the Series 12 Bonds or the Series 13 Bonds, for any reason whatsoever, the Deed of Trust for Series 12 or the Deed of Trust for Series 13, as the case may be, shall be void *ab initio*.
- 1.6 In the event of any inconsistency between the provisions of the Deeds of Trust (including their various appendices) and the provisions of the Shelf Offering Report, with respect to the relevant series, the provisions of the Deed of Trust for the relevant series shall prevail. As of the date of the Shelf Offering Report, there is no inconsistency between the provisions of the Deeds of Trust and the provisions that are described in the Shelf Offering Report.

2. **The Manner of Offering the Securities**

It should be clarified that the tenders for the purchase of the Series 12 Bonds and the Series 13 Bonds: (a) are separate tenders; (b) the submission of applications in these tenders shall be done separately; and (c) the determination of the results of the issue shall be done with respect to each tender separately, in respect of the relevant series.

Should one tender be cancelled, out of the aforesaid tenders, the securities that are being offered pursuant to the said tender shall not be allocated and shall not be listed for trading on the TASE; however, this shall not give rise to the cancellation of the other tender pursuant to this Shelf Offering Report.

2.1 **The Manner of Offering the Series 12 Bonds**

- 2.1.1 The Series 12 Bonds are being offered to the public by way of a uniform offering, as stated in the Securities Regulations (The Manner of Offering Securities to the Public), 5767-2007 (hereinafter: the “**Regulations Concerning the Manner of the Offering**”).

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- 2.1.2 The Series 12 Bonds are being offered in 630,000 units worth NIS 1,000 par value of bonds each (hereinafter: the “**Series 12 Bond Units**” or the “**Series 12 Units**”), by way of a tender for the rate of interest that the bonds will bear (hereinafter: the “**Tender for the Series 12 Bonds**”), and the annual interest rate that will be determined in the tender shall not exceed 3.35% (hereinafter: the “**Maximum Interest Rate for Series 12**”), and the composition of each unit and the price thereof are as set forth below:

	<u>The Price</u>
NIS 1,000 par value of Series 12 Bonds that are being offered at a price that is equal to 100% of the par value thereof and in total	NIS 1,000
Total Price per Unit	NIS 1,000

- 2.1.3 Any Applicant that wishes to submit an application in respect of Series 12 Bonds may submit up to three applications to purchase Series 12 Bond Units at different interest rates, none of which shall exceed the Maximum Interest Rate, at interest brackets of 0.05%, i.e., applications may be submitted to purchase Series 12 Bond Units at an interest rate of 3.35%, 3.30%, 3.25%, and so on and so forth.

An application that specifies an interest rate that is not equal to one of the aforesaid interest brackets shall be rounded up to the nearest interest bracket.

- 2.1.4 Each Applicant shall specify, in his application, the number of Series 12 Bond Units that he wishes to purchase and also the interest rate that is proposed by him, which shall not exceed the Maximum Interest Rate. An application in which an interest rate is proposed that is higher than the Maximum Interest Rate shall be deemed to be an application that was not submitted.

2.2 The Manner of Offering the Series 13 Bonds

- 2.2.1 The Series 13 Bonds are being offered to the public by way of a uniform offering, as stated in the Regulations Concerning the Manner of the Offering.
- 2.2.2 The Series 13 Bonds are being offered in 340,000 units worth NIS 1,000 par value of bonds each (hereinafter: the “**Series 13 Bond Units**” or the “**Series 13 Units**”), by way of a tender for the rate of interest that the bonds will bear (hereinafter: the “**Tender for the Series 13 Bonds**”), and the annual interest

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rate that will be determined in the tender shall not exceed 5.6% (hereinafter: the “**Maximum Interest Rate for Series 13**”), and the composition of each unit and the price thereof are as set forth below:

	<u>The Price</u>
NIS 1,000 par value of Series 13 Bonds that are being offered at a price that is equal to 100% of the par value thereof and in total	NIS 1,000
Total Price per Unit	NIS 1,000

2.2.3 Any Applicant that wishes to submit an application in respect of Series 13 Bonds may submit up to three applications to purchase Series 13 Bond Units at different interest rates, none of which shall exceed the Maximum Interest Rate, at interest brackets of 0.05%, i.e., applications may be submitted to purchase Series 13 Bond Units at an interest rate of 5.60%, 5.55%, 5.50%, and so on and so forth.

An application that specifies an interest rate that is not equal to one of the aforesaid interest brackets shall be rounded up to the nearest interest bracket.

2.3 The issue coordinator for the issue of the Series 12 Bonds and for the issue of the Series 13 Bonds, pursuant to this Shelf Offering Report, shall be Poalim I.B.I. – Underwriting & Issuing Ltd., of 9 Ahad Ha’am Street, Tel Aviv (hereinafter: the “**Issue Coordinator**”).

2.4 The list of subscriptions

The list of subscriptions for the purchase of units in each of the tenders (hereinafter, unless otherwise expressly stated: the “**Bond Units**” or the “**Units**”) shall be opened on Wednesday, March 28, 2018, at 09:00 a.m. (hereinafter: the “**Time of the Opening of the List of Subscriptions**”), and it shall be closed on the same day, at 16:30 (hereinafter: the “**Time of the Closing of the List of Subscriptions**” and the “**Day of the Tender**”). The Time of the Closing of the List of Subscriptions shall be not prior to the expiration of seven (7) hours, which comprise at least five (5) hours of trading, from the time of the publication of the Shelf Offering Report.

2.5 The submission of the applications at the stage of the tender

2.5.1 The applications to purchase the Units shall be submitted to the Company, on the forms customarily used for this purpose, through the Issue Coordinator, either directly or through bank branches or through other members of the TASE (hereinafter: the “**Entities Authorized to Receive Applications**”), not later than by the Time of the Closing of the List of Subscriptions.

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- 2.5.2 Any application that is submitted to an Entity Authorized to Receive Applications on the Day of the Tender shall be deemed to have been submitted on that same day, if it is received by the Entity Authorized to Receive Applications by the Time of the Closing of the List of Subscriptions, and provided that it shall be transferred by the Entity Authorized to Receive Applications to the Issue Coordinator, and it shall be received by the Issue Coordinator, by the expiration of half an hour from the Time of the Closing of the List of Subscriptions (hereinafter: the “**Last Time for Submission to the Coordinator**”). Applications that are received by the Entities Authorized to Receive Applications after the Time of the Closing of the List of Subscriptions or that are received by the Issue Coordinator more than half an hour after the Time of the Closing of the List of Subscriptions shall not be accepted by the Company.
- 2.5.3 Each Applicant shall state in his application the number of the Units that he wishes to purchase and also the rate of interest that is proposed by him, which shall not exceed the Maximum Interest Rate. An application in which an interest rate is proposed that is higher than the Maximum Interest Rate shall be deemed to be an application that was not submitted.
- 2.5.4 Subject to any law, the applications to purchase the Units are irrevocable. Each application shall be deemed to be an irrevocable undertaking by the Applicant to receive the bonds that will be allocated to him as a consequence of the full or partial acceptance of his application, and to pay, through the Issue Coordinator, the full price, pursuant to the Offering Report, of the Units that shall be allocated to him following the acceptance of his application, pursuant to the terms of the Offering Report.
- 2.5.5 Applications may be submitted for the purchase of whole Units only. An application that is submitted with respect to any part of a Unit shall be deemed to be an application that has been submitted with respect to the number of whole Units that is specified therein only, and the part of the Unit that is included in the application shall be deemed not to have been included therein from the outset. An application where the number of the Units specified therein is less than one Unit shall not be accepted.
- 2.5.6 There is no restriction on the maximum number of Units that an Applicant may submit. Any application that specifies an ordered number of Units that is higher than the number proposed pursuant to the Offering Report shall be deemed to be an application that specifies the number that is proposed pursuant to the Offering Report.
- 2.5.7 The Entities Authorized to Receive Applications shall be responsible and liable vis-à-vis the Company and vis-à-vis the Issue Coordinator for the full payment of the consideration that shall be due to the Company in respect of

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applications that were submitted through them and that were accepted, either wholly or partially. The Company deems the receipt of the issue proceeds by the Issue Coordinator to be the receipt of the issue proceeds by the Company, and in view of the foregoing, the Company shall request the listing of the bonds for trading on the TASE, upon receipt of the issue proceeds by the Issue Coordinator, as set forth in Section 10.3 of the Offering Report.

“**Applicant**” or “**Subscriber**” – together with a member of his family who lives with him, and including a Qualified Investor with whom the Company has engaged in a prior engagement for the purchase of units.

2.6 The tender proceedings

The applications shall be transferred by the Entities Authorized to Receive Applications to the Issue Coordinator, by transmitting the applications in a digital manner, through a virtual safe. In addition, applications that are submitted directly to the Issue Coordinator shall be transferred in sealed envelopes, which shall remain sealed until after the expiration of the Last Time for Submission to the Coordinator.

On the Day of the Tender, after the Last Time for Submission to the Coordinator, the applications in the safe shall be presented, including applications that were submitted directly to the Issue Coordinator, in the presence of a representative of the Company and its accountant, who shall supervise the proper conducting of the tender proceedings and at the same time, the results of the tender shall be summarized and processed.

On the first trading day after the Day of the Tender, not later than 09:30 a.m., notice shall be submitted by the Issue Coordinator and through the Entities Authorized to Receive Applications, to the Applicants whose applications have been accepted, wholly or partially. The notice shall specify the interest rate that was determined in the relevant tender, the number of the Units that shall be allocated to each Subscriber, and the consideration that is due from them in respect thereof. Upon receipt of the notice, and on the very same day, by 12:30 p.m., the Applicants shall transfer, through the Entities Authorized to Receive Applications, to the Issue Coordinator, to a special account as stated in Section 2.8 of the Offering Report, the full consideration that is due from them in respect of the Units in respect of which their subscription was accepted, as stated in the said notice.

2.7 The setting of the interest rate and the allocation of the Units to the Applicants with respect to each one of the tenders

All of the Units for which the applications to purchase same are accepted shall be issued with a uniform interest rate on the bonds of the relevant series (hereinafter: the “**Uniform Interest Rate**”). The Uniform Interest Rate with respect to a particular series shall be the lowest interest rate based on which the applications for the Units that specified it in the relevant tender as the interest rate together with the applications

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that specified lower interest rates, shall be sufficient for the allocation of all of the Units that are being offered to the public in relation to the said tender (including the Qualified Investors) pursuant to the Offering Report.

The allocation of the Units shall be done as set forth below:

It should be emphasized that the provisions set forth below shall apply to the Tender for the Series 12 Bonds and to the Tender for the Series 13 Bonds separately and independently.

2.7.1 Should the total number of the Units that are contained in the applications that are received (including the Units for which the applications to purchase same were received from Qualified Investors) be less than the total number of the Units that are being offered to the public, all of the applications shall be accepted in full, subject to the satisfaction of the requirements of the relevant directives of the TASE, as set forth in Section 9.2 of the Offering Report, and in such an event, the interest rate shall be the Maximum Interest Rate that is specified in the Offering Report. The balance of the Units of the relevant series in respect of which applications are not received will not be issued.

2.7.2 Should the total number of the Units that are contained in the applications that are received (including the Units for which the applications to purchase same shall be received from Qualified Investors) be equal to or exceed the total number of the Units that are being offered to the public, then the allocation of the Units that are being offered shall be done as set forth below:

2.7.2.1 Applications that specify an interest rate that is higher than the Uniform Interest Rate – shall not be accepted.

2.7.2.2 Applications that specify an interest rate that is lower than the Uniform Interest Rate – shall be accepted in full.

2.7.2.3 Applications (not including applications that were received by Qualified Investors that specify an interest rate that is equal to the Uniform Interest Rate) – shall be accepted *pro rata*, so that each Applicant shall receive out of the total number of the Units that are being offered and that shall remain for distribution after the acceptance of the applications that specify an interest rate that is lower than the Uniform Interest Rate (net of the acceptance of the applications of the Qualified Investors, who shall subscribe at the Uniform Interest Rate), a share that is equal to the ratio between the number of the Units to which he subscribed in the application that specified the Uniform Interest Rate and the total number of the Units included in all of the applications that were submitted to the Company in which the Uniform Interest rate was specified (net of the share of the Qualified Investors).

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2.7.2.4 The allocation of Units to Qualified Investors shall be done as set forth in Section 5 of the Offering Report below.

2.7.3 If the allocation, as set forth in Section 2.7.2 above, fails to bring about the satisfaction of the requirements of the minimum distribution of the bonds, as stated in Section 9.2 of the Offering Report, then the preference of the allocation to the Qualified Investors shall be cancelled and the allocation of the Units being offered shall be done as set forth below:

2.7.3.1 Applications that specify an interest rate that is higher than the Uniform Interest Rate – shall not be accepted.

2.7.3.2 Applications that specify an interest rate that is lower than the Uniform Interest Rate – shall be accepted in full.

2.7.3.3 Applications (including applications that were submitted by Qualified Investors) that specify an interest rate that is equal to the Uniform Interest Rate – shall be accepted *pro rata*, so that each Applicant shall receive out of the total number of the Units that are being offered to the public and that shall remain for distribution after the acceptance of the applications that specify an interest rate that is lower than the Uniform Interest Rate, a share that is equal to the ratio between the number of the Units to which he subscribed at the Uniform Interest Rate and the total number of the Units for which the applications to purchase same at the Uniform Interest Rate were submitted to the Company (including Units for which commitments to purchase same were received from Qualified Investors).

2.7.4 If the allocation, as set forth in Section 2.7.3 above, fails to bring about the satisfaction of the requirements of the minimum distribution of the bonds, as stated in Section 9.2 of the Offering Report, then the allocation shall be performed at the Uniform Interest Rate, as set forth below:

2.7.4.1 Applications that specify an interest rate that is higher than the Uniform Interest Rate – shall not be accepted.

2.7.4.2 Applications (including applications that were submitted by qualified investors) that specify the Uniform Interest Rate and/or an interest rate that is lower than the Uniform Interest Rate – shall be accepted *pro rata*, so that each Applicant shall receive out of the total number of the Units that are being offered, a number that is equal to the ratio between the number of the Units to which he subscribed at the Uniform Interest Rate and/or at an interest rate that is lower than the Uniform Interest Rate, and the total number of the Units for which applications that specify the Uniform

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Interest Rate and/or an interest rate that is lower than the Uniform Interest Rate were submitted to the Company (including Units for which commitments to purchase same were received from Qualified Investors).

2.7.5 If the allocation, as set forth in Section 2.7.4 above, fails to bring about the satisfaction of the requirements of the minimum distribution of the bonds, as stated in Section 9.2 of the Offering Report, then the allocation shall be performed once again, for the purpose of setting a new Uniform Interest Rate for the bonds, which shall not exceed the Maximum Interest Rate, and which shall be the lowest interest rate at which the Units being offered may be allocated in a manner that will satisfy the requirements of the minimum distribution as stated in Section 9.2 of the Offering Report, provided that the Applicant is not allocated units in a number that is higher than the number to which he subscribed or at an interest rate that is lower than the rate specified in his application (hereinafter: the “**New Uniform Interest Rate**”).

Should a New Uniform Interest Rate be set, as stated in this paragraph, the allocation shall be performed in accordance with that stated in Section 2.7.4 above, and wherever the term “Uniform Interest Rate” is stated, it shall be deemed as if the term “New Uniform Interest Rate” had been stated.

2.7.6 If the allocation, as set forth in Section 2.7.5 above, fails to bring about the satisfaction of the requirements of the minimum distribution of the securities being offered, as stated in Section 9.2 of the Offering Report, then Section 9.6 of the Offering Report shall apply.

2.7.7 Should fractions of units be created, in the allocation of the securities pursuant to the acceptance in the relevant tender, as stated above, they shall be rounded off, insofar as practicable, to the nearest whole unit. Surpluses of units that shall remain as a consequence of such rounding off shall be purchased by the Issue Coordinator at the unit price that is set forth in the Offering Report, and the bonds shall bear interest at the Uniform Interest Rate or at the New Uniform Interest Rate, as the case may be.

2.7.8 Each Applicant shall be deemed to have undertaken, in his application, to purchase all of the Units that shall be allocated to him as a consequence of the partial or whole acceptance of his application, pursuant to the rules set forth above.

2.8 Special account and the allocation of the Units

Immediately prior to the Day of the Tender, the Issue Coordinator shall open a special trust account in the name of the Company in respect of the Series 12 Bonds and a special trust account in the name of the Company in respect of the Series 13 Bonds (hereinafter: the “**Trust Account**” or the “**Special Accounts**”) and he shall submit to

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the Entities Authorized to Receive Applications, with respect to the relevant Special Account, the details of the relevant Special Account. The Special Accounts shall be exclusively managed by the Issue Coordinator on behalf of the Company, and for the Company, in accordance with the provisions of the Securities Law, 5728-1968 (hereinafter: the “**Securities Law**”). Funds that shall be accumulated in the Special Accounts shall be invested by the Issue Coordinator in non-linked liquid deposits that bear interest on a daily basis.

The Entities Authorized to Receive Applications with respect to the relevant series shall deposit in the relevant Special Account all of the amounts that were paid in respect of the bonds for which the applications to purchase same were accepted pursuant to the Offering Report with respect to the relevant series, and the Issue Coordinator shall act in relation thereto and shall act pursuant to the terms of the offering and the Offering Report.

Should the requirements of the minimum distribution and the requirements of the value of the public holdings with respect to the Series 12 Bonds or with respect to the Series 13 Bonds, as set forth in Section 10.2 of the Offering Report, be satisfied, the Issue Coordinator shall transfer to the Company, not later than by 12:30 p.m. on the second trading day after the day of the submission of the applications, the balance of the funds that will remain in the relevant Special Account, together with the yield accrued thereon, net of the amounts that will be due to the Qualified Investors and to the Entities Authorized to Receive Applications, against the transfer of the certificates in respect of the bonds to the Nominee Company.

Should it transpire, at the end of the Day of the Tender, that the minimum distribution requirements and/or the requirements of the value of the public holdings as set forth in Section 10.2 of the Offering Report, have not been satisfied, the issue of the Units to the public shall be cancelled, and no funds shall be collected from the subscribers.

2.9 The bond certificates

Should the Company accept an application, in whole or in part, with respect to a particular series, the Company shall allocate to the subscribers, the relevant bonds that are included in the Units for which the application to purchase same has been accepted, by sending certificates in respect of the relevant bonds to the Nominee Company, against the transfer of the funds that were deposited in the relevant Special Account by the Issue Coordinator to the Company, as stated in Section 2.8 of the Offering Report, provided that the allocation shall not be performed before the Issue Coordinator has been satisfied that the requirements of the TASE have been satisfied in full, as set forth in Section 10.2 of the Offering Report.

The certificates for the bonds (Series 12 or Series 13, as the case may be) may be transferred, split and waived in favor of others, subject to the completion of a deed of transfer or split or waiver, and the submission thereof, together with the certificates, to

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the Company, and subject to the payment of all of the expenses, taxes and levies that are entailed therein, by the Applicant.

2.10 For details regarding the possibility of splitting the bond certificates (Series 12 or Series 13), as the case may be, see Section 27 of each one of the Deeds of Trust (Series 12 and 13), which are attached herewith as Appendices A1 and A2 to this Report.

3. **Underwriting**

The offering of the securities pursuant to the Offering Report is not secured by underwriting.

4. **Qualified investors**

4.1 The Company has engaged in a prior engagement with respect to part of the Series 12 Bond Units and the Series 13 Bond Units that are being offered, with Qualified Investors, pursuant to which engagement the Company has received a commitment from the Qualified Investors to submit subscriptions with respect to the Bond Units, as set forth below in this section.

“Qualified Investor” means – an entity that made a prior commitment to purchase, in a public offering, Bond Units of the relevant series in a financial value of at least NIS 800,000, provided that it is included among one of the entities listed in the definition of a “Qualified Investor” as set forth in Regulation 1 of the Regulations Concerning the Manner of the Offering.

The acceptance of prior undertakings from the Qualified Investors was done in accordance with the principles that are set forth in the Regulations Concerning the Manner of the Offering and as set forth in this Section 4 of the Offering Report.

Out of the Series 12 Bond Units that are being offered to the public in the Tender for the Series 12 Bonds, with respect to 545,296 Series 12 Bond Units, a prior commitment was given for the purchase thereof from Qualified Investors whose names are set forth in Section 4.3 below, and out of the Series 13 Bond Units that are being offered to the public in the Tender for the Series 13 Bonds, with respect to 284,349 Series 13 Bond Units, a prior commitment was given for the purchase thereof from Qualified Investors whose names are set forth in Section 4.4 below (hereinafter, in this section: the **“Qualified Investors”**).

4.2 Pursuant to the Regulations Concerning the Manner of the Offering, in the event of an Oversubscription (as defined below), the allocation shall be performed to the Qualified Investors in accordance with the prior commitment that was given, in the following manner:

4.2.1 Should the Oversubscription not exceed five, each Qualified Investor shall be allocated one hundred percent (100%) of the amount that he committed to purchase; should the Oversubscription exceed five, each Qualified Investor shall be allocated fifty percent (50%) of the amount that he committed to purchase.

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4.2.2 In the event that the number of the Series 12 Bonds or the Series 13 Bonds, as the case may be, that remained for distribution, is not sufficient for the allocation as stated in Subsection 4.1 of the Offering Report, then the Amount That Remained For Distribution (as defined below; with respect to the relevant series) shall be allocated to the Qualified Investors, according to the *pro rata* share of each prior commitment out of the total of the prior commitments that were submitted with the same interest rate in the relevant tender. The subscriptions of the Qualified Investors shall be deemed to be subscriptions that were submitted by the public for the purpose of setting the interest rate that shall be borne by the Series 12 Bonds or the Series 13 Bonds, as the case may be. The allocation to the Qualified Investors shall be at such interest rate as set in the relevant tender.

4.2.3 Should there not be an Oversubscription, the subscriptions of the Qualified Investors in the relevant tender shall be deemed to be subscriptions that were submitted by the public for the purpose of the distribution of the bonds to the subscribers.

For the purpose of this Section 4, “**Oversubscription**” means – the ratio between the number of the Series 12 Bonds or the Series 13 Bonds, as the case may be, in respect of which subscriptions were submitted at the interest rate that shall be set in the relevant tender, and the Number That Remained For Distribution with respect to the relevant series, provided that it exceeds one; the “**Number That Remained For Distribution**” means – the number of the Series 12 Bonds or the Series 13 Bonds, as the case may be, that was offered in the Offering Report, after the number of the bonds in respect of which subscriptions were submitted at an interest rate that is lower than the interest rate that shall be set in the relevant tender, has been deducted.

4.3 Each one of the Qualified Investors has committed, in a prior commitment to purchase the Series 12 Bonds that are being offered pursuant to this Offering Report, to submit subscriptions to purchase Series 12 Bonds in such number that shall be not less than, and at such interest rate that shall not exceed, pursuant to that set forth beside its name:

Name of the Qualified Investor	Number of the Series 12 Bond Units	Percentage of interest (%)
Orcom Strategies Ltd.*	5,000	3.1
Orcom Strategies Ltd.*	3,000	3
IBI Investment House Ltd.*	1,000	3.2
IBI Gemel Provident Funds Ltd.*	6,436	3.15
IBI Portfolio Management Ltd.*	6,773	3.15
Ayalon Insurance Co. Ltd. – Participating	10,000	3.2
Ayalon Insurance Co. Ltd. – Nostro	2,500	3.3
Ayalon Insurance Co. Ltd. – Nostro	2,500	3.2
Ayalon Insurance Co. Ltd. – Nostro	5,000	3.1
Infinity Provident and Advanced Education Fund Management Ltd.	2,375	3.05
Alumot Sprint Mutual Fund Management Ltd.	11,970	3
Altris Finances Ltd.*	8,000	3.2

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Name of the Qualified Investor	Number of the Series 12 Bond Units	Percentage of interest (%)
Altris Finances Ltd.*	9,100	3.1
Altris Finances Ltd.*	4,800	2.95
M. D. Group Underwriting Ltd.	3,000	3.15
M. D. Group Underwriting Ltd.	1,300	2.85
Ametrine 2 Limited Partnership*	1,500	3.15
Ametrine 2 Limited Partnership*	1,000	3.1
Ametrine 2 Limited Partnership*	1,000	2.95
Ametrine Limited Partnership*	2,000	3.25
Ametrine Limited Partnership*	5,000	2.95
Ametrine Limited Partnership*	1,500	2.7
Academics' Advanced Education Fund Negotiable	3,500	3.05
Excellence Nessuah Investment Management Ltd.(*)(**)	14,473	3
Arbitrage Global – LP Arbitrage Global*	20,000	3.35
Arbitrage Global – LP Arbitrage Global*	10,000	3.2
Arbitrage Global – LP Arbitrage Global*	5,000	3.1
Bina Capital (2016) Ltd.	1,000	3.3
Bina Capital (2016) Ltd.	1,000	3.1
Bina Capital (2016) Ltd.	1,000	3
Barak Capital Investments 2006 Ltd. *	850	2.95
Barak Capital Investments 2006 Ltd. *	2,000	2.7
Gemel Academics Negotiable	1,250	3.05
Discount Capital Underwriting Ltd.*	5,000	3.2
Discount Capital Underwriting Ltd.*	5,000	3
Halman – Aldubi Investment Portfolio Management (2007) Ltd.	3,000	2.95
Harel Insurance Company Ltd. - Members	50,000	3
Hatzavim Limited Partnership	3,000	2.8
Yelin – Lapidot Provident Fund Management Ltd.	12,000	3.3
Yelin – Lapidot Investment Portfolio Management Ltd.	900	2.85
Lehava Investment Portfolio Management Ltd.	5,000	1.95
Mor Alternative Investments Limited Partnership	2,000	3.35
Mor Alternative Investments Limited Partnership	1,000	3.3
Mor Alternative Investments Limited Partnership	1,000	2.95
Machshava Consulting and Management Ltd.	1,070	3.05
Meitav Dash Pension and Provident Funds Ltd. **	25,000	2.2
Meitav Dash Mutual Funds - Enigma Capital Market Funds (**)	3,600	2.9
Meitav Dash Mutual Funds Ltd. (**)	9,738	3
Meitav Dash Mutual Funds Ltd. (**)	10,018	2.85
Menorah Mivtachim Insurance Ltd. (*) (**)	13,000	2.8
Menorah Mivtachim Underwriting and Management Ltd. (*) (**)	2,000	3.35
Menorah Mivtachim Underwriting and Management Ltd. (*) (**)	2,000	3.15
Menorah Mivtachim Underwriting and Management Ltd. (*) (**)	1,000	2.95
Menorah Mivtachim Shekel-Denominated Corporate Bond Basket in Israel (*) (**)	23,370	2.9
Menorah Mivtachim Shekel-Denominated Corporate Bond Basket in Israel (*) (**)	31,160	2.8
Sigma Mutual Funds Ltd.	9,000	3.25
Inbar Derivatives Ltd.*	8,000	3.15
Inbar Derivatives Ltd.*	14,000	3.05
Inbar Derivatives Ltd.*	12,000	2.9
Poalim I.B.I. – Underwriting & Issuing Ltd.*	20,000	3.25

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Name of the Qualified Investor	Number of the Series 12 Bond Units	Percentage of interest (%)
Fidelity Venture Capital Ltd.	1,055	3.2
Psagot Provident and Pension Funds Ltd.	67,287	3
Peilim Investment Portfolio Management Ltd.	12,846	2.95
Proxima Investment Management Ltd.*	8,000	3.35
Proxima Investment Management Ltd.*	1,000	3.3
Proxima Investment Management Ltd.*	3,000	3.15
Priority Asset Management Ltd.	2,000	2.8
K.H.R. Continuing Education Fund	1,000	3.05
Legendary Group Ltd.	10,000	2.9
Monbaz Fund Limited Partnership	4,000	3.2
Shomera Insurance Company Ltd. (*) (**)	3,000	2.8
Shekef Investment in Maof Ltd.	4,425	3.3
TOTAL	545,296	- -

(*) An entity related to a distributor out of the Distributors in the issue (which are listed in Footnote 4 of the Offering Report). In total, prior commitments were made for the purchase of 259,962 Series 12 Bond Units by Qualified Investors that are related to the Distributors, which constitute approximately 47.67% of the total Units in respect of which prior commitments were made by Qualified Investors.

(**) Interested parties in the Company, by virtue of holdings.

In view of the foregoing, a prior commitment was made by Qualified Investors to purchase Series 12 Bond Units that constitute approximately 86.55% of the total Units, as aforesaid, that are being offered to the public pursuant to the Offering Report.

4.4 Each one of the Qualified Investors has committed, in a prior commitment to purchase the Series 13 Bonds that are being offered pursuant to this Offering Report, to submit subscriptions to purchase Series 13 Bonds in such number that shall be not less than, and at such interest rate that shall not exceed, pursuant to that set forth beside its name:

Name of the Qualified Investor	Number of the Series 13 Bond Units	Percentage of interest (%)
Orcom Strategies Ltd.*	2,000	5.5
Orcom Strategies Ltd.*	5,000	5.35
IDI Insurance Company Ltd. – Nostro	5,000	5.3
Ayalon Insurance Co. Ltd. – Nostro	2,500	5.6
Ayalon Insurance Co. Ltd. – Nostro	5,000	5.5
Altris Finance Ltd.*	5,000	5.5
Altris Finance Ltd.*	5,000	5.35
Ametrine 2 Limited Partnership*	6,000	5.5
Ametrine 2 Limited Partnership*	4,000	5.35
Ametrine Limited Partnership*	5,700	5.4
Ametrine Limited Partnership*	3,500	5
Bina Capital (2016) Ltd.	1,000	5.45
Best Invest - Yelin Lapidot	3,000	5.55
Barak Capital Investments 2006 Ltd.*	1,000	5.4
Barak Capital Investments 2006 Ltd.*	25,500	5
Discount Capital Underwriting Ltd.*	5,000	5.5
Beeri Printers Limited Partnership	800	5.6

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Horizon Capital Markets Ltd.	7,510	5.3
Members of Dan Pension Fund Management Co. Ltd.	10,000	5.6
Harel Insurance Company Ltd. - Nostro	20,000	5.55
Yelin – Lapidot Provident Fund Management Ltd.	14,000	5.55
Yelin Lapidot for Managed Clients	1,000	4.95
Mor Alternative Investments Limited Partnership	1,000	5.45
Machog Ltd.	3,000	5.55
Meitav Dash Mutual Funds - Horizon Mutual Funds (**)	5,739	5.3
Menorah Mivtachim Insurance Ltd. (*) (**)	13,000	5.25
Menorah Mivtachim Underwriting and Management Ltd. (*) (**)	2,000	5.4
Menorah Mivtachim Underwriting and Management Ltd. (*) (**)	1,000	5.2
Menorah Mivtachim Shekel-Denominated Corporate Bond Basket in Israel (*) (**)	28,435	5.25
Inbar Derivatives Ltd. *	19,000	5.55
Psagot Provident and Pension Funds Ltd.	65,469	5.6
Peilim Investment Portfolio Management Ltd.	1,196	5.6
Priority Asset Management Ltd.	2,000	4.9
Monbaz Fund Limited Partnership	2,000	5.45
Shomera Insurance Company Ltd. (*) (**)	3,000	5.25
TOTAL	284,349	

(*) An entity related to a distributor out of the Distributors in the issue (which are listed in Footnote 4 of the Offering Report). In total, prior commitments were made for the purchase of 134,135 Series 13 Bond Units by Qualified Investors that are related to the Distributors, which constitute approximately 47.17% of the total Units in respect of which prior commitments were made by Qualified Investors.

(**) Interested parties in the Company, by virtue of holdings.

In view of the foregoing, a prior commitment was made by Qualified Investors to purchase Series 13 Bond Units that constitute approximately 83.63% of the total Units, as aforesaid, which are being offered to the public pursuant to the Offering Report.

- 4.5 With respect to the Series 12 Bonds, the Qualified Investors shall be entitled to a prior commitment commission at a rate of 0.55% of the total immediate proceeds that shall be received in respect of the Series 12 Bond Units, in respect of which the Qualified Investors made a commitment to submit subscriptions in the relevant tender to the public.

With respect to the Series 13 Bonds, the Qualified Investors shall be entitled to a prior commitment commission at a rate of 0.7% of the total immediate proceeds that shall be received in respect of the Series 13 Bond Units in respect of which the Qualified Investors made a commitment to submit subscriptions in the relevant tender to the public.

For details with respect to distribution commissions, see Section 11 of the Offering Report.

- 4.6 The consideration that shall be paid by the Qualified Investors shall be transferred to the Issue Coordinator through the members of the TASE, on the first trading day after

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the Time of the Closing of the List of Subscriptions, by 12:30 p.m., and it shall be deposited by the Issue Coordinator in the Special Accounts.

- 4.7 A Qualified Investor may, on the Day of the Tender, reduce the interest rate that he specified in the aforesaid prior commitment (by brackets of 0.05%), by submitting notice, in writing, to the Issue Coordinator, by the Time of the Closing of the List of Subscriptions for the Series 12 Bond Units or for the Series 13 Bond Units, as the case may be, as stated in Section 2 of the Offering Report.

A Qualified Investor may, on the date of the tender, subscribe to a number of Series 12 Bond Units or Series 13 Bond Units, as the case may be, that exceeds the number that was specified in his prior commitment, however, surplus units that shall be subscribed to as aforesaid shall not be deemed to be the subscription of a Qualified Investor, but rather, as subscriptions that were submitted by the public in the course of the said tender, without entitlement to any prior commitment commission.

5. **Additional terms and conditions of the securities being offered pursuant to the Shelf Offering Report**

- 5.1 In any event in which the Company shall delay in making payment on account of the principal and/or interest of the Series 12 Bonds or the Series 13 Bonds, as the case may be, for any reason that is within the Company's control, then if the delay shall be for a period of up to 14 days, the Company shall pay to the Series 12 Bondholders or the Series 13 Bondholders, as the case may be, arrears interest at an annual rate that is 3% higher than the interest on the bonds in respect of this period (calculated *pro rata*), and in respect of any delay in excess of 14 days, the Company shall pay to the aforesaid bondholders arrears interest at the arrears interest rate as per the standard practice of the Accountant General of the Ministry of Finance, commencing from the expiration of the aforesaid 14-day period and up until the actual payment (hereinafter: the "**Arrears Interest**"). The Company shall announce, in an immediate report, the rate of the Arrears Interest, the total interest rate for the period (including the Arrears Interest) and also the date of the payment thereof, two trading days prior to the actual payment. For the avoidance of doubt, it is hereby clarified that any postponement of the payment date as set forth in Section 5.3 below does not constitute a delay in payment.
- 5.2 The payments on account of the interest and/or the principal in respect of the Series 12 Bonds or the Series 13 Bonds, as the case may be, shall be paid to those persons whose names shall be listed in the relevant Bondholders' Register, as aforesaid, on March 25th and on September 24th, with respect to each relevant period that preceded the date of the remittance of the said payment, with the exception of the last payment of the interest and the principal, which shall be made on September 30, 2026, against the delivery of the bond certificates, as aforesaid, to the Company, on the date of the payment, at the Company's registered office or at any other place in respect of which the Company shall give notice. The Company's notice, as aforesaid, shall be published not later than five (5) business days prior to the date of the last payment.

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It is clarified that any person who is not registered in the Bondholders' Register, as aforesaid, on one of the aforesaid dates, shall not be entitled to the payment of interest in respect of the interest period that commenced prior to the said date.

- 5.3 In any event in which the date of the remittance of the payment on account of the principal and/or the interest shall fall on a day that is not a business day, the payment date shall be postponed to the first subsequent business day thereafter, without any supplemental payment of any kind whatsoever (including Arrears Interest), and the effective date for the purpose of determining entitlement to redemption or interest will not change as a consequence thereof.
- 5.4 **Early redemption** – For details with respect to the early redemption of the Series 12 Bonds and Series 13 Bonds, which is initiated by the TASE, see Section 9.1 of the “Terms and Conditions Listed Overleaf” in the Deeds of Trust. For details regarding the Company’s right to make an early redemption of the Series 12 Bonds or of the Series 13 Bonds, see Section 9.2 of the “Terms and Conditions Listed Overleaf” in the Deeds of Trust. The Company may, in its sole discretion, make an early redemption (in whole or in part) of the Series 12 Bonds or of the Series 13 Bonds, at any time, however, not prior to the expiration of at least 60 days from the date of the listing of the Series 12 Bonds or of the Series 13 Bonds for trading on the TASE. For the avoidance of doubt, it is hereby clarified that in the event of a partial early redemption, if any, the Company shall pay to the bondholders, on the date of the partial early redemption, the interest that has accrued solely for the part that is being redeemed in the partial early redemption, and not on the entire outstanding balance.
- 5.5 **Securities** – The Company’s undertaking to pay the Series 12 Bonds or the Series 13 Bonds, as the case may be, is not secured by any security whatsoever or in any other manner. For details, see Section 6 of the Deeds of Trust.
- 5.6 **The Company’s undertakings** – For details regarding the Company’s undertaking in connection with a restriction on distribution, the payment of management fees and investments in new corporations, see Section 5.2 of the Deeds of Trust; for details regarding the Company’s undertaking in connection with not creating liens on the shares of Israel Chemicals Ltd which are held by the Company and on the shares of Oil Refineries Ltd. (known by its Hebrew acronym, “Bazan”) which are held by the Company, see Section 5.3 of the Deeds of Trust; for details regarding the Company’s undertaking in connection with financial covenants, see Section 5.4 of the Deeds of Trust; for details regarding the Company’s undertaking in connection with a restriction on the Company’s transactions with controlling shareholders of the Company, see Section 5.6 of the Deeds of Trust.
- 5.7 **Terms and conditions for the expansion of a series** – For provisions pertaining to the issue of additional securities and the increase of a series, see Section 3.2 of the Deeds of Trust.

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- 5.8 **Mechanism for the adjustment of interest, in the event of a change in the rating of the bonds** – For details, see Section 5.5 of each one of the Deeds of Trust.
- 5.9 **Mechanism for the adjustment of interest, in the event of failure to comply with the shareholders' equity commitment** – For details, see Section 5.6 of each one of the Deeds of Trust.
- 5.10 **Grounds for declaring the bonds to be immediately due and payable** – For the grounds and the manner of declaring the Series 12 Bonds or the Series 13 Bonds, as the case may be, to be immediately due and payable, see Section 8 of the Deeds of Trust.
- 5.11 For details of the full and binding terms and conditions of the bonds that are being offered pursuant to the Offering Report, see the Deeds of Trust for each of the bond series (Series 12 and Series 13), which are attached herewith as Appendices A1 and A2 (respectively).
- 5.12 Any compulsory payment, insofar as required pursuant to law (including any tax) shall be deducted from any payment in respect of the bonds. For details regarding the taxation of the bonds, see Section 7 of the Offering Report.

6. **Taxation**

According to the law that is currently in effect, the securities that are being offered to the public pursuant to this Shelf Offering Report are subject to the tax arrangements that are described in brief below:

- 6.1 **General** – On July 25, 2005, the Law for the Amendment of the Income Tax Ordinance (No. 147), 5765-2005 (hereinafter: the “**Amendment**”), was passed in the Knesset. The Amendment significantly altered the provisions of the Income Tax Ordinance [New Version], 5721-1961 (hereinafter: the “**Ordinance**”), which pertains to the taxation of securities that are traded on the TASE. In addition, as of the date of the publication of this Shelf Prospectus, not all of the new regulations have been published that are expected to be published following the Amendment. In addition, as of the date of the publication of this Shelf Prospectus, no accepted practice exists with respect to some of the provisions of the Amendment, and also, no case law exists that interprets the new tax provisions in the Amendment. In addition, on December 29, 2008, the Knesset approved Amendment No. 169 to the Ordinance, which was published in *Reshemoth* (Official Gazette) on December 31, 2008 (and it came into effect on January 1, 2009), and it brought about additional changes with respect to the taxation of securities. On December 6, 2011, the Law for the Reform of the Tax Burden (Legislative Amendments), 5772-2011 (hereinafter: the “**Law for the Reform of the Tax Burden**”) was published in *Reshemoth* (Official Gazette). In accordance with the Law for the Reform of the Tax Burden, which came into effect from 2012, it was determined, *inter alia*, to increase the rates of tax on individuals' income in respect of capital gains, interest and dividends, from 20% to 25%, and for the shares of a

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significant shareholder,² from 25% to 30%. On August 6, 2012, the Knesset approved Amendment No. 195 to the Ordinance, which was published in *Reshumoth* (Official Gazette) on August 13, 2012 (and it came into effect on January 1, 2013), in which Section 121B was added to the Ordinance, which determines that commencing from 2013, an individual will be subject to additional tax on that part of his taxable income that exceeds the amount stated in the section. This section was updated on December 29, 2016, when the Economic Arrangements Law (Legislative Amendments to the Implementation of the Economic Policy for the 2017-2018 Budget Years), 5777-2016 was published in *Reshumoth* (Official Gazette). The updated Section 121B determines that an individual whose taxable income in the 2018 tax year exceeds 641,880 New Israel Shekels shall be subject to additional tax on that part of his taxable income that exceeds the said amount by a rate of 3% in addition to the foregoing (hereinafter: the “**Surtax**”). Taxable income includes all types of income, including income from capital gains and land appreciation (the sale of a land right in a residential apartment will only be included if the value of the sale thereof exceeds NIS 4 million and the sale is not exempt from tax pursuant to any law), except for an inflationary amount as defined in Section 88 of the Ordinance and an inflationary amount as defined in Section 47 of the Land Taxation Law.

In the Economic Arrangements Law for the years 2017-2018, the corporate tax rate that is set forth in Section 126(a) of the Ordinance was reduced by 1% (to 24%) effective from January 1, 2017, and by an additional 1% (to 23%) effective from January 1, 2018.

- 6.2 Capital gains from the sale of the securities – In accordance with Section 91 of the Ordinance, a real capital gain from the sale of securities by an individual who is an Israeli resident shall be subject to tax that applies in accordance with Section 121 of the Ordinance (marginal tax), but at a rate that will not exceed 25%, and the capital gain shall be deemed to be the highest bracket on the tax scale of his taxable income, provided that the income from the sale of securities does not constitute business income for him and provided that he did not claim financing expenses. In the sale of a security where the seller is an individual who is a significant shareholder of the Company on the date of the sale of the security or on any date in the 12 months that preceded the sale, the rate of tax in respect of the real capital gain made by him shall not exceed 30%.

The capital gain in the sale of a bond that is not linked to the Consumer Price Index (or that is not denominated in foreign currency or where the value thereof is not linked to foreign currency), will be taxed at a rate that shall not exceed 15%, or 20%, if the matter concerns an individual who is a significant shareholder and the entire capital

² An individual who holds, either directly or indirectly, alone or together with another (as this term is defined in Section 88 of the Ordinance), at least 10% of one or more of any type of the means of control (as this term is defined in Section 88 of the Ordinance) in the Company, on the date of the sale of the security or on any date in the 12 months that preceded the said sale.

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gain shall be deemed to be a real capital gain. With respect to the calculation of a real capital gain in the sale of a bond by an individual, where the value thereof is linked to foreign currency or which is denominated in foreign currency, the foreign currency rate shall be deemed to be the index.

With respect to an individual who claimed real interest expenses and linkage differentials in respect of the securities, he shall be charged with the real capital gain from the sale of the securities at a tax rate of 30%, until the determination of provisions and terms and conditions for the deduction of real interest expenses, pursuant to Sections 101A(a)(9) and 101A(b) of the Ordinance. The reduced rate of tax, as aforesaid, shall not apply with respect to an individual whose income from the sale of the securities is deemed to be “business income”, in accordance with the provisions of Section 2(1) of the Ordinance. In this event, the individual shall be charged with a marginal rate of tax in accordance with the provisions of Section 121 of the Ordinance. A body of persons shall be taxed on the real capital gain from the sale of securities at the corporate rate of tax as set forth in Section 126 of the Ordinance (at a rate of 23% for the 2018 tax year and thereafter).

Exempt mutual funds, as well as the entities enumerated in Section 9(2) of the Ordinance, are exempt from tax in respect of capital gains from the sale of securities as aforesaid, in accordance with and subject to the terms of the section. The income of a taxable mutual fund from the sale of securities shall be subject to the tax rate that applies to the income of an individual whose income does not constitute for him income from a “business” or from an “occupation”, unless otherwise expressly determined. In cases where no special tax rate has been determined for income, the income will be taxed at the maximum rate that is set forth in Section 121.

Foreign residents (individuals and bodies of persons), as defined in the Ordinance, are exempt from tax on the capital gain from the sale of negotiable securities that are traded on the TASE in Israel insofar as the capital gain is not attributed to a permanent establishment of the foreign residents in Israel, and in accordance with the terms, conditions and restrictions of Section 97(B2) of the Ordinance. In the event that the aforesaid exemption does not apply, as a rule, the exemption provisions of the relevant tax convention for the avoidance of double taxation (if any) between the State of Israel and the country of residence of the foreign resident may apply, subject to the presentation, in advance, of appropriate certification from the Israel Tax Authority.

The foregoing will not apply with respect to a foreign-resident company, if Israeli residents are the controlling shareholders thereof, or the beneficiaries, or the persons who are entitled to 25% or more of the income or of the profits of the foreign-resident company, either directly or indirectly, in accordance with what is set forth in Section 68A of the Ordinance.

6.3 Withholding tax on capital gain – In accordance with the Income Tax Regulations (Deduction from Consideration, from Payment or from a Capital Gain in the Sale of

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Securities, in the Sale of a Unit in a Mutual Fund or in a Futures Transaction), 5763-2002 (hereinafter: the “**Deduction from Consideration Regulations**”), a debtor (as defined in the Regulations) who pays consideration in the sale of securities to a seller who is an individual shall deduct tax at a rate of 25% from the real capital gain. In the sale of securities that are not index-linked, tax shall be deducted at a rate of 15% of the capital gain. Pursuant to the Deduction from Consideration Regulations, a debtor who pays consideration in the sale of securities to a seller that is a body of persons shall deduct from the real capital gain or from the payment, as the case may be, corporate tax at the rate that is set forth in Section 126(a) of the Ordinance. The foregoing is subject to authorizations of an exemption from withholding tax (or withholding tax at a reduced rate), and it is subject to the offsetting of losses that the deducting entity is allowed to make.

Withholding tax shall not be deducted for provident funds, mutual funds and additional entities that are exempt from the deduction of withholding tax pursuant to law, after the presentation of appropriate certification by them.

Withholding tax shall not be deducted by a banking corporation or a member of the stock exchange for a foreign resident upon the satisfaction of certain conditions. It should be noted that if, on the date of the sale, the full withholding tax is not deducted, as set forth above, from the real capital gain, then the provisions of Section 91(d) of the Ordinance and the provisions by virtue thereof will apply with respect to reporting and the making of an advance payment in respect of such a sale.

As a rule, if the securities that are being offered pursuant to this Shelf Prospectus are delisted from trading on the TASE, the withholding tax rate at the time of the sale thereof (after the delisting) shall be thirty percent (30%) of the consideration, as long as certification has not been submitted by the tax assessor, ordering a different rate of withholding tax (including an exemption from withholding tax).

- 6.4 The offsetting of losses – As a rule, losses during the tax year from the sale of the securities that are being offered will be offsettable only in cases in which if they had been capital gains, they would have been subject to tax. A capital loss from the sale of the securities for an individual or for a company may be offset against a real capital gain in accordance with the principles set forth in Section 92 of the Ordinance, whether the loss/gain were created from an asset (including from a negotiable security) in Israel, or whether outside of Israel (with the exception of a taxable inflationary capital gain that will be offset according to a ratio of 1:3.5). The calculation of the capital gain/loss for the purpose of offsetting the losses shall be done in accordance with the provisions of any law and the relevant case law, insofar as exists.

In accordance with the Deduction from Consideration Regulations, the debtor, who is required to withhold the tax, shall offset the capital loss that was created from the sale of negotiable securities that were managed by the debtor, subject to the gain being created in the same tax year in which the loss was created, whether prior to the

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creation of the loss or after the said date. Application of the said amendment is effective from January 1, 2012.

A capital loss that was created in the tax year from the sale of the securities will also be offsettable against interest income or dividend income, provided that the rate of tax that applies to the interest or the dividend does not exceed the corporate rate of tax, if it is a body of persons, or the rate set forth in Sections 125B(1) or 125C(b), as the case may be, if he is an individual.

The offsetting of the losses shall be done by way of the offsetting of the capital loss against the capital gains or against interest income or dividend income, as stated above.

The tax that will apply to a dividend for an individual who is a significant shareholder is 30%, and therefore, the capital loss that was created during the tax year from the sale of securities will not be offsettable against dividend income from other securities held by an individual who is defined as a significant shareholder.

A loss that cannot be offset as aforesaid shall be offset in the following tax years, against capital gains and land appreciation only, as stated in Section 92(b) of the Ordinance, year after year, after the year in which the loss was created, provided that a report was filed with the Tax Assessor for the tax year in which the loss occurred.

In the calculation of the capital gain for the purpose of the deduction of the tax, the deducting entity will deduct a capital loss from the securities in accordance with the provisions of Section 92 of the Ordinance, provided that all of the following have been satisfied: (1) the loss was created from the sale of a security that was managed by the deducting entity; (2) the gain was created in the same tax year in which the loss was created, whether prior to the creation of the loss or after the said date.

- 6.5 The tax rate that will apply to interest income from bonds – In accordance with Section 125C(b) of the Ordinance, an individual will be subject to tax on interest income that arises from bonds and/or commercial securities that are fully linked to the index (including bonds that are linked to foreign currency) at a tax rate of 25%, and this income shall be deemed to be the highest bracket on the tax scale of his taxable income (as defined in the Ordinance). According to Section 89(e) of the Ordinance, linkage differentials that are received from the redemption of bonds or a commercial security where the income does not constitute income from a “business” or from an “occupation” will be deemed to be subject to tax pursuant to the provisions of Part E of the Ordinance. Linkage differentials accrued on the interest will be treated in the same manner as the interest and they will also be taxed at the same rate of tax. It should be noted that the Consumer Price Index published by the Central Bureau of Statistics shall be deemed to be the index for the purpose of Section 125C of the Ordinance, and with respect to an asset whose value is fully linked to foreign currency or which is denominated in foreign currency – the rate of the currency shall be deemed to be the index for the aforesaid purpose.

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In accordance with Section 125C(c) of the Ordinance, an individual will be subject to tax at a rate of 15% on interest (including partial linkage differentials, as defined in Section 3(E6) of the Ordinance) that arises from a bond that is not linked to the index or that is linked, in part, to the rate of increase of the index, in whole or in part (including a bond that is not linked to the index until redemption).

In accordance with Section 125C(d) of the Ordinance, the said interest rates will not apply upon the satisfaction, *inter alia*, one of the following conditions: (1) the interest is income pursuant to Section 2(1) of the Ordinance or if it is recorded in the accounting books of the said individual or is required to be so recorded; (2) the individual claimed the deduction of interest expenses in respect of the bonds; (3) the individual is a significant shareholder of the company that is paying the interest; (4) the individual is an employee of the company paying the interest or he provides services to the said company or he sells products thereto or he has some other special relationship with the company, unless it was proved to the Tax Assessor's satisfaction that the interest rate was set in good faith and without being affected by the existence of the said special relationship between the individual and the company paying the interest; (5) if any other condition has been satisfied that was determined by the Minister of Finance with the approval of the Knesset Finance Committee. In such cases, the individual will be taxed on interest or on discount fees at the marginal tax rate that applies to the individual in accordance with Section 121 of the Ordinance, as set forth above.

An individual will be exempt from linkage differentials that he received in respect of an asset, provided that all of the following have been satisfied:

(a) the linkage differentials are not partial linkage differentials; (b) the individual did not claim the deduction of interest expenses or linkage differentials in respect of the asset; and (c) the linkage differentials are not income pursuant to Section 2(1) and they are not recorded in the accounting books of the said individual or required to be so recorded.

The rate of tax that applies to interest income (including linkage differentials) of an Israeli-resident body of persons that is not a body of persons to which the provisions of Section 9(2) of the Ordinance apply in the determination of its income, except for the purpose of Section 3(H) of the Ordinance with respect to accrued interest, arising from bonds that are traded on the TASE, is the corporate rate of tax in accordance with Section 126(A) of the Ordinance.

Exempt mutual funds, as well as the entities enumerated in Section 9(2) of the Ordinance, are exempt from tax in respect of interest income, subject to the provisions of Section 3(H) of the Ordinance. The income of a taxable mutual fund from interest shall be subject to the tax rate that applies to the income of an individual whose income does not constitute for him income from a "business" or from an "occupation", unless otherwise expressly determined. In cases where no special tax rate has been

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determined for income, the income will be taxed at the maximum rate that is set forth in Section 121.

In accordance with Section 9(15D) of the Ordinance, effective from January 1, 2009, interest, discount fees or linkage differentials that are paid to a foreign resident, on a bond that is traded on the TASE in Israel and that was issued by an Israeli-resident body of persons, are exempt from tax, provided that the income is not attributed to a permanent establishment of the foreign resident in Israel. The exemption will not apply to foreign residents in the following cases: (a) if the foreign resident is a significant shareholder of the issuing body of persons; or (b) if the foreign resident is a relative, as defined in paragraph (3) of the definition of a relative in Section 88 of the Ordinance, of the issuing body of persons; or (c) if the foreign resident is an employee, service provider or seller of products to the issuing body of persons, or if the foreign resident has some other special relationship with the issuing body of persons, unless it was proved that the interest rate was set in good faith and without being affected by the existence of the said special relationship. This exemption will not apply to a foreign-resident company if Israeli residents are the controlling shareholders thereof, or the beneficiaries, or the persons who are entitled to 25% or more of the income or of the profits of a foreign resident, either directly or indirectly, in accordance with what is set forth in Section 68A of the Ordinance.

In the event that the aforesaid exemption does not apply, the rate of tax that will apply to interest income of foreign residents (individuals and bodies of persons) arising from securities will be determined in accordance with the provisions of the Ordinance, as set forth above or in accordance with the provisions of the conventions for the avoidance of double taxation that have been made between the State of Israel and the country of residence of the foreign resident.

- 6.6 Withholding tax on interest – In accordance with the provisions of Section 164 of the Ordinance and the Income Tax Regulations (Deduction from Interest, Dividends and from Certain Profits), 5766-2005 (hereinafter: the “**Deduction from Interest and Dividends Regulations**”), the withholding tax rate on interest that is paid on bonds traded on the TASE that are linked to the index or to foreign currency is 25%. With respect to interest for bonds that are not linked to the index or to foreign currency – 15%. In the event of an individual who is a significant shareholder or an individual who works for the company paying the interest or an individual who provides it with services or sells products to it, the maximum interest rate will apply as set forth in Section 121 of the Ordinance. With respect to a body of persons (Israeli resident and foreign resident alike), tax shall be deducted in accordance with the corporate tax rate that is set forth in Section 126(a) of the Ordinance subject to the provisions of Section 9(15D) of the Ordinance.

The Deduction from Interest and Dividends Regulations shall not apply to an entity that is defined as a “mutual fund” pursuant to Section 88 of the Ordinance and

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therefore, tax shall not be withheld in respect of interest that is distributed to a mutual fund.

A Stock Exchange member will withhold the tax payments that it is required to withhold, on the interest payments that will be made by it to the bondholders, except with respect to entities that are exempt from such withholding tax, in accordance with the law. The rate of the tax to be withheld by the Stock Exchange member, with respect to a foreign resident that is a resident of a contracting state, insofar as it is required to withhold such tax, as stated above, is subject to the provisions of the conventions for the avoidance of double taxation to which the State of Israel is a party.

- 6.7 The manner of calculating the discount – In accordance with Section 2(4) and Section 125C of the Ordinance, discount fees are deemed to be taxable interest and the withholding tax rules will apply in respect thereof on the date of the redemption. As a rule, the rate of the discount is determined as the difference between the par value of the bonds and that part of the issue proceeds that will be attributed to the bonds, insofar as it is positive.

Should the Company issue additional Series 12 or Series 13 bonds in the future (by way of the expansion of the series) with a discount, the Company shall apply, before expanding the series, to the Israel Tax Authority in order to obtain its authorization that for the purpose of the withholding tax on the discount fees in respect of the bonds from the relevant series, a uniform discount rate will be determined for the bonds in accordance with a formula that weights the various discount rates in that series, if any (hereinafter: the “**Weighted Discount Rate**”). Should such authorization be obtained, the Company will calculate, prior to the expansion of the series, the Weighted Discount Rate in respect of all of the bonds from the relevant series in accordance with the said authorization and, before expanding the series, the Company will submit an immediate report (insofar as practical, in the report on the results of the issue) in which it will specify the Weighted Discount Rate for the entire series and tax will be deducted on the redemption dates of the bonds from the relevant series according to the said Weighted Discount Rate and in accordance with the provisions of the law. Should such authorization not be obtained from the Israel Tax Authority, the Company will submit an immediate report prior to the expansion of the relevant series in which it will report the failure to receive such authorization, and it will provide notice that the uniform discount rate will be the highest discount rate that was created in respect of the relevant series, and all of the other provisions of the law that pertain to the taxation of discount fees will apply. The Stock Exchange members will withhold tax at the time of the redemption of the series, in accordance with the rate that will be so reported, and with the exception of withholding for entities that are exempt from withholding tax as aforesaid in accordance with the provisions of the law. Therefore, there may be cases in which withholding tax will be deducted in respect of discount fees at a rate that is higher than the discount fees that were determined for a holder who held bonds from the relevant series prior to the expansion of the series. In such a case, a taxpayer who held the bonds from the relevant series prior to the expansion of

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the series and up until the redemption of the bonds, will be entitled to file a tax report with the Israel Tax Authority, and to receive a refund of the tax that was deducted from the discount fees, insofar as the taxpayer is entitled to such a refund by law.

The Series 12 Bonds and the Series 13 Bonds that are being offered pursuant to this Offering Report are being offered at 100% of the par value thereof, and they shall therefore be issued without a discount. With respect to the discount in certain cases of the expansion of the series, see Section 3.2.4 of the Deeds of Trust.

As is customary at the time of making decisions pertaining to the investment of funds, it is necessary to take into consideration the tax implications pertaining to the investment in the bonds being offered. The aforesaid description is only a general one, and it does not serve as a substitute for individual consulting by experts, while paying heed to the special circumstances for each investor. Any person who wishes to purchase bonds pursuant to the Offering Report is recommended to consult with a professional advisor in order to clarify the tax consequences that will apply to him, while taking into account the special circumstances of the investor and of the bonds that are being offered.

7. **Non-making of arrangements**

- 7.1 By signing the Shelf Offering Report, the Company and the directors undertake not to make any arrangements that are not written in the Shelf Prospectus and/or in the Shelf Offering Report in connection with the offering of the securities being offered pursuant to the Shelf Offering Report, the submission and distribution thereof amongst the public, and they undertake not to grant any right to the purchasers of the securities that are being offered pursuant to the Shelf Offering Report to sell the securities that they purchased, beyond what is set forth in the Shelf Prospectus or in the Shelf Offering Report.
- 7.2 By signing the Shelf Offering Report, the Company and the directors undertake to give notice to the Israel Securities Authority of any arrangement that is known to them with a third party and which is in contravention of the undertaking as set forth in Section 7.1 of the Offering Report.
- 7.3 By signing the Shelf Offering Report, the Company and the directors undertake not to engage with any third party whatsoever, in connection with the securities being offered pursuant to the Shelf Offering Report, which, to the best of their knowledge, has made arrangements in contravention of that stated in Section 7.1 of the Offering Report.

8. **Rating**

On March 13, 2018, Standard & Poor's Maalot (hereinafter: "**Maalot**"), published a rating of "ilA" for bonds in a scope of up to NIS 400 million par value, which shall be issued by the Company through the issue of new series (Series 12 and Series 13) (see the Immediate Report that was published by the Company on March 13, 2018 (Reference: 2018-01-024193), the contents of which are incorporated herein by way of reference). On March 27, 2018, further to

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the rating report, the Company published an up-to-date rating report of Maalot, in which it announced that the “ilA” rating for the bonds that would be issued by the Company through new series (Series 12 and Series 13) was valid for a total scope of up to NIS 970 million par value (hereinafter: the “**Rating Report**”). See the Company’s Immediate Report, bearing the said date (Reference: 2018-15-030415), the contents of which are incorporated herein by way of reference.

Maalot’s consent to the up-to-date Rating Report being attached to the Offering Report is attached as **Appendix B** to the Offering Report.

9. **Permits and authorizations**

9.1 The Company applied to the TASE with a request to list the Series 12 Bonds and the Series 13 Bonds, which are being offered pursuant to the Offering Report, and the TASE granted its approval for this purpose.

The aforesaid approval of the TASE should not be deemed to be approval of the details that are presented in the Shelf Offering Report, of the reliability thereof or of the completion thereof, and it does not constitute any opinion whatsoever on the Company or on the nature of the securities that are being offered in the Shelf Offering Report or on the interest rate or on the price at which they are being offered.

9.2 In accordance with the Rules and Regulations of the TASE, and the directives thereof, the listing of the Series 12 Bonds and the Series 13 Bonds for trading is subject to the satisfaction of the conditions as set forth below (with respect to each one of the bond series separately):

- (a) The value of the public holdings with respect to each one of the bond series, separately, after the listing for trading, shall be not less than NIS 36 million.
- (b) The minimum number of Holders from the public with respect to each one of the series separately shall be at least thirty five (35) Holders, and the value of the holding of each one of them shall be at least NIS 200,000 (hereinafter: the “**Minimum Holding Value**” and the “**Minimum Distribution**”, as the case may be).

For this purpose, “**Holder**” means – one holder, where the value of his holdings exceeds the Minimum Holding Value, or one holder together with others, where the value of their joint holdings exceeds the Minimum Holding Value.

As stated in Section 8 above, the Series 12 Bonds and the Series 13 Bonds have been given an “ilA” rating by Maalot and therefore, the Company is exempt from the

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shareholders' equity requirement that is set forth in the Rules and Regulations of the TASE, and the directives thereof.

- 9.3 The Company shall apply to the TASE within three trading days after the Time of the Closing of the List of Subscriptions, with an application for the listing of the Series 12 Bonds or of the Series 13 Bonds for trading on the TASE.
- 9.4 The trading in the Series 12 Bonds and the Series 13 Bonds shall commence immediately after the listing thereof for trading on the TASE.
- 9.5 The listing for trading of the Series 12 Bonds and the Series 13 Bonds that are being offered is subject to the satisfaction of the listing requirements pursuant to the directives of the TASE, as stated in Section 9.2 above.
- 9.6 Should it transpire that the preliminary requirements for listing for trading on the TASE, as stated in Section 9.2 above, have not been satisfied with respect to the relevant series, then the issue of the Units being offered from the relevant series shall be cancelled, and the bonds being offered from the relevant series shall not be allocated and they shall not be listed for trading on the TASE and no funds shall be collected from the subscribers. In the event of the cancellation of the issue as aforesaid, on the first trading day after the Day of the Tender, the Company shall give notice thereof in an Immediate Report (in accordance with the dates set forth by law), and within two additional trading days thereafter, the Company shall publish notice in this regard in two Hebrew-language daily newspapers that are widely circulated in Israel.

10. **Payment of a charge**

In accordance with the provisions of Regulation 4A of the Securities Regulations (Charge for an Application for Permission to Publish a Prospectus), 5755-1995, the Company shall pay to the Israel Securities Authority the supplemental charge for the bonds that are being offered pursuant to this Offering Report.

11. **The issue proceeds**

11.1 The proceeds that are expected for the Company from this issue (assuming that all of the Series 12 and Series 13 Bond Units that are being offered pursuant to the Offering Report shall be purchased), and net of the expenses that are entailed in the issue, shall be as set forth below:

The expected proceeds (gross)	Approximately NIS 970 million
Net of the prior commitment commission, coordination and distribution commissions ^{3 4} , and other expenses	Approximately NIS 6.475 million

³ These commissions constitute 0.67% of the expected gross consideration, and approximately NIS 6.7 per unit.

⁴ Poalim I.B.I. – Underwriting & Issuing Ltd., Barak Capital Underwriting Ltd., Menorah Mivtachim Underwriting and Management Ltd., Discount Capital Underwriting Ltd., Excellence Nessuah Underwriting (1993) Ltd., Inbar Issuing and Finance Ltd., Egoz Issuing and Finances Ltd., and Alpha Beta Issues Ltd. (hereinafter, collectively: the “Distributors”). To the best of the Company’s knowledge, the Distributors satisfy the conditions for eligibility

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The expected proceeds (net)

Approximately NIS 963.525 million

- 11.2 Given that the issue pursuant to this Offering Report is not secured by underwriting, there is no guarantee that all of the Units that are being offered will be purchased. Accordingly, the proceeds and also the expenses that are entailed in the issue may differ from what has been considered above.
- 11.3 No minimum number of Units has been determined for the issue, pursuant to this Offering Report.
- 11.4 The issue proceeds are primarily earmarked for refinancing an existing financial debt.
12. **Details of changes and material events that have taken place in the Company's business since the date of the publication of the Shelf Prospectus and up to the date of the publication of the Shelf Offering Report**
- For details regarding changes and material events in matters that are required to be described in the Shelf Prospectus, see the Company's immediate reports that have been published effective from the date of the publication of the Shelf Prospectus as aforesaid and up until the date of the Shelf Offering Report, and which are incorporated in the Shelf Offering Report by way of reference. The full text of the aforesaid immediate reports can be viewed on the distribution site of the Israel Securities Authority, at: www.magna.isa.gov.il and also at the website of the Tel Aviv Stock Exchange, at: www.maya.tase.co.il.
13. **Letter of consent from the auditor** – Attached as **Appendix C** to the Offering Report is a letter of consent from the Company's auditor.
14. **The Company has received the following legal opinion:**

pursuant to the Securities Regulations (Underwriting), 5767-2007 (hereinafter: the “**Underwriting Regulations**”) – they shall serve as the Distributors for the purpose of the offering of the Series 12 Bonds and the Series 13 Bonds that are being offered pursuant to this Offering Report. For their services, the Distributors shall receive a distribution commission at a rate of 0.15% of the (gross) consideration that shall be actually received in respect of all of the Units that shall be issued pursuant to the Offering Report (plus VAT, as required by law), provided that the Distributors shall not be entitled to a commission in respect of the bonds that they purchased in a prior commitment in the tenders for Qualified Investors (hereinafter: the “**Distributors' Commission**”). The Distributors' Commission shall be divided between the Distributors, in the Company's discretion. The Issue Coordinator shall be entitled to an issue coordination commission in the total amount of NIS 30,000 (plus VAT, as required by law). For details regarding the prior commitment commissions to Qualified Investors, see Section 4 of the Offering Report.

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[*Letterhead of Gornitzky & Co., Advocates & Notaries*]

March 28, 2018

For the attention of:

Israel Corporation Ltd.

Dear Sir/Madam,

Re: **Israel Corporation Ltd. – Shelf Offering Report Dated March 28, 2018**

With respect to the Company's Shelf Prospectus, bearing the date of May 5, 2016, and the above-reference Shelf Offering Report, and at your request, we hereby confirm that, in our opinion:

- (a) The rights that are attached to the securities being offered have been correctly described, in our opinion, in the above-referenced Shelf Offering Report of your Company.
- (b) In our opinion, your Company has the authority to issue the securities that are being offered in such manner as described in the above-referenced Shelf Offering Report.
- (c) The directors of your Company have been duly appointed and their names are included in the above-referenced Shelf Offering Report

We hereby grant our consent that this Opinion shall be included in the Shelf Offering Report.

Sincerely yours,

Yair Shiloni, Attorney at Law

Itamar Ben-Yehuda, Attorney at Law

Gornitzky & Co., Advocates & Notaries

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Appendix A1 – Deed of Trust for the Series 12 Bonds

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Deed of Trust for Bonds (Series 12)

Table of Contents:

Subject	Section in the Deed
Introduction, interpretation and definitions.	1
General	2
Issuing Bonds	3
Acquisition of Bonds by the Company and/or by affiliated holder	4
The company's liabilities	5
Collateral	6
Priority level	7
Right to declare bonds to be immediately due and payable and/or realizing collateral	8
Claims and procedures by the trustee	9
Trustee for the receipts	10
Authority to demand financing	11
Authority to delay distribution of funds	12
Notification of division, failure to pay for a reason not dependent on the Company and on deposit with the trustee	13
Receipt from the bond holders and the trustee	14
Presentation of the bond before the trustee and registration in connection with part payment	15
Investing funds	16
The Company's obligations towards the trustee	17
Additional obligations	18
Reporting by the trustee	18
Trustee's fee	20
The trustee's authority	21
Authority of the trustee to employ agents	22
Indemnification of the trustee	23
Notices	24
Changes in the terms of the bonds and Deed of Trust	25
Registration of bond holders	26
Certificates and splitting certificates	27
Reporting to the trustee	28
Powers of Attorney	29
Applicability of the Securities Law	30
Assembly of bonds holders.	31

This is an English convenience translation of the original Hebrew version. In case of any discrepancy,
the binding version is the Hebrew original

Contradiction between the provisions of the Deed of Trust, the Prospectus and the Shelf Offering Report	32
The trustee's responsibility	33
Other agreements	34
General	35
Addresses	36
Applicable law and jurisdiction	37
Certification for reporting on the electronic disclosure system	38
Confidentiality letter	Appendix A
Trustee's salary	Appendix B
Certificate of Series 12 Bonds and conditions listed overleaf	First addendum
Convening a meeting of the bond holders, the manner of conducting the meeting and various conditions in respect thereof	Second addendum

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Deed of Trust for Series 12 Bonds

Dated March 27, 2018

Between:

Israel Corp. Ltd.

Of 23 Aranha Street, Tel Aviv

Tel. : 03-6844517

Fax : 03-6844587

(hereinafter: "**the Company**")

of the first part:

And between:

Hermetic Trust (1975) Ltd.

Of 113 Hayarkon Street, Tel Aviv

Tel. : 03-5544553

Fax : 03-5271039

(hereinafter: "**the Trustee**")

of the second part:

- Whereas** On May 4, 2016 the Company's Board of Directors approved the publication of the Shelf Prospectus (hereinafter: "**the Prospectus**" or "**the Shelf Prospectus**") whereby the Company may issue under the shelf offering reports, *inter alia*, Series 12 bonds which are not convertible into Company shares (hereinafter: "**the Bonds**"); and
- Whereas** the Trustee is a share limited company that was legally incorporated in Israel with the purpose of dealing in trusts; and
- Whereas** the Trustee declares that it is not prevented by the Law (as defined below) or any other law, to engage with the Company as per this Deed of Trust and that it meets the eligibility requirements and conditions stipulated by the Law (as defined below), to serve as a trustee under this Deed of Trust; and
- Whereas** the Trustee has no interest in the Company and the Company has no personal interest in the Trustee; and
- Whereas** Standard & Poor's Maalot (hereinafter: "**Maalot S&P**" or "**Maalot**") gave an iIA rating for bonds in a scope of up to NIS 400 million par value which may be issued by the Company by way of new series; and
- Whereas** the Company declares that it is not prevented by any law and/or agreement to issue the Series 12 Bonds and to engage with the Trustee under this Deed of Trust, and that all of the authorizations pursuant to any law and pursuant to the incorporation documents of the Company and any material agreement to which the Company is a party have been received, for the implementation of the issue of the Series 12 Bonds; and

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Whereas the Company requested from the Trust that subject to issuance of the Series 12 Bonds, he shall serve as the trustee for the holders of Series 12 Bonds that shall be issued in this context, and the Trustee agreed to this, all subject to and in accordance with the terms and conditions of this Deed of Trust; and

Whereas And the Trustee agreed to sign this Deed of Trust and act as a trustee for the bond holders; and

Whereas the parties wish to formalize the terms and conditions of the Series 12 Bonds in this Deed of Trust, in light of the Company's intention to offer to the public for the first time, the Series 12 Bonds according to the shelf prospectus, as shall be detailed in the shelf offering report that the Company shall publish, if any (hereinafter: "**the Shelf Offering Report**"), so that this Deed of Trust shall apply regarding the Series 12 Bonds only;

Therefore it was agreed, declared and stipulated between the parties as follows:

1. Introduction, interpretation and definitions.

- 1.1. The preamble to this Deed of Trust and its appendices, attached hereto, form an integral part hereof.
- 1.2. Dividing this Deed of Trust into sections and also giving titles to its sections, are for convenience purposes and ease of reference only, and should not be used for interpretation.
- 1.3. Anything stipulated in this Deed in the plural also refers to the singular and *vice versa*, and anything stated in the male also refers to the female and *vice versa*, and anything stated as a person can even be a corporation, provided there is no other express provision and/or if the content or the context requires otherwise in this Deed.
- 1.4. In any event of conflict between the provisions of this Deed of Trust (and its various appendices) and the provisions of the Company's prospectus and/or the Shelf Offering Report, with respect to the Series 12 Bonds, the provisions of this Deed shall prevail. As of the date of this Deed, there is no contradiction between its provisions and those described in the Shelf Offering Report (as defined below) in connection with the Series 12 Bonds of the Company.
- 1.5. This Deed of Trust is subject to the provisions of the law and the instructions of any competent authority, as they are from time to time, which cannot be overridden. In addition, this Deed of Trust is subject to the provisions of the Rules and Regulations of the Stock Exchange and the directives thereunder (hereinafter: the "**Stock Exchange Provisions**"), as shall be from time to time. In the event of any inconsistency between the provisions of this Deed of Trust (including the various appendices hereto) and the Stock Exchange Provisions, the Stock Exchange Provisions shall prevail.
- 1.6. In this Deed of Trust the following expressions have the meaning set forth beside them:

"The Company" - Israel Corporation Ltd.

"This Deed" or This Deed of Trust and its amendments, insofar,

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"Deed of Trust" -	including additions and appendices that are attached to it and constitute an integral part thereof.
"The Trustee" -	The Trustee mentioned at the header of this Deed and/or anyone who will serve from time to time as a trustee of the bond holders under this deed.
"The Prospectus" or "the Shelf Prospectus"	The shelf prospectus of the Company which was published in May 2016.
"The Offering Report" or "the Shelf Offering Report"	An offering report in accordance with the provisions of Section 23A of the Law (as defined below), in which all the necessary details of the Series 12 Bond offering, whether for the first time or as an existing series, are completed, including the composition of the units being offered, in accordance with the provisions of any law and in accordance with the Stock Exchange rules, regulations and directives, as in effect at that time.
"The Companies Law" -	The Companies Law, 5759-1999, and the regulations as established by virtue thereof from time to time.
"The Law" or "the Securities Law"	The Securities Law, 5728-1968 and its regulations as established by virtue thereof from time to time.
"Register" -	Register of the bond holders as determined in Section 35H2 of the Law and as stipulated in Section 26 of this Deed.
"Stock Exchange" -	The Tel Aviv Stock Exchange Ltd.
"Principal" -	Total par value of the Bonds from Series 12.
"Ordinary Resolution" -	A resolution that was passed by a meeting of the bond holders (whether at the original meeting or at the adjourned meeting, as applicable), where a legal quorum was present, as determined in Sections 35L13 and 35L14 of the Law, as applicable, with a simple majority of votes of the participants in the vote, without considering the abstaining votes.
"Special Resolution"	A resolution that was passed by a general meeting of bond holders which was attended, in person or by proxy, by bonds holders who hold at least fifty percent (50%) of the balance of the par value of the

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Series 12 Bonds in circulation, or at the adjourned meeting of this meeting, which was attended by holders of twenty percent (20%) at least of the said balance and which was passed (whether at the original meeting or at the adjourned meeting) by a majority of holders of two-thirds of the balance of the par value of the bonds that is represented in the vote, except for the abstentions that were not taken into account in the count of votes cast.

"The Nominee Company" -	Tel Aviv Stock Exchange Nominee Company Ltd. or any other nominee company with which the Company shall engage, at its sole discretion, and provided that all of the Company's securities are listed in the name of the said nominee company.
"The Financial Transaction"	A financial transaction that the Company conducted in September 2014 in connection with 36.2 million ICL shares, as set out in the Company's Immediate Report dated September 24, 2014 (Reference No.: 2014-01-164040) and in Notes 10c and 16e.1h to the Company's financial statements as of December 31, 2016 and Note 5.a.2 to the Company's financial statements as of September 30, 2017.
"Bond Series" or "Series 12" or "the Bonds" or "the Series 12 Bonds"	A bond series, which shall be called Series 12 of the Company's registered bonds, whose terms and conditions are in accordance with the bond certificate of Series 12 and the first offering report of the Series 12 Bonds, which shall be issued from time to time by the Company at its sole discretion.
"Bond Holders" and/or "Bond Owners" and/or "Holders"	As defined in the terms "Holder" and "Holding a certificate of undertaking" in the Securities Law.
"Trading Day"	Every day in which trades take place on the Tel Aviv Stock Exchange Ltd.
"The Stock Exchange Clearing House"	Clearing house of the Tel Aviv Stock Exchange Ltd.
"Financial Statements" -	The Company's solo financial statements.
"Management Fees" -	Payments for management services, advisory services

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(or any other similar name) that will be paid by the Company to its shareholders but except for services relating to the performance of the positions of officers of the Company by any of the executives, officers or advisors at shareholder as stated.

"ICL" -

Israel Chemicals Ltd.

"ICL Shares" -

Ordinary shares of Israel Chemicals Ltd.

"ORL Shares" -

Ordinary shares of Oil Refineries Ltd.

"Total financial liabilities, net" (relevant to Section 5.2 of this Deed only) -

On the date of the relevant audit, the total liabilities of the Company (solo) and of the Company's wholly owned subsidiaries, with respect to the following. Calculation of total net financial liabilities shall be attached to the certificate which will be sent to the Trustee, and the provisions of the Deed of Trust with respect to confidentiality shall apply to the calculations, as set forth below:

- (1) Loans from Banks and other credit sources as reflected in the latest unconsolidated (solo) financial statements (at the time of the relevant audit) of the Company and all the subsidiaries wholly owned by the Company (not consolidated); and also
- (2) Financial guarantees given by the Company and/or any wholly owned subsidiary of the Company to guarantee debts of third parties; and also
- (3) The fair value, net, of derivative transactions made by the Company or subsidiaries wholly owned by the Company (whether positive or negative) as reflected in the latest financial statements (on the date of the relevant examination).

It is hereby clarified that the amount provided to the Company in the framework of the Financial

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Transaction and the fair value of the options by virtue of the Financial Transaction shall not be included in the calculation of the Total Financial Liabilities, net as aforesaid.

And less the total balances of the liquid assets of the Company and of the subsidiaries wholly owned by the Company. It is clarified that the loan provided to Kenon Holdings Ltd. (hereinafter: "**Kenon**") prior to the date of signing this Deed of Trust (which was repaid in full in January 2018) shall be considered to be a liquid asset.

The above calculation shall refer to the figures shown in the latest published financial statements (unconsolidated; solo) of the Company or the subsidiaries wholly owned by the Company, respectively, and offsetting inter-company transactions between the Company and the wholly owned subsidiaries.

"Liquid Assets" -

As of the date of the relevant examination, cash and cash equivalents, short-term deposits, and a loan to a held company.

"Total Assets" -

On the date of the relevant examination, the Market Value (as this term is defined below) that includes the ICL Shares and the ORL Shares held by the Company and/or by its wholly owned subsidiary (directly or indirectly). It is hereby clarified that the ICL Shares that were the subject of the Financial Transaction shall not be calculated as part of the Total Assets.

"Market Value" means the last closing rate of ICL Shares or ORL Shares, as applicable, on the Stock Exchange, on the date of the relevant examination.

"Realized Gains" -

"Gains" as defined in the Companies Law (hereinafter: "the **Gain Prior to Adjustments**"); when-

- (a) Of the profit, changes in the fair value of assets and liabilities or other consequential effects which are not considered "realized" shall be

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neutralized before the adjustments, recognized according to the following accounting standards, to the extent and as applicable: (1) IAS 40 - revaluation surplus for investment property; (2) IFRS 9/IAS 39 - changes in fair value of financial assets and liabilities that are not held for trading or traded on an active market and that cannot be easily exercised (i.e. the uncertainty involved in turning them into cash and cash equivalents is very low) and imputed to the profit and loss statement; (3) IAS 28 - equity profits derived from the management of an investment account in associated companies, net of dividends received from the holding Company; (4) IFRS 11 - equity profits derived from the management of a joint ventures account in associated companies, net of dividends received from the; (5) IFRS 3 - gains from a purchase at a bargain price (negative goodwill); (6) IAS 28, IFRS 11, IFRS 10, IFRS 3 - profits resulting from 'upstream' and 'downstream' transactions (Phase 2); (7) IAS 12 (neutralizing deferred tax effects that were created for each of the sections above and also neutralizing deferred taxes resulting from losses carried forward).

Changes in fair value of financial assets held for trading and which are available for immediate realization (easily realizable) that are traded in an active market and do not constitute strategic investments shall not be neutralized.

Notwithstanding the foregoing, from the amounts that shall be neutralized as stipulated in this section (a), losses originating from assets and liabilities as stated in subsections (1) through (7) above shall be offset and deducted up to the amount of the profits originating from these assets and liabilities (the offset will be of a

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general form of any kind and without distinction between type of asset/liability);

- (b) When realizing assets or settling liabilities, when the profits or losses for them have been excluded in the past in accordance with section (a) above (such as revaluation gains or equity gains), the balance of the realized profit will be increased in such a manner that the accrued profit amounts which were realized following the realization of the asset or settlement of the liability will be added thereto.

"Financial Entity" -

Each of the enumerated below: Banks; corporations whereby the Joint Investment Trust Law, 5754-1994 (including any law that replaces it) applies thereto; corporations whereby the Control of Financial Services. (Provident Funds) Law 5765-2005 (including any law that replaces it) applies thereto; an insuring corporation as defined in the Supervision of Financial Services Law, 5741-1981 (including any law that will replace it); a corporation that provides non-bank credit with the approval of the Supervisor of Capital Markets, Insurance and Savings, credit card companies that operate by virtue of the Banking (Licensing) Law, 5741-1981; or any corporation similar to the above enumerated organizations whereby the corporation is outside Israel and which is supervised by a competent authority in the country of incorporation.

"Business Day" -

Any day that most Banks in Israel are open for carrying out transactions.

It should be clarified that despite what is stated in this Deed below, the dates listed in this Deed and its appendices below may be changed in accordance with the bylaws of the Stock Exchange Clearing House and its guidelines, as in effect at the time of publication of the Offering Report and they shall be described within the Offering Report.

2. **General**

2.1. Appointment of the Trustee

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2.1.1. The Company hereby appoints the Trustee as the first trustee for Series 12 bond holders by virtue of the provisions of Chapter E1 of the Securities Law.

2.1.2. If the Trustee is replaced with another trustee, the other trustee shall be a trustee for the bond holders by virtue of the provisions of Chapter E1 of the Securities Law.

The trust for the bond holders and the duties of the Trustee under the terms of this Deed of Trust shall take effect upon issuance of the bonds by virtue of this Deed by the Company.

2.2 Term of office; Expiration of the term; Resignation; Dismissal

2.2.1 The first Trustee will serve from the date stipulated in Section 2.1 above and his tenure will end at the time when the holders meeting is convened (hereinafter: "**Assembly of the First Appointment**"), which the Trustee shall convene not later than 14 days after the presentation of the second annual report on the matters of the Trust under Section 35H1(a) of the Law. Insofar as the Assembly of the First Appointment approved the continuation of the tenure of the first Trustee, the Trustee is to continue until the end of the additional appointment period that was scheduled in the resolution of the Assembly of the First Appointment (which may be until the final maturity of the Bonds).

2.2.1 Insofar as the Assembly of the First Appointment and/or any later assembly specified the additional tenure period for the appointment of the trustee, his appointment period shall end with a resolution by the holders regarding the continuation of his tenure and/or appointing another trustee instead of him.

2.2.1 A resolution regarding transfer of the Trustee from office shall be passed by a simple majority of votes at an assembly of the participating holders attended by at least fifty percent (50%) of the outstanding balance of the par value of the bonds, or at an adjourned assembly of holders, holding at least ten percent (10%) of the stated outstanding balance.

2.2.1 Notwithstanding the provisions of Section 2, the provisions of the Law shall apply with respect to the appointment of the Trustee, his replacement, tenure, tenure expiration, resignation and dismissal.

2.2 The signing of this Deed of Trust by the Trustee does not constitute expression of any opinion by him regarding the nature of the offered securities or the investment viability thereof.

2.2 The Trustee shall represent the holders of Series 12 Bonds in any matter deriving from the Company's commitments towards them, and he shall be entitled for that purpose to act to exercise the rights of such holders in accordance with the Securities Law and the terms of the Deed of Trust. The Trustee

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may initiate any procedure for the purpose of protecting the holders' rights according to the law and the terms specified in this Deed of Trust.

2.2 Subject to the provisions of any law, the Trustee is not required to announce to any entity whatsoever that he signed this Deed of Trust.

2.2 Subject to the provisions of any law, the trustee is not required to act in a way that is not explicitly detailed in this Deed of Trust to any information regarding the Company and/or in connection with the Company's ability to meet its obligations to bond holders comes to his knowledge and this is not a part of his duty.

2.2 Subject to the provisions of any law and the provisions of this Deed of Trust, the Trustee undertakes, upon signing this Deed, to keep confidential any information provided by the Company and/or subsidiary and/or a Company related to the Company and/or anyone acting on their behalf (hereinafter: "**the Information**"), it shall not disclose it to another and it will not make use of it unless its disclosure or use is required to fulfill his duty under the Securities Law, according to the Deed of Trust, or by court order. It is hereby clarified that the transfer of the Information to the bond holders, including through public advertisement for the purposes of reaching a decision regarding their rights according to the bond or for reporting the Company's status, does not constitute a violation of the commitment to confidentiality as stated above, provided that the trustee will coordinate with Company in advance, to the extent possible and permissible, the contents and timing of the information transmitted and without this affecting the bond holders' rights. The transfer of such information to authorized representatives (who are not employees and/or officers in the Trustee) and/or to professional consultants of the Trustee (hereinafter, collectively: "**the Consultants**") shall be done subject to the Consultants signing a confidentiality letter as set forth in Appendix A of this Deed.

2.2 The Trustee may rely as part of the Trust on any document in writing, including, written instruction, notice, request, consent or approval, which appears to have been signed or issued by any person or body, when the Trustee believes in good faith that it was signed or issued by him.

2.2 The Trustee shall give the Company written notice regarding a change of the Trustee's contact details, within 7 business days from the date of change.

2.2 It is clarified that the termination of the Trustee's term shall not derogate from any rights, demands or claims that the Company and/or the holders of Series 12 Bonds may have against the Trustee, insofar that their cause shall be prior to the date of termination of the Trustee's term, and this will not release the Trustee from any liability according to law.

3. Issuing the Bonds

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3.1. General

2.2.1 The Company intends to issue, pursuant to a shelf offering report, registered Series 12 Bonds of 1 NIS par value each (hereinafter: "**Series 12 Bonds**"). The Series 12 Bonds shall be due and payable (principal) in six annual unequal payments, which will be made on the 30th of September of each of the years 2021 to 2026 (inclusive), as set forth below: the first payment in respect of the principal shall be made on September 30, 2021, and it shall be at a rate of 10% of the par value of the principal; the second, third, fourth and fifth payments in respect of the principal shall be made on the 30th of September of each of the years 2022 to 2025, as the case may be, and each one shall be at a rate of 17.5% of the par value of the principal; the sixth (and final) payment in respect of the principal shall be made on September 30, 2026, and it shall be at a rate of 20% of the par value of the principal.

2.2.1 The Series 12 Bonds shall bear an annual interest at a fixed rate to be determined in a tender for the interest rate, which shall not exceed the maximum rate as determined in the Offering Report. Interest on the unpaid balance, as it shall be from time to time, of the Series 12 Bonds shall be paid commencing from September 2018, twice a year (except in 2018), on the 31st of March and on the 30th of September of each of the years 2019 to 2026 (inclusive), in such a manner that the first payment of the interest shall be made on September 30, 2018, and the last interest payment shall be made on September 30, 2026, together with the last payment of the bond principal, against the delivery of the Series 12 Bond certificates to the Company. The interest payments shall be made for the six-month period ended on the last day prior to the relevant interest payment date, with the exception of the first interest payment, which shall be made on September 30, 2018, and which shall be paid in respect of the period commencing on the first trading day after the date of the tender of the Series 12 Bonds and ending on the last day prior to the aforesaid payment date, pursuant to the interest that will be determined in the tender and that will be calculated in accordance with the number of days in the aforesaid period, and based on 365 days per year. The Company shall issue an immediate report after the date of the tender, as stated, regarding the interest rate in relation to the first interest payment which shall be made on September 30, 2018.

2.2.1 The Series 12 Bond principal and the interest in respect thereof will not be linked. For further details, see also Sections 3, 4 and 5 of the Terms and Conditions Listed Overleaf for the Series 12 Bonds.

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- 2.2.1 If after the date of first issuance of the Series 12 Bonds, the bond series is expanded by the Company, holders of Series 12 Bonds, as mentioned, which shall be issued as part of the series expansion will not be eligible to receive payment on account of the principal and/or interest in respect of the said Bonds, where the effective date of these payments will apply prior to their stated date of issue.
- 2.2.1 For details regarding the Company's right to early redemption of the Series 12 Bonds, see Section 9 of the Terms and Conditions Listed Overleaf.

2.2 Issuing additional securities and increasing the series

- 2.2.1 The Company reserves the right to issue, in accordance with the provisions of the law, at any time (whether in a private placement or public offering), at its sole discretion and without requiring the Trustee's and/or bond holders' consent, a different type of bonds or an additional series of bonds (hereinafter: "**the Additional Series**") or other securities, under terms of maturity, interest, linkage, redemption level in case of liquidation and under other conditions, including securing them by collateral, as the Company deems fit, whether they are preferable over terms of the bonds, equal or inferior to them, and that is without prejudice to the duty of redemption imposed on it. Notwithstanding the foregoing, insofar as the Company issues an additional bonds series and this other series is not backed by collateral (and for such time that it is not backed by collateral), the rights of the Additional Series in liquidation will not have priority over those of the Series 12 Bonds.
- 2.2.1 The Company may, periodically, at its sole discretion, without requiring the approval of the Trustee and/or the bond holders, expand the bond series and issue additional Series 12 Bonds (whether in a private placement, whether under a prospectus, according to a shelf offering report or otherwise), including to an associated holder as stipulated in Section 4.2 below, at any price and in any manner deemed fit by the Company, including at a discount or premium rate (including the absence of premium and discount) that are different from those that existed (if any) in other issues that were made from the same series, provided that notice to that effect is delivered to the Trustee and that all the following conditions are fulfilled: (1) that the expansion of the bonds series will not cause, immediately following the consummation of the series expansion, the downgrading of the bonds' rating prior to the expansion of the series, and if the bonds are rated by more than one rating company then, for the purposes of this section, the determining rating (in connection with the rating prior to the expansion and in connection with the rating provided to it) will be the higher rating; (2) there is no cause for immediate repayment of the bonds; (3) the Company has met

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its material liabilities pursuant to the terms of the Deed of Trust; and (4) the Company has complied with the financial covenants as set forth above in Section 5.4 of this Deed (pursuant to the last Financial Statements that were approved and published prior to the date of the expansion and where the fact of the expansion of the bond series will not cause, immediately after the completion of the expansion of the series, a failure to comply with one or more of the aforesaid financial covenants. In any event of a series expansion as stated, the Company shall forward to the Trustee prior to obtaining an early commitment from qualified investors in connection with expanding the series (or in a private placement, prior to the actual issuance): (a) the rating company's confirmation that the rating as on the eve of the series expansion has not been downgraded, due to the expansion of the series, as stated above (when reporting the rating report that the Company received in connection with the expansion will be considered for the purposes of this section as the transfer of the rating to the Trustee); and (b) approval by a senior officer of the Company that there is no cause for immediate repayment of the Series 12 Bonds.

2.2.1 For the avoidance of doubt, it is hereby clarified that issuance of the additional bonds in the Series 12 Bond series shall be issued under the Deed of Trust and the provisions of the Deed of Trust shall apply thereto; and that the existing bonds of Series 12 and other bonds of the same series (from their date of issue) shall constitute one series for all intents and purposes, and the Deed of Trust shall also apply to any additional Series 12 Bonds that the Company will issue (if any). The Company will request the Stock Exchange to list the said additional bonds for trading, when they are issued. Subject to the terms of the Deed of Trust, the Trustee shall serve as the trustee for the Series 12 Bonds, as shall be in circulation from time to time, also in the case of series expansion and the Trustee's consent to serving as trustee for the expanded series will not be required.

2.2.1 Without derogating from the foregoing, the Company reserves the right to allocate additional bonds in the bond series by way of increasing the Series 12 Bond series at a discount rate different from the discount rate of the Series 12 Bonds in circulation at that time (if any). If the discount rate which is determined for the Series 12 Bonds due to the increase of the series is different from the discount rate of the Series 12 Bonds in circulation at that time (if any), the Company, before increasing the series, shall approach the Israel Tax Authority in order to obtain its approval that the matter of tax deduction at source is deducted from the discounting fees for the bond, the bond discount rate shall be determined at a uniform rate at the formula that weights the various discount rates on the Series 12 Bonds, if any. Should such approval be

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received, the Company shall calculate, after the date the series is expanded and before listing for trading the bond that shall be issued, the weighted discount rate for all the bonds from the series and it shall publish in an immediate report, prior to the listing for trading of the bonds that shall be issued, but, insofar as possible, together with the results of the issue, the uniform weighted discount rate for the whole series and it shall deduct the tax on the maturity dates of the Series 12 Bonds according to the weighted discount rate as stated and in accordance with the provisions of the law. Should no such approval be received, the Company will report, in an immediate report, prior to the listing for trading of the bonds that shall be issued, the failure to obtain such approval **and** it will provide notice that the uniform discount rate will be the highest discount rate that was created in respect of the Series 12 Bonds, and tax at source shall be deducted at the bonds at maturity, depending on the discount rate reported as stated. Therefore, there may be cases in which tax at source will be withheld for discount fees at a rate above the discount rate fees as prescribed for those who held Series 12 Bonds prior to the increase of the series. In this case, a taxpayer who held the bonds prior to the increase of the series and until the bond repayment shall be entitled to file a tax report with the Israel Tax Authority for a refund of the tax deducted from the discount fee, insofar as he is eligible to such refund by law.

2.2 As of the date of this Deed of Trust, as part of the other existing series of bonds of the Company, as well as vis-à-vis a consortium of financing banks, the Company undertook not to make a dividend distribution, if certain conditions have been not satisfied, as applicable. It is clarified that the Company is not and shall not be subject to any restriction to amend (including with respect to restrictions on the distribution of dividends) the terms and conditions of any other existing bonds of the Company as of the date of the signing of this Deed. In addition, the Company undertakes not to make a dividend distribution, unless the conditions set forth in Section 5.2 below, in whole or in part, as applicable, have been satisfied.

4. Acquisition of Bonds by the Company and/or by affiliated holder

4.1 The Company reserves, subject to any legally mandated provision, the right to purchase at any time and at any price it deems fit, Series 12 Bonds, which will be in circulation from time to time, without derogating from the repayment obligation imposed on it. Bonds purchased by the Company will be canceled and delisted from trading on the Stock Exchange and the Company shall not be entitled to reissue them. In the event that bonds are purchased during the trading on the Stock Exchange, the Company will approach the Stock Exchange Clearing House to request the withdrawal of the bond certificates. The aforesaid does not prejudice the Company's right to redeem the bonds early (as stated in Section 9 of the Terms and Conditions Listed Overleaf).

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- 4.2 Any subsidiary of the Company, a company related to the Company, an associated company, the controlling shareholders of the Company (directly or indirectly) and/or his relative (spouse, and also brother, parent, grandparent, issue or issue of spouse, or the spouse of any of the above) and/or a corporation controlled by any of them and/or controlled by the Company (excluding the Company in respect of which the provisions of Section 4.1 above apply) (hereinafter: "**Associated Holder**") will be entitled to purchase and/or sell Series 12 Bonds, at any time and periodically, including by way of issuance by the Company. Bonds that are held as stated by an Associated Holder shall be considered as an asset of the Associated Holder, they won't be delisted from trading on the Stock Exchange and will be transferable the same as the rest of the Company's bonds (subject to the provisions of the Deed of Trust and the bond). The holdings of an Associated Holder shall not be taken into account for the purpose of determining the quorum at the shareholders' meeting, and his votes will not be included in the count of the votes at such a meeting. Despite the foregoing the Company will not buyback Series 12 Bonds of the Company as long it fails to comply with the financial covenants described in Section 5.4 below.
- 4.3 The stated in Section 4 does not, in itself, obligate the Company or the bond holders to buy or sell bonds that they hold.

5. The Company's liabilities

5.1. General

5.1.1 The Company hereby undertakes to pay all amounts of principal and interest on the scheduled dates (including interest in arrears as applicable) paid under the terms of the bonds, and to fulfill all the other conditions and obligations imposed on it under the bond terms and this Deed of Trust.

In any event that the date of payment on account of principal amount and/or interest shall fall on a non-business day, the payment date shall be postponed to the next first business day, without any extra charge, interest or indexation, and the effective date for the purpose of determining the entitlement to redemption or interest will not change as a consequence thereof.

5.1.2 The Company undertakes that it will act to list the Series 12 Bonds for trading on the TASE. The Series 12 Bonds shall be listed for trading on the TASE in the Nominee Company's name, as set forth in the Deed of Trust.

5.1.3 The Company undertakes that until the full, final and accurate settlement date of the Series 12 Bonds under the terms of Series 12 Bonds, and compliance with all other liabilities of the Company to the holders of Series 12 Bonds according to the terms

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and conditions of the Deed of Trust and the Series 12 Bonds, the provisions of this
Section 5 detailed below shall apply.

5.2. Restriction on distribution, payment of investment and management fees in new corporations

5.2.1 Distribution of dividends and payment of management fees by the Company.

The Company hereby undertakes that, as long as the Series 12 Bonds are outstanding in their entirety, the Company shall not disburse dividends, as defined in the Companies Law (hereinafter: "**Dividend**") and shall also not buyback its shares (directly or indirectly) or pay management fees to its shareholders, unless the following six conditions have been cumulatively met: (a) as of the date of the last financial statements that were approved and published prior to the Board of Directors decision on disbursing the dividend or regarding the buyback of shares or payment of management fees, as applicable (hereinafter: "**the Decision**"); (b) immediately after the making of this Decision and following its making:

5.2.1.1 The total net financial liabilities is not higher than: (a) 1,400,000,000 (one billion four hundred million) US dollars, in the event that the ratio between the total net financial liabilities and the total assets of the Company is not higher than 40% (forty percent); or (b) 1,300,000,000 (one billion and three hundred million) US dollars, in the event that the ratio between the total net financial liabilities and the total assets of the Company exceeds 40% (forty percent).

5.2.1.2 The ratio between the total net financial liabilities and the total assets of the Company is not higher than 50% (fifty percent). Should the Company sell assets out of the total assets, as of the date that this Deed takes effect, in exchange for a total amount that is higher than 250 million US dollars and above, the ratio determined in this Section 5.2.1.2 only will be 35%.

For the purposes of this condition, as well as for the purposes of the condition set forth in section 5.2.1.1 above, the total assets on both dates will be examined as follows: (1) As of the last financial statements that have been approved and published prior to the date of the Decision; and also (2) at the time of the Decision. At this time, total assets will be examined according to the price known at the end of the last trading day prior to the date of the Decision, and the net financial liabilities shall be examined according to the latest financial reports before the disbursement.

5.2.1.3 No dividend amount shall be disbursed where, as a result of its disbursement, the cumulative dividend total shall be above 75% of the Company's cumulative distributable profit as of 1st of January 2015. For the avoidance of doubt, it is hereby

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clarified that the dividend amount that was distributed during the distribution process (as defined below) shall not be included in the cumulative dividend amount in accordance with this section. The cumulative dividend and accrued profit as stated in this section shall be counted as from January 1, 2015, excluding the amount of the dividend (in kind and in cash) distributed as part of the Distribution Process (as aforementioned).

“**The Distribution Process**” – a process for corporate separation, which was completed in January 2015, and which was done, *inter alia*, by way of the distribution of a dividend in kind and in cash in a total amount of 1,150,000,000 (one billion, one hundred and fifty million) US dollars, as stated in Note 5a of the Company's financial statements as of December 31, 2016.)

5.2.1.4 No dividend will be distributed (a) unless according to the latest financial statements which were approved and published prior to the date of the Decision (as this term is defined above), the Company did not comply with the financial covenant specified in section 5.4.2 below, without taking into account the remedy period in connection with this financial covenant, as stated in Section 8.1.20 of this Deed; or (b) if the bonds were lawfully due for immediate repayment.

5.2.1.5 No dividend will be distributed if, according to the most recent financial statements approved and published prior to the date of the Decision (as this term is defined above), the Company's shareholders' equity (as defined in Section 5.4.1 below) is less than 500 (five hundred) million US dollars.

5.2.1.6 No dividend will be distributed if there is a material breach of the terms and conditions of the Bonds.

Under the conditions stipulated in the preceding sections, the Company shall only disburse dividends in an amount that does not exceed the sum of the Company's Realized Gains (as defined above) for which dividends have not yet been disbursed and that is in accordance with the Company's latest financial statements that were approved prior to the Board of Directors decision regarding disbursement of the dividend.

In the matter of Section 5.2.1 above, it shall be clarified that to the extent that the Company does not published the financial report that it is required to by law, at date it is required to published by law, the Company shall not disburse until the report is published as stated above.

5.2.2 The Company shall forward to the Trustee prior to the date determined for disbursement of dividends and no later than 7 business days after reaching a decision regarding the distribution in

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the Company's institutions, an approval signed by the Company, signed by the senior officer in the Company's finance sector, with the relevant calculations attached to the satisfaction of the Trustee regarding compliance with conditions specified in Sections 5.2.1.1-5.2.1.5 above; as well as approval signed by an officer that (a) to the best of the Company's knowledge there is no cause for immediate repayment according to this deed; and that (b) there has been no material breach of the terms and conditions of the Bonds. The calculations shall be forwarded only to the Trustee, under confidentiality, and shall not become public information, unless the information has been requested by a bondholder, who shall also sign a deed of confidentiality. The Trustee shall rely on the approval of Company and will not be required to perform additional examinations himself. In case that the Company will distribute dividend and/or repurchase its shares and/or pay management fees to its shareholders according to this section, the Company will disclose in the Directors Report that is published as part of the financial statements to be published after the disbursement date, regarding being or not being compliant with the conditions listed in this section 5.2.

5.2.3 Investments in new corporations. The Company undertakes that insofar as all outstanding bonds have not yet been settled in full, the Company shall not make any investments whatsoever (including by way of investing in capital or option for capital or by way of providing loans, by purchase or by issuance), directly or through wholly-owned subsidiaries, in new corporations whereby the Company or companies wholly owned, directly or indirectly, held on the date of entry into force of this Deed of Trust.

It is clarified this undertaking is not to prevent or to restrict a company or a wholly owned subsidiary from performing any investments in Corporations held by any of them, directly or through a wholly-owned subsidiary on the date of entry into force of this Deed of Trust. Also, the above undertaking does not prevent the Company from managing investment portfolios, as part of the cash management of the Company, or to repay liabilities or pay guarantees provided or their provision was approved prior to the entry of this Deed of Trust into force.

It is further clarified that the aforementioned will not apply in relation to any transaction or action by Corporations held by the Company from time to time (excluding subsidiaries wholly owned by the Company, which hold ICL Shares).

Except if defined otherwise in this Deed, the definitions in section 5.2 above shall mean as in the Generally Accepted Accounting Principles.

5.3. Undertaking not to create liens on the ICL Shares that are held by the Company

As long as Series 12 Bonds will be traded (i.e. as long as Series 12 Bonds were not repaid or retired in any manner, including by way of buyback and/or early repayment), the Company undertakes (directly

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or through wholly owned subsidiaries) that it shall not, pledge, charge, assign by way of pledge or provide other security of any kind or as other guarantee to any liability of it or others or any third party (a) more than 500,000,000 (five hundred million) ICL Shares that it owns; (b) more than 897,639,005 (eight hundred and ninety seven million, six hundred and thirty nine thousand and five) ORL Shares that it owns.

It is clarified that despite the foregoing the said undertaking shall not apply in the case that the creation of a pledge which exceeds the abovementioned is for a purpose of a debt raising, where 80% or more of the proceeds are designated to a repayment (partial or full) of the bonds (in that case the Company shall be able to pledge larger amount of shares).

It is clarified that the Company's undertaking as stated in this subsection above is not registerable. The Company (directly or indirectly) shall be allowed to sell, lease, assign, give or transfer in any other way its property (including ICL Shares and/or ORL Shares that it owns, all or part, pledged or not) subject to the provisions of Section 8.1.21 below, in any way in favor of any third party, without any need for any approval by the Trustee and/or the holders of the Bonds or to provide notifications to any of them.

5.4. Other liabilities - financial covenants

5.4.1. **Minimal shareholders' equity** – The shareholders' equity of the Company (i.e., "the total capital attributed to the owners of the Company", pursuant to the latest published Financial Statements (as defined above); hereinafter: the "**Company's Shareholders' Equity**") – shall not be less than US \$360 (three hundred and sixty) million.

5.4.2. **Ratio of shareholders' equity to total assets** – The ratio between the Company's Shareholders' Equity ("the total capital attributed to the owners of the Company") pursuant to the latest published Financial Statements (as defined above), and the total of the Company's assets according to the solo financial statements with deduction of liquid assets according to the solo financial statements (i.e., cash, cash equivalents, short-term deposits) plus the net financial liabilities of companies that are wholly-owned by the Company – will not drop below 20%.

An examination of the compliance with the financial covenants will be performed on the date of the publication of the Company's interim or annual Financial Statements with respect to the calendar quarter (or the calendar year, as the case may be) that ended on the date in respect of which the aforesaid Financial Statements were prepared, with respect to each one of the financial covenants set forth in Sections 5.4.1 and 5.4.2 separately. Seven (7) business days after the date of the aforesaid examination, the Company shall transfer to the Trustee authorization that has been signed by the most senior officer of the Company in the financial field with respect to the results of the examination, together with an explanation and/or calculation to the Trustee's satisfaction. The Trustee may rely on

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the Company's authorization and will not be required to perform an additional examination on his behalf.

Should it transpire that pursuant to the Financial Statements as aforesaid in this section, the Company failed to comply with one or more of its obligations as set forth in this Section 5.4 above, and such non-compliance shall continue also pursuant to the relevant Financial Statements as of the end of the subsequent quarter after the initial examination in which the Company failed to comply with the aforesaid financial covenants (i.e., the breach shall continue pursuant to the Financial Statements of two consecutive quarters, in total) (hereinafter, in this section: the "**Period of the Examination**"), then, and only if there is a breach of one or more its liabilities as stated in this Section 5.4 above during two consecutive quarters, the provisions of Section 8.1.20 below shall apply.

5.5. Other liabilities - adjusting interest in the event of a change in the rating of the bonds

5.5.1. The rate of interest that the Bonds shall bear will be adjusted for change in the rating of the Bonds, as described below. The manner in which the adjustment of the interest rate that the Bonds shall bear, as stated above, shall be in accordance with the mechanism described in this Section 5.5.

It should be clarified that insofar as an adjustment of interest shall be necessary in accordance with the mechanism described in this section, and also pursuant to the mechanism described in Section 5.6 below, then in any event, the additional rate of interest, in respect of this section and in respect of Section 5.6 as aforesaid, cumulatively, will not exceed, in any event, 1.75% (the "Restriction of the Increase of the Maximum Interest**"). The Arrears Interest, insofar as applicable in accordance with Section 4.6 of the Terms and Conditions Listed Overleaf, will be added to the said rate and will not form part thereof.**

5.5.2 Insofar as the rating of the Bond Series by one of the rating companies that shall rate the Bonds (each one of them, hereinafter: "**the Rating Company**") shall be updated during any interest period, such that the rating determined for the Bond Series will be lower than (hereinafter: "**the Reduced Rating**") the (ilA) rating of S&P Maalot or a rating equivalent to this rating that will be determined by another rating company which shall rate the bonds (hereinafter: "**the Base Rating**"), the annual interest rate that the unpaid balance of the principal of the bonds will bear shall be increased by an Additional Interest Rate, as defined below, above the Base Interest Rate, as defined below, and which is for the period beginning on the next interest period and until full repayment of the unpaid balance of the principal of the bonds or until the beginning of the first interest period which is after the upgrading of the Reduced Rating back to the Base Rating or a rating higher than it (or back to a rating in which the additional interest rate is lower, as described

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below, in which case that which is listed in subsection 5.5.5 below shall apply), whichever is earlier.

"The Base Interest" means the interest rate determined in the tender, as published by the Company in the immediate report regarding the results of the offering.

It is clarified that no addition will be made to the interest for the period from the date the rating was reduced until the end of the current interest period during which the rating of the bonds has been updated and that the interest will not be reduced back for the period from the date the rating was raised back to the Base Rating (or to a higher rating that it is) or back to the rating for which the additional interest rate is lower, as described below, until the end of the interest period during which the bond rating has been updated. For example, if the interest period is from 30th of November to 30th of May, and in the month of December in that period there is a change in rating which entails lowering or raising interest rates according to the conditions listed below, then no changes shall be applied (raising or lowering the interest) until 30th of May of that year, but only starting from 31st of May of the following period in connection with the next payment which will be paid on November 30.

In this regard, **"the Additional Interest Rate"** means: (A) While the Reduced Rating is (i1A-) according to Maalot's rating scale (or equivalent rating for this rating which is determined by another ratings Company that shall rank the bonds): 0.25%; (B) while the reduced rating is (i1BBB+) according to Maalot's rating scale (or equivalent rating for this rating which is determined by another ratings Company that shall rank the bonds): 0.5% (i.e., additional 0.25% on interest rates under subsection (a)); (C) while the Reduced Rating is lower than the rating indicated in subsection (b) above by one grade according to the rating scale (or equivalent rating for this rating which is determined by another ratings Company that shall rank the bonds): 0.75% (i.e., additional 0.25% on interest rates under subparagraph (b)); (D) as long as the Reduced Rating is lower by one grade than the rating indicated in subsection (c) above according to Ma'alot's rating scale (or an equivalent rating for this rating which is determined by another rating company that shall rank the bonds): 1.0% (i.e., an additional 0.25% to the interest rate pursuant to subsection (c)); and also (E) as long as the Reduced Rating is lower than the rating specified in subsection (d) above by one notch, according to Ma'alot's rating scale (i.e., a rating that is lower than the BBB- [BBB minus] rating; or a rating that is equivalent to this rating which shall be determined by another Rating Company that will rate the Bonds): 1.5% (i.e., an additional 0.5% to the interest rate pursuant to subsection (d)).

In addition, in the event of the cessation of the rating of the Series 12 Bonds of the Company for over sixty (60) consecutive days, the interest supplement that is set forth in subsection (D) above

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shall be paid (i.e., 1%), without derogating from the right of the bondholders to declare the Series 12 Bonds of the Company to be immediately due and payable as stated in section 8.1.8 below.

To remove any doubt (and without derogating from the Restriction of the Increase of the Maximum Interest), it is clarified that in no circumstances (except with respect to interest in arrears as described in Section 4.6 of the Terms and Conditions Listed Overleaf in the First Schedule to this Deed) shall the annual interest rate pursuant to this Section 5.5 exceed the Base Interest Rate plus 1.0%, except in the event that the Reduced Rating is lower than the BBB-[BBB minus] rating, in which case the annual interest rate will not exceed the base interest rate +1.5%.

- 5.5.3 In the event of updating the rating of bonds by a Rating Company, in a manner that will affect the interest rate that the bonds shall bear as stated above in this section 5.5, the Company shall notify the Trustee, and also immediately publish a report not later than one trading day after the date on which the Company shall be informed of the change in the rating, that shall include all the particulars as stated in section 5.5.4 below, in accordance with the provisions of any law..
- 5.5.4 As part of the publication process of the immediate report regarding the interest rate for the next interest period (i.e. it starts immediately after the period during which the relevant change in the rating), the Company shall specify: (A) regarding lowering the rating, the reduced rating, the additional interest rate and starting date for the bond rating at the same rating (Hereinafter: "**The date the rating was lowered**"); (B) The updated average annual interest rate (i.e., base interest rate plus an additional relevant interest rate); (C) the semiannual interest rate (the semiannual interest shall be calculated as the updated annual interest rate divided by two) relative to the subsequent periods.
- 5.5.5 It shall be clarified that in the event after lowering the rating in a manner that affected the interest rate that the bonds shall bear as stated above in this section 5.5, the rating Company shall update the rating for the bonds upwards, to a rating stemming thereof to and additional interest rate which is lower, as described above (hereinafter: "**The higher ranking**"), then the interest rate to be paid by the Company to bond holders in respect of the period starting with the beginning of the next interest period shall be lowered gradually and according to the increase of the rating (i.e.: It begins immediately after the period during which the relevant change in ranking) until full payment of the unpaid principal of the bonds or until the change in the bond rating stated in accordance with the provisions of this section, so that the interest rate borne by the unpaid balance of the principal of the bonds will be the base interest rate without any supplement or, as applicable, plus the relevant interest rate (it should be clarified that in any event, the interest rate that the Bonds will bear will not be less than the interest rate that will be determined in the tender). In the case of the aforementioned, the Company shall act according to the provisions of

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subsections 5.5.3 and 5.5.4 above, mutatis mutandis from the high rating instead of the reduced rating.

5.5.6 It is clarified that in the event of changes in the ranking during interest period (Hereinafter: "**The current interest rate period**"), will be the determining date for examining the interest rate for the next interest period, the last day of the current interest period, i.e. - the additional interest rate that will be paid during the next interest as shall be stated with regard to the supplement) will be derived from the bonds rating on the last day of the current interest period.

5.5.7 For the avoidance of doubt, it is clarified that change in the outlook of the rating of the bonds will not lead to change in the interest rate the bonds shall bear.

It is hereby clarified that as the bonds will be ranked simultaneously by more than one rating company, then for the purpose of this section 5.5, change of ranking will relate to the bond rating by the rating company who rates the bonds at the lowest. It is also clarified that in such a case, adjustment of the interest rate in accordance with the provisions of section 5.5 is applied as of the next interest period (i.e., after the interest period during which applies the relevant rating change as mentioned above).

Nevertheless, it shall be clarified that the replacement of a rating company is at the Company's sole discretion, and the very fact of the replacement of a rating company shall not constitute a breach by the Company of the provisions of this Deed of Trust and/or grounds for declaring the Series 12 Bonds to be immediately due and payable. Should the Company replace a Rating Company for the Series 12 Bonds or should it terminate the engagement therewith (also in the event that the Bonds are rated by a number of Rating Companies), the Company shall submit notice, in writing, to this effect to the Trustee and to the holders of the Series 12 Bonds, by publishing an immediate notice and it shall state, in its notice, the reasons for the change of the identity of the rating company, not later than one trading day after the replacement or the termination of the engagement with the Rating Company, as the case may be. It is clarified that the foregoing does not and shall not derogate from the Company's right to replace, at any time, a rating company, at its sole discretion and for any reason that it shall deem fit.

5.6 Other liabilities – adjusting interest in the event of a failure to meet the shareholders' equity commitment

The rate of interest that the Series 12 Bonds will bear shall be adjusted if the Company's shareholders' equity drops below 400 (four hundred) million US dollars (hereinafter, in this section: "**Shareholders' Equity Deviation**"), commencing from the Date of the Deviation, as defined and as set forth below.

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It should be clarified that insofar as an adjustment of interest shall be necessary in accordance with the mechanism described in this section, and also pursuant to the mechanism described in Section 5.5 above, then in any event, the additional rate of interest, in respect of this section and in respect of Section 5.5 as aforesaid, cumulatively, will not exceed, in any event, 1.75% (the "Restriction of the Increase of the Maximum Interest"). The Arrears Interest, insofar as applicable in accordance with Section 4.6 of the Terms and Conditions Listed Overleaf, will be added to the said rate and will not form part thereof.

For this purpose:

The "**Additional Interest Rate in Respect of the Shareholder's Equity Deviation**" – a rate of 0.25% in respect of the Shareholder's Equity Deviation. It is clarified that an increase in the interest rate will be done only once in respect of the Shareholder's Equity Deviation, and the interest rate will not be increased an additional time in the event that the Shareholder's Equity Deviation continues.

"**Date of the Deviation**" – the first business day after the date of the publication of the Financial Statements that indicate the deviation.

5.6.1 Should there be a Shareholder's Equity Deviation, commencing from the date of the deviation (hereinafter: the "**Deviation**"), the annual interest rate that will be borne by the outstanding balance of the Series 12 Bonds will be increased by the Additional Interest Rate in Respect of the Shareholder's Equity Deviation, above the interest rate that was determined for the Series 12 Bonds in the tender for the interest rate, in accordance with the Shelf Offering Report (as the Company shall publish in an Immediate Report regarding the results of the issue) (hereinafter the "**Interest Rate That Was Determined**") or above the interest rate as it will be prior to the Deviation (and subject to the Restriction of the Increase of the Maximum Interest).

5.6.2 The period in respect of which the Additional Interest Rate in Respect of the Shareholder's Equity Deviation will be added shall be effective from the Date of the Deviation and up until the earlier of: (a) the full repayment of the outstanding principal balance of the Series 12 Bonds; or (b) the date of the publication of the Company's Financial Statements pursuant to which no Shareholder's Equity Deviation exists, and all subject to the Restriction of the Increase of the Maximum Interest.

5.6.3 Should such a Deviation exist, not later than at the end of one business day from the Date of the Deviation, the Company shall publish an immediate report, in which the Company shall specify: (a) the existence of the Shareholder's Equity Deviation, while specifying the Deviation on the date of the publication of the Financial Statements; (b) the up-to-date rating of the Series 12 Bonds pursuant to the last rating report that was published prior to the date of the immediate report; (c)

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the precise rate of interest that will be borne by the Series 12 Bonds for the period from the beginning of the current interest period and up until the Date of the Deviation (the interest rate will be calculated according to 365 days per year) (hereinafter: the "**Original Interest**" and the "**Original Interest Period**," respectively); (d) the rate of interest that will be borne by the balance of the Series 12 Bond principal, commencing from the Date of the Deviation and up until the date of the next actual interest payment, i.e.: the Original Interest plus the additional interest per year (the interest rate will be calculated according to 365 days per year) (hereinafter: the "**Up-To-Date Interest**"), subject to the Restriction of the Increase of the Maximum Interest; (e) the weighted interest rate that will be paid by the Company to the holders of Series 12 Bonds on the next interest payment date, arising from the foregoing in subsection (b) (insofar as relevant), (c) and (d) above; (f) the annual interest rate that is reflected by the weighted interest rate; and (g) the annual interest rate and the semi-annual interest rate (the semi-annual interest rate will be calculated as the interest rate divided by two) for the following periods.

5.6.4 Should the Date of the Deviation apply during the days commencing four (4) days prior to the effective date for the payment of any interest whatsoever and ending on the date of the interest payment that is closest to the said effective date (hereinafter: the "**Deferment Period**"), the Company shall pay to the Series 12 bondholders, on the next interest payment date, the Original Interest only (i.e., prior to the change), and the interest rate that arises from the addition of the interest at a rate that is equal to the additional interest rate per year during the Deferment Period (calculated on the basis of 365 days per year) shall be paid on the next interest payment date, and all subject to the Restriction of the Increase of the Maximum Interest. The Company shall give notice, in an immediate report, of the precise interest rate to be paid on the next subsequent interest payment date.

5.6.5 In the event of a Shareholder's Equity Deviation, in such a manner that will affect the interest rate that will be borne by the Series 12 Bonds, the Company shall give notice to that effect to the Trustee, in writing, within one business day from the Date of the Deviation.

5.6.6 It is hereby clarified for the avoidance of doubt that in the event that after the Deviation, the Company shall publish its Financial Statements, whether audited or reviewed (as the case may be), and in accordance therewith, a Shareholder's Equity Deviation no longer applies, then the increase in the annual interest in respect of the Shareholder's Equity Deviation shall be cancelled so that the annual interest rate that will be borne by the Bonds will be reduced by a rate of 0.25%, in respect of the period in which the Shareholder's Equity Deviation no longer exists, commencing on the date of the publication of the Financial Statements that indicate that a Shareholder's Equity Deviation no longer exists. In such an event, Company shall act in accordance with what is stated in this Section 5.6 above, *mutatis mutandis*, as the case may be, as arising from the Company's compliance with the said financial covenant.

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5.7 Other liabilities – restrictions on the Company's transactions with its controlling shareholders

Should the Company become a corporation that is not a reporting corporation (as this term is defined in section 28.2 below) – then commencing from the date on which the Company shall become (if at all) a corporation that does not file reports, and as long as it fails to comply with one (or more) of the financial covenants as stated in Section 5.4 above, transactions or engagements in accordance with the provisions of Section 270(4) of the Companies Law shall be brought for the approval of the holders of the Series 12 Bonds of the Company by ordinary resolution. It should be clarified that such approval pursuant to this Section 5.7 shall not be required with respect to (a) transactions or engagements that were in effect prior to the period during which the Company ceased to be a reporting company as aforesaid (if at all); (b) such transactions or engagements that fall within the Companies' Regulations (Relief in Transactions with Interested Parties), 5760 - 2000.

6. Collateral

- 6.1. The Series 12 Bonds are not secured by any collateral or otherwise.
- 6.2. Subject to the provision of Section 5.3 above and the provisions of Section 8.1.21 below, the Company is entitled, from time to time, to pledge all its assets and/or part thereof, to sell, lease, give away or transfer in any other manner, its property or any part thereof, in anyone's favor that it deems fit, without any limitation, at any level, including securing a series of bonds or other liabilities without requiring the consent and/or notifying the trustee and/or the bond holders (but without derogating from the Company's liabilities under this Deed of Trust). Also, the Company has no obligation to inform the Trustee of a transfer or sale of any part of its assets.
- 6.3. For the avoidance of doubt, it is clarified that it does not apply on the Trustee to examine, and actually does not, the need to place collateral to ensure payments to the bond holders. The Trustee is not asked to conduct, and does not actually perform economic, legal or accounting due diligence with regards to the Company's or its subsidiaries business situation. The engagement in this Deed of Trust, and the Trust's consent to serve as trustee for the bonds holders, the trustee does not give his opinion, explicitly or implicitly, regarding the Company's ability to meet its obligations to the bond holders and not this is not included among its roles. Nothing stated is to derogate from the Trustee's obligations under any law and/or Deed of Trust including the Trustee's obligations (insofar as applicable to the Trustee's obligation by law) to examine the impact of changes in the Company's from the IPO date and onwards as far as they could adversely affect the Company's ability to meet its obligations to the bond holders.

7. Priority level

All the bonds (Series 12) having an equal rank in relation to the sums payable accordingly, *pari passu*, between themselves and without having a prior right or priority of one over the other.

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8. **Right to declare bonds to be immediately due and payable and/or realizing collateral**

8.1. Upon one or more of the events listed below taking place, the Trustee and also the bonds holders are entitled to demand immediate repayment of the balance of the amount due to holders pursuant to the bonds or realize the collateral provided (insofar as provided) to ensure the Company's obligations to the bond holders in accordance with the bonds and the provisions of section 8.2 shall apply, respectively:

8.1.1 The bonds were not paid at maturity or the Company did not make any of the payments which it was due to according to the bonds or Deed of Trust to the bond holders or did not uphold the substantive obligation which was otherwise given to bond holders and the Company didn't rectify the breach within 7 days.

8.1.2 If the Company made the decision to liquidate (except for liquidation as a consequence of a merger, as stated under section 8.1.11), or if a permanent and final dissolution order was given in relation to Company by the Court or a permanent liquidator is appointed.

8.1.3 Whether a temporary dissolution order is given by the Court or a provisional liquidator is appointed to the Company, or any judicial decision similar in character was reached () and an order or decision as stated were not postponed or revoked within 45 days from the date the order was given or the decision was reached, respectively. Notwithstanding the aforementioned, the Company shall not be given any healing period with respect to requests or orders filed or given, as applicable, by the Company or with its consent.

8.1.4 If a foreclosure is imposed on the Company's assets (as this term is defined below), or if any action of writ of execution is performed against the Company's assets (as this term is defined below), and the foreclosure will not be removed or the is not is revoked, as applicable, within 45 days from the date they were imposed or implementation, as applicable. Notwithstanding the aforementioned, the Company shall not be given any healing period with respect to requests or orders filed or given, as applicable, by the Company or with its consent.

For the purpose of this subsection and for the purpose of subsection 8.1.5 – the **"Company's Assets"** mean – an asset or a number of assets that are owned by the Company (and for the avoidance of doubt, *inter alia*, including a loan that was provided by the Company to Kenon which, as of the date of the signing of this Deed has been repaid), whose aggregate book value is over 50% of the Company's assets pursuant to their book value in the Company's most recently published consolidated Financial Statements, whether audited or reviewed, as the case may be.

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- 8.1.5 If a request for receivership or appointing a receiver is submitted (provisional or permanent) for the Company's Assets (as defined above), or whether an order appointing a provisional receiver - which is not postponed or revoked within 45 days after being submitted or given, as applicable; or - if an order appointing a permanent receiver for the Company's assets (as this term is defined below). Notwithstanding the aforementioned, the Company shall not be given any healing period with respect to requests or orders filed or given, as applicable, by the Company or with its consent.
- 8.1.6 (a) If the company files for a stay of proceedings or whether an order as aforesaid or if the Company files a request for a compromise or an arrangement with creditors under section 350 of the Companies Law (except for the purpose of a merger with another Company under section 8.1.11 below and/or a change in the company structure including splitting which is not prohibited under this Deed, with the exception of arrangements between the Company and its shareholders that are not prohibited under the terms of this Deed and does not affect the Company's ability to repay the Series 12 Bonds) or if the company will offer another way to the creditors a compromise or arrangement as stated above, due to the lack of the Company's ability to meet its obligations in time; Or – (b) if an application was filed under section 350 of the Companies Law against the Company (and which was not consented to) which is not postponed or revoked within 45 days from the date of submission.
- 8.1.7 If TASE suspended the trading of the bonds, except suspension on the grounds of ambiguity, as stipulated in the fourth part of the TASE regulations, and the suspension is not revoked within 60 days.
- 8.1.8 If the Series 12 Bonds will not be rated for a period exceeding 60 consecutive days, except in case cessation of the rating is the result of reasons or circumstances beyond the Company's control.
- 8.1.9 If the Company disburses dividends and/or repurchase of shares and/or payment of management fee and/or investment in new Corporations as opposed to the provisions of section 5.2 to the Deed.
- 8.1.10 In the event that the Company performs an expansion of the Series 12 Bond series in a manner that does not meet the Company's obligations in relation to the expansion of the series under section 3.2 above.
- 8.1.11 A merger took place without the prior approval of the bond holders by ordinary resolution, unless the absorbing entity declared, to the bond holders, including through the Trustee, at least 10 business days prior to the merger, because there is no

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reasonable concern that the merger would not be in the absorbing entity's ability to fulfill its obligations to the bond holders.

- 8.1.12 If the Company fundamentally breaches the terms of the bonds or the Deed of Trust, or if it fails to comply with any of its material obligations pursuant thereto, or if it becomes apparent that a substantial representation of the Company's representations in the bonds or Deed of Trust is incorrect and/or incomplete, and in which case it is a violation that can be repaired - the violation is not corrected within 14 days from receiving notice from the Trustee about the violation, during which the Company will act to correct it.
- 8.1.13 If the Company stops or notifies of its intention to stop its payments or cease or announces its intention to cease to carry on its business as shall be from time to time.
- 8.1.14 If there has been significant decline in the Company's business in comparison to their condition at the date of issuing of the bonds, and there is real concern that the Company is unable to repay the bonds in time.
- 8.1.15 If the Company has not published the financial report, which is published in accordance with any law within 30 days from the last date which it has to publish (if the Company has received an extension from a certified authority - at the end of the extension).
- 8.1.16 If the Series 12 Bonds are erased from trading on TASE.
- 8.1.17 If the company violates the obligation set out in section 5.5 to the Deed.
- 8.1.18 If there is a genuine concern that the Company will fail to comply with its material obligations vis-à-vis the holders of the Series 12 of the Company.
- 8.1.19 If the following were declared to be immediately due and payable, as required by law:
(1) another series of bonds that was issued by the Company (and that is tradable on the TASE or on the TACT (Tel Aviv Continuous Trading Institutional System)); or (2) an unsecured debt (a bond without securities and/or liens or a number of such debts in the aggregate) that was taken by the Company from a Financial Entity and/or from Financial Entities (as this term is defined above) in a scope that exceeds US \$100 million; or (3) a series of bonds that is tradable (on the TASE or in the United States) in a scope that exceeds US \$500 million, that were issued by ICL; provided that the requirement stated in this subsection shall not be cancelled within 21 business days from the date of the declaration of its being immediately due and payable.

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- 8.1.20 If the Company failed to comply with one (or more) of the financial covenants that are set forth in Section 5.4 of this Deed above, during a period of two consecutive quarters (i.e., based on the publication of two consecutive financial statements).
- 8.1.21 If the Company's Assets were sold in a scope that constitutes over 50% of the total value of the Company's Assets (i.e., the Company's assets (the ICL Shares and the ORL Shares) and the assets of the consolidated subsidiaries which are wholly owned by the Company and which hold ICL Shares), in a single transaction or in several transactions during a period of twelve consecutive months, or if a change was made of the Company's Core Activities, as the case may be. For the purpose of this subsection – the "Company's Core Activities" means – a change to the nature of the Company's activities so that it would cease to be a holding company.
- 8.1.22 If the Company performed a transaction with a controlling shareholder in contravention of the provisions of Section 5.7 above in this Deed.
- 8.1.23 If the Company breached its obligations according to Section 5.3 to this Deed.
- 8.1.24 In case that the controlling shareholder of the Company (as stated in the Company's periodic report for 2017) has sold to another the control in the Company, and as a result no one of the controlling shareholder and/or his relative and /or related entity to any of them are no longer considered as controlling shareholders of the Company (a) alone or (b) together with others in such manner that the holdings ratio of the controlling shareholder of the Company and/or his relative and /or related entity to any of them constitutes above half of the issued capital held by the entire controlling group; without the prior consent of the bonds holder in a Regular Decision.
- 8.1.25 Should the Company cease to be a reporting corporation, as this term is defined in the Securities Law.
- 8.1.26 Should a "going concern" note pertaining to the Company (alone; as distinct from a going concern note with respect to the companies that are held by the Company) be stated in the Company's Financial Statements for a period of three consecutive quarters (and for the avoidance of doubt, only after the publication of the third consecutive financial statement, audited or reviewed, as the case may be, in which the "going concern" note is stated.

In cases stated, the provisions of section 8.2 below shall apply.

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For the avoidance of doubt, it is clarified that there is no right to call for immediate repayment as stated above and/or to call for immediate repayment in order to derogate from or prejudice from any other or additional remedy to which the bond holders are eligible for or the Trustee based on the bond terms and provisions of this Deed or by law, failure in providing immediate repayment on occurrence of any of the cases listed in section 8.1 above, will not constitute any waiver whatsoever of the rights of the bond holders or of the trustee, as stated.

8.2. Upon occurrence of any of the events listed in section 8.1 above and in accordance with the provisions included in it as per the subsections therein:

8.2.1 The trustee will have to summon an assembly of the Series 12 Bonds holders whose agenda would be a decision to call for immediate repayment of the entire unpaid balance of Series 12 Bonds and/or realization of collateral (insofar as given) due to the occurrence of any of the events listed in section 8.1 above, and will have to summon an assembly as stipulated by the demand of the Series 12 Bond holders, at least one or more, five percent (5%) of the remaining face value of Series 12 Bonds, whose agenda would be a decision to call for the immediate repayment of the entire unpaid balance of the Series 12 Bonds and/or realizing collateral (insofar as given) due to the occurrence of any of the events listed in section 8.1 above. The convening date as stated shall be within 21 days from the date of the summons (or a shorter time in accordance with the provisions of section 8.2.7 below).

8.2.2 The holders decision to call for the immediately repayment and/or realization of collateral (insofar as given) as stated above, will be achieved at the holder assembly where at least fifty per cent (50%) of the bonds holders were present of the remaining face value of bonds of the same series, with a majority of holders of the remaining face value of the bonds represented at the vote or a majority as stipulated in the adjourned holders assembly in which at least 20 percent (20%) of the bonds holders of the balance were present, as stipulated.

8.2.3 In the event that until the convening of the assembly any of the events listed in section 8.1 to this Deed have not been revoked or removed, and a decision at bond holders assembly as aforesaid has been accepted in accordance with section 8.2.2 above, the trustee will be required to, within reasonable time and as soon as possible, to make immediate payment of all the unpaid balance of Series 12 Bonds and/or realize collateral, insofar as given.

8.2.4 Notwithstanding all the provisions stated in this section 8.2, the trustee and bond holders will not be allowed to call for immediate payment of the bonds and realization of collateral (as they are), unless after the period prescribed in the subsections of section 8.1

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above, as determined, during which the Company may take action or make a decision that resulted in the removal of grounds to call for immediate payment or realization of collateral (Hereinafter: "**The healing period**"); however, if the grounds were not dropped, the Trustee is permitted to shorten the said period if he believes that this will significantly harm the holders rights.

8.2.5 Notwithstanding all the provisions stated in this section 8.2, the Trustee or holders will not call for the immediate payment of the bonds and neither realization of the collateral (insofar as given), only after giving the Company notice in writing 7 Business Days before calling immediate payment of the Series 12 Bonds or realization of the collateral (Hereinafter: "**The notice period**"), of their intention to do so; However, the trustee or Series 12 bond holders do not have to give the company a notice as aforesaid, if there is concern that the notice will harm the possibility to call for immediately payment of the bonds and/or realize collateral (insofar as given).

8.2.6 A copy of the summons of the assembly that shall be sent by the Trustee to the Company immediately upon publication of the notice or advertising the summoning of the assembly in the Electronic Disclosure System will constitute advance notice and in writing to the Company regarding the Trustee's intention to act as aforementioned.

8.2.7 The trustee may, at its discretion, shorten the stated 21 days quorum (in section 8.2.1 to this Deed) and/or the stated notice of 7 days (section 8.2.5) to not less than two Business Days, in exceptional cases in which the Trustee is of the opinion that any delay in convening the assembly endangers the rights of Series 12 bond holders.

8.3 The foregoing in this section does not prejudice or stipulate the rights of the Trustee or Series 12 bond holders in accordance with the provisions of section 35i1 to the Securities Law or according to the provisions of the law.

9. Claims and procedures by the trustee

9.1. In addition to each provision as stated as a right and an independent authority, the trustee shall act without giving further notice, in all the same procedures, including legal proceedings and requests for instructions, as it deems fit, and subject to the provisions of any law to protect the rights of the bond holders and also for the purpose of the enforcement of performance by the Company of another obligation of the Company pursuant to the Deed of Trust.

The foregoing is not to prejudice and/or to derogate from the right of the Trustee to open legal and/or other proceedings even if no bonds were called on for immediate repayment and all this to protect the bond holders and/or provide any court order in which relates to the Trust's matters and

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subject to the provisions of any law. Notwithstanding the provisions of article 9, it is clarified that the right to call for immediate repayment will arise only in accordance with the provisions of section 8 above and by virtue of section 9.

- 9.2. The Trustee will have to do the stated under section 9.1 above if required to do so by the standard resolution adopted in the General Assembly of the bond holders, unless the circumstances show that it's not just and/or reasonable to do so and contact the appropriate court to request it to accept the subject instructions at the first reasonable opportunity.
- 9.3. The Trustee may prior to taking action in the proceedings as aforesaid; to convene an assembly of bonds holders in order for the holders to decide by ordinary resolution which procedures are to be taken to exercise their rights according to this Deed. The trustee will also be entitled to convene assemblies of bond holders to receive instructions regarding management of the aforesaid procedures. The Trustee's actions shall be performed in cases as stated without delay and at the first possible moment. For the avoidance of doubt, it is clarified that the Trustee may not delay execution of calling for immediate payment regarding the bonds holders decided at the assembly under section 8 above, unless the event that led to the decision to call for the immediate payment was revoked or removed.
- 9.4. Subject to the provisions of this Deed of Trust, the Trustee is entitled, but does not have to, convene at any time, a General Assembly of the bond holders to discuss and/or receive any instructions regarding anything concerning this Deed. For the avoidance of doubt, it is clarified that the Trustee may not delay execution of calling for immediate payment regarding which the bonds holders decided at the assembly under section 8 above, unless the event that led to the decision to call for the immediate payment was revoked or removed.
- 9.5. Whenever the Trustee will be required under the terms of this Deed to take any action, including opening proceedings or submitting claims at the bond holders demand as stipulated in this section, the Trustee is entitled to refrain from taking any action as mentioned above until getting instructions from the holders Assembly and/or court orders to which the Trustee approached, at his discretion, to request instructions in the event he believes it is necessary to receive instruction, as stipulated. For the avoidance of doubt, it is clarified that (a) the Trustee may not delay execution of calling for immediate payment or realization of collateral (insofar as given) regarding which the bond holders decided at the assembly under section 8 above, unless the event that led to the decision to call for the immediate payment was revoked or removed and (b) the Trustee may not delay the taking of measures or proceedings as aforesaid in the event that the delay could adversely affect the rights of the holders of the bonds.

10. **Trustee for the receipts**

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All proceeds received by the Trustee, except for his fees and any debt due to him in any manner whatsoever, including, but without limitation resulting in making the bonds receivable immediately and/or as a result of procedures to take, if taken, inter alia, against the Company, shall be held by him in trust and used by him for goals and in the following the order of priority: Firstly - settling the expenses, payments, levies and reasonable liabilities made by the Trustee, imposed on him, or caused incidentally or resulting from actions in managing the Trust or otherwise in connection with the terms of this Deed, including his salary. Secondly - to pay any other sum according to the liability indemnity (as this term is defined in section 23 below). Thirdly - payment to holders who bore the payments according to section 23 below beyond their relative share under section 23.4.1.2 below, and then the reimbursement to the holder who bore the payments as per their relative share according to section 23.4.1.2 below.

The balance will be used, unless otherwise decided in a special resolution at the bondholders' meeting, for such purposes according to the following order of priority: firstly – payment of the interest in arrears to the bond holders (insofar as applicable) that is due to them according to the terms of the bonds, pari passu and in proportion to the amount of the interest in arrears due to each of them without preference or right of first refusal regarding either one of them; secondly - in order to pay bond holders the amounts of the interest due to them according to bonds held by them, subject to the terms of linkage set forth in the Bonds, pari passu, which have not yet become due and payable, and pro rata to the amounts that are due to them; thirdly – payment to the bondholders of the principal arrears due to them pursuant to the terms of the Bonds, pari passu, and pro rata to the amount of the principal that is due to each one of them, without preference or pre-emptive right with respect to any of them; and fourthly – in order to pay to the bondholders the principal amounts, whether or not the principal amounts have become due and payable; and the surplus, if any, the Trustee shall pay the Company or the other way round, as applicable.

From the payments to the bond holders tax at source will be withheld, to the extent that it is incumbent to be deducted under any law.

11. Authority to demand financing.

Subject to the approval of the bondholders meeting in a resolution passed by a simple majority, the Trustee may instruct the Company to transfer to the Trustee's account, for the bond holders, part of the payment that the Company is required to pay to the bondholders (hereinafter, in this section: the "**Relevant Payment**"), the date of which shall apply shortly after the notice, and that is to finance the procedures and/or expenses and/or the trustee's salary according to this Deed (hereinafter, in this section: the "**Financing Amount**"), provided that the Company did not bear the Financing Amount and/or did not deposit the Financing Amount with the Trustee, in advance. The company will transfer the Financing Amount to the Trustee not later than the date of the making of the Relevant Payment. The Company is not entitled to refuse to act in accordance with the aforesaid notice, and it shall be deemed as having

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fulfilled its commitment towards the holders if it shall prove that it has transferred the full Financing Amount to the Trustee, as aforesaid.

It should be noted that the Financing Amount that will be transferred to the Trustee shall be deducted from the interest payment only, and it may not be deducted from the principal payment. Should the Financing Amount be deducted from the interest payment, an ex-date will be made in accordance with the original interest rate, and after the ex-date, the Stock Exchange will update the interest rate in the systems, after the deduction of the Financing Amount, for the purposes of the payment.

In addition, the Company shall publish an immediate report, which will be published by not later than four trading days prior to the effective date for the making of the Relevant Payment from which the Financing Amount will be deducted, and it shall specify the following: the Financing Amount, the purpose thereof and the up-to-date interest amounts that will be paid to the holders in the Relevant Payment. Furthermore, the Company shall specify in the report that the Financing Amount that will be transferred to the Trustee shall be deemed for all intents and purposes as payment to the Series 12 Bondholders.

The foregoing does not release the Company from its liability to bear the payments of the Financing Amount in cases where it is required to bear them according to this Deed or by law.

In addition, the foregoing shall not derogate from the Trustee's obligation to act reasonably in order to obtain the amounts that are due to the holders, which were used for the purpose of financing the proceedings and/or the expenses and/or the Trustee's fee pursuant to the Deed of Trust, from the Company.

12. Authority to delay distribution of funds

12.1. Notwithstanding the provisions of article 10 above, if the amount of money that will be received as a result of taking the proceedings mentioned above and which will at any time be divided, as stated in the same section, would be less than 1 million NIS, the trustee does not have to distribute it, and he may invest the said amount, in its entirety or in part, in the investments permitted under section 16 of this Deed.

12.2. For when the above mentioned investments lead to profits, together with additional funds that will come to the Trustee for its payment to bond holders (if any are received), in the amount which would be sufficient to pay at least 1 million NIS, shall be paid by the Trustee to the bonds holders as stipulated in section 10 above. In the event that within a reasonable period of time the trustee shall not have sufficient amount which should be enough to pay at least 1 million, the Trustee shall disburse to the bonds holders the money he has and in any case no later than once a month, subject to the provisions of the rules and regulations and the directives of the TASE, as shall be in effect from time to time. Notwithstanding the aforementioned, the bonds holders can, with a regular decision, make the

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Trustee pay the sums accumulated by him even though if they have not reached 1 million NIS. Notwithstanding the aforementioned, the Trustee's salary and costs shall be paid out of the funds once they have reached their due date, even if the amounts that reached the Trustee are lower than the aforesaid amounts.

13. **Notification of division, failure to pay for a reason not dependent on the Company and on deposit with the trustee**

13.1. The trustee will inform the bond holders on the day where any payment will be made from among the payments mentioned in sections 10 and 12 above. An aforesaid message shall be delivered in the manner prescribed in section 24 below before making a said payment.

After the day stated in the notice the bond holders are entitled to interest accordingly at the rate determined in the bonds, only on the unpaid balance of the principal amount (if there is one as such) after deducting the amount paid or offered them for payment.

13.2. The funds that will be distributed in accordance with section 13.1 above shall be considered as payment on account at maturity.

13.3. Any amount due to bond holders that is actually unpaid as per the payment schedule, for a reason that is not dependent on the Company, while the Company was prepared to pay, will cease to bear interest from the date stipulated for payment, and the bonds holder will be entitled only to those sums that he was entitled to at the stipulated maturity date for the same payment on account, of the principal and interest.

13.4. The Company will deposit with the trustee within 15 business days of the date that was stipulated for payment of the amount that was not paid on time, as stipulated in article 13.3 above, and shall inform the bond holders regarding the deposit as stipulated and which shall be considered as settlement of that payment and in the event of settling all that is due for the bonds, even as redemption of the bond.

13.5. The trustee will invest as part of the Trust accounts in his name and in his favor, the funds transferred to it under section 13.4 above, in the investments the Trust is permitted to under this Deed (as stated in section 16 below). The Trustee did so, he shall not owe the creditors those sums, but the proceeds received from the sale of those investments, less his fees and expenses, reasonable expenses related to the said investment and management of the trust accounts, reasonable commissions and mandatory payments applicable to the trust account. From the funds stated the Trustee shall transfer amounts to the eligible bonds holders, and that is as soon as possible after providing reasonable evidence and certification to the Trustee of their rights to the sums, and deducting his reasonable expenses, commissions, compulsory payments and his fees.

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13.6. The trustee will hold these funds and invest them in the stated way till the end of one year from the date of the final payment of the bonds. After this deadline, the Trustee will transfer the amounts to the Company as stated in section 13.5, including gains arising from their investment less his expenses, other expenses which were incurred accordance with the provisions of this Deed (such as: Remuneration to service providers, etc.), to the extent remaining with him at that time. The Company shall hold these amounts in escrow for the bond holders that are entitled to those sums, and all regarding the amounts that shall be transferred to it by the Trustee as aforesaid, the provisions of section 13.5 shall apply to it, mutatis mutandis. With the transfer of the funds by the Trustee to the Company, the Trustee shall be exempt from payment of these amounts stated to the bond holders that are entitled.

13.7. The Company will confirm the Trustee in writing regarding holding and receipt of the amounts in the Trust for the bond holders, as stated.

13.8. The Company shall hold these amounts in escrow for the bond holders that are entitled to those sums for an additional year from the day that they are transferred to it by the Trustee and shall not make any use of them and invest them in accordance with the provisions of this Deed. Funds not demanded from the Company by the bond holders within 30 days from the end of 7 years from the date of the final maturity of the bonds, will be handed over to the Company, and it may use the remaining funds for any purpose.

14. Receipt from the bond holders and the trustee.

14.1. A receipt from the Trustee regarding deposit of the principal and interest amounts with it in favor of the bond holders, will release the Company completely from all related to the actual payment of the amounts indicated in the receipt.

14.2. A receipt from the bond holder in respect of principal and interest amounts paid to him by the Trustee for the bonds, will release the Trustee completely from all related to the actual payment of the amounts indicated in the receipt.

14.3. Funds disbursed as stipulated in section 13 above will be considered as paid on account of the bond's maturity.

15. Presentation of the bond before the trustee and registration in connection with part payment

15.1. The Trustee shall be permitted to demand from a bond holder to present to the Trustee, while paying any interest whatsoever or part payment of the principal amount and interest in accordance with the provisions of sections 12, 13 and 14 above, the bonds certificate for which payments have made and the bond holder must display the certificate as stated and provided that the bond holders will not be

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required to make any payment and/or bear any expense and/or impose on the bond holders responsibility and/or liability of any kind.

15.2. The trustee shall be entitled to register a comment on the bond certificate regarding amounts paid as stated above and the payment date.

15.3. The trustee shall be entitled in any special event, at his discretion, to waive displaying the bonds certificate after it was given to him by the bond holder with written indemnification and/or provides satisfactory guarantee in his opinion for damages that may be caused due to the failure to register the comment as stated, all as he deems correct.

15.4. Notwithstanding the aforementioned, the Trustee is entitled, at his discretion, maintain a registry in another manner regarding partial payments, as stated.

16. **Investing funds**

All the funds which the trustee is entitled to invest under this Deed, will be invested by him in a Banking Corporation in Israel which is ranked by a rating Company of no less than a (iIAA-) rating of S&P scale or equivalent rank to this, in his name or favor, at his discretion, in STB's issued by the Bank of Israel, Government bonds issued by the Bank of Israel or in shekel-denominated or dollar-denominated daily bank deposits at banks in Israel, and this is as he deems suitable, subject to the terms of this Deed of Trust and the provisions of any law, . The Trustee did so, he shall not owe the creditors those sums, but the proceeds received from the sale of those investments, less his fees and expenses, commission and expenses related to the said investment and management of the trust accounts, commissions and less mandatory payments applicable to the trust account, and the balance of funds as stated, the Trustee shall act according to the provisions of this Deed, respectively.

17. **The Company's obligations towards the trustee**

The Company hereby undertakes towards the Trustee, while the bonds have not been repaid in their entirety, as follows:

17.1. To persevere and conduct its business in a regular, efficient and proper manner.

17.2. Manage regular accounts books in accordance with Generally Accepted Accounting Principles, to maintain the books and documents used as references, and to allow the trustee or any authorized representatives subject to the provisions of any law, respectively, at any reasonable time to be coordinated in advance with the Company and not later than seven business days from the date of receipt of the Trustee's request, in any document and/or book as stated that the Trustee shall request in this matter. In this regard, the Trustee's authorized representatives means he who the Trustee shall

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appoint for the purposes of reviewing as stated which is in the Trustee's notice that is delivered to the Company prior to the inspection.

- 17.3. To notify the Trustee in writing, insofar as practicable, immediately after the Company learned about the matter and in any event (without taking into account the remedy periods set forth in the section above, including its subsections) and no later than 2 business days of the occurrence of each event of the events listed in section 8.1 above (with its subsections).
- 17.4. To give the Trustee a copy of any document or information which the Company forwarded to the bond holders, or to all of the Company's shareholders, insofar as sent. The Company shall also deliver to the Trustee or to its authorized representative, who may be an attorney or an accountant by profession (and where notice of his appointment shall be sent by the Trustee to the Company, upon the appointment thereof), additional information pertaining to the Company (including explanations, documents and calculations with respect to the Company, its business or its assets), which is in its possession or which may reasonably be prepared, and it shall also instruct its accountant and its legal advisors to do so, in accordance with a reasonable request, in writing, from the Trustee, not later than seven business days from the date of receipt of the Trustee's request, provided that, in the Trustee's reasonable opinion, the information is necessary for him for implementing and exercise of powers, the powers and privileges of the trustee and/or his representative in accordance with the Deed and provided that the Trustee is acting in good faith, and subject to confidentiality undertakings as stipulated in the Deed of Trust.
- 17.5. To inform the Trustee by written notice signed by the most senior officer of the Company in the financial field, within 7 business days from the date that the Trustee requested, that all of the payments to the holders of the Series 12 Bonds had been made on time and of the value of the nominal amount of the Series 12 Bonds in circulation.
- 17.6. To act as far as it is under its control for further bond rating by at least one rating Company approved by the Head of the Capital Market for the lifespan of the bonds. It is clarified that insofar as the bonds are rated by a number of rating Companies, the Company shall be entitled to discontinue their rating by any of the rating companies, at its sole discretion, and without the Trustee and/or the bond holders contesting it, and provided only that at the time the bonds are rated by at least one rating Company. If the bonds rating is stopped (by any of the rating Companies insofar as there are several rating Companies), or the rating for the Bonds is not published for any reason or insofar as the Rating Company is replaced, and all, also in the event that the Bonds are rated by a number of Rating Companies, the Company shall forward to the Trustee in writing a legally signed confirmation and report immediately and all this no later than one trading day.

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17.7. To enable the Trustee to be present at its General Assemblies (whether in regular general assemblies or extraordinary general assemblies of the Company's shareholders), without granting the trustee the right to vote in these assemblies.

17.8. To deliver to the Trustee the reports and reports listed in section 28 below.

It shall be clarified that even the information delivered to the Trustee and/or the authorized representative, in accordance with the provisions of section 17 above, the provisions of section 2.6 above shall apply, including the authorized representative's duty to sign the confidentiality letter in Appendix A to this Deed (subject to the discretion of the Company to update its verbiage).

18. **Additional obligations**

In the event that Bonds are placed for immediate repayment pursuant to the provisions of section 8 above, the Company undertakes to take all of the reasonable actions in order to allow the exercise of the authorities vested in the Trustee, and in particular, to perform the following actions:

18.1. To repay the bond holders and pay the Trustee all the amounts payable to them and/or shall be payable by virtue of the Deed of Trust, within 7 days from the date of delivery of the Trustee's first demand in writing, subject to coordination with the TASE of the time schedule for the payment of the said amounts to the bondholders.

18.2. To deliver to the Trustee, upon his request, any affidavit or declarations and/or sign on any document and/or execute and/or cause to perform any actions reasonably necessary and/or required in a reasonable manner and in accordance with the law in order to give validity to enforce the authorities and powers and the privileges of the Trustee and/or required proxies to enforce the Company's liabilities as stated in section 18.1 and realization of collateral (insofar as given).

18.3. To provide all of the notices and instructions as the Trustee may deem expedient, in connection with the making of the immediate payment.

19. **Reporting by the Trustee**

19.1. As of the publication of the Shelf Offering Report until the end of the second quarter in any calendar year, the Trustee will prepare and publish an annual report and on the Trust's matters (Hereinafter: "**The annual report**").

19.2. The annual report shall include details on the following topics and also any topic required under any law and/or TASE instructions and/or the Israel Securities Authority:

19.2.1. Routine details about the Trust's course in business in the last year.

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19.2.2. Reporting unusual events that transpired in the last year in relation to the Trust.

19.3. The Trustee will publish (by itself or through the Company at the request of the Trustee) the annual report in the MAGNA system.

19.4. If the Trustee becomes aware of a material breach of this Deed by the Company, it shall notify the bond holders regarding the breach and the prevention measures taken by it or fulfillment of the Company's obligations, as applicable.

19.5. The trustee shall be obliged to submit a report about the activities it carried out in accordance with the provisions of the Securities Law and its regulations.

19.6. The Trustee will have to submit a report regarding the activities carried out under the provisions of Chapter 1 h, with the reasonable demand of holders holding at least ten per cent (10%) of the face value of the bonds of the same series, within a reasonable time from the request date, and all subject to the duties of confidentiality imposed on the Trustee to the Company under section 35 10(d).

19.7. The Trustee shall update the Company prior to reporting under section 35h1 to the law.

19.8. At the request of the holders of over 5% (five percent) of the balance of the par value of the Bonds, the Trustee will transfer to the holders data and details regarding the Trustee's expenses in connection with the Trust that is the subject of the Deed of Trust.

19.9. As of the date of signing this Deed, the Trustee will declare that it is insured under professional liability insurance in the amount of US\$10 million per occurrence and for the period (hereinafter: the "**Amount of the Coverage**"). If, prior to the full repayment of the Series 12 Bonds, the Amount of the Coverage is reduced to less than US\$8 million for any reason whatsoever, then the Trustee will update the Company not later than seven Business Days from the date on which he was informed of the aforesaid reduction by the insurer, so that the Company will publish an immediate report in the said regard. The provisions of this section will apply until the date of the taking effect of the Regulations of the Securities Law, which will formalize the Trustee's insurance coverage obligation. After the said Regulations shall take effect, the Trustee shall be subject to the obligation of updating the Company only in the event that the Trustee fails to comply with the requirements of the Regulations.

20. Trustee's fee

20.1. The Trustee shall be eligible for a fee and expenses in connection with fulfilling his duty, in accordance with the listed **in Appendix B** (the Trustee's fees) attached to this Deed. Another Trustee was appointed instead of Trustee who ended his tenure in accordance with sections 35 (A1) or 35 14(d) to the Securities Law, the bond holders will bear the difference which was the cost of the fee of the Trustee that was appointed as stated for the wages paid to the trustee who was appointed in his stead if

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the difference as stated is unreasonable, and the provisions of the relevant law at the time of exchange shall apply, as stated.

The holders bearing the difference as stated will be done by offsetting a relative portion of the payment that the Company shall make to the bond holders in accordance with the terms of the Deed of Trust and with the transfer being conducted by the Company directly to the Trustee.

20.2. The bond holders shall participate in financing the Trustee's salary and remuneration of his expenses in accordance with the provisions of section 23 to the Deed of Trust (indemnification of the Trustee).

21. The trustee's authority

21.1. The Trustee is entitled under execution of the Trust's affairs under this Deed to request in writing the opinion or advice of any lawyer, CPA, appraiser, assessor, evaluator, broker or another specialist (Hereinafter: "**The consultants**"), whether such advice or opinion was prepared at the request of the Trustee and/or the Company, and to abide by its conclusions and the Trustee will not be responsible for any loss or damage caused as a result of any action or omission made by him relying on advice or opinions as stated unless the Trustee acted in negligence (except for negligence exempt by law as will be from time to time) and/or lack of good faith and/or malice. The Trustee will place a copy of the opinion or advice as stated at the disposal of the Company, according to its demand. The company will incur the full fees and reasonable expenses of hiring the appointed consultants, as stated. Subject that it does not harm the rights of the bond holders insofar as possible under the circumstances, the Trustee and the Company will reach an agreement on a list of no more than three reputed consulting firms and with relevant expertise, which the Trustee shall approach to receive advisory fees as stated. The company shall choose one of the proposals submitted, and is entitled to negotiate with firms on the proposals for a period of up to 5 business days and provided that there shall not be a delay resulting from the negotiations conducted in order not to compromise, in the Trustee's opinion, the rights of the bond holders. The Company is entitled to object to the identity of consultants on reasonable grounds that it shall specify, i.e., in cases in which the Consultants have a conflict of interest and/or if the Consultants are advising the competitors or acting against the Company in another legal proceeding.

21.2. Any advice or opinions such as these may be given, sent or received in writing, telegram, facsimile or any other electronic means for conveying information and the Trustee shall not be responsible for actions that were made by relying on advice or opinions or knowledge delivered in one of the methods mentioned above, although there were errors in them or they weren't authentic unless it was possible to discover the errors or lack of authenticity while reasonably checking and only provided that he did not act in negligence (except for negligence exempt by law as it will be from time to time) and/or lack of good faith and/or with malice. It is clarified that the documents can be forwarded, on the one hand, and the trustee is entitled to rely on them, on the other hand, only where are clearly received, and when

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no difficulty arises in reading them. Otherwise, the Trustee shall be responsible to demand their being sent in a manner that permits them to be read and understood, correctly as stated.

21.3. The trustee shall not be required to notify any party whatsoever regarding the signing of this Deed and is not permitted to interfere in any manner at all in the Company's business or affairs. The foregoing in this section does not limit the Trustee to carry out actions that it needs to in accordance with this Deed of Trust

21.4. The Trustee, shall make use of the Trust, the powers, authority and privileges granted to it under this Deed at its absolute discretion and will not be responsible for any harm caused by an error in judgment aforementioned, unless the trustee acted with negligence (except exempt negligence by law as will be from time to time) and/or in bad faith and/or malice.

22. **Authority of the trustee to employ agents** Subject to delivering a notice in advance to the Company, provided that the trustee's opinion is not to undermine the rights of the bond holders, the trustee may appoint an agent(s) to act on its behalf, whether an Attorney or another, to do or to participate in special activities that must be done in relation to the Trust and to pay a reasonable wage to every agent as stated, and without limiting to the generality of the foregoing in taking legal proceedings or representation in merger or splitting proceedings of the Company. The Company may oppose the nomination as aforesaid on any grounds, in the event that the agent is a competitor, whether directly or indirectly, in the Company's business (including consolidated companies in its financial statements) and/or in the event that there is concern that agent might be found to be, directly or indirectly, in a situation of conflict of interest or between his appointment and duty as an agent and personal affairs, his other duties or his affinities to the Company and Corporations under its control (including in case where the agent is an opposing party to a juridical procedure (representing or action for or on behalf of such party) which the Company or held companies are a party to), provided that notice of the Company's stated objection is delivered to the trustee not later than five business days from the date in which the Trustee notified the Company of his intention to appoint the stated agent. However, there will be no opposition by the Company to appointing a particular agent who has been appointed at a holder's assembly, to delay the start of his employment as an agent insofar as the delay may prejudice the rights of the holders. It is clarified that the appointment of an agent shall not detract from the Trustee's responsibility for his actions and those of his agents. The trustee will also be entitled to pay at the Company's expense the reasonable fee of each such agent and the Company shall respond to the Trustee upon his demand for all expenditures, as mentioned above, and provided that the trustee is not to undermine the rights of bond holders, which is prior to the stated appointment of the agent, the Trustee will notify the Company in writing regarding the appointment together with details of the agent's wages and the purpose of his appointment, and under the circumstances that the agents fees cost does not exceed reasonable and customary limits. It is clarified that publication of the results of the decision of the bond holders in the matter of appointment of agents shall constitute granting of notification as mentioned above, and provided that only prior to appointing as aforesaid, the Trustee gave the Company all the information

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and details as stated above (including by attaching the said information regarding the holders decision). For the avoidance of doubt, the Company shall not remunerate the Trustee for the agent's wages or expenses which fulfilled the normal actions that is the Trustee's duty to perform by virtue of this Deed of Trust whereby performance of these actions are included in Trustee's salary that is received from the Company under the provisions of section 20 above. For the avoidance of doubt, if bonds were due immediately for repayment, the actions required to be taken by the Trustee in this context shall not be considered as normal activities that the Trustee is to perform by virtue of this Deed of Trust for the purposes of this section.

23. Indemnification of the trustee

23.1. The Company and the bond holders (at the relevant time determined thereto under section 23.5 below, each in respect of the liabilities thereto under section 23.3 below), hereby undertake to indemnify the Trust and any officers in it, its employees, agent or an expert appointed and others on behalf of the Trust as per the provisions of the Deed of Trust and/or according to the decision reached in the bond holders assembly (Hereinafter: "**Those Entitled to Indemnity**") and provided that there shall not be double indemnification or compensation on the same issue:

23.1.1. In respect of any reasonable expense, damage, payment or financial obligation pursuant to a judgment or arbitral award (in respect of which no stay was granted) or pursuant to a compromise settlement that was concluded (and insofar as the compromise settlement pertains to the Company, the Company's consent to the compromise settlement was granted), where the grounds of any of the foregoing pertain to the activities that were performed by Those Entitled to Indemnity or activities that were not performed (as the case may be) by Those Entitled to Indemnity or that they should have performed by virtue of the provisions of this Deed and/or pursuant to law and/or the provisions of any competent authority and/or any law and/or at the request of the holders of the bonds and/or at the request of the Company, and all in connection with this Deed of Trust; and

23.1.2. In respect of the salary that is due to Those that are entitled to indemnity and reasonable expenses incurred and/or are about to incur by way of execution and/or use of the authorities and authorizations pursuant to this Deed or pursuant to law or in connection with such activities which, in their reasonable opinion, it was necessary to perform, and all provided that none of the situations listed below in sections A-F transpired:

(A) The matter in respect of which the indemnity was provided cannot be delayed (without prejudice to their right to demand retroactive indemnity, insofar as their entitlement thereto shall be accrued);

(B) A peremptory judicial decision that determined that those eligible for indemnity did not act in good faith;

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- (C) A peremptory judicial decision that determined that those eligible for indemnity did not in the capacity of their duties and/or not in accordance with the provisions of the Deed and/or Law;
- (D) A peremptory judicial decision that determined that those entitled to the indemnity were negligent (except for negligence exempt by law as will be from time to time);
- (E) A peremptory judicial that determined that those entitled to the indemnity acted with malice;
- (F) Insofar as the indemnity undertakings apply to the Company – if those entitled to indemnity did not notify the Company in writing as soon as they revealed the charge and did not enable the Company to conduct the proceedings (except in cases where the proceedings are administered by the Trust's insurance Company or if the Company is in conflict of interest).

It is clarified that should it be claimed against Those Entitled to Indemnity that they are not eligible for indemnity due to the provisions of subsections (B)-(D) above, Those Entitled to Indemnity shall be entitled, immediately at their first request. If thereafter, it is determined by an appellate that those eligible for indemnity acted according to argued against them as stated above, the eligible amounts of indemnity paid from 'undertaking to indemnify' would be reimbursed.

Undertakings to indemnify in accordance with section 23.1 shall be name "**Undertaking to indemnify**".

23.2. Without limiting to the validity of the undertaking to indemnify under section 23.1 above and subject to the securities law, whenever the Trust shall be required under the Deed of Trust and/or by law and/or the provision of qualified authority and/or any law and/or by demand of the bond holders and/or by demand of the Company to perform any action, including but not limited to opening of proceedings or file claims as per the demand of bond holders as stated in this Deed, the trustee is entitled to refrain from taking any action as aforesaid, until he is satisfied by deposit of money, firstly by the Company, and in case the Company doesn't deposit any money on any grounds whatsoever, from the bondholders to cover the indemnity undertaking (hereinafter: the **Financing Pillow**"). The Trustee shall contact the bond holders that held at the said time (under section 23.5 below), with a request that they deposit with him the amount of the financing pillow, each according to his relative share (as this term is defined below). In the event that no bond holders are actually going to deposit the full amount of the financial pillow, a duty to take relevant action or proceedings will not apply to the Trustee. The aforesaid shall

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not exempt the Trustee from taking urgent action required to prevent significant adverse impact on the bond holders' rights.

23.3. Undertaking for indemnification

23.3.1 Shall apply to the Company in respect of the following events: (1) actions that were performed and/or that should have been performed pursuant to the terms and conditions of the Deed of Trust or for the purpose of the protection of the rights of the bondholders; and also (2) actions that were performed and/or that should have been performed at the Company's request

23.3.2 Shall apply to those who held the bonds at the determined time (under section 23.5 below), in the following cases: (1) actions taken and/or required to be made upon demand by bond holders (except for the aforesaid actions taken upon demand of the holders, the grounds set forth in this Deed of Trust, in order to protect the rights of the bond holders); and (2) in the amount of the non-payment by the Company of all or part of the amount of the "indemnity undertaking", as the case may be, that applies to the Company pursuant to Section 23.1 above (subject to the provisions of Section 22.7 below). It should be clarified that the payment in accordance with this subsection (2) shall not derogate from the Company's obligation to bear the indemnity undertaking in accordance with the provisions of section 23.3.1 above.

23.4. In every event wherein: (A) The Company does not pay the amounts required to cover indemnification undertakings; and/or (B) The obligation to indemnify applies to the holders by virtue of the provisions of section 23.3 above and/or the holders who were requested to deposit the financing pillow amount under section 23.2, the following provisions shall apply:

23.4.1. The funds will be collected as follows:

23.4.1.1. Firstly - The amount will be funded from the interest monies and/or the principal that the Company has to pay the bond holders after the date of the required action, the provisions of section 11 above shall apply;

23.4.1.2. Secondly - Insofar as in the Trustee's opinion the amounts are not deposited in the financial pillow to cover the indemnity obligation, the holders holding at the set time shall deposit (as stipulated in section 23.5 below), each in their relative share (this term as defined below), with the Trustee the missing amount. The amount that shall be deposited by each bondholder shall bear annual interest at a rate that is equal to the fixed interest on the bonds and shall be paid with priority as stated in section 10 above.

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"His relative share" means: The relative part of the bonds that the holder held at the relevant determining time as stated in Section 23.5 below from the nominal value that is in circulation at the time. It is clarified that the proportion calculation shall be fixed whether after that time any change in the par value of the bond with the holder.

It should be clarified that the bondholders who will bear the liability to cover the expenses are stated in this section above will be able to bear the expenses as stated in this section above beyond their Relative Share, and in such an event, the repayment of the amounts will be subject to the order of priorities in accordance with that set forth in section 10 of this Deed.

23.5. The date of record for determining the liability indemnification and/or payment of the financing pillow is as follows:

23.5.1. In any event where liability indemnification and/or payment required for the financing pillow or urgent action required to prevent damage to a significant adverse impact on the rights of bond holders and that is without prior decision of the bond holders assembly - will be the date of record at the end of the trading day of the day for taking action or making a decision, and if that day is not a trading day, the previous trading day.

23.5.2. In each case in which the indemnity obligation and/or payment of the financial pillow is required according to the decision at the bonds holders assembly - shall be the determining date for liability that the determining date for participation at the assembly (as that date set in the summons notice) and shall apply to a holder who does not attended or participate in the assembly.

23.6. The payment by the holders instead of by the Company of any amount whatsoever that is imposed on the Company pursuant to this section 23 shall not release the Company from its obligation to bear the said payment.

23.7. The repayment to the bond holders who bore the payments under this section shall be done in the precedence order determined in section 10 above.

24. Notices

24.1. Each notice on behalf of the Company and/or the Trustee to the bond holders (including bond holders that are listed in the Company's registry which is managed by it) will be given by immediately publishing the report in the MAGNA system of the Israel Securities Authority (for this issue' the Trustee is entitled to instruct the Company and the Company shall be obliged to report in the MAGNA system, on behalf of the Trustee, any report as shall be delivered in writing to the Company according to the dates determined by law for immediate reports), and in cases as listed below are only in addition by publishing a notice in two daily newspapers with wide circulation, who are published in Israel in the

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Hebrew language: (1) A settlement or compromise according to section 350 of the Companies Law; (2) merger. Any message that is published or sent as aforesaid shall be considered as if delivered by the bond holders on the day it was published in MAGNA as stated.

24.2. In the event that the Company would become a Corporation that does not report (as this term is defined in section 28.02 below), each notice by the Company and/or the Trustee to the bond holders will be given by registered mail to each registered holder according to the last address listed in the registry of bond holders (and, in the case of joint holders - the joint holder whose name appears first in the registry), and all non-registered holders through notice in two daily newspapers with wide circulation, who are published in Israel in the Hebrew language. Every notice that is sent shall be considered as delivered to bond holders within 3 business days from the date of delivery by registered mail and every notice that is published shall be considered as delivered to bond holders on the day it is published as stated.

24.3. Any notice or demand on behalf of the Trustee to the Company or on its behalf to the Trustee may be provided by a letter sent by mail to the address listed in the Deed of Trust, or to another address which one party will notify to the other in writing, or via Courier, or it was sent by fax (with the addition of a telephone video regarding its receipt by the recipient) and/or by e-mail which is approved by return email (not automatic) by the recipient, and any such notice or demand will be considered as received by the party to whom the notice was sent after three business days from the date of its delivery by registered mail, or the day receipt of e-mail was confirmed or telephone confession on the day it was received by fax, or the first business day following the date of delivery by courier or in response to recipient to receive from the courier, as applicable.

25. **Changes in terms of bonds and Deed of Trusts**

25.1. Subject to the provisions of law and regulations enacted or enacted thereunder from it, the trustee may from time to time and at any time, if convinced that there is no damage to the bond holders from it, to waive any breach or failure to fulfil any of the conditions of the bond or this deed by the company, provided that these relate to subjects of a technical nature only. It is clarified that the provisions of this section 25.1 shall not be apply for the following topics:

Deadlines and payments under the terms of bonds, reducing the interest rate specified in the terms of the bond, grounds for immediate payment, the company's liability under section 5.2 above, restrictions on expansion of the series as stated in section 3.2 above, provisions in connection with restrictions on a distribution as stated in section 5.2 above, provisions in connection with an undertaking not to create liens on ICL Shares as stated in Section 5.3, provisions in connection with meeting the financial covenants as stated in section 5.4 above, and the provisions of change in interest rate adjustment mechanism in case of change in the rating as stated in section 5.5 above.

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- 25.2. Subject to the provisions of the law, and by prior resolution of the bonds holders meeting (Series 12), the trustee may, whether before or after the principal of bond stand to mature, shall compromise with the company about any right or claim of bond holders or any of them and agree with the company to any arrangement of rights, including waiving up any right or claim of his and/or bond holders or any of them towards the company.
- 25.3. Subject to the provisions of law and regulations issued or enacted thereunder, the company and the trustee may, whether before or after the principal of the bonds stand to mature, change the Deed of Trust and/or bond conditions if one of the following takes place:
- 25.3.1.** Except Changing the identity or fee of the trustee, or to appoint a trustee in place of the trustee who ended his term, if the trustee is satisfied that the changes do not harm the bond holders and except in relation to the matters listed in section 25.1. above
- 25.3.2.** The proposed change was approved by a special resolution of the holders of the Series 12 Bonds.
- 25.4. The company will pass to the bond holders a notification (in accordance with the provisions of section 24 above) of any change as stated under section 25.1 or section 25.2 above or as soon as possible after its execution.
- 25.5. In any case of the use of his rights by the trustee according to this section in accordance with stipulated therein, the trustee may demand that the bond holders provide him or the company the bond certificates to register a comment in them about every compromise, waiver, modification or amendment as aforesaid and on the demand of the trustee the company will register the comment as stated in the certificates passed to it. In any case of using the trustees right in accordance with this section, it will notify in writing the bond holders without delay and as soon as possible.
- 25.6. If the company is merged into the acquiring company and if there exist at the time of the merger bonds in circulation not repaid in full (principal and interest), the company shall be entitled to assign its rights and obligations in accordance with the Deed of Trust and the bonds to the acquiring company, subject to such that the acquiring company has declared to the bond holders, including through the trustee, at least 10 business days prior to the completion of the merger, that the absorbing company also assumes on itself the full liability towards the bond holders that there is no reasonable concern that the due to the merger it will not be in the absorbing company's ability to fulfil the commitments towards the holders.
- 25.7. Without limiting the foregoing, the terms of the bonds may be modified in the framework of a settlement or compromise, which has been approved by the Court, according to article 350 of the company's law.

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26. Register of Bond holders

26.1 Hold Company will hold and manage in its registered office a register of bond holders in accordance with the provisions of the securities law, which will be open to the inspection of any person.

26.2 The Company will not be required to register in the register of bond holders any notice about an explicit trustee, implied or any equitable right, claim or set-off or any other right in connection with the bonds. The company will solely recognize the ownership of the person in whose name the bonds are registered. Legal heirs, executors or the executors of the will of the registered holder and any person who is entitled to the bonds due to the bankruptcy of any registered holder (and if it is a corporation - due to dissolution) will be allowed to register as holders of them after providing proof that in the company opinion is enough to prove their right to register as holders of them.

27. Certificates and splitting of certificates

27.1 In respect of bonds registered in the name of a single holder a certificate will be issued, or at his request, several certificates will be issued (certificates mentioned in this section shall be referred to below: "**The certificate**"), each of a minimum amount of 1,000 (one thousand) NIS face value. (Hereinafter: "**The minimum amount**").

27.2 Each certificate can be split into certificates where the total face value of the bonds included in them is equal to the sum of the face value of the bonds included in the certificate which was requested to be split, provided that the face value specified for any certificate is not less than the minimum amount. The split will be carried out on a signed request for split by the registered owner of the bonds the certificate being the subject whose split is requested is against delivery at the registered office of the company of the certificate requested to be split. The split will within 30 days of the end of the month in which the certificate was delivered together with the request for the split at the company's registered office. The new bond certificates issued following the split will be in the amounts of face value in new Israeli shekels each one. All expenses involved in the split, if there are any, shall apply on the requester of the split.

28. Reporting to the Trustee

28.1. In addition to the stated in section 17 above, The company will prepare and deliver to the trustee, as long as any bonds were not redeemed;

28.1.1. Audited financial statements of the company for the fiscal year that ended on 31 December of the year that has passed, until the date on which a public company is required to report in accordance with the provisions of the Securities Act. The publication of these reports in the EDS by the company will be considered as delivery of the reports to the trustee.

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28..1.2. Interim financial results of the company till the date when a public company is required to report in accordance with the provisions of the securities law. The publication of these reports in the EDS by the company will be considered as delivery of the reports to the trustee.

28..1.3. Copy of every document that the company delivers to bond holders.

28..1.4. Reporting of any change in rating of the bonds or cessation of rating.

28..1.5. Every document report or notice which is in accordance with the provisions of any law on the company to deliver to the trustee.

28..1.6. Should it be so requested by the trustee, not later than at the expiration of 30 days from the date of the offering of bonds out of the Series 12 Bonds and/or from the date of expansion of the Series 12 Bonds, the amortization schedule for the payment of the Series 12 Bonds (principal and interest) in an Excel file.

28..1.7. Notice with respect to the change of the name and/or address of the Company, not later than one trading day after the date of the said change. Publication of information as aforesaid in the EDS system will be deemed to be an update to the trustee for the purposes of this section.

28..1.8. The Company shall provide the Trustee within 10 days following the publication date of the Company's annual financial statements - a confirmation signed by the CEO of the Company or the chairman of the board of directors of the Company that there has been no material breach of the provisions of this Deed. The foregoing shall not derogate from the Company's obligation to provide the Trustee such confirmation at any time upon request, in such case such confirmation will be provided within 10 days from the date of receipt of such demand.

It is hereby clarified that these publications of reports and/or documents and/or reports listed above by the company is as a delivery to the trustee.

28.2. Should the Company cease to be a "Reporting Corporation," as this term is defined in the Securities Law, the Company will deliver to the Trustee yearly, intermediate and immediate reports, as specified in the consolidated sheet of the Ministry of Finance - Capital Market, Insurance and Savings - provisions concerning investments by financial institutions in non-government bonds⁵, as they shall be from time to time. It is clarified that the stated does not detract from any obligation to report that applies or which will be apply to the company under any law.

⁵ <http://mof.gov.il/hon/Information-entities/Pages/Codex.aspx>

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29. Proxy

The company hereby appoints the Trustee for the bonds as a proxy to issue, implement and execute in its name and place those actions which it would have to perform according to the terms contained in this deed, and generally to act on its behalf with respect to those activities that the company has to perform according to this deed and did not perform them or to execute some of the powers granted to it, and to appoint any other person as the trustee sees fit to perform his duties in accordance with this deed and this subject that the company did not perform the duties that it must perform according to the terms of this deed within a reasonable time as determined by the trustee from the time of the demand of the trustee and only if they acted in a reasonable manner.

The appointment under this section does not require the trustee to take any action and the company hereby exempts the trustee and agents in advance in case they do not take any action, and the company waives in advance on any claim against the trustee and his agents for any damage caused or likely to be caused to the company directly or indirectly in connection with this, on the basis of an action not taken by the trustee and his agents as stated above.

30. Applicability of the Securities law

On every matter not referred to in this deed as well as in any case of discrepancy between the provisions of law and regulations (which cannot be subject to conditions) between this Deeds, the parties will act in accordance with the provisions of law and regulations.

31. Meeting of bond holders

The General Assembly of the bond holders will be convened and conducted in accordance with the terms specified **in the Second Appendix II** to this deed.

32. Discrepancy between the provisions of the Deed of Trust, the prospectus and the Shelf Offering Report

In each case of discrepancy between the provisions of this Deed of Trust (on various appendices) and the company's prospectus instructions and/or Shelf Offering Report, in relation to the Series 12 Bonds, all the provisions of this deed shall prevail. As of the date of the signing of this Deed, there is no such discrepancy.

33. Responsibility of the trustee

- 33.1. Notwithstanding the provisions stated in any law and anywhere in the Deed of Trust, as the trustee acted in fulfilling his duty in good faith and in a reasonable time and checked the facts that a reasonable trustee would have clarified under the circumstances of the matter, will not be responsible towards the holder of the bonds for damage caused to him by as a result that the Trustee executed his

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discretion in accordance with the provisions of article 35 (D1) or 35I1 of the law, unless the plaintiff proves that the trustee acted in gross negligence. It is clarified that in case there arises a discrepancy between the provisions of this section to another provision in this Deed of Trust, the provisions of this section shall prevail.

33.2. If the trustee acted in good faith and without negligence in accordance with the provisions of article 35 (D2) or 35 (D3) of the law, he will not be responsible for executing the stated activity.

34. Other agreements:

The Company shall not engage with the Trustee in various contracts or perform any transactions whatsoever with the Trustee, with the exception of engagements from time to time for the purpose of his position as the Trustee for the Company's bond series.

35. General

Without derogating from the other provisions of this deed and the bonds, any waiver, extension, discount, silence, avoiding action (hereinafter together: "**Waiver**") on the part of the trustee or the company about the non existence or partial existence or not correct of any liability, according to this deed and bond, will not be considered as a waiver on part of the trustee or the company, as applicable, on any right except to a limited consent for a special opportunity given. Without derogating from the other provisions of this Deed and the bond, any modification to the commitments of the trustee or the company as stated, requires the prior consent of the trustee or the company in advance and writing (including "written" including fax or e-mail). Any other agreement that is not in writing will not be considered as agreement. The rights of the trustee and the company according to this agreement are independent of each other and not dependent, and are in addition to any existing right and/or will be to the trustee and/or company by law.

36. Addresses

Addresses of the parties will be as appearing in the introduction to this deed or any other address which will be given about the party against an appropriate notification in writing.

37. Governing Law and Jurisdiction

The law applying to this Deed of Trust, its appendices, is the Israeli law only. The exclusive jurisdiction and venue in any matters related to this deed would be subject to the competent courts in Tel Aviv-Yaffo.

38. Certification to report on the Electronic Disclosure System

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The trustee authorizes by signing on this deed, the authorized electronic signatories of the company, as will be the reporting in his name on the EDS on his contract with this deed and his signature on it, on everything required by law.

And in witness whereof the parties have signed:

Israel Corporation ltd

Hermetic Trustees (1975) Ltd.

I the undersigned, **Maya Alcheh-Kaplan**, Attorney, confirm that this Deed of Trust, signed by Israel Corporation Ltd., as per its articles of association, through Messrs: _____ and - _____ whose signature is binding on the Company in connection with this Deed.

Maya Alcheh-Kaplan, Attorney

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Appendix A' - Confidentiality Agreement

__ on _____

To

Israel Corporation Ltd.

Dear Sirs,

Re: Commitment to confidentiality

1. As part of or in connection with the discharge of my duties as _____ to the holders of Series 12 Bonds of Israel Corporation Ltd. (hereinafter: "**The company**") (hereinafter: "**The job**"), I may receive or be exposed to information that is not public, including, but without derogating, information, news or professional information, technical, financial, technology, commercial or other related directly and/or indirectly to the company, affiliates or related subsidiaries of the company (as these terms are defined in the Securities Law, 5728 - 1968 (hereinafter: "**The Securities Law**")), the corporations in the group of companies, and/or stakeholders in the company (hereinafter together: "**The Group**"), Procedures and/or working methods and/or group activities and also commercial and business information, of any other kind because it is not common knowledge (hereinafter together: "**Confidential Information**"). Notwithstanding the foregoing, the term "Confidential Information" will not include information as stated above when I can prove that: (1) it is common knowledge (including information published by you or by stakeholders in you) or make common knowledge not due to breach of this commitment letter commitment; or (2) it was known to me before its disclosure by the Company and I can provide reasonable proof to that effect; or (3) it was provided to me by a third party, provided that at the time of receipt such information it was not known to me, after questioning the provider of the information, that the disclosure of information by that third party is a breach of the fiduciary duty that the third party owes to the Company.
2. It is known to me that I am forbidden to disclose the confidential information to any person and will not be allowed to use the confidential information for any purpose, except for work.

Notwithstanding any of the foregoing I shall be entitled (a) to submit the conclusions and evaluations based on the confidential information to the holders of Series 12 Bonds of the Company (including a presentation at bonds holders meeting to make a decision regarding their rights), provided that reliance on the stated information be kept to the minimum information and extent required to meet the requirements of the law and I gave a message to the company of such in a reasonable time in advance, in order to leave the company enough time to apply to the courts and to prevent the transfer of the stated conclusions and evaluations; (B) to submit the conclusions and evaluations based on the confidential information to bond holders representatives appointed as per the law by the bond holders, provided that all the members of the representatives (as it may be) signed a commitment to confidentiality towards the company, the text of this confidentiality letter and a also a declaration regarding the absence of conflict of interest or lack of competition with the company, and to allow the stated representatives of the holders of bonds to review the confidential information at our offices, subject to signing a confidentiality letter in the stated text by all

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the members of the representatives of the bond holders, and this subject to the provisions of section 17.2 of the Deed of Trust. It is clarified that if all bond holders representatives sign a commitment to confidentiality as stated, the passing of the confidential information to their proxies, their employees, including Board members, including members of investment committees and credit commissions, is allowed without their signing on additional commitments of confidentiality, subject to commitment of the representatives of the bond holders that all these entities and anyone acting on their behalf, including subcontractors that work on their behalf, that they also will fulfil the commitments outlined in this document; (C) to disclose confidential information, as you would have to do so under the law or as per the demand of an authorized authority according to the law and/or judicial order, provided that the disclosure is reduced to the minimum learning and scope required to comply with the demand of the law to coordinate with them in advance, as much as possible and allowed, and the content and timing of disclosure in order to leave them decent time to defend against this kind of demand.

3. In addition to passing of allowed confidential information as mentioned in section 2 and without derogating from the stated there, disclosure of confidential information would be done only and to my employees and/or authorized representatives on my behalf and including professional advisors (hereinafter: "**Authorized receiver**") as needed ("need to know" basis) only. I know that the disclosure or use of confidential information by an authorized receiver that is not in accordance with the provisions of this letter shall have the effect of disclosure or use as stated by me and shall take all the necessary measures to ensure the confidentiality of the confidential information. This commitment shall not apply for an authorized receiver who signed the similar confidentiality in all significant aspects to the commitment detailed in this text.
4. It is known to me that disclosing the confidential information to any person or body may be contrary to the securities laws in Israel. I know that due to my exposure to confidential information that various restrictions may apply to me if inside information comes to me as meant by the securities laws in Israel and I am taking and will take all reasonable measures to ensure no prohibited use of the inside information regarding the confidential information.
5. All the documents that are delivered to me by you or came into my possession as a result and/or linked to my contract with you and the relation, directly or indirectly, in a group and/or activities (including any copy or processing of them) (hereinafter together "**the documents**") belong to you at all times and for all purposes be considered your property for purposes and intent and they will be returned to you by me according to your request immediately upon completion of the work, except for the information, which is retained in accordance with the provisions of any law and including the guidelines of an authorized authority, or in accordance with internal procedures, as required for documentation of work processes. For the aforementioned in this commitment, the term "documents" shall be construed as including all means of storing information, including, but without limiting the generality of the foregoing above, physical, mechanical, electronic, magnetic, optical or electro-optical means.

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6. My commitment according to this letter will be valid even after termination for any reason of my work and till the confidential information is made public (that is not due to the breach of the commitment according to this letter, as it may be). My commitments according to this confidential letter are irrevocable and are not allowed to be cancelled and they come in addition to and not instead of, every obligation imposed on me under the law and/or any other agreement. The signing of this commitment by me does not grant me the right to perform the work and terms of work shall be set in separate documents between us.
7. I will safeguard the information in strict confidentiality, at least at the same level of caution which I safeguard my confidential information, and to that end shall take no less than a reasonable level of caution.
8. It is clarified that in accordance with the provisions of the securities law, nothing stated in this commitment requires the company to disclose any information, and disclosure and delivery to us will be at the sole discretion of the company.
9. This commitment of mine in this document is to each one of the corporations in the group when its confidential information will be provided to me.
10. Was and it was determined by a court or any authority whatsoever that there is no validity to my commitment in the commitment letter – reducing the commitment, to the permitted by law at that time and there was in the stated decision to harm the other commitments and rights according to this document.

Sincerely yours,

Full name

Identity number

Signature

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Appendix B
Trustee's fees

The company will pay a salary to the trustee for his services, in accordance with the provisions of the Deed of Trust, as follows:

1. Annual fee for the first year (a period of twelve (12) months from the actual date of the issue of the bonds) a total of 20,000 NIS; For each year of additional term, that the bonds will be in circulation and have not yet been paid (principal and interest), a total of 19,000 NIS.
2. In addition, the trustee will be entitled from the company of reasonable return of expenses below against demand.

"Reasonable expenses" — amounts that the trustee spent as part of his position and/or pursuant to the powers granted to him by this Deed of Trust, including: Expenses and costs for summons and convening of meetings of bond holders and expenses for missions and travel and in press publications related to the summoning for meetings and as obligatory under any law.

3. Towards every shareholders annual meeting that the trustee takes part, even if did not actually take place due to lack of quorum, shall be paid a fee of 600 NIS for the meeting plus reimbursement for travel.
4. For special activities and works to be performed by the trustee, beyond the ongoing activity of the trustee, the company will pay the trustee 600 NIS per hour including:
 - 4.1 Activities that is on the trustee to execute to fulfil the legal obligation of securities law in general and in particular Amendment 50 and 51;
 - 4.2. Activities Resulting from a breach or anticipated breach of the trustee deed by the company;
 - 4.3. Actions in connection with the provision of immediate repayment of bonds and/or actions in connection with the decision of the meeting of holders of bonds to have the bonds redeemed immediately;
 - 4.4. Special actions required or there will be the need to execute, in order to carry out his duties according to this deed in connection with the rights of the holders of the bonds and for protecting them, including in connection with the noncompliance of the company of its commitments according to this deed, including converging of meetings of the holders of bonds as stated in this deed and including for participation at meetings of the holders of bonds;
 - 4.5. Work needed due to a change in the company structure or due to the demand of the company;
5. All amounts quoted above are linked to the consumer price index for March 2018 (which will be published in April 2018).
6. In Case the tenure of the trustee expired, as stipulated in section 2.2.3 of this deed, the trustee will not be entitled to payment of fees from the day his term expires. If the trustee's tenure expires during the year, the trustee will return the fee paid in respect of the months he did not serve as trustee as trustee in practice within 7 business days from the date of his appointment of as alternate trustee (for a partial term will be paid relative wages).
7. VAT, if applicable, will be added to each of these amounts and will be paid by the company.

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Israel Corp. Ltd.

First addendum

Certificate for Series 12 Bonds

Hereby issued is this bond which is payable in 6 installments, and bearing an annual interest as stated below.

Series 12 Bonds registered in the name of

Certificate number: []

Inclusive par value of bonds in this certificate [] NIS.

The registered owner of the bond in this certificate []

1. This certificate attests that the Israel Corporation Ltd. (Hereinafter: "**The company**") shall pay on the 30th of September of each year from 2021 to 2026 (inclusive), the par value of the bonds in this certificate, to whosoever that holds (as defined in the conditions overleaf) listed in the bond on the date determined for that payment, and everything is subject to the conditions listed overleaf and the Deed of Trust, dated March 27, 2018, between the Company on the one hand and Hermetic Trust (1975) Ltd. and/or anyone who periodically serves as Trustee for the bond holders under the Deed of Trust ("**The Trustee**" and "**the Deed of Trust**", respectively).
2. This bond bears an interest at the annual rate shown above which will be paid on the dates, all as specified in the conditions overleaf.
3. This bond is linked (principal and interest).
4. This bond is issued as part of the Series 12 Bonds whose terms are identical to the terms of this bond, subject to the terms outlined overleaf and in accordance with the trust the Deed of Trust for Series 12 Bonds, and are not assured at the time of issuance for the first time with any pledge.
5. It is clarified that the provisions of the Deed of Trust will constitute an integral part of the provisions of this bond and will bind the Company and the bond holders included in the above series. In any event of conflict between the provisions of this certificate and the Deed of Trust and the provisions of the Deed of Trust shall prevail.
6. Payment of the last principal and interest will be against delivery of the bond to the Company's registered office, at the time of payment, as stated in the terms and conditions overleaf or anywhere else on it that the Company will notify not later than five business days before the date of payment.
7. All the bonds in this series will stand at the same rating between them and themselves (pari-passu), without having any preference right to one over the other.
8. The Company reserves the right to issue, subject to the provisions of the law, at any time (between a private and public offering) at its sole discretion, and without the need for the consent of the Trustee

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and/or the bond holders, the bonds of different kind or an additional series of bonds or other securities, under interest and linkage terms, the level of repayment in the event of liquidation and other terms, including guaranteeing them with collateral, as the Company will deem it necessary and whether they preferred over the terms of the bonds, that are equal to or less favorable of them. In addition, the Company may, from time to time, at its sole discretion, without the need for approval from the Trustee and/or the bond holders, to expand the bond series and issue additional Series 12 Bonds (whether a private offer, or under prospectus, or under a shelf offering report or otherwise), including a related holder as stipulated in section 4.2 to the Deed of Trust, at any price and in any manner deemed by the Company, including a discounting or premium rate (including the lack of discount or absence of premium) are different from those (if at all) other offerings made from the same series in accordance with the provisions of any law and subject to the provisions of section 2.2 to the terms listed overleaf. Notwithstanding the foregoing, to the extent that the Company will issue additional bonds and another series and this other series won't be backed by collateral (and while it is not backed by collateral), the rights of the additional series on liquidation will not be a priority over that of the Series 12 Bonds.

9. Every transfer of bonds subject to the limitations set forth in section 7 of the conditions listed overleaf, of the bond certificate.

Signed by the company on [_____].

Israel Corp. Ltd.

By:

Authorized Signatory: [_____] Authorized Signatory: [_____]

The terms appearing overleaf

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1. General

In this bond the following terms shall have the following meanings, unless another meaning is implied by the context of the term:

“Initial proposal report of the bonds”. Proposal report according to which the Series 12 Bonds will be initially offered.

“Bond holders” and/or “Bond owners” and/or “The holders”. As defined in section 1.6 of the indenture, above.

“Business day” Any day on which most of the banks in Israel are open for conducting transactions.

“Principal” The total nominal value of the bond

“The Nominee Company” Tel Aviv Stock Exchange Nominee Company Ltd., or any other nominee company with which the Company will engage at its sole discretion, so long as all of the Company’s securities are registered to the same nominee company.

“Bonds” or “Series of Bonds” or “Series 12 Bonds” A series of Bonds that shall be named Series 12 of the Company’s Bonds, registered, whose terms and conditions are pursuant to the Bonds certificate of Series 12, to the indenture and to the initial proposal report of the Series 12 Bonds, which shall be issued from time to time by the Company at its sole discretion.

“Trading day” Any day on which transactions are conducted at the Tel Aviv Stock Exchange Ltd.

“The Stock Exchange Clearing-House” The clearing-house of the Tel Aviv Stock Exchange Ltd.

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“The Stock Exchange” Tel Aviv Stock Exchange Ltd.

“The Prospectus” or “The Shelf Prospectus” As defined in section 1.6 of the indenture.

It is clarified that notwithstanding anything to the contrary in this Appendix, the dates specified above and below may vary according to the bylaws of the TASE Clearing-House and to the directives of the Stock Exchange, as would be in force on the publication date of the proposal report, and would be detailed in the proposal report.

The terms of the Bonds (the terms listed overleaf) are an integral part of the provisions of the indenture. The provisions of the indenture shall be seen as though they were explicitly included in the terms and conditions of these Bonds. In case of conflict between the provisions of the bond and those of the indenture, the provisions of the indenture shall prevail. As of the date of this Deed there is no contradiction between the provisions of the bonds (The terms appearing overleaf) and those described in the shelf offer report (as defined below) in connection with the Company's Series 12 Bonds.

2. **Bonds**

- 2.1. The Company proposes to issue, pursuant to a shelf offering report, registered bonds (Series 12), nominated at NIS 1 each (hereafter the “Bonds [Series 12]”) under the terms and conditions specified in sections 3 to 5 below.
- 2.2. Expanding the series
Concerning the expansion of the series, see Section 3.2 of the indenture.
- 2.3. Issuance of additional securities
concerning issuance of additional securities, see Section 3.2 of the indentures.
- 2.4. Collateral
Concerning collateral, see section 6 of the indenture.

3. **The Principal**

- 3.1. The Principal of the Bonds (Series 12)

The Company intends to issue, pursuant to a shelf offering report, registered Series 12 Bonds of 1 NIS par value each (hereinafter: "**Series 12 Bonds**"). The Series 12 Bonds shall be due and payable (principal) in six annual unequal payments, which will be made on the 30th of September of each of the years 2021 to 2026 (inclusive), as set forth below: the first payment in respect of the principal shall be made on September 30, 2021, and it shall be at a rate of 10% of the par value of the principal; the second, third, fourth and fifth payments in respect of the principal shall be made on the 30th of September of each of the years 2022 to 2025, as the case may be, and each one shall be at a rate of

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17.5% of the par value of the principal; the sixth (and final) payment in respect of the principal shall be made on September 30, 2026, and it shall be at a rate of 20% of the par value of the principal. The bond principal is not linked.

4. **Interest**

- 4.1. The Series 12 Bonds shall bear annual interest rate that shall be determined by tender for the interest rate, not to exceed the maximum interest rate, which will be determined in the Offering Report. Interest on the unpaid balance, as it may accrue from time to time, of the Principal of the Bonds (Series 12) shall be paid from September 2018, twice a year (except in 2018) on the 31st of March and on the 30th of September in each of the years 2019 to 2026 (inclusive), in such a manner that the first payment of the interest shall be made on September 30, 2018, and the last interest payment shall be made on September 30, 2026. The interest on the Bonds is not linked.
- 4.2. The interest rate in respect of the first interest period of the Bonds, the annual interest rate on whose basis it is determined and the semi-annual interest rate shall be specified in the report to be published by the Company concerning the results of the tender governing the interest rate.
- 4.3. The interest payment to be made at each interest payment date shall be calculated according to the annual interest rate, divided by the number of payments per year, i.e. two payments (with the exception of the first interest payment that will be made on September 30, 2018, and that will be paid in respect of the period that commences on the first trading day after the date of the tender for the Series 12 Bonds and that ends on the last day prior to the said date of payment, which shall be paid according to the interest rate that will be set forth in the tender and it will be calculated according to the number of days in the aforesaid period and based on 365 days per year). The Company will specify, in the issuance results report, the annual interest rate, as well as the semi-annual interest rate (which shall be calculated as the annual interest rate divided by the number of payments per year, which shall be made in two instalments).
- 4.4. The interest on the Series 12 Bonds shall be paid semi-annually for the interest period ending on the last day prior to the date of payment (hereafter: the "Interest Period"). The first interest period of the Bonds shall commence one Trading Day after the day of the tender, which shall be specified in the initial proposal report and will end on the last day prior to the date of the first interest payment. Every subsequent interest period of the Series 12 Bonds, shall commence on the first day following the end of the interest period immediately preceding it, and shall conclude at the end of the interest period. Interest for the first interest period shall be calculated according to the number of days in that period, on the basis of 365 days per year.
- 4.5. The last interest payment in respect of the unpaid Principal balance of the Series 12 Bonds, shall be made together with the last Principal payment of the Series 12 Bonds, in exchange for the delivery of the Bonds' certificates to the Company.
- 4.6. Overdue interest: wherever the Company delays payments in respect of the Bonds' Principal and/or interest, for a reason attributable to the Company, then in case said delay does not exceed 7 days, the Company shall pay to the Bonds' bearer's overdue interest at an annual rate 3% higher than the Bonds'

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interest for that period (calculated pro-rata). In respect of any delay in excess of 14 days, the Company shall pay to the Bonds' bearer's overdue interest at the overdue interest rate generally used by the Accountant General in the Ministry of Finance, as of the end of the aforementioned 14-day period, and until actual payment ("Overdue Interest"). The Company shall immediately report the overdue interest rate, the total interest rate for the period (including the Overdue Interest) as well as its planned time of payment, two Trading Days before actual payment. For the avoidance of doubt it is clarified that a delay in the payment date as elaborated in article 5.2 hereunder, does not constitute a delay in payment.

5. **The Principal and interest payments in respect of the Bonds**

5.1 Payments on account of the interest and/or the Principal, in respect of the Bonds, shall be made to people registered in the Bonds' Bearer Register on March 25th and on September 24th in respect of any relevant time period, preceding the due date of that payment ("The Deciding Date"), except for the last interest and Principal payment, to be made on September 30, 2026, in exchange for the delivery of the Bonds' certificates to the Company on the payment date, at the Company's registered office or in any other place, as the Company would determine. The Company shall publish a notification of the above no later than five business days prior to the last payment date.

It is clarified that whoever is not registered in the Bonds' (Series 12) Bearer Log on the Deciding Date, shall not be eligible to an interest payment in respect of the interest period started before that date.

5.2 Wherever the due date for a Principal and/or an interest payment occurs otherwise than on a business day, the due date shall be deferred to the first following business day, with no addition to the payment, and the Deciding Date for the determination of eligibility to redemption or to interest shall not be altered as a consequence of the above.

5.3 Payment to eligible persons shall be made by checks or by a bank transfer to the bank account of the persons registered in the Bonds' (Series 12) Bearer Log, who would be mentioned in a written letter to be delivered to the Company in due time, according to the provisions of articles 26 to the indenture, and 5.5 hereunder. In case the Company is precluded from paying any amount to an eligible person, for a reason outside its control, the provisions of articles 13.3 – 13.8 to the indenture shall apply.

5.4 The bearer of the Series 12 Bonds shall inform the Company of his bank information, for accreditation with payments due to that bearer, pursuant to the Series 12 Bonds as aforesaid, and of any changes in the aforementioned bank account information, or in his address, as the case may be, by a written notification to be sent to the Company by registered mail. The Company shall have to comply with the bearer's notification concerning a change as mentioned above, after 15 business days following the reception of the bearer's notification at the Company.

5.5 In case the Bonds' bearer, eligible to payment as mentioned above, has failed to deliver his bank account information to the Company in a timely manner, any payment on account of the

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Principal and interest shall be made by a check, posted through registered mail, to his last registered address in the log. The shipment of a check to an eligible person by registered mail shall be considered, for all intents and purposes, as the payment of the amount nominated therein, at the date of its postal shipping, so long as said check is actually paid, when properly presented for collection.

5.6 Any lawfully required obligatory payment shall be deducted from any payment in respect of the Series 12 Bonds.

6. **Failure to pay for reasons not under the Company's control**

As concerns failure to pay for reasons not under the Company's control – see articles 13.3 – 13.8 to the indenture.

7. **Transfer of the Bonds**

7.1 The Bonds are transferable in respect of any nominated value amount, so long as it is mentioned in whole New Israeli Shekels. Any transfer of the Bonds held by a registered holder shall be carried out pursuant to a stock transfer deed, made in the commonly used wording for a stock transfer, duly signed by the registered owner or his legal representatives, as well as by the recipient of the transfer or his legal representatives. The stock transfer deed shall be delivered to the Company at its registered office, together with the certificates of the Bonds transferred pursuant thereto, and every other reasonable proof as may be required by the Company to establish the transferrer's right to transfer them.

7.2 Subject to the aforementioned, procedural provisions included in the Company regulations relative to the modality of transferring shares, shall apply, mutatis mutandis as the case may be (except those provisions pertaining to obtaining the consent for transfer of the possessor of a special State share, which shall not apply to a transfer of Bonds), to the modality of transferring the Bonds and converting them.

7.3 In case any obligatory payment, including taxes and other charges, applies to the stock transfer deed, the Company shall be provided with reasonable proof of their payment, by the person seeking the transfer.

7.4 In case of a partial transfer of the nominated Principal amount of the Bonds covered by this certificates, the Bond shall first be split, pursuant to the provisions of article 8 hereunder, into several Bond certificates as warranted (up to a reasonable quantity, to be determined by the Company), so that the aggregate of the Principal amounts nominated therein equals the nominated Principal amount of the aforementioned Bonds certificate.

7.5 After all of the aforementioned terms and conditions are complied with, the transfer shall be registered in the Register, and the Company may require that a caveat be registered, in respect of the aforementioned transfer, upon the transferred Bond certificate to be handed to the

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transferee, or that he is issued a new bond certificate instead of the previous one, and all of the terms and conditions detailed in the indenture and in the certificate of the transferred bond, shall apply to the transferee, so that wherever the word “possessor” appears, it shall be seen as though it was “transferee”, and he shall be considered as a possessor for the purposes of the indenture.

7.6 All expenses and fees related to the transfer shall apply to the person requesting the transfer.

8. **Splitting the Bonds' certificate**

Regarding a split of the Bonds' certificate, see article 27 to the indenture.

9 **Early redemption of the Series 12 Bonds**

9.1 **Early redemption at the Stock Exchange's initiative**

In case the Stock Exchange decides to strike the unpaid Bonds from its listing, pursuant to the worth of the Series 12 Bonds falls below the amount set forth in the Stock Exchange directives concerning striking bonds from the listing, the Company shall proceed to an early redemption and act as follows:

- (a) Within 45 days of the decision of the Stock Exchange Board of Directors, on striking the bonds from the listings as mentioned above, the Company shall inform the Bonds holder of an early redemption date, on which he would be entitled to redeem them. The notification of the early redemption date shall be published in an immediate report, which will be sent to the authority and to the Stock Exchange and published in two common daily newspapers in Israel, in the Hebrew language. It shall also be delivered in writing to all of the registered holders of the Bonds.
- (b) The early redemption date shall be no earlier than 17 days before the publishing date of the notification, and no later than 45 days following that date, but not between the Deciding Date for an interest payment and its actual payment date.
- (c) On the early redemption date, the Company shall redeem the bonds, whose holders will have asked to redeem. The consideration paid within the redemption procedure shall not be lower than the nominated value of the Bonds, plus any accrued interest as of the actual payment date, as determined in the Bonds' terms and conditions.
- (d) The determination of an early redemption date as mentioned above, shall not derogate from the redemption rights set forth in the Bonds of any of the bond holders, who would not redeem them at the early redemption date as mentioned above. However, the aforementioned Series 12 Bonds shall be struck out from trade in the Stock Exchange, and shall be, among other things, subject to the tax implications arising of that fact.
- (e) Early redemption of the Bonds as mentioned above, shall not entitle the holders of Bonds redeemed as mentioned above, to Principal or to interest payments in respect of the period following the redemption date.

9.2 **Early redemption at the Company's initiative**

The Company may, at its sole discretion, carry out an early redemption (in part or in full) of the Series 12 Bonds at any time, but not before at least 60 days pass after the registration of the

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Series 12 Bonds for trade in the Stock Exchange. In this case, the following provisions shall apply, all subject to the directives of the Israel Securities Authority, and to the provisions of the Stock Exchanges and the directives pursuant thereto, as they may be at the relevant date:

- (a) The frequency of early repayments shall not exceed one quarterly repayment.
- (b) Wherever an early redemption is scheduled to a quarter, in which an interest payment, a partial redemption date or a final redemption date is also scheduled, the early redemption date shall be carried out on the date set forth for payment as mentioned above.

For that matter, a “quarter” means each of the following periods: January – March, April – June, July – September, October – December.

- (c) The minimal scope of any early redemption shall be at least one million NIS. The aforementioned notwithstanding, the Company may carry out early redemption at an amount lower than one million NIS, so long as the frequency of redemptions as mentioned above, shall not exceed one redemption per year.
- (d) Any amount to be redeemed by an early redemption act initiated by the Company, shall be discharged in respect of all of the Bond bearers, pro-rated according to the nominated value of the Bonds possessed.
- (e) As the Company board of directors resolves to carry out early redemption as mentioned above, the Company shall publish an immediate report of the fact, and send a copy of the immediate report to the trustee, not less than 17 days and not more than 45 days before the early redemption date.
- (f) The early redemption date shall not be scheduled to the period between the Deciding date for an interest payment in respect of the Bonds, and the actual payment date of the interest. In the aforementioned immediate report, the Company shall publish the Principal amount to be discharged by early redemption, as well as the interest accrued in respect of the aforementioned Principal amount, up to the early redemption date, according to the aforementioned.
- (g) No early redemption will be performed for part of the Series 12 Bonds in case the last redemption amount is under NIS 3.2 million.

In case of a partial early redemption, as there may be, the Company shall pay to the Bond holders, at the partial early redemption date, the interest accrued only in respect of the part redeemed within the partial early redemption, and not in respect of the entire unpaid balance. In the event of an additional interest payment due to the early redemption, the additional interest shall be paid on the par value that was redeemed in the early redemption only.

- (h) At a partial early redemption date, as there may be, the Company shall notify, within an immediate report, of: (1) the partial redemption rate, in terms of the unpaid balance; (2) the partial redemption rate in terms of the original series; (3) the interest rate, in the partial redemption, in respect of the part redeemed; (4) an update of the remaining partial redemption rates, in terms of the original series; (5) the deciding date for eligibility for early redemption of the Bonds' Principal, which would be six (6) days before the date set forth for the early redemption.
- (i) The amount to be paid to the bearers of Series 12 Bonds within an early redemption, shall be the higher of the following: (1) the market value of the balance of the Series 12 Bonds in circulation, as are presented for early redemption, to be determined according to the

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average closing price of the Bonds on the thirty (30) trading days preceding the date in which the Board of Director will have resolved upon the early redemption; (2) The liability value of the Bonds presented for early redemption, that is to say: Principal plus interest, up to the actual early redemption date; (3) The cash flow balance of the Series 12 Bonds presented for early redemption (Principal plus interest), capitalized according to the yield of the Government Bonds (as defined hereunder), plus interest at an annual rate of 1%. Capitalization of the Bonds (Series 12) presented for early redemption shall be calculated as of the early redemption date, until the last payment date scheduled for the Bonds (Series 12) presented for early redemption.

In this regard: “**The Yield of the Government Bonds**” means, the average (gross) yield for redemption, in a period of seven business days, ending two business days prior to the notification of the early redemption, of two series of Government Bonds, with an average term which is the closest to the average term of the Series 12 Bonds at the relevant date.

For example: if the Average Duration of Government Bond A is four (4) years, the Average Duration of Government Bonds B is two (2) years and the Average Duration of the balance of the loan is three and a half (3.5) years, the yield shall be determined as follows:

$$4X + 2(1 - X) = 3.5$$

X = The weight of the Yield of Government Bond A

(1 - X) = The weight of the Yield of Government Bond B

According to the calculation, the annual yield of Government Bond A will be weighted at a rate of seventy five percent (75%) of the "yield" and the annual return of Government Bond B will be weighted at a rate of twenty five percent (25%) of the "yield."

“Average Duration” – Average duration of the bonds.

10. **Acquisition of Bonds by the Company and/or by a related holder**

In this regard, see article 4 to the indenture.

11. **Limitations on distribution**

See article 3.3 to the indenture.

12. **General provisions**

12.1 The Principal and interest amounts are paid and transferrable regardless of any equitable rights, or any offsetting right or a counter-claim existing, or which would exist between the Company and an earlier possessor, including the original possessor of the Bonds.

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12.2 Any person who becomes entitled to the Bonds pursuant to bankruptcy or to liquidation procedures of the Bonds' bearer, shall be entitled, upon presentation of such evidence as the Company would require from him from time to time, to be registered as the Bonds' bearer in the Log, or, subject to the terms and conditions described above, to transfer them.

12.3 The owners of the Bonds shall be entitled to exercise their rights, pursuant to the Bonds and the indenture, through the Trustee, or pursuant to a Bonds Bearers' general assembly resolution, in the modalities described in the Bond and in the indenture.

12.4 The provisions of the indenture, including the right to present Bonds for immediate redemption, as are detailed in article 8 to the indenture, shall be considered as an inseparable part of this Bond.

13. **Changes in the terms and conditions of the Bonds and the indenture**

In this regard, see article 25 to the indenture.

14. **General assemblies of Bonds' bearers**

The Bonds Bearers' general assembly shall be convened and held pursuant to the provisions of the second supplement to the indenture.

15. **Acceptable proof**

In this regard, see article 14 to the indenture.

16. **Replacing the Bond certificates**

In case the Bonds certificate becomes worn, is lost or destroyed, the Company may issue a new Bonds certificate in its stead, pursuant to the same terms and conditions as apply to the Series 12 Bonds, and subject to proof, the Company shall be entitled to indemnification and reimbursement of the reasonable expenses incurred by the Company, in determining the ownership rights over the Bonds, as the Company sees fit. In case of a worn certificate, the worn Bonds certificate shall be returned to the Company prior to issuance of the new certificate. Taxes, charges and other expenses related to the issuance of the new certificate, as may apply, shall apply to the person requesting the aforementioned certificate.

17. **Notifications**

In this regard, see article 24 to the indenture.

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Second supplement to the indenture

Subject to the provisions of the Securities Law, a Bonds bearers' assembly shall be convened and held, and additional provisions shall apply thereto as follows:

Convening an assembly

1. The Trustee shall convene, no later than fourteen (14) days after presenting the second annual report of the Trust's affairs (pursuant to article 19.1 to the indenture), a bearers' assembly. The assembly shall be convened no later than sixty (60) days after presentation of the aforementioned report. The agenda of the aforementioned assembly shall include the appointment of the Trustee for a time period to be determined, discussion of the annual report of the Trust's affairs, as well as any other subject scheduled for the agenda as mentioned in article 35-l-2 to the Securities Law.
2. The Trustee shall convene a Bonds Bearers' assembly if he sees fit, or pursuant to a written demand by Bonds possessors who hold, separately or jointly, at least five percent (5%) of the nominated value balance of the Bonds in circulation.
3. In case those requesting the convening of the assembly are the Bonds' bearers, the Trustee may demand indemnification from the requesting persons, including beforehand, in respect of the reasonable expenses related. It is clarified that the Trustee's demand for indemnification shall not undermine the convening of an assembly convened in order to take action so as to avoid prejudice against the rights of the Bonds' bearers.
4. A trustee required to convene a bearers' assembly pursuant to the provisions of article 2, shall convene it within 21 days of receiving the demand to convene it. He shall schedule it to the date requested, provided that the date scheduled is not earlier than seven days, nor later than 21 days after the convening date; however, the Trustee may anticipate the convening of the assembly, for at least one day after the convening date, in case he considers this to be necessary in order to protect the bearers' rights, and subject to the provisions of article 20 hereunder; in case he does so, the Trustee shall explain, in a report on convening the assembly, the reasons for anticipating the assembly date.
5. The Trustee may, at his reasonable discretion, change the scheduled date of an assembly convened by himself, or at the Company's request, where the assembly was convened by the Company.
6. Where the Trustee fails to convene a bearers' assembly, as demanded by a bearer as mentioned in article 2 above, within the time period mentioned in article 4 above, the bearer may convene the assembly, so long as the schedule date is within 14 days after the expiry of the time period available to the Trustee to convene the assembly. The Trustee shall bear the expenses incurred by the bearer relative to convening the assembly.
7. In case a bearers' assembly (as in articles 1 or 2 above) fails to be held, a court of law may order its convening, at the request of a bearer.
8. Where a court of law orders as mentioned in article 7 above, the Trustee shall bear any reasonable expenses incurred by the Applicant in the procedure in court, as the court may resolve.
9. The Company may convene, at any time, a Bonds Bearers' assembly coordinated with the Trustee. Where the Company convenes such an assembly, it must immediately send a written notice of the fact to

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the Trustee, mentioning the place, date and time in which the assembly would take place, as well as the matters to be brought for discussion therein.

The Trustee, or his representative, may participate in the aforementioned assembly, but without the right to vote. An assembly as aforementioned shall be convened for the date which would appear in the invitation, so long as the assembly date is not earlier than seven days or later than 21 days following the convening date.

10. In case it is not practically possible to convene a bearer's assembly or to hold it in the manner established in the indenture or by law, a court of law may, as requested by the Company, a Bonds' bearer entitled to vote in an assembly, or the Trustee, order that an assembly is convened and held in a manner determined by the court, and he may also issue complementary instructions for that purpose, as it sees fit.

Irregularities in convening an assembly

11. The court may, at the request of a bearer, order that a resolution made in a bearer's assembly be revoked, when said resolution is passed in a bearers' assembly convened or held in non-compliance with the terms and conditions set forth for that purpose by law, or pursuant to this deed.
12. Where the irregularity in convening the assembly pertains to the notification of the place or the time of the intended assembly, a bearer who was present in the assembly despite that irregularity, may not demand the revocation of the resolution.

Notification of convening an assembly

13. A notification of a bearers' assembly shall be published pursuant to the provisions of section G1 to the Law ("Electronic Reporting") and delivered to the Company by the Trustee before reporting and as prescribed in the regulations.
14. The convening notice shall include the agenda, the resolutions proposed, as well as arrangements pertaining to voting in writing, pursuant to the provisions of articles 26 and 28 hereunder.

The agenda in the assembly

15. The Trustee shall establish the agenda in a bearers' assembly, so as to include therein subjects requiring a bearers' assembly pursuant to articles 1 and 2 above, as well as an subject requested pursuant to article 17, at the request of a bearer.
16. Inasmuch as an assembly is convened as mentioned in article 9 above, the Company shall determine the agenda for the assembly.
17. Any bearer, one or more, who holds at least five percent (5%) of the nominated value balance of a bond series, may request the Trustee to include a subject in the agenda of a bearers' assembly which would be held in the future, so long as the subject is suitable for discussion in an assembly as mentioned above.
18. Resolutions shall pass in a bearers' assembly, only with regard to subjects described in the agenda.

The place set forth for an assembly

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19. A bearers' assembly shall be held in Israel, in the Company offices, or in any other place, as would be notified by the Trustee or the Company. The Trustee may alter the address scheduled for the assembly. The Company shall bear the costs of convening the assembly at any address other than its office.

The Deciding Date for ownership of indentures

20. Bearers eligible to participate and to vote in the bearers' assembly, are Bond bearers at a date to be determined in a resolution to convene a bearers' assembly, so long as this date is not more than three days prior to the date scheduled for the bearers' assembly, nor less than one day before the scheduled date.

Chairman of the assembly

21. The trustee, or his appointee, shall serve as chairman in any bearers' assembly.
22. The Trustee shall prepare minutes of the Bonds bearers' assembly, and keep them in his registered office for a period of seven (7) years after the assembly date. The assembly minutes may be in the form of a recording. Minutes, inasmuch as made in writing, shall be signed by the chairman of the assembly. Any minutes signed by the chairman of the assembly constitutes prima facie evidence to anything stated therein. The minutes log shall be kept in the Trustee's registered office, open for inspection by the bearers during working hours and upon prior coordination. A copy thereof shall be sent to any bearer who requests this.
23. A declaration by the chairman of the assembly, to the effect that a resolution is adopted or rejected in a bearers' assembly, whether unanimously or by a certain majority, shall be prima facie evidence for its contents.

Legal quorum; a deferred or continued assembly

24. A Bonds bearers' assembly shall be opened by the chairman of the assembly after he determines the presence of the legal quorum required for any of the subjects on the agenda of the assembly, as follows:
 - 24.1 Subject to the legal quorum required in an assembly convened in order to pass a special resolution (as defined in the indenture), and subject to the non-negotiable provisions of the Securities Law, and to the provisions of the indenture, the legal quorum required to hold a Bonds bearers' assembly shall be as set forth in article 35 – 1 – 13 to the law.
 - 24.2 In case no legal quorum is present in a bearers' assembly within half an hour of the time set forth to the start of the assembly, the assembly shall be deferred to another date, not earlier than two business days after the date scheduled for the original assembly, or than one business day, in case the Trustee considers this to be necessary in order to protect the bearers' rights; in case the assembly is deferred, the Trustee shall explain, in a report on convening the assembly, the reasons for that.
 - 24.3 In case no legal quorum is present in the deferred bearers' assembly, as mentioned in article 24.2 above, within half an hour of the time set forth for it, the assembly shall take place inasmuch as a legal quorum, as set forth in article 35-l-14 to the law, is present therein.
 - 24.4 Despite the provisions of article 24.3 above, where the bearers' assembly is convened pursuant to the demand of bond bearers, as provided in article 2 above, the deferred bearers' assembly

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shall take place only if persons are present therein, who hold Bonds at least in the amount required to convene an assembly pursuant to the provisions of that article (i.e. – at least five percent (5%) of the nominated value balance of the Bonds in circulation).

25. At the determination of the Trustee, or as resolved by a simple majority of voters in a bearers' assembly, in which a legal quorum was present, the continuation of the original assembly shall be deferred from time to time, or the discussion, or a resolution over a subject included in the agenda, to another date and to a place to be determined by the Trustee or the assembly (hereinafter: "Continued Assembly"). Only a subject which appeared on the agenda and remained unresolved shall be discussed in a Continued Assembly.

Where a bearers' assembly is deferred without altering its agenda, invitations shall be given, indicating the new date for the Continued Assembly, as early as possible, no later than twelve hours before the Continued Assembly; invitations as mentioned above, shall be given pursuant to articles 13 and 14 above.

Participation and voting

26. A Bond bearer may vote in a bearers' assembly, on his own or through an agent, as well as through a voting deed, in which he would indicate the manner of his voting, and in keeping with the provisions of article 28 hereunder.
27. A resolution shall pass in the bearers' assembly by a show of hands.
28. A voting deed shall be published by the Trustee, for all Bond bearers; a bond bearer may indicate his manner of voting in the voting deed, and send it to the Trustee.

A voting deed in which a voter has indicated his manner of voting, which has reached the Trustee prior to the last day scheduled for that purpose, shall be considered as presence in the assembly, regarding the presence of the legal quorum as mentioned in article 24 above. Accordingly, the Trustee may, at his discretion and subject to the provisions of the law, to hold voting assemblies through voting deeds, without convening the bearers, and to hold a vote through voting deeds in a voting assembly (including in its Deferred Assembly), in which the legal quorum required to pass the resolution on the agenda was not present at the outset, so long as the Trustee receives, by the time the voting assembly is concluded, as shall be set forth in the notification of having the assembly convened or the vote held, as the case may be, voting deeds from bearers who constitute a legal quorum required in order to pass the resolution in an original assembly or in a Deferred Assembly, as the case may be.

A voting deed received by the Trustee as mentioned above, concerning a certain subject not voted upon in the bearers' resolution, shall be considered as an abstention vote in that assembly, as concerns a resolution on holding a Deferred bearers' Assembly pursuant to the provisions of article 25 above. That vote shall be counted in the Deferred bearers' Assembly, which would be held pursuant to the provisions of articles 25 or 24.3 and 24.4 above.

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29. Each NIS 1 of nominated value of the Bonds represented in the vote, shall entitle its holder to one vote. In case of joint possession of Bonds, only the vote of the first-listed joint-possessor in the registry shall be accepted.
30. A Bonds' bearer may vote in respect of part of the Bonds he possess, including voting in respect of a part thereof in favor of a proposed resolution, vote against it in respect of another part, and abstain in respect of another part, as he may see fit.
31. The holdings of a related possessor (as the term is defined in article 4.2 to the indenture) shall not be considered in determining the legal quorum in a Bearers' assembly, and their votes shall not be counted in a vote held at an assembly as mentioned above.

Resolutions

32. Bearer assembly resolution shall pass with a simple majority, unless a different majority is set forth by law or in the indenture.
33. The abstention votes shall not be counted among the votes participating.
34. The chairman of the assembly may determine that votes are submitted through voting deeds, or through voting in the assembly. Where the chairman rules that the voting is conducted through voting deeds, the Trustee will have the wording of the voting deed distributed to the bearers, and set forth a time for the conclusion of voting, as a deadline until which the bearers have to send the voting deed, duly filled out and signed, to the Trustee, The Trustee may require of a bearer that he declares, within the voting deed, the existence or non-existence of a conflicting interest (as defined hereunder) he may have, at the Trustee's discretion. A bearer who fails to fully complete the voting deed and/or to prove his eligibility to participate and vote in an assembly pursuant to the provisions of the second supplement, shall be considered to have failed to submit a voting deed, and therefore to have elected not to vote upon the subject/s appearing in the voting deed. A complete and duly signed voting deed, in which a bearer indicates their manner of voting, which has reached the Trustee prior to the deadline set forth for that purpose, shall be considered as presence in the assembly, as regards the presence of a legal quorum as mentioned in article 24 above.
35. Any decision included in the agenda of a bearers' assembly, which is voted upon, shall pass by an ordinary resolution, except where otherwise set forth in the indenture, all subject to the provisions of the law.

Voting and acting through an agent / legal representative

36. A deed of appointment, appointing an agent, shall be made in writing and signed by the person making the appointment, or his representative with authorization to do so, in writing, in a proper manner. Where the person making the appointment is an association, the appointment shall be made in writing and will bear the association stamp, as well as the signatures of the association signatories.
37. An appointment deed of an agent shall be worded in any manner acceptable to the Trustee.

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38. An agent does not need to be a Bond bearer himself.
39. A deed of appointment and the power of attorney, as well as any other document pursuant to which the appointment deed was signed, or a certified copy of such a power of attorney, shall be delivered to the Trustee by the time scheduled for the assembly, unless otherwise prescribed in the notification convening the assembly.
40. The Trustee shall participate in the assembly through his employees, position holders or another person as may be appointed thereby, but shall have no voting right.
41. The Company and any other person, except for the Trustee, shall be precluded from participating in the Bond bearers' assembly, or in any part thereof, as determined by the Trustee, or by an ordinary resolution of Bond bearers. Despite the provisions of this article, the Company may participate in the opening of an assembly, in order to express its opinion regarding any subject appearing on the assembly agenda, and/or in order to present a certain subject (as the case may be).

Addressing Bond bearers

42. The Trustee, as well as a bearer, one or more, who has at least five percent (5%) of the nominated value balance of the Bonds in circulation of that series, through the Trustee, may address the bearers in writing, in order to convince them as to their vote on any of the subjects brought forth for discussion in that assembly (hereinafter: "Notification of Position").
43. Where a Bearers' assembly has been convened pursuant to article 2 above, a bearer may contact the Trustee and ask him to publish, pursuant to the provisions of section G1 of the Law, his own Notification Position for the other Bond bearers.
44. The Trustee or the Company may send a Notification of Position to the Bond bearers, in response to a Notification of Position sent as mentioned in articles 42 and 43 above, or in response to another message to the Bond bearers.

Examination of conflicts of interests

45. Where a Bearers' assembly is convened, the Trustee shall examine the existence of conflicts of interest with the bearers, between an interest arising from their possession of the Bonds, and another of their interest, as the Trustee may determine (in this article – "Another Interest"), pursuant to the provisions of the law as they may be at that time; the Trustee may require that a bearer participating in a bearers' assembly inform him, before voting, of Another Interest he may have, as well as whether he has a conflict of interest as above.

Without derogating from the generality of the aforementioned, each one of the following shall be considered as having conflicting interest:

- 45.1 A bearer who is a related bearer (as this term is defined in article 4.2 to the Indenture);

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45.2 Any bearer, with regard to whom the Trustee has ruled that he has “a conflicting interest” as mentioned hereunder, subject to any law and/or order of a competent authority, including: any bearer who will declare to the Trustee in writing, that he has a material personal interest foreign to the interest of all of the Bond bearers at the bearers’ assembly. A bearer who fails to present a written declaration after being requested to do so by the Trustee, shall be considered to have declared that he has such a personal interest. The Trustee shall determine, with regard to such a bearer, that he is a bearer with a conflicting interest.

Without derogating from the provisions of this article, the Bearer shall examine whether a bearer is a bearer with a “conflicting interest”, also considering that bearers’ holdings of other Company securities and/or securities of any other corporation as may be relevant to the resolution brought to the assembly for ratification (as will be detailed in the voting deed), according to that bearer’s declaration.

46. The determination of the existence of a conflicting interest shall be made also based on a general examination of conflicts of interests, to be conducted by the Trustee. Additionally, for the avoidance of doubt it is clarified that the provisions concerning the definition of Bond bearers with a conflicting interest, do not derogate from the provisions of the law, court decisions and binding directives of the Israel Securities Authority, regarding the definition of Bond bearers with a conflicting interest, as shall apply at the time of examination, and that the aforementioned provisions relative to a conflicting interest shall be subject to those provisions of the law, court decisions and binding directives of the Israel Securities Authorities, as pertain to the matter.
47. In examining a conflict of interests as mentioned above, the Trustee may rely upon legal opinions he may order. The provisions of the indenture concerning bearing costs shall apply thereto.
48. It is hereby clarified that the examination of a conflict of interests, as mentioned above, inasmuch as it is indicated in the Trustee’s opinion, shall be separately conducted in respect of any resolution on the assembly agenda, and in respect of any assembly separately. It shall be further clarified that the determination that a bearer has a conflicting interest over a certain resolution or in a certain assembly, in itself, does not indicate a conflicting interest held by that bearer over another resolution on the assembly agenda, or his conflicting interest in other assemblies.
49. In counting the votes in a vote held at a bearers’ assembly, the Trustee shall omit the votes of bearers who did not comply with his demand as mentioned in article 45 above, or of bearers found by himself to have conflicting interests, as mentioned in article 45 above (hereinafter: “Bearers with Conflicting Interests”).
50. Despite the provisions of article 49 above, where the total holdings participating in the vote, which do not hold a conflicting interest, is under five percent (5%) of the nominated value balance of the Bonds of that series, the Trustee shall count within the votes, also those of the Bearers with Conflicting Interests.

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Convening a bearers' assembly for consultation

51. The provisions of articles 2, 4, 6, 15, 17 and 18 above do not derogate from the authority of the Trustees to convene a bearers' assembly, in case he finds it necessary to consult with them; when convening for an assembly as mentioned above, the subjects on the agenda shall not be detailed, and it shall be scheduled for at least one day after the convening date.
52. In an assembly as mentioned above, no vote shall be held, no resolutions shall pass, and the provisions of articles 2, 4, 6, 7, 8, 14, 15, 17, 18, 20, 24, 25, 26, 28, and 43, and as set forth in law, shall not apply thereto.

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Appendix A2 – Deed of Trust for the Series 13 Bonds

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Deed of Trust for Series 13 Bonds

Table of contents:

Subject	Section in the Deed
Introduction, interpretation and definitions.	1
General	2
Issuing Bonds	3
Acquisition of Bonds by the Company and/or by affiliated holder	4
The company's liabilities	5
Collateral	6
Priority level	7
Right to place for immediate settlement and/or realizing collateral	8
Claims and procedures by the trustee	9
Trustee for the receipts	10
Authority to demand financing.	11
Authority to delay fiscal division	12
Notification of division, failure to pay for a reason not dependent on the Company and on deposit with the trustee	13
Receipt from the bond holders and the trustee.	14
Presentation of the bond before the trustee and registration in connection with part payment	15
Investing funds	16
The Company's obligations towards the trustee	17
Additional obligations	18
Reporting by the trustee.	18
Trustee's salary.	20
The trustee's authority	21
Authority of the trustee to employ agents	22
Indemnification of the trustee	23
Notices	24
Changes in the terms of the bonds and Deed of Trust	25
Registration of bond holders	26
Certificates and splitting certificates	27
Reporting to the trustee	28
Powers of Attorney	29
Applicability of the Securities law	30
Assembly of bonds holders.	31
Contradiction between the provisions of the Deed of Trust, the Prospectus and the Shelf Offering Report	32

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the binding version is the Hebrew original

The trustee's responsibility	33
Other agreements	34
General	35
Responses	36
Applicable law and jurisdiction	37
Certification for reporting on the electronic disclosure system	38
Confidentiality letter	Appendix A
Trustee's salary	Appendix B
Certificate of Series 13 Bonds and conditions listed on the next page	First addendum
Convening of the bond holders, the manner of conduct and various conditions to it.	Second addendum

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Deed of Trust for Series 13 Bonds

Dated March 27, 2018

Between:

Israel Corp. Ltd.

From 23, Arnia Street, Tel Aviv

Telephone : 03-6844517

Fax : 03-6844587

(Hereinafter: "**The Company**")

On the one side

And between:

Hermetic Trust (1975) Ltd.

From 113, Hayarkon Street, Tel Aviv

Telephone : 03-5544553

Fax : 03-5271039

(Hereinafter: "**The Trustee**")

On the other side:

- Whereas** On May 4, 2016 the Company's Board of Directors approved the publication of the Shelf Prospectus (Hereinafter: "**The prospectus**" or "**The Shelf Prospectus**") whereby the Company may issue under the shelf offering reports, inter alia, Series 13 Bonds which are not convertible into Company shares of (Hereinafter: "**The Bonds**");
- Whereas** And the trustee is a share limited Company that was legally incorporated in Israel with that purpose of dealing in trusts;
- Whereas** And the trustee declares that it is not prevented by law (as defined below) or any other law, to engage with the Company as per this Deed of Trust and that it meets the eligibility requirements and conditions stipulated by law (as defined below), to serve as a trustee under this Deed of Trust;
- Whereas** And the trustee has no interest in the Company and the company has no interests in trustee;
- Whereas** Standard & Poor's Maalot (hereinafter: "**Maalot S&P**" or "**Maalot**") rated "iA" bonds of up to NIS 400 million par value which may be issued by the Company by way of new series;
- Whereas** And the Company declares that it is not prevented by any law and/or agreement to issue the Series 13 Bonds and to engage with the trustee under this Deed of Trust, and have received all the certificates under any law and under the incorporation documents of the Company and any material agreement to which the Company is a party to issue the Series 13 Bonds;
- Whereas** And the Company requested from the Trust that subject to issuance of the Series 13 Bonds he shall serve as trustee for the holders of Series 13 Bonds that shall be issued in this context, and the trustee agreed to this, all subject to and in accordance with the terms and conditions of this Deed of Trust;
- Whereas** And the Trust agreed to sign this Deed of Trust and act as trustee for the bond holders;

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Whereas And the parties wish to regulate the conditions of the Series 13 Bonds with this Deed of Trust and which is in light of the Company's intention to offer to the public for the first time, the Series 13 Bonds according to the shelf prospectus, as shall be detailed in the proposed shelf report that the Company shall publish, as far as it shall be published (Hereinafter: "**The proposed shelf report**"), in the regime that the Deed of Trust shall apply regarding the Series 13 Bonds only;

Therefore it was agreed, declared and stipulated between the parties as follows:

1. Introduction, interpretation and definitions.

- 1.1. The preamble to this Deed of Trust and its appendices, attached herein, constitute are an integral part thereof.
- 1.2. Dividing this Deed of Trust into sections and also giving titles to its sections, are for convenience purposes and place marks only, and should not be used for interpretation.
- 1.3. All stipulated in this Deed are in the plural reference despite sounding singular and also vice versa, all stated in the male even the female applies and vice versa, and all stated as a person can even be a Corporation, provided there is no other express provision and/or if the content or the context requires otherwise in this Deed.
- 1.4. In each event of conflict between the provisions of this Deed of Trust (and its various appendices) and the provisions of the Company's prospectus and/or proposed shelf report, relative to the Series 13 Bonds, all the provisions of this Deed shall supersede. As of the date of the Deed, there is no contradiction between the provisions of the Deed of Trust and those described in the Shelf Offering Report (as defined below) in connection with the Series 13 Bonds of the Company.
- 1.5. This Deed of Trust is subject to the provisions of the law and the provisions of the competent authority, as they are from time to time, which cannot be conditional. In addition, this Deed of Trust is subject to the provisions of the Rules and Regulations of the Stock Exchange and the directives thereunder (hereinafter: the "**Stock Exchange Provisions**"), as shall be from time to time. In the event of any inconsistency between the provisions of this Deed of Trust (including the various appendices hereto) and the Stock Exchange Provisions, the Stock Exchange Provisions shall prevail.
- 1.6. In this Deed of Trust the following expressions have the meaning alongside:

"The Company" - Israel Corporation Ltd.

"This Deed" or "Deed of Trust" - This Deed of Trust and its amendments, insofar, including additions and appendices that are attached to it and constitute an integral part thereof.

"The Trustee" - The Trustee mentioned at the header of this Deed and/or anyone who will serve from time to time as a

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trustee of the bond holders under this deed.

"The prospectus" or "The shelf prospectus". The shelf prospectus of the Company which was published in May 2016.

"The proposal report" or "the shelf proposal report". A proposal report in accordance with the provisions of section 23 of the law (as defined below), in which all the necessary details of the proposed Series 13 Bonds are completed, whether for the first time or as an existing series, including the composition of the proposed units, in accordance with the provisions of any law and in accordance with the regulation and Stock Exchange guidelines, as that would be at the time.

"The Companies Law" - The Companies Law, 5759 - 1999, and the regulations as are established by its virtue from time to time.

"The law" or "The Securities Act". The Securities Law, 5728 - 1968 and its regulations as are established by its virtue from time to time.

"Registry" - Register of the bond holders as determined in section 35h2 of the law and as stipulated in section 26 to this Deed.

"Stock exchange" - The Tel Aviv stock exchange Ltd.

"Principal" - Total face value of the bond from series 13.

"Ordinary Resolution" - A resolution that was passed by a meeting of the bond holders (whether at the original meeting or at the adjourned meeting, as applicable), where a legal quorum was present, as determined in Sections 35L13 and 35L14 of the Law, as applicable, with a simple majority of votes of the participants in the vote, without considering the abstaining votes.

"Special resolution" The resolution was made at a general assembly of bond holders attended by themselves or by their proxies, bonds holders that hold at least fifty percent (50%) of the remaining face value of Series 13 Bonds in circulation, or at a postponed assembly of this assembly, which was attended by holders of twenty percent (20%) at least from the stated balance and which was made (in the original assembly or the postponed assembly) by a majority of holders of two-

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thirds of the remaining face value of the bonds is represented in the vote, except for the abstentions that were not taken into account in the quorum of votes cast.

"The Nominee Company" -	Tel Aviv Stock Exchange Nominee Company Ltd. or any other nominee company with which the Company shall engage, at its sole discretion, and provided that all of the Company's securities are listed in the name of the said nominee company.
"the Financial Transaction"	A financial transaction that the Company conducted in September 2014 in connection with 36.2 million ICL shares, as set out in the Company's Immediate Report dated September 24, 2014 (reference: 2014-01-164040) and notes 10c and 16e.1h to the Company's financial statements as of December 31, 2016 and note 5.a.2 to the Company's financial statements as of September 30, 2017.
"Bond series" or "Series 13" "Bonds" or "the Series 13 Bonds".	Bonds series, series that is named 13 of the Company's bonds, registered in the name, whose conditions are in accordance with the Deed of Trust, the bond certificate of series 13 and the first offering report of the Series 13 Bonds, which shall be issued by the company at its sole discretion.
"Bond holders" and/or "Bond owners" and/or "Holders".	As defined in the terms "holder" and "holding a certificate of undertaking" in the securities law.
"Trading day".	Every day in which trades take place on the Tel Aviv Stock Exchange Ltd.
"The Stock Exchange clearing house".	Clearing house of the Tel Aviv Stock Exchange Ltd.
"Financial statements" -	The Company's separate financial statements.
"Management fees" -	Payments for management services, advisory services (or any other similar name) that will be paid by the Company to its shareholders but except for services relating to fulfilling roles of officers of the Company by any of the executives, officers or advisors at shareholder as stated.

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"ICL" - Israel Chemicals Ltd.

"ICL shares" - Ordinary shares of Israel Chemicals Ltd.

"ORL shares" - Ordinary shares of Oil Refineries Ltd.

"Total financial liabilities, net" (relevant to section 5.2 to this deed only) -

On the date of the relevant audit, the Company's total liabilities (separate) and of the Company's fully owned subsidiaries, proportional to the following. Calculation of total net financial liabilities shall be attached to the certificate which will be sent to the trustee and on the calculations shall apply the provisions of the Deed of Trust for mutual confidentiality as stated:

- (1) Loans from Banks and other credit sources as reflected in the latest unconsolidated (separate) financial statements (at the time of the relevant audit) of the Company and all the subsidiaries fully owned by the Company (not in the consolidated); and also
- (2) Financial Guarantees given by the Company and/or any fully owned subsidiary of the Company to guarantee duties of third parties; and also
- (3) Fair net value of derivative transactions made by the Company or subsidiaries fully owned by the Company (whether positive or negative) as reflected in the latest financial statements (on the relevant check time).

It is hereby clarified that the amount provided to the Company in the framework of the Financial Transaction and the fair value of the options by virtue of the Financial Transaction shall not be included in the calculation of the Total Financial Liabilities, net as aforesaid.

And less the total balances of the liquid assets of the Company and those of the subsidiaries fully owned

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by the Company. It is clarified that the loan provided to Kenon Holdings Ltd. (Hereinafter: "Kenon") prior to the signing date of this deed of trust (which was repaid in full in January 2018) shall be considered as a liquid asset.

The calculation above shall refer to the figures shown in the latest published financial statements (unconsolidated; separate) of the Company or the subsidiaries wholly owned by the Company, respectively, and offsetting inter-company transactions between the Company and the wholly owned subsidiaries.

"Liquid Assets" -

As of the date of the relevant examination, cash and cash equivalents, short-term deposits, and a loan to a held company.

"Total assets" -

On the date of the relevant audit, the inclusive market value (as this term is defined below) comprising of ICL and ORL shares held by the Company and/or by its wholly owned subsidiary (directly or indirectly). It is hereby clarified that the ICL shares that were the subject of the Financial Transaction shall not be calculate as part of the Total Assets.

"The market value" means the last closing rate of ICL or ORL shares, as applicable, in the stock exchange, on the audit date.

"Realized gains" -

"Gains" as defined in the Companies Law (Hereinafter: "**The gains before adjustments**");
When-

- (a) Of the profit changes in the fair value of assets and liabilities or other consequential effects which are not considered "revenue" shall be neutralized before the adjustments, recognized according to the following accounting standards, to the extent and as applicable: (1)IAS 40 - revaluation surplus for investment property; (2) IFRS 9 / IAS 39 - changes in fair value of financial assets and liabilities that are not held for trading or traded on an active market and that

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cannot be easily exercised (i.e. the uncertainty involved in turning them into cash and cash equivalents is very low) and imputed to the profit and loss statement; (3) IAS 28 - equity profits derived from the management of an investment account in associated companies, net of dividends received from the holding Company; (4) IFRS 11 - equity profits derived from the management of a joint ventures account in associated companies, net of dividends received from the; (5) IFRS 3 - gains from a bargain purchase (negative goodwill); (6) IAS 28, IFRS 11, IFRS 10, IFRS 3 - Profits resulting from 'upstream' and 'downstream' transactions (Phase 2); (7) IAS 12 (Neutralizing deferred tax effects that were created for each of the sections above and also neutralizing deferred taxes resulting from losses carried forward).

Changes in fair value of financial assets held for trading and which are available for immediate realization (Easily realizable) that are traded in an active market and do not constitute strategic investments shall not be neutralized.

Notwithstanding the foregoing, from the amounts that shall be neutralized as stipulated in this section (a) shall be offset and deducted from the losses originating from assets and liabilities as stated in subsections (1) through (7) above until a height of these profits from assets and liabilities (the offset will be of a general form of any kind and without distinction between type of asset/liability);

- (b) When realizing assets or settling liabilities, when the profits or losses for them have been disabled in the past in accordance with section (a) above (such as revaluation gains or equity gains), raise

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the realized profit balance in a manner that the accrued profit amounts which were realized following the realization of the asset or settlement of the liability will add-on.

- "Financial Entity" -** Each of the enumerated below: Banks; Corporations whereby Joint Investment Trust Law, 5754 - 1994 (including any law that replaces it) applies to them; Corporations whereby the Control of Financial Services. (Provident Funds) Law 5765 - 2005 (including any law that replaces it) applies; An insuring corporation as defined in the Supervision of Financial Services Law, 5741 - 1981 (including any law that will replace it); a corporation that provides non-bank credit with the approval of the Supervisor of Capital Markets, Insurance and Savings, credit card companies that operate by virtue of the Banking (Licensing) Law, 5741-1981; or any corporation similar to the above enumerated organizations whereby the corporation is outside Israel and which is supervised by a competent authority in the country of incorporation.
- "Dollar" -** The dollar, used as the legal currency in the United States.
- "Payment exchange rate" -** The last known on the third business day prior to the actual date of payment.
- "The nominal rate" -** The nominal dollar rate as determined by the Bank of Israel or any other official exchange rate that replaces it, if so, and only if during the period Bank of Israel does not customarily determine the nominal rates, the rate that shall be determined by the Governor of the Bank of Israel for linkage of the dollar to bonds issued by the State, and if the Governor of the Bank of Israel does not determine the rate as stated for period whatsoever to determine the rate of Exchange respectively, it will be replaced by the average exchange rate and if there isn't, then the nominal rate will be determined by the Company and the Trustee in consultation with financial experts that shall be

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chosen in collaboration by them.

- "The base rate" -** The representative rate that shall be published at 15:30 on the day of the institutional tender that shall be held in connection with the first issue of the Series 13 Bonds, and as shall be set forth in the shelf report.
- "The known rate" -** On any date - The last dollar exchange rate determined by the Bank of Israel before that date But at a time when Bank of Israel does not customarily determine the nominal rate, it shall be the known rate on any date, the recently determined rate before that date by the Minister of Finance, together with the Governor of the Bank of Israel for government bonds linked to the dollar exchange rate, and in the absence of rate as stated as determined by the Company and the Trustee.
- "Business day" -** Any day that most Banks in Israel are open for carrying out transactions .

It shall be clarified that despite the stated in this Deed below, the dates listed in this Deed and its appendices below may be changed in accordance with the bylaws of the clearing house of the Stock Exchange and its guidelines, as are at the time of publication of the proposal report and shall be described within the proposal report.

2. **General**

2.1. Appointment of the Trust

- 2.1.1. The Company hereby appoints the Trust as the first trustee for bond holders (series 13) by virtue of the provisions of Chapter H 1 to the Securities Law.
- 2.1.2. If the trustee is substituted with another trustee, the other trustee shall be a trustee for the bond holders by virtue of the provisions of Chapter H 1 to Securities Law.

The loyalty to the bond holders and the roles if the trust under the terms of this Deed of Trust shall be valid upon issuance of the bonds by virtue of this Deed by the company.

2.2 The term of office; The expiration of the term; Resignation; Dismissal.

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- 2.2.1 The first Trustee will serve from the date stipulated in section 2.1 above and his tenure will end at the time when the holders meeting is convened (Hereinafter: "**Assembly of the first appointment**"), whereby the trustee shall come in not later than 14 days after the presentation of the second annual report on the matters of the Trustee under section 35h1 (a) to the Law. Insofar as the assembly of the first appointment approved the continuation of the tenure of first trustee, the trustee is to continue until the end of the additional appointment period that was scheduled in the resolution taken at the assembly of the first appointment (which may be until the final maturity of bonds).
- 2.2.2 Insofar as the assembly of the first appointment and/or any other assembly later that allowed the additional tenure period in the appointment of the trustee, his appointment period shall end with a decision by the holders regarding the continuation of his tenure and/or appointing another trustee under him.
- 2.2.3 A resolution regarding transfer of trustee from office was made by a simple majority of votes at an assembly of the participating holders attended by at least fifty percent (50%) of the outstanding balance of the face value of the bonds, or at a postponed assembly of holders, holding at least ten percent (10%) of the stated outstanding balance.
- 2.2.4 Notwithstanding the provisions of section 2, regarding the appointment of the trustee, his replacement, tenure, tenure expiration, resignation and dismissal, the provisions of the law shall apply.
- 2.3 With the trustee signing this Deed of Trust does not constitute expression of any opinion regarding the nature of the offered securities or the investment viability thereof.
- 2.4 The Trustee shall represent the holders of Series 13 Bonds in any matter deriving from the Company's commitments towards them, and he shall be entitled for that purpose to act to consummate the rights of such holders in accordance with the Securities Law and the terms of the deed of trust. The Trustee is entitled to initiate any procedure for the purpose of protecting the holders' rights according to the law and the terms specified in this deed of trust.
- 2.5 Subject to the provisions of any law, the trustee is not required to announce to any entity whatsoever that he signed this Deed of Trust.
- 2.6 Subject to the provisions of any law, the trustee is not required to act in a way that is not explicitly detailed in this Deed of Trust to any information regarding the Company and/or in

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connection with the Company's ability to meet its obligations to bond holders comes to his knowledge and this is not a part of his duty.

- 2.7 Subject to the provisions of any law and the provisions in this Deed of Trust, the trustee undertakes, upon signing this Deed, to keep confidential any information provided by the Company and/or subsidiary and/or a Company associated to the Company and/or anyone acting on their behalf (Hereinafter: "**The information**"), shall not disclose it to another and will not make use of it unless its disclosure or use is required to fulfill his duty under the securities law, according to the Deed of Trust, or by order of a Court of law. It is hereby clarified that the transfer of information to bond holders, including through public advertisement for the purposes of reaching a decision regarding their rights according to the bond or for reporting the Company's status, does not constitute a violation of the commitment to confidentiality as stated above. And provided that the trustee will coordinate with Company, to the extent possible and permissible, the contents and timing of the information transmitted, and this will not affect the bond holders' rights. The transfer of such information to authorized representatives (who are not employees and/or officers in the Trust) and/or professional consultants of the trustee (Hereinafter together: "**Consultants**") the consultants shall be subjected to signing a confidentiality letter that is in Appendix A of this Deed.
- 2.8 The trustee may rely as part of the Trust on each document in writing, including, written instruction, notice, request, consent or approval, which appears to be signed or issued by any person or body that the trustee believes in good faith to have been signed or issued by him.
- 2.9 The trustee shall give the company written notice regarding a change of the Trust's contact details, within 7 business days from the date of change.
- 2.10 It is clarified that the termination of the Trustee's term shall not derogate from any rights, demands or claims that the Company and/or the holders of Series 13 Bonds may have towards the Trustee, insofar that their cause shall be prior to the date of termination of the Trustee's term, and this will not release the Trustee from any liability according to law.

3. Issuing the Bonds

3.1 General

- 3.1.1 The company intends to issue Series 13 Bonds shelf offering report recorded in the name of and of 1 NIS par value. Each (Hereinafter: "**Series 13 Bonds**"). The Series 13 Bonds shall be due and payable (principal) in six annual unequal payments, which will be made on the 30th of September of each of the years 2021 to 2026 (inclusive), as set forth below: the first payment in respect of the principal shall be

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made on September 30, 2021, and it shall be at a rate of 10% of the par value of the principal; the second, third, fourth and fifth payments in respect of the principal shall be made on the 30th of September of each of the years 2022 to 2025, as the case may be, and each one shall be at a rate of 17.5% of the par value of the principal; the sixth (and final) payment in respect of the principal shall be made on September 30, 2026, and it shall be at a rate of 20% of the par value of the principal.

- 3.1.1 The Series 13 Bonds shall bear an annual interest at a fixed rate to be determined in a tender for the interest rate, which shall not exceed the maximum rate as determined in the Offering Report. Interest on the unpaid balance, as it shall be from time to time, of the Series 13 Bonds shall be paid commencing from September 2018, twice a year (except in 2018), on the 31st of March and on the 30th of September of each of the years 2019 to 2026 (inclusive), in such a manner that the first payment of the interest shall be made on September 30, 2018, and the last interest payment shall be made on September 30, 2026, together with the last payment of the bond principal, against the delivery of the Series 13 Bond certificates to the Company. The interest payments shall be made for the six-month period ended on the last day prior to the relevant interest payment date, with the exception of the first interest payment, which shall be made on September 30, 2018, and which shall be paid in respect of the period commencing on the first trading day after the date of the tender of the Series 13 Bonds and ending on the last day prior to the aforesaid payment date, pursuant to the interest that will be determined in the tender and that will be calculated in accordance with the number of days in the aforesaid period, and based on 365 days per year. The Company shall issue an immediate report after the date of the tender, as stated, regarding the interest rate in relation to the first interest payment which shall be made on September 30, 2018.
- 3.1.2 The principal of the Series 13 Bonds and interest payable for it will be linked to the nominal dollar rate under the following linkage terms: If it becomes apparent that the payment rate for payment on account of the principal and/or interest for the Series 13 Bonds is higher than the base rate, then the Company shall make payment of that amount of the principal and/or interest, as is increased proportionally to the rate of increase of the payment rate compared to the base rate. In the event the payment rate is lower than base rate, then the Company shall make payment of that amount of the principal and/or interest, when it is decreased proportionally to the rate of decrease of the payment rate compared to the base rate. The linkage

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method for the principal and/or the interest will not be altered during the period of bonds. For more information see also sections 3, 4 and 5 to the conditions listed overleaf on the bonds page.

3.1.3 If after the date of first issuance of the Series 13 Bonds, the bond series is expanded by the Company, bond (series 13) holders as mentioned which shall be issued as part of the series expansion will not be eligible to receive payment on account the principal and/or interest in respect of the said bonds, where the effective date of these payments will be applied prior to their stated date of issue.

3.1.4 For details regarding the Company's right to early redemption of the Series 13 Bonds, see section 9 of the conditions overleaf.

3.2 Issuing additional securities and increasing the series

3.2.1 The company reserves the right to issue, in accordance with the provisions of the law, at any time (whether a private or public offering), at its sole discretion and without requiring the Trustee's and/or bond holders consent, different kind of bonds or an additional series of bonds (Hereinafter: "**The additional series**") or other securities, under terms of maturity, interest, linkage, redemption level in case of liquidation and under other conditions, including ensuring with collateral, as the Company deems fit, whether they are preferable over terms of the bonds, equal or inferior to them, and that is without prejudice to the duty of redemption imposed on it. Notwithstanding the foregoing, to the extent that the Company will issue an additional bonds series and this other series won't be backed by collateral (and while it is not backed by collateral), the rights of the additional series on liquidation will not be a priority over that of Series 13 Bonds.

3.2.2 The company may, periodically, at its sole discretion, without requiring the approval of the trustee and/or the bond holders, to expand the bond series and issue additional Series 13 Bonds (whether in a private offer, whether under the prospectus, according to the shelf report or otherwise), including an associated holder as stipulated in section 4.2 below, at any price and in any manner deemed fit by the company, including at a discount or premium rate (including the absence of premium and discount) that are different from those that are (if any) in issuing others that were made from the same series, provided that notice regarding this is delivered to the trustee and that all the following conditions will be fulfilled: (1) that the expansion of the bonds series will not cause, immediately following the consummation of the series expansion, to downgrade of the bonds' rating prior to

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the expansion of the series. If the bonds will be rated by more than one rating company than, for purposes of this section, the determining rating (in connection with the rating prior to the expansion and to the rating provided to it) will be the higher rating; (2) there is no cause for immediate repayment of the bonds; (3) the Company has met its material liabilities pursuant to the terms of the Deed of Trust; and (4) the Company has complied with the financial covenants as set forth above in Section 5.4 of this Deed (pursuant to the last Financial Statements that were approved and published prior to the date of the expansion and where the fact of the expansion of the bond series will not cause, immediately after the completion of the expansion of the series, a failure to comply with one or more of the aforesaid financial covenants. If the bonds were ranked by more than one ranking Company, then for the purposes of this section, the determining ranking (both on the eve of rating the expansion and the rating given in connection with it) will have a lower rating. In any event of a series expansion as stated, the Company shall forward to the trustee prior to obtaining an early commitment from classified investors in connection with expanding the series (or in a private placing, prior to the actual issuance): (a) approval of the rating Company's for not reducing the rating as on the eve of the series expansion, due to expansion of the series, as stated above (when reporting the rating report that the Company received in connection with the expansion will be considered for the purposes of this section as the rankings to the trustee); and (b) an approval of a senior officer in the company that there is no cause for immediate repayment of bonds (series 13).

3.2.3 For the avoidance of doubt, it is clarified that issuance of the additional bonds in the bond series (series 13) shall be issued under the Deed of Trust and their provisions thereof, and that the existing bonds of series 13 and other bonds of the same series (from their date of issue) shall constitute one series for all intents and purposes, and the deed of trust shall apply to any additional Series 13 Bonds that the Company will issue (if issued). The Company will request the Stock Exchange to register the additional bonds in trade as aforesaid, when they are issued. Subject to the terms of the deed of trust, the Trustee shall serve as the trustee for Series 13 Bonds, as shall be traded from time to time, even in the case of series expansion and the approval of the Trustee for serving as trustee for the expanded series will not be required.

3.2.4 Without limiting to the foregoing, the Company reserves the right to allocate additional bonds in the bond series by way of increasing series of Series 13 Bonds at a discount rate different from the discount rate of Series 13 Bonds that will be

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circulating at the same time (as far as they shall). If the discount rate which is determined for Series 13 Bonds due to increase of the series would be different from the discount rate of Series 13 Bonds that are circulating at the same time (as far as they shall), the Company, before increasing the series, shall approach the tax authority in order to obtain its approval that the matter of tax deduction at source is deducted from the discounting fees for the bond, the bond discount rate shall be determined at a uniform rate at the formula that weighs the various discount rates on the Series 13 Bonds, as they may be. In the event approval is received as stated, the Company shall calculate, after the date the series is expanded and before listing for trading of the bond that shall be issued, the rate of the weighted discount for all the bonds from the series and publish the report immediately before the registration for trade of the bond that shall be issued, but, as far as possible with the results of the issuance the uniform weighted discount rate for the whole series and shall deduct the tax on the maturity dates of the Series 13 Bonds according to the weighted discount rate as stated and in accordance with the provisions of the law. If no approval is received, the Company will report immediately before the registration for trade of the bonds to be issued, for non-approval as stipulated and therefore the uniform discount rate shall be the highest discount rate created for the Series 13 Bonds and tax at source shall be deducted at the bonds at maturity, depending on the discount rate report as stated. Therefore, there may be cases in which tax at source will be withheld for deduction fee at a rate above the discount rate fees as prescribed for those who hold Series 13 Bonds before increasing the series. In this case, the taxpayer holding the bonds before the series are increased and till the bond repayment shall be entitled to file a tax report to the tax authority for a refund of the tax deducted from the discount fee, as he shall eligible to for a refund as stipulated by law.

3.3 As of the date of this Deed of Trust, as part of the other existing series of bonds of the Company, as well as vis-à-vis a consortium of financing banks, the Company undertook not to make a dividend distribution, if certain conditions have been not satisfied, as applicable. It is clarified that the Company is not and shall not be subject to any restriction to amend (including with respect to restrictions on the distribution of dividends) the terms and conditions of any other existing bonds of the Company as of the date of the signing of this Deed. In addition, the Company undertakes not to make a dividend distribution, unless the conditions set forth in Section 5.2 below, in whole or in part, as applicable, have been satisfied.

4. Acquisition of Bonds by the Company and/or by affiliated holder

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4.1 The Company reserves, subject to any legally mandated provision, the right to purchase at any time and at any price it deems, Series 13 Bonds, which will be in circulation from time to time, without limiting the duty to repay imposed on it. Bonds purchased by the Company are canceled and erased from trading at the stock exchange and the Company shall not be entitled to issue a new. In the event that bonds will be purchased during the trading on the stock exchange, the Company approaches the Stock exchange clearing house to request the withdrawing of the bond certificates. The aforesaid does not prejudice the Company's right to redeem the bonds early (as stated in section 9 to the terms overleaf).

4.2 Any subsidiary of the Company, a company related to the Company, an associated company, the controlling shareholders of the Company (directly or indirectly) and/or his relative (spouse, and also brother, parent, grandparent, issue or issue of spouse, or the spouse of any of the above) and/or a corporation controlled by any of them and/or controlled by the Company (excluding the Company in respect of which the provisions of Section 4.1 above apply) (hereinafter: "**Associated Holder**") will be entitled to purchase and/or sell at any time and periodically, including by way of issuance by the Company, Series 13 Bonds. Bonds that are held as stated by an associated holder shall be considered as an asset of the associated holder, they won't be erased from trading at the stock exchange and will be transferable the same as the rest of the Company's bonds (subject to the provisions of the Deed of Trust and the bonds). The holdings of an Associated Holder shall not be taken into account for the purpose of determining the quorum at the shareholders' meeting, and his votes will not be included in the count of the votes at such a meeting. Despite the foregoing the Company will not buyback Series 13 Bonds of the Company as long it is complying with the financial covenants described on section 5.4 below.

4.3 The stated in section 4 does not, in itself, obligate the Company or the bond holders to buy or sell bonds that they hold.

5. **The company's liabilities**

5.1 General

5.1.1 The Company hereby undertakes to pay all amounts of principal and interest on the scheduled dates (including interest in arrears as applicable) and linkage differentials (if any) paid under the terms of the bonds, insofar as payable, and to fulfill all the other conditions and obligations imposed on it under the bond terms and this Deed of Trust..

In any event that the date of payment on account of principal amount and/or interest shall fall on a non-business day, the payment date shall be postponed to the next first business day, without any extra charge, interest or indexation, and the effective date

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for the purpose of determining the entitlement to redemption or interest will not change as a consequence thereof.

5.1.2 The Company undertakes that it will register the Series 13 Bonds for trade on the TASE. Series 13 Bonds shall be registered for trade on TASE in the Company's name as detailed in the Deed of Trust listings.

5.1.3 The Company undertakes that until the full, final and accurate settlement date of the Series 13 Bonds under the terms of Series 13 Bonds, and all other liabilities of the Company to the bond holders (series 13) according to the terms and conditions of the Deed of Trust and the Series 13 Bonds, shall apply as in this section 5 detailed below.

5.2 Restriction on distribution, payment of investment and management fee in new Corporations

5.2.1 Distribution of dividends and payment of management fees by the Company.

The Company hereby undertakes that, as long as the Series 13 Bonds are outstanding in their entirety, the Company shall not disburse dividends, as defined in the Companies Law (Hereinafter: "**Dividend**") and shall also not repurchase its shares (directly or indirectly) or pay management fees to its shareholders, unless the following six conditions were cumulatively met (a) in as of the date of the last financial statements that were approved and published prior to the Board of Directors decision on disbursing the dividend or regarding repurchase of shares or payment of management fees, as applicable (hereinafter: "**The decision**"), (b) immediately following making of this Decision and following its making:

5.2.1.1 The total net financial liabilities is not higher than: (a) 1,400,000,000 (one billion four hundred million) US dollars, in the event that the ratio between the total net financial liabilities and the total assets of the Company is not higher than 40% (forty percent); or (b) 1,300,000,000 (one billion and three hundred million) US dollars, in the event that the ratio between the total net financial liabilities and the total assets of the Company exceeds 40% (forty percent).

5.2.1.2 The ratio of the total net financial liabilities and the total assets of the Company are not higher than 50% (fifty percent). To the extent that the Company shall sell assets of the total assets, as of the date of entry of this Deed, in exchange for an inclusive amount higher than 250 million US dollars and above, the ratio determined in this section 5.2.1.5 only will be 35%.

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For the purposes of this condition, as well as for the purposes of the condition set forth in section 5.2.1.2 above, the total assets on both occasions will be examined as follows: (1) As of the last financial statement that have been approved and published prior to the decision date; and also (2) at the time of the decision. At this time, total assets will be examined according to the price known at the end of the last trading day prior to the date of the decision; net financial liabilities shall be examined according to the latest financial reports before the disbursement.

5.2.1.3 No amount of dividends shall be disbursed that as a result of its disbursement the cumulative total shall be above 75% of the Company's cumulative distributable profit as of 1st of January 2015. For the avoidance of doubt, it is hereby clarified that the dividend amount that was distributed during the Distribution Process (as defined below) shall not be included in the cumulative dividend amount in accordance with this section. The cumulative dividend and accrued profit as stated in this section shall be counted as from January 1, 2015, excluding the amount of the dividend (in kind and in cash) distributed as part of the Distribution process (as aforementioned).

“The Distribution Process” – a process for corporate separation, which was completed in January 2015, and which was done, *inter alia*, by way of the distribution of a dividend in kind and in cash in a total amount of 1,150,000,000 (one billion, one hundred and fifty million) US dollars, as stated in Note 5a of the Company's financial statements as of December 31, 2016.)

5.2.1.4 No dividend will be distributed (a) unless according to the latest financial statements which were approved and published prior to the date of the Decision (as this term is defined above), the Company did not comply with the financial covenant specified in section 5.4.2 below, without taking into account the remedy period in connection with this financial covenant, as stated in Section 8.1.20 of this Deed; or (b) if the bonds were lawfully due for immediate repayment.

5.2.1.5 No dividend will be distributed if, according to the most recent financial statements approved and published prior to the date of the

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Decision (as this term is defined above), the Company's shareholders' equity (as defined in Section 5.4.1 below) is less than 500 (five hundred) million US dollars.

5.2.1.6 No dividend will be distributed if there is a material breach of the terms and conditions of the Bonds.

Under the conditions stipulated in the preceding sections, the Company shall only disburse dividends in an amount that does not exceed the sum of the Company's realized profits (as defined above) for which dividends have not yet been disbursed and that is in accordance with the Company's latest financial statements that were approved prior to the Board of Directors decision regarding disbursement of the dividend.

In the matter of section 5.2.1 above, it shall be clarified that to the extent that the Company does not published the financial report that it is required to by law, at date it is required to published by law, the Company shall not disburse until the report is published as stated above.

5.2.2 The Company shall forward to the Trustee prior to the date determined for disbursement of dividends and no later than 7 business days after reaching a decision regarding the division in the Company's institutions, an approval signed by the Company, signed by the senior officer in the Company's finance sector, with the relevant calculations attached to the satisfaction of the Trustee regarding compliance with conditions specified in Sections 5.2.1.1-5.2.1.5 above; as well as approval signed by an officer that (a) to the best of the Company's knowledge there is no cause for immediate repayment according to this deed; and that (b) there has been no material breach of the terms and conditions of the Bonds. The calculations shall be forwarded only to the Trustee, under confidentiality, and shall not become public information, unless the information has been requested by a bondholder, who shall also sign a deed of confidentiality. The trustee shall rely on the approval of Company and will not be required to perform additional examinations himself. In case that the Company will distribute dividend, repurchase its shares or pay management fees to its shareholders according to this section the company will disclose in the Directors report that is published as part of the financial statements to be published after the disbursement date, regarding being or not being compliant with the conditions listed in this section 5.2.

5.2.3 Investments in new Corporations. The Company undertakes that insofar that all outstanding bonds have not yet been settled in full, the Company shall not make any investments whatsoever (including by way of investing in capital or option for capital or by way of providing loans, by purchase or by issuance), directly or through wholly-owned subsidiaries, in new Corporations

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whereby the Company or Companies wholly owned, directly or indirectly, held on the date of entry into force of this Deed of Trust.

It is clarified this undertaking is not to prevent or to restrict a company or a wholly owned subsidiary from performing any investments in Corporations held by any of them, directly or through a wholly-owned subsidiary on the date of entry into force of this Deed of Trust. Also, the above undertaking does not prevent the Company from managing investment portfolios, as part of the cash management of the Company, or to repay liabilities or pay guarantees provided or their provision was approved prior to the entry of this Deed of Trust into force.

It is further clarified that the aforementioned will not apply in relation to any transaction or action by Corporations held by the Company from time to time (excluding subsidiaries wholly owned by the Company, which hold ICL Shares).

Except if defined otherwise in this Deed, the definitions in section 5.2 above shall mean as in the General Accepted Accounting Principles.

5.3 Undertaking not to create liens on shares of ICL that are held by the Company

As long as Series 13 Bonds will be traded (i.e. as long as Series 13 Bonds were not repaid or retired in any manner, including by way of buyback and/or early repayment), the Company undertakes (directly or through wholly owned subsidiaries) that it shall not, pledge, charge, assign by way of pledge or provide other security of any kind or as other guarantee to any liability of it or others or any third party (a) more than 500,000,000 (five hundred million) ICL Shares that it owns; (b) more than 897,639,005 (eight hundred and ninety seven million, six hundred and thirty nine thousand and five) ORL Shares that it owns.

It is clarified that despite the foregoing the said undertaking shall not apply in the case that the creation of a pledge which exceeds the abovementioned is for a purpose of a debt raising where 80% or more of the proceeds are designated to a repayment (partial or full) of the bonds (in that case the Company shall be able to pledge larger amount of shares).

It is clarified that the Company's undertaking as stated in this subsection above is not registerable. The Company (directly or indirectly) shall be allowed to sell, lease, assign, give or transfer in any other way its property (including Shares and/or ORL Shares that it owns, all or part, pledged or not) subject to the provisions of Section 8.1.21 below, in any way in favor of any third party, without any need for any approval by the Trustee and or the holders of the bonds or to provide notifications to any of them.

5.4 Other liabilities - financial covenants

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- 5.4.1 **Minimal shareholders' equity** – The shareholders' equity of the Company (i.e., "the total capital attributed to the owners of the Company", pursuant to the latest published Financial Statements (as defined above); hereinafter: the "**Company's Shareholders' Equity**") – shall not be less than US \$360 (three hundred and sixty) million.
- 5.4.2 **Ratio of shareholders' equity to total assets** – The ratio between the Company's Shareholders' Equity ("the total capital attributed to the owners of the Company"), pursuant to the latest published Financial Statements (as defined above), and the total of the Company's assets according to the solo financial statements with deduction of liquid assets according to the solo financial statements (i.e., cash, cash equivalents, short-term deposits) plus the net financial liabilities of companies that are wholly-owned by the Company – will not drop below 20%.

An examination of the compliance with the financial covenants will be performed on the date of the publication of the Company's interim or annual Financial Statements with respect to the calendar quarter (or the calendar year, as the case may be) that ended on the date in respect of which the aforesaid Financial Statements were prepared, with respect to each one of the financial covenants set forth in Sections 5.4.1 and 5.4.2 separately. Seven (7) business days after the date of the aforesaid examination, the Company shall transfer to the Trustee authorization that has been signed by the most senior officer of the Company in the financial field with respect to the results of the examination, together with an explanation and/or calculation to the Trustee's satisfaction. The Trustee may rely on the Company's authorization and will not be required to perform an additional examination on his behalf.

Should it transpire that pursuant to the Financial Statements as aforesaid in this section, the Company failed to comply with or more of its obligations as set forth in this Section 5.4 above, and such non-compliance shall continue also pursuant to the relevant Financial Statements as of the end of the subsequent quarter after the initial examination in which the Company fail to comply with the aforesaid financial covenants (i.e., the breach shall continue pursuant to the Financial Statements of two consecutive quarters, in total) (hereinafter, in this section: the "**Period of the Examination**"), then, and only if there is a breach of one or more its liabilities as stated in this Section 5.4 above during two consecutive quarters, the provisions of Section 8.1.20 below shall apply.

5.5 Other liabilities-adjusting interest in the event of a change in the ratings of the bonds

- 5.5.1 The rate of interest that the bonds shall bear will be adjusted for change in the rating of the bonds, as described below. The manner in which the adjustment of

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the interest rate that the bonds shall bear, as stated above, shall be in accordance
with the mechanism described in this section 5.5.

It should be clarified that insofar as an adjustment of interest shall be necessary in accordance with the mechanism described in this section, and also pursuant to the mechanism described in Section 5.6 below, then in any event, the additional rate of interest, in respect of this section and in respect of Section 5.6 as aforesaid, cumulatively, will not exceed, in any event, 1.75% (the "Restriction of the Increase of the Maximum Interest"). The Arrears Interest, insofar as applicable in accordance with Section 4.6 of the Terms and Conditions Listed Overleaf, will be added to the said rate and will not form part thereof.

5.5.2 Insofar as the rating of the bond series by one of the rating Companies that shall rank the bond (each one of them as follows: "**The rating Company** ") shall be updated during any interest period, such that the rating determined for the bonds series will be below (Hereinafter: "**The reduced rating**") the rating (iIA) by S&P scale or a ranking equivalent to the rating determined by another rating company which shall rate the bonds (Hereinafter: "**The base " rating**") to exceed the annual interest rate that the unpaid balance of the principal of the bonds will bear, at an additional interest rate, as defined below, above the base interest rate, as defined below, and which is for the period beginning on the next interest period and until full repayment the unpaid balance of the principal of the bonds or until the beginning of the first interest period which is after the rise in decreased rating on reverting to the base ranking or the ranking higher than it (or returning to the ranking in which the additional interest rate lower, as described below then applies that which is listed in subsection 5.5.5 below), whichever is earlier.

"**The base Interest**" means the interest rate determined in the tender, as published by the Company in the immediate report regarding the results of the offering.

It is clarified that no addition was made to the interest for the period from the date the rating was reduced until the end of the current interest period during which the rating of the bonds has been updated and that the interest has not been reduced back for the period from the date the rating was raised back to the base rating (or to a higher rating that it is) or back to the ranking for which the additional interest rate is lower, as described below, until the end of the interest period during which the bond rating has been updated. For example, if the interest period is from 30th of November to 30th of May, and in the month of December in that period there is a change in rating which entail lowering or raising interest rates according to the conditions listed below, then

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no changes shall be applied (raising or lowering the interest) until 30th of May of that year, but only starting from 31st of May of the following period in connection with the next payment which will be paid on November 30.

In this regards "**The additional interest rate**" means: (A) While the reduced rating is (iA-) according to the national rating scale (or equivalent rating for this rating which is determined by another ratings Company that shall rank the bonds): 0.25%; (B) while the reduced rating is (iBBB+) according to the national rating scale (or equivalent rating for this rating which is determined by another ratings Company that shall rank the bonds): 0.5 % (i.e., additional 0.25% on interest rates under subsection (a)); (C) while the reduced rating is lower than the rating indicated in subsection (b) above by one grade according to the rating scale (or equivalent rating for this rating which is determined by another ratings Company that shall rank the bonds): 0.75% (i.e., additional 0.25% on interest rates under subparagraph (b)); (D) as long as the reduced rating is lower by one grade than the rating indicated in subsection (c) above according to Ma'alot's rating scale (or an equivalent rating for this rating which is determined by another rating company that shall rank the bonds): 1.0% (i.e., an additional 0.25% to the interest rate pursuant to subsection (c)); and also (E) as long as the Reduced Rating is lower than the rating specified in subsection (d) above by one notch, according to Ma'alot's rating scale (i.e., a rating that is lower than the BBB- [BBB minus] rating; or a rating that is equivalent to this rating which shall be determined by another Rating Company that will rate the Bonds): 1.5% (i.e., an additional 0.5% to the interest rate pursuant to subsection (d)).

In addition, in the event of the cessation of the rating of the Series 13 Bonds of the Company for over sixty (60) consecutive days, the interest supplement that is set forth in subsection (D) above shall be paid, without derogating from the right of the bondholders to declare the Series 13 Bonds of the Company to be immediately due and payable as stated in section 8.1.17 below.

To remove any doubt (and without derogating from the Restriction of the Increase of the Maximum Interest), it is clarified that in no circumstances (except with respect to interest in arrears as described in Section 4.6 of the Terms and Conditions Listed Overleaf in the First Schedule to this Deed) shall the annual interest rate pursuant to this Section 5.5 exceed the Base Interest Rate plus 1.0%, except in the event that the Reduced Rating is lower than the BBB- [BBB minus] rating, in which case the annual interest rate will not exceed the base interest rate +1.5%.

- 5.5.3 In the event of updating the rating of bonds by a rating Company, in a manner that will affect the interest rate that the bonds shall bear as stated above in this section 5.5, the Company shall notify the Trustee, and also immediately publish a report not later than one trading day after the date on

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which the Company shall be informed of the change in the rating, that shall include all the particulars as stated in section 5.5.4 below, in accordance with the provisions of any law..

- 5.5.4 As part of the publication process of the immediate report regarding the interest rate for the next interest period (i.e. it starts immediately after the period during which the relevant change in the rating), the Company shall specify: (A) Regarding lowering the rating, the reduced rating, the additional interest rate and starting date for the bond rating at the same rating (Hereinafter: "**The date the rating was lowered**"); (B) The updated average annual interest rate (i.e., base interest rate plus the additional relevant interest rate); (C) the semiannual interest rate (the semiannual interest shall be calculated as the updated annual interest rate divided by two) relative to the subsequent periods.
- 5.5.5 It shall be clarified that in the event after lowering the rating in a manner that affected the interest rate that the bonds shall bear as stated above in this section 5.5, the rating Company shall update the rating for the bonds upwards, to a rating stemming thereof to and additional interest rate which is lower, as described above (hereinafter: "**The higher ranking**"), then the interest rate to be paid by the Company to bond holders in respect of the period starting with the beginning of the next interest period shall be lowered gradually and according to the increase of the rating (i.e.: It begins immediately after the period during which the relevant change in ranking) until full payment of the unpaid principal of the bonds or until the change in the bond rating stated in accordance with the provisions of this section, so that the interest rate borne by the unpaid balance of the principal of the bonds will be the base interest rate without any supplement or, as applicable, plus the relevant interest rate (it should be clarified that in any event, the interest rate that the Bonds will bear will not be less than the interest rate that will be determined in the tender). In the case of the aforementioned, the Company shall act according to the provisions of subsections 5.5.3 and 5.5.4 above, mutatis mutandis from the high rating instead of the reduced rating.
- 5.5.6 It is clarified that in the event of changes in the ranking during interest period (Hereinafter: "**The current interest rate period**"), will be the determining date for examining the interest rate for the next interest period, the last day of the current interest period, i.e. - the additional interest rate that will be paid during the next interest as shall be stated with regard to the supplement, will be derived from the bonds rating on the last day of the current interest period.
- 5.5.7 For the avoidance of doubt, it is clarified that change in the outlook of the rating of the bonds will not lead to change in the interest rate the bonds shall bear.

It is hereby clarified that as the bonds will be ranked simultaneously by more than one rating company, then for the purpose of this section 5.5, change of ranking will relate to the bond rating by the rating

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company who rates the bonds at the lowest. It is also clarified that in such a case, adjustment of the interest rate in accordance with the provisions of section 5.5 is applied as of the next interest period (i.e., after the interest period during which applies the relevant rating change as mentioned above).

Nevertheless, it shall be clarified that the replacement of a rating company is at the Company's sole discretion, and the very fact of the replacement of a rating company shall not constitute a breach by the Company of the provisions of this Deed of Trust and/or grounds for declaring the Series 13 Bonds to be immediately due and payable. Should the Company replace a Rating Company for the Series 13 Bonds or should it terminate the engagement therewith (also in the event that the Bonds are rated by a number of Rating Companies), the Company shall submit notice, in writing, to this effect to the Trustee and to the holders of the Series 13 Bonds, by publishing an immediate notice and it shall state, in its notice, the reasons for the change of the identity of the rating company, not later than one trading day after the replacement or the termination of the engagement with the Rating Company, as the case may be. It is clarified that the foregoing does not and shall not derogate from the Company's right to replace, at any time, a rating company, at its sole discretion and for any reason that it shall deem fit.

5.6 Other liabilities – adjusting interest in the event of a failure to meet the shareholders' equity commitment

The rate of interest that the Series 13 Bonds will bear shall be adjusted if the Company's shareholders' equity drops below 400 (four hundred) million US dollars (hereinafter, in this section: "**Shareholders' Equity Deviation**"), commencing from the Date of the Deviation, as defined and as set forth below.

It should be clarified that insofar as an adjustment of interest shall be necessary in accordance with the mechanism described in this section, and also pursuant to the mechanism described in Section 5.5 above, then in any event, the additional rate of interest, in respect of this section and in respect of Section 5.5 as aforesaid, cumulatively, will not exceed, in any event, 1.75% (the "Restriction of the Increase of the Maximum Interest"). The Arrears Interest, insofar as applicable in accordance with Section 4.6 of the Terms and Conditions Listed Overleaf, will be added to the said rate and will not form part thereof.

For this purpose:

The "**Additional Interest Rate in Respect of the Shareholder's Equity Deviation**" – a rate of 0.25% in respect of the Shareholder's Equity Deviation. It is clarified that an increase in the interest rate will be

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done only once in respect of the Shareholder's Equity Deviation, and the interest rate will not be increased an additional time in the event that the Shareholder's Equity Deviation continues.

"Date of the Deviation" – the first business day after the date of the publication of the Financial Statements that indicate the deviation.

5.6.1 Should there be a Shareholder's Equity Deviation, commencing from the date of the deviation (hereinafter: the **"Deviation"**), the annual interest rate that will be borne by the outstanding balance of the Series 13 Bonds will be increased by the Additional Interest Rate in Respect of the Shareholder's Equity Deviation, above the interest rate that was determined for the Series 13 Bonds in the tender for the interest rate, in accordance with the Shelf Offering Report (as the Company shall publish in an Immediate Report regarding the results of the issue) (hereinafter the **"Interest Rate That Was Determined"**) or above the interest rate as it will be prior to the Deviation (and subject to the Restriction of the Increase of the Maximum Interest).

5.6.2 The period in respect of which the Additional Interest Rate in Respect of the Shareholder's Equity Deviation will be added shall be effective from the Date of the Deviation and up until the earlier of: (a) the full repayment of the outstanding principal balance of the Series 13 Bonds; or (b) the date of the publication of the Company's Financial Statements pursuant to which no Shareholder's Equity Deviation exists, and all subject to the Restriction of the Increase of the Maximum Interest.

5.6.3 Should such a Deviation exist, not later than at the end of one business day from the Date of the Deviation, the Company shall publish an immediate report, in which the Company shall specify: (a) the existence of the Shareholder's Equity Deviation, while specifying the Deviation on the date of the publication of the Financial Statements; (b) the up-to-date rating of the Series 13 Bonds pursuant to the last rating report that was published prior to the date of the immediate report; (c) the precise rate of interest that will be borne by the Series 13 Bonds for the period from the beginning of the current interest period and up until the Date of the Deviation (the interest rate will be calculated according to 365 days per year) (hereinafter: the **"Original Interest"** and the **"Original Interest Period,"** respectively); (d) the rate of interest that will be borne by the balance of the Series 13 Bond principal, commencing from the Date of the Deviation and up until the date of the next actual interest payment, i.e.: the Original Interest plus the additional interest per year (the interest rate will be calculated according to 365 days per year) (hereinafter: the **"Up-To-Date Interest"**), subject to the Restriction of the Increase of the Maximum Interest; (e) the weighted interest rate that will be paid by the Company to the holders of Series 13 Bonds on the next interest payment date, arising from the foregoing in subsection (b) (insofar as relevant), (c) and (d) above; (f) the annual interest rate that is reflected by the weighted interest rate; and (g) the annual interest rate and the semi-annual interest rate (the semi-annual interest rate will be calculated as the interest rate divided by two) for the following periods.

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5.6.4 Should the Date of the Deviation apply during the days commencing four (4) days prior to the effective date for the payment of any interest whatsoever and ending on the date of the interest payment that is closest to the said effective date (hereinafter: the "**Deferment Period**"), the Company shall pay to the Series 13 bondholders, on the next interest payment date, the Original Interest only (i.e., prior to the change), and the interest rate that arises from the addition of the interest at a rate that is equal to the additional interest rate per year during the Deferment Period (calculated on the basis of 365 days per year) shall be paid on the next interest payment date, and all subject to the Restriction of the Increase of the Maximum Interest. The Company shall give notice, in an immediate report, of the precise interest rate to be paid on the next subsequent interest payment date.

5.6.5 In the event of a Shareholder's Equity Deviation, in such a manner that will affect the interest rate that will be borne by the Series 13 Bonds, the Company shall give notice to that effect to the Trustee, in writing, within one business day from the Date of the Deviation.

5.6.6 It is hereby clarified for the avoidance of doubt that in the event that after the Deviation, the Company shall publish its Financial Statements, whether audited or reviewed (as the case may be), and in accordance therewith, a Shareholder's Equity Deviation no longer applies, then the increase in the annual interest in respect of the Shareholder's Equity Deviation shall be cancelled so that the annual interest rate that will be borne by the Bonds will be reduced by a rate of 0.25%, in respect of the period in which the Shareholder's Equity Deviation no longer exists, commencing on the date of the publication of the Financial Statements that indicate that a Shareholder's Equity Deviation no longer exists. In such an event, Company shall act in accordance with what is stated in this Section 5.6 above, *mutatis mutandis*, as the case may be, as arising from the Company's compliance with the said financial covenant.

5.7 Other liabilities – restrictions on the Company's transactions with its controlling shareholders

Should the Company become a corporation that is not a reporting corporation (as this term is defined in section 28.2 below) – then commencing from the date on which the Company shall become (if at all) a corporation that does not file reports, and as long as it fails to comply with one (or more) of the financial covenants as stated in Section 5.4 above, transactions or engagements in accordance with the provisions of Section 270(4) of the Companies Law shall be brought for the approval of the holders of the Series 13 Bonds of the Company by ordinary resolution. It should be clarified that such approval pursuant to this Section 5.7 shall not be required with respect to (a) transactions or engagements that were in effect prior to the period during which the Company ceased to be a reporting company as aforesaid (if at all); (b) such transactions or engagements that fall within the Companies' Regulations (Relief in Transactions with Interested Parties), 5760 - 2000.

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6 Collateral

- 6.1 Series 13 Bonds are not secured by any collateral or otherwise.
- 6.2 Subject to the provision of section 5.3 above and the provisions of Section 8.1.21 below, the Company may, from time to time, to pledge all its assets and/or part thereof, to sell, lease, give away or transfer in any other manner, its property or any part thereof, in anyone's favor that it deems fit, including, without any limitation, at any level, including securing a series of bonds or other liabilities without requiring the consent and/or notifying the trustee and/or the bond holders (but without derogating from the Company's liabilities under this Deed of Trust). Also, the Company has no obligation to inform the Trustee of a transfer or sale of any part of its assets.
- 6.3 For the avoidance of doubt, it is clarified that it does not apply on the Trustee to examine, and actually does not, the need to place collateral to ensure payments to the bond holders. The Trustee is not asked to conduct, and does not actually perform economic, legal or accounting due diligence with regards to the Company's or its subsidiaries business situation. The engagement in this Deed of Trust, and the Trust's consent to serve as trustee for the bonds holders, the trustee does not give his opinion, explicitly or implicitly, regarding the Company's ability to meet its obligations to the bond holders and not this is not included among its roles. Nothing stated is to derogate from the Trustee's obligations under any law and/or Deed of Trust including the Trustee's obligations (insofar as applicable to the Trustee's obligation by law) to examine the impact of changes in the Company's from the IPO date and onwards as far as they could adversely affect the Company's ability to meet its obligations to the bond holders.

7 Priority level

All the Series 13 Bonds having an equal rank in relation to the sums payable accordingly, *pari passu*, between themselves and without having a prior right or priority of one over the other.

8 Right to place for immediate settlement and/or realizing collateral

- 8.1 Upon one or more of the events listed below taking place, the Trust and also the bonds holders are entitled to demand immediate repayment of the balance of the amount due to holders pursuant to the bonds or realize the collateral provided (insofar as provided) to ensure the Company's obligations to the bond holders in accordance with the bonds and the provisions of section 8.2 shall apply, respectively:
- 8.1.1 The bonds were not paid at maturity or the Company did not make any of the payments which it was due to according to the bonds or Deed of Trust to the bond holders or did not uphold the substantive obligation which was otherwise given to bond holders and the Company didn't rectify the breach within 7 days.

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- 8.1.2 If the Company made the decision to liquidate (except for liquidation as a consequence of a merger as stated under section 8.1.11), or if a permanent and final dissolution order was given in relation to Company by the Court or a permanent liquidator is appointed.
- 8.1.3 Whether a temporary dissolution order is given by the Court or a provisional liquidator is appointed to the Company, or any judicial decision similar in character was reached () and an order or decision as stated were not postponed or revoked within 45 days from the date the order was given or the decision was reached, respectively. Notwithstanding the aforementioned, the Company shall not be given any healing period with respect to requests or orders filed or given, as applicable, by the Company or with its consent.
- 8.1.4 If a foreclosure is imposed on the Company's assets (as this term is defined below), or if any action of writ of execution is performed against the Company's assets (as this term is defined below), and the foreclosure will not be removed or the is not is revoked, as applicable, within 45 days from the date they were imposed or implementation, as applicable. Notwithstanding the aforementioned, the Company shall not be given any healing period with respect to requests or orders filed or given, as applicable, by the Company or with its consent.

For the purpose of this subsection and for the purpose of subsection 8.1.5 – the **“Company's Assets”** mean – an asset or a number of assets that are owned by the Company (and for the avoidance of doubt, *inter alia*, including a loan that was provided by the Company to Kenon which, as of the date of the signing of this Deed has been repaid), whose aggregate book value is over 50% of the Company's assets pursuant to their book value in the Company's most recently published consolidated Financial Statements, whether audited or reviewed, as the case may be.

- 8.1.5 If a request for receivership or appointing a receiver is submitted (provisional or permanent) for the Company's Assets (as defined above), or whether an order appointing a provisional receiver - which is not postponed or revoked within 45 days after being submitted or given, as applicable; or - if an order appointing a permanent receiver for the Company's assets (as this term is defined below). Notwithstanding the aforementioned, the Company shall not be given any healing period with respect to requests or orders filed or given, as applicable, by the Company or with its consent.
- 8.1.6 (a) If the company files for a stay of proceedings or whether an order as aforesaid or if the Company files a request for a compromise or an arrangement with creditors under

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section 350 of the Companies Law (except for the purpose of a merger with another Company under section 8.1.11 below and/or a change in the company structure including splitting which is not prohibited under this Deed, with the exception of arrangements between the Company and its shareholders that are not prohibited under the terms of this Deed and does not affect the Company's ability to repay the Series 13 Bonds) or if the company will offer another way to the creditors a compromise or arrangement as stated above, due to the lack of the Company's ability to meet its obligations in time; Or – (b) if an application was filed under section 350 of the Companies Law against the Company (and which was not consented to) which is not postponed or revoked within 45 days from the date of submission.

- 8.1.7 If TASE suspended the trading of the bonds, except suspension on the grounds of ambiguity, as stipulated in the fourth part of the TASE regulations, and the suspension is not revoked within 60 days.
- 8.1.8 If the Series 13 Bonds will not be rated for a period exceeding 60 consecutive days, except in case cessation of the rating is the result of reasons or circumstances beyond the Company's control.
- 8.1.9 If the Company disburses dividends and/or repurchase of shares and/or payment of management fee and/or investment in new Corporations as opposed to the provisions of section 5.2 to the Deed.
- 8.1.10 In the event that the Company performs an expansion of the bonds series (series 13) in a manner that does not meet the Company's obligations in relation to the expansion of the series under section 3.2 above.
- 8.1.11 A merger took place without the prior approval of the bond holders by ordinary resolution, unless the absorbing entity declared, to the bond holders, including through the Trustee, at least 10 business days prior to the merger, because there is no reasonable concern that the merger would not be in the absorbing entity's ability to fulfill its obligations to the bond holders.
- 8.1.12 If the Company fundamentally breaches the terms of the bonds or the Deed of Trust, or if it fails to comply with any of its material obligations pursuant thereto, or if it becomes apparent that a substantial representation of the Company's representations in the bonds or Deed of Trust is incorrect and/or incomplete, and in which case it is a violation that can be repaired - the violation is not corrected within 14 days from receiving notice from the Trustee about the violation, during which the Company will act to correct it.

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- 8.1.13 If the Company stops or notifies of its intention to stop its payments or cease or announces its intention to cease to carry on its business as shall be from time to time.
- 8.1.14 If there has been significant decline in the Company's business in comparison to their condition at the date of issuing of the bonds, and there is real concern that the Company is unable to repay the bonds in time.
- 8.1.15 If the Company has not published the financial report, which is published in accordance with any law within 30 days from the last date which it has to publish (if the Company has received an extension from a certified authority - at the end of the extension).
- 8.1.16 If the Series 13 Bonds are erased from trading on TASE.
- 8.1.17 If the company violates the obligation set out in section 5.5 to the Deed.
- 8.1.18 If there is a genuine concern that the Company will fail to comply with its material obligations vis-à-vis the holders of the Series 13 Bonds of the Company.
- 8.1.19 If the following were declared to be immediately due and payable, as required by law:
(1) another series of bonds that was issued by the Company (and that is tradable on the TASE or on the TACT (Tel Aviv Continuous Trading Institutional System)); or (2) an unsecured debt (a bond without securities and/or liens or a number of such debts in the aggregate) that was taken by the Company from a Financial Entity and/or from Financial Entities (as this term is defined above) in a scope that exceeds US \$100 million; or (3) a series of bonds that is tradable (on the TASE or in the United States) in a scope that exceeds US \$500 million, that were issued by ICL; provided that the requirement stated in this subsection shall not be cancelled within 21 business days from the date of the declaration of its being immediately due and payable.
- 8.1.20 If the Company failed to comply with one (or more) of the financial covenants that are set forth in Section 5.4 of this Deed above, during a period of two consecutive quarters (i.e., based on the publication of two consecutive financial statements).
- 8.1.21 If the Company's Assets were sold in a scope that constitutes over 50% of the total value of the Company's Assets (i.e., the Company's assets (the ICL Shares and the ORL Shares) and the assets of the consolidated subsidiaries that are wholly owned by the Company and which hold ICL Shares), in a single transaction or in several transactions during a period of twelve consecutive months, or if a change was made of the Company's Core Activities, as the case may be. For the purpose of this subsection

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– the "Company's Core Activities" means – a change to the nature of the Company's activities so that it would cease to be a holding company.

8.1.22 If the Company performed a transaction with a controlling shareholder in contravention of the provisions of Section 5.7 above in this Deed.

8.1.23 If the Company breached its obligations according to Section 5.3 to this Deed.

8.1.24 In case that the controlling shareholder of the Company (as stated in the Company's periodic report for 2017) has sold to another the control in the Company, and as a result no one of the controlling shareholder and/or his relative and /or related entity to any of them are no longer considered as controlling shareholders of the Company (a) alone or (b) together with others in such manner that the holdings ratio of the controlling shareholder of the Company and/or his relative and /or related entity to any of them constitutes above half of the issued capital held by the entire controlling group; without the prior consent of the bonds holder in a Regular Decision.

8.1.25 Should the Company cease to be a reporting corporation, as this term is defined in the Securities Law.

8.1.26 Should a "going concern" note pertaining to the Company (alone; as distinct from a going concern note with respect to the companies that are held by the Company) be stated in the Company's Financial Statements for a period of three consecutive quarters (and for the avoidance of doubt, only after the publication of the third consecutive financial statement, audited or reviewed, as the case may be, in which the "going concern" note is stated.

In cases stated, the provisions of section 8.2 below shall apply.

For the avoidance of doubt, it is clarified that there is no right to call for immediate repayment as stated above and/or to call for immediate repayment in order to derogate from or prejudice from any other or additional remedy to which the bond holders are eligible for or the Trustee based on the bond terms and provisions of this Deed or by law, failure in providing immediate repayment on occurrence of any of the cases listed in section 8.1 above, will not constitute any waiver whatsoever of the rights of the bond holders or of the trustee, as stated.

8.2 Upon occurrence of any of the events listed in section 8.1 above and in accordance with the provisions included in it as per the subsections therein:

8.2.1 The trustee will have to summon an assembly of the Series 13 Bonds holders whose agenda would be a decision to call for immediate repayment of the entire unpaid

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balance of Series 13 Bonds and/or realization of collateral (insofar as given) due to the occurrence of any of the events listed in section 8.1 above, and will have to summon an assembly as stipulated by the demand of the Series 13 Bonds holders, at least one or more, five percent (5%) of the remaining face value of Series 13 Bonds, whose agenda would be a decision to call for the immediate repayment of the entire unpaid balance of the Series 13 Bonds and/or realizing collateral (insofar as given) due to the occurrence of any of the events listed in section 8.1 above. The convening date as stated shall be within 21 days from the date of the summons (or a shorter time in accordance with the provisions of section 8.2.7 below).

- 8.2.2 The holders decision to call for the immediately repayment and/or realization of collateral (insofar as given) as stated above, will be achieved at the holder assembly where at least fifty per cent (50%) of the bonds holders were present of the remaining face value of bonds of the same series, with a majority of holders of the remaining face value of the bonds represented at the vote or a majority as stipulated in the adjourned holders assembly in which at least 20 percent (20%) of the bonds holders of the balance were present, as stipulated.
- 8.2.3 In the event that until the convening of the assembly any of the events listed in section 8.1 to this Deed have not been revoked or removed, and a decision at bond holders assembly as aforesaid has been accepted in accordance with section 8.2.2 above, the trustee will be required to, within reasonable time and as soon as possible, to make immediate payment of all the unpaid balance of Series 13 Bonds and/or realize collateral, insofar as given.
- 8.2.4 Notwithstanding all the provisions stated in this section 8.2, the trustee and bond holders will not be allowed to call for immediate payment of the bonds and realization of collateral (as they are), unless after the period prescribed in the subsections of section 8.1 above, as determined, during which the Company may take action or make a decision that resulted in the removal of grounds to call for immediate payment or realization of collateral (Hereinafter: "The healing period"); however, if the grounds were not dropped, the Trustee is permitted to shorten the said period if he believes that this will significantly harm the holders rights.
- 8.2.5 Notwithstanding all the provisions stated in this section 8.2, the Trustee or holders will not call for the immediate payment of the bonds and neither realization of the collateral (insofar as given), only after giving the Company notice in writing 7 Business Days before calling immediate payment of the Series 13 Bonds or realization of the collateral (Hereinafter: "The notice period"), of their intention to do

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so; However, the trustee or Series 13 Bonds holders do not have to give the company a notice as aforesaid, if there is concern that the notice will harm the possibility to call for immediately payment of the bonds and/or realize collateral (insofar as given).

8.2.6 A copy of the summons of the assembly that shall be sent by the Trustee to the Company immediately upon publication of the notice or advertising the summoning of the assembly in the Electronic Disclosure System will constitute advance notice and in writing to the Company regarding the Trustee's intention to act as aforementioned.

8.2.7 The trustee may, at its discretion, shorten the stated 21 days quorum (in section 8.2.1 to this Deed) and/or the stated notice of 7 days (section 8.2.5) to not less than two Business Days, in exceptional cases in which the Trustee is of the opinion that any delay in convening the assembly endangers the rights of bond (series 13) holders.

8.3 The foregoing in this section does not prejudice or stipulate the rights of the Trustee or bond (series 13) holders in accordance with the provisions of section 35i1 to the Securities Law or according to the provisions of the law.

9. Claims and procedures by the trustee

9.1 In addition to each provision as stated as a right and an independent authority, the trustee shall act without giving further notice, in all the same procedures, including legal proceedings and requests for instructions, as it deems fit, and subject to the provisions of any law to protect the rights of the bond holders and also for the purpose of the enforcement of performance by the Company of another obligation of the Company pursuant to the Deed of Trust.

The foregoing is not to prejudice and/or to derogate from the right of the Trustee to open legal and/or other proceedings even if no bonds were called on for immediate repayment and all this to protect the bond holders and/or provide any court order in which relates to the Trust's matters and subject to the provisions of any law. Notwithstanding the provisions of article 9, it is clarified that the right to call for immediate repayment will arise only in accordance with the provisions of section 8 above and by virtue of section 9.

9.2 The Trustee will have to do the stated under section 9.1 above if required to do so by the standard resolution adopted in the General Assembly of the bond holders, unless the circumstances show that it's not just and/or reasonable to do so and contact the appropriate court to request it to accept the subject instructions at the first reasonable opportunity.

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- 9.3 The Trustee may prior to taking action in the proceedings as aforesaid; to convene an assembly of bonds holders in order for the holders to decide by ordinary resolution which procedures are to be taken to exercise their rights according to this Deed. The trustee will also be entitled to convene assemblies of bond holders to receive instructions regarding management of the aforesaid procedures. The Trustee's actions shall be performed in cases as stated without delay and at the first possible moment. For the avoidance of doubt, it is clarified that the Trustee may not delay execution of calling for immediate payment regarding the bonds holders decided at the assembly under section 8 above, unless the event that led to the decision to call for the immediate payment was revoked or removed.
- 9.4 Subject to the provisions of this Deed of Trust, the Trustee is entitled, but does not have to, convene at any time, a General Assembly of the bond holders to discuss and/or receive any instructions regarding anything concerning this Deed. For the avoidance of doubt, it is clarified that the Trustee may not delay execution of calling for immediate payment regarding which the bonds holders decided at the assembly under section 8 above, unless the event that led to the decision to call for the immediate payment was revoked or removed.
- 9.5 Whenever the Trustee will be required under the terms of this Deed to take any action, including opening proceedings or submitting claims at the bond holders demand as stipulated in this section, the Trustee is entitled to refrain from taking any action as mentioned above until getting instructions from the holders Assembly and/or court orders to which the Trustee approached, at his discretion, to request instructions in the event he believes it is necessary to receive instruction, as stipulated. For the avoidance of doubt, it is clarified that (a) the Trustee may not delay execution of calling for immediate payment or realization of collateral (insofar as given) regarding which the bond holders decided at the assembly under section 8 above, unless the event that led to the decision to call for the immediate payment was revoked or removed and (b) the Trustee may not delay the taking of measures or proceedings as aforesaid in the event that the delay could adversely affect the rights of the holders of the bonds.

10 Trustee for the receipts

All proceeds received by the Trustee, except for his fees and any debt due to him in any manner whatsoever, including, but without limitation resulting in making the bonds receivable immediately and/or as a result of procedures to take, if taken, inter alia, against the Company, shall be held by him in trust and used by him for goals and in the following the order of priority: Firstly - settling the expenses, payments, levies and reasonable liabilities made by the Trustee, imposed on him, or caused incidentally or resulting from actions in managing the Trust or otherwise in connection with the terms of this Deed, including his salary. Secondly - to pay any other sum according to the liability indemnity (as this term is defined in section 23 below). Thirdly - payment to holders who bore the payments according to section 23 below beyond their relative share under section 23.4.1.2 below, and then the reimbursement to the holder who bore the payments as per their relative share according to section 23.4.1.2 below.

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The balance will be used, unless otherwise decided in a special resolution at the bondholders' meeting, for such purposes according to the following order of priority: firstly – payment of the interest in arrears to the bond holders (insofar as applicable) that is due to them according to the terms of the bonds, pari passu and in proportion to the amount of the interest in arrears due to each of them without preference or right of first refusal regarding either one of them; secondly - in order to pay bond holders the amounts of the interest due to them according to bonds held by them, subject to the terms of linkage set forth in the Bonds, pari passu, which have not yet become due and payable, and pro rata to the amounts that are due to them; thirdly – payment to the bondholders of the principal arrears due to them pursuant to the terms of the Bonds, pari passu, and pro rata to the amount of the principal that is due to each one of them, without preference or pre-emptive right with respect to any of them; and fourthly – in order to pay to the bondholders the principal amounts, whether or not the principal amounts have become due and payable; and the surplus, if any, the Trustee shall pay the Company or the other way round, as applicable.

From the payments to the bond holders tax at source will be withheld, to the extent that it is incumbent to be deducted under any law.

11 Authority to demand financing.

Subject to the approval of the bondholders meeting in a resolution passed by a simple majority, the Trustee may instruct the Company to transfer to the Trustee's account, for the bond holders, part of the payment that the Company is required to pay to the bondholders (hereinafter, in this section: the "**Relevant Payment**"), the date of which shall apply shortly after the notice, and that is to finance the procedures and/or expenses and/or the trustee's salary according to this Deed (hereinafter, in this section: the "**Financing Amount**"), provided that the Company did not bear the Financing Amount and/or did not deposit the Financing Amount with the Trustee, in advance. The company will transfer the Financing Amount to the Trustee not later than the date of the making of the Relevant Payment. The Company is not entitled to refuse to act in accordance with the aforesaid notice, and it shall be deemed as having fulfilled its commitment towards the holders if it shall prove that it has transferred the full Financing Amount to the Trustee, as aforesaid.

It should be noted that the Financing Amount that will be transferred to the Trustee shall be deducted from the interest payment only, and it may not be deducted from the principal payment. Should the Financing Amount be deducted from the interest payment, an ex-date will be made in accordance with the original interest rate, and after the ex-date, the Stock Exchange will update the interest rate in the systems, after the deduction of the Financing Amount, for the purposes of the payment.

In addition, the Company shall publish an immediate report, which will be published by not later than four trading days prior to the effective date for the making of the Relevant Payment from which the Financing Amount will be deducted, and it shall specify the following: the Financing Amount, the purpose

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thereof and the up-to-date interest amounts that will be paid to the holders in the Relevant Payment. Furthermore, the Company shall specify in the report that the Financing Amount that will be transferred to the Trustee shall be deemed for all intents and purposes as payment to the Series 13 Bondholders.

The foregoing does not release the Company from its liability to bear the payments of the Financing Amount in cases where it is required to bear them according to this Deed or by law.

In addition, the foregoing shall not derogate from the Trustee's obligation to act reasonably in order to obtain the amounts that are due to the holders, which were used for the purpose of financing the proceedings and/or the expenses and/or the Trustee's fee pursuant to the Deed of Trust, from the Company.

12 Authority to delay division of monies

12.1 Notwithstanding the provisions of article 10 above, if the amount of money that will be received as a result of taking the proceedings mentioned above and which will at any time be divided, as stated in the same section, would be less than 1 million NIS, the trustee does not have to distribute it, and he may invest the said amount, in its entirety or in part, in the investments permitted under section 16 of this Deed.

12.2 For when the above mentioned investments lead to profits, together with additional funds that will come to the Trustee for its payment to bond holders (if any are received), in the amount which would be sufficient to pay at least 1 million NIS, shall be paid by the Trustee to the bonds holders as stipulated in section 10 above. In the event that within a reasonable period of time the trustee shall not have sufficient amount which should be enough to pay at least 1 million, the Trustee shall disburse to the bonds holders the money he has and in any case no later than once a month, subject to the provisions of the rules and regulations and the directives of the TASE, as shall be in effect from time to time. Notwithstanding the aforementioned, the bonds holders can, with a regular decision, make the Trustee pay the sums accumulated by him even though if they have not reached 1 million NIS. Notwithstanding the aforementioned, the Trustee's salary and costs shall be paid out of the funds once they have reached their due date, even if the amounts that reached the Trustee are lower than the aforesaid amounts.

13 Notification of division, failure to pay for a reason not dependent on the Company and on deposit with the trustee

13.1 The trustee will inform the bond holders on the day where any payment will be made from among the payments mentioned in sections 10 and 12 above. An aforesaid message shall be delivered in the manner prescribed in section 24 below before making a said payment.

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After the day stated in the notice the bond holders are entitled to interest accordingly at the rate determined in the bonds, only on the unpaid balance of the principal amount (if there is one as such) after deducting the amount paid or offered them for payment.

13.2 The funds that will be distributed in accordance with section 13.1 above shall be considered as payment on account at maturity.

13.3 Any amount due to bond holders that is actually unpaid as per the payment schedule, for a reason that is not dependent on the Company, while the Company was prepared to pay, will cease to bear interest and linkage differentials from the date stipulated for payment, and the bonds holder will be entitled only to those sums that he was entitled to at the stipulated maturity date for the same payment on account, of the principal, interest and linkage differentials.

13.4 The Company will deposit with the trustee within 15 business days of the date that was stipulated for payment of the amount that was not paid on time, as stipulated in article 13.3 above, and shall inform the bond holders regarding the deposit as stipulated and which shall be considered as settlement of that payment and in the event of settling all that is due for the bonds, even as redemption of the bond.

13.5 The trustee will invest as part of the Trust accounts in his name and in his favor, the funds transferred to it under section 13.4 above, in the investments the Trust is permitted to under this Deed (as stated in section 16 below). The Trustee did so, he shall not owe the creditors those sums, but the proceeds received from the sale of those investments, less his fees and expenses, reasonable expenses related to the said investment and management of the trust accounts, reasonable commissions and mandatory payments applicable to the trust account. From the funds stated the Trustee shall transfer amounts to the eligible bonds holders, and that is as soon as possible after providing reasonable evidence and certification to the Trustee of their rights to the sums, and deducting his reasonable expenses, commissions, compulsory payments and his fees.

13.6 The trustee will hold these funds and invest them in the stated way till the end of one year from the date of the final payment of the bonds. After this deadline, the Trustee will transfer the amounts to the Company as stated in section 13.5, including gains arising from their investment less his expenses, other expenses which were incurred accordance with the provisions of this Deed (such as: Remuneration to service providers, etc.), to the extent remaining with him at that time. The Company shall hold these amounts in escrow for the bond holders that are entitled to those sums, and all regarding the amounts that shall be transferred to it by the Trustee as aforesaid, the provisions of section 13.5 shall apply to it, mutatis mutandis. With the transfer of the funds by the Trustee to the Company, the Trustee shall be exempt from payment of these amounts stated to the bond holders that are entitled.

13.7 The Company will confirm the Trustee in writing regarding holding and receipt of the amounts in the Trust for the bond holders, as stated.

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13.8 The Company shall hold these amounts in escrow for the bond holders that are entitled to those sums for an additional year from the day that they are transferred to it by the Trustee and shall not make any use of them and invest them in accordance with the provisions of this Deed. Funds not demanded from the Company by the bond holders within 30 days from the end of 7 years from the date of the final maturity of the bonds, will be handed over to the Company, and it may use the remaining funds for any purpose.

14 Receipt from the bond holders and the trustee.

14.1 A receipt from the Trustee regarding deposit of the principal, interest and linkage differentials amounts with it in favor of the bond holders, will release the Company completely from all related to the actual payment of the amounts indicated in the receipt.

14.2 A receipt from the bond holder in respect of principal, interest and linkage differentials amounts paid to him by the Trustee for the bonds, will release the Trustee completely from all related to the actual payment of the amounts indicated in the receipt.

14.3 Funds disbursed as stipulated in section 13 above will be considered as paid on account of the bond's maturity.

15 Presentation of the bond before the trustee and registration in connection with part payment

15.1 The Trustee shall be permitted to demand from a bond holder to present to the Trustee, while paying any interest whatsoever or part payment of the principal amount and interest in accordance with the provisions of sections 12, 13 and 14 above, the bonds certificate for which payments have made and the bond holder must display the certificate as stated and provided that the bond holders will not be required to make any payment and/or bear any expense and/or impose on the bond holders responsibility and/or liability of any kind.

15.2 The trustee shall be entitled to register a comment on the bond certificate regarding amounts paid as stated above and the payment date.

15.3 The trustee shall be entitled in any special event, at his discretion, to waive displaying the bonds certificate after it was given to him by the bond holder with written indemnification and/or provides satisfactory guarantee in his opinion for damages that may be caused due to the failure to register the comment as stated, all as he deems correct.

15.4 Notwithstanding the aforementioned, the Trustee is entitled, at his discretion, maintain a registry in another manner regarding partial payments, as stated.

16 Investing funds

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All the funds which the trustee is entitled to invest under this Deed, will be invested by him in a Banking Corporation in Israel which is ranked by a rating Company of no less than a (iAAA-) rating of S&P scale or equivalent rank to this, in his name or favor, at his discretion, in STB's issued by the Bank of Israel, Government bonds issued by the Bank of Israel or in shekel-denominated or dollar-denominated daily bank deposits at banks in Israel, and this is as he deems suitable, subject to the terms of this Deed of Trust and the provisions of any law, . The Trustee did so, he shall not owe the creditors those sums, but the proceeds received from the sale of those investments, less his fees and expenses, commission and expenses related to the said investment and management of the trust accounts, commissions and less mandatory payments applicable to the trust account, and the balance of funds as stated, the Trustee shall act according to the provisions of this Deed, respectively.

17 The Company's obligations towards the trustee

The Company hereby undertakes towards the Trustee, while the bonds have not been repaid in their entirety, as follows:

17.1 To persevere and conduct its business in a regular, efficient and proper manner.

17.2 Manage regular accounts books in accordance with Generally Accepted Accounting Principles, to maintain the books and documents used as references, and to allow the trustee or any authorized representatives subject to the provisions of any law, respectively, at any reasonable time to be coordinated in advance with the Company and not later than seven business days from the date of receipt of the Trustee's request, in any document and/or book as stated that the Trustee shall request in this matter. In this regard, the Trustee's authorized representatives means he who the Trustee shall appoint for the purposes of reviewing as stated which is in the Trustee's notice that is delivered to the Company prior to the inspection.

17.3 To notify the Trustee in writing, insofar as practicable, immediately after the Company learned about the matter and in any event (without taking into account the remedy periods set forth in the section above, including its subsections) and no later than 2 business days of the occurrence of each event of the events listed in section 8.1 above (with its subsections).

17.4 To give the Trustee a copy of any document or information which the Company forwarded to the bond holders, or to all of the Company's shareholders, insofar as sent. The Company shall also deliver to the Trustee or to its authorized representative, who may be an attorney or an accountant by profession (and where notice of his appointment shall be sent by the Trustee to the Company, upon the appointment thereof), additional information pertaining to the Company (including explanations, documents and calculations with respect to the Company, its business or its assets), which is in its possession or which may reasonably be prepared, and it shall also instruct its accountant and its legal advisors to do so, in accordance with a reasonable request, in writing, from the Trustee, not later than seven business days

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from the date of receipt of the Trustee's request, provided that, in the Trustee's reasonable opinion, the information is necessary for him for implementing and exercise of powers, the powers and privileges of the trustee and/or his representative in accordance with the Deed and provided that the Trustee is acting in good faith, and subject to confidentiality undertakings as stipulated in the Deed of Trust.

17.5 To inform the Trustee by written notice signed by the most senior officer of the Company in the financial field, within 7 business days from the date that the Trustee requested, that all of the payments to the holders of the Series 13 Bonds had been made on time and of the value of the nominal amount of the Series 13 Bonds in circulation. in

17.6 To act as far as it is under its control for further bond rating by at least one rating Company approved by the Head of the Capital Market for the lifespan of the bonds. It is clarified that insofar as the bonds are rated by a number of rating Companies, the Company shall be entitled to discontinue their rating by any of the rating companies, at its sole discretion, and without the Trustee and/or the bond holders contesting it, and provided only that at the time the bonds are rated by at least one rating Company. If the bonds rating is stopped (by any of the rating Companies insofar as there are several rating Companies), or the rating to bonds is not published for any reason or insofar as the rating Company is replaced, and all, also in the event that the Bonds are rated by a number of Rating Companies, the Company shall forward to the Trustee in writing a legally signed confirmation and report immediately and all this no later than one trading day.

17.7 To enable the Trustee to be present at its General Assemblies (whether in regular general assemblies or extraordinary general assemblies of the Company's shareholders), without granting the trustee the right to vote in these assemblies.

17.8 To deliver to the Trustee the reports and reports listed in section 28 below.

It shall be clarified that even the information delivered to the Trustee and/or the authorized representative, in accordance with the provisions of section 17 above, the provisions of section 2.6 above shall apply, including the authorized representative's duty to sign the confidentiality letter in Appendix A to this Deed (subject to the discretion of the Company to update its verbiage).

18 Additional obligations

In the event that bonds are placed for immediate repayment pursuant to the provisions of section 8 above, the Company undertakes to take all of the reasonable actions in order to allow the exercise of the authorities vested in the Trustee, and in particular, to perform the following actions:

18.1 To repay the bond holders and pay the Trustee all the amounts payable to them and/or shall be payable by virtue of the Deed of Trust, within 7 days from the date of delivery of the Trustee's first demand in

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writing, subject to coordination with the TASE of the time schedule for the payment of the said amounts to the bondholders.

18.2 To deliver to the Trustee, upon his request, any affidavit or declarations and/or sign on any document and/or execute and/or cause to perform any actions reasonably necessary and/or required in a reasonable manner and in accordance with the law in order to give validity to enforce the authorities and powers and the privileges of the Trustee and/or required proxies to enforce the Company's liabilities as stated in section 18.1 and realization of collateral (insofar as given).

18.3 To provide all of the notices and instructions as the Trustee may deem expedient, in connection with the making of the immediate payment.

19 Reporting by the Trustee

19.1 As of the publication of the Shelf Offering Report until the end of the second quarter in any calendar year, the Trustee will prepare and publish an annual report and on the Trust's matters (Hereinafter: "**The annual report**").

19.2 The annual report shall include details on the following topics and also any topic required under any law and/or TASE instructions and/or the Israel Securities Authority:

19.2.1 Routine details about the Trust's course in business in the last year.

19.2.2 Reporting unusual events that transpired in the last year in relation to the Trust.

19.3 The Trustee will publish (by itself or through the Company at the request of the Trustee) the annual report in the MAGNA system.

19.4 If the Trustee becomes aware of a material breach of this Deed by the Company, it shall notify the bond holders regarding the breach and the prevention measures taken by it or fulfillment of the Company's obligations, as applicable.

19.5 The trustee shall be obliged to submit a report about the activities it carried out in accordance with the provisions of the Securities Law and its regulations.

19.6 The Trustee will have to submit a report regarding the activities carried out under the provisions of Chapter 1 h, with the reasonable demand of holders holding at least ten per cent (10%) of the face value of the bonds of the same series, within a reasonable time from the request date, and all subject to the duties of confidentiality imposed on the Trustee to the Company under section 35 10(d).

19.7 The Trustee shall update the Company prior to reporting under section 35h1 to the law.

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19.8 At the request of the holders of over 5% (five percent) of the balance of the par value of the Bonds, the Trustee will transfer to the holders data and details regarding the Trustee's expenses in connection with the Trust that is the subject of the Deed of Trust.

19.9 As of the date of signing this Deed, the Trustee will declare that it is insured under professional liability insurance in the amount of US\$10 million per occurrence and for the period (hereinafter: the "**Amount of the Coverage**"). If, prior to the full repayment of the Series 13 Bonds, the Amount of the Coverage is reduced to less than US\$8 million for any reason whatsoever, then the Trustee will update the Company not later than seven Business Days from the date on which he was informed of the aforesaid reduction by the insurer, so that the Company will publish an immediate report in the said regard. The provisions of this section will apply until the date of the taking effect of the Regulations of the Securities Law, which will formalize the Trustee's insurance coverage obligation. After the said Regulations shall take effect, the Trustee shall be subject to the obligation of updating the Company only in the event that the Trustee fails to comply with the requirements of the Regulations.

20 Trustee's salary

20.1 The Trustee shall be eligible for a fee and expenses in connection with fulfilling his duty, in accordance with the listed **in Appendix B** (the Trustee's fees) attached to this Deed. Another Trustee was appointed instead of Trustee who ended his tenure in accordance with sections 35 (A1) or 35 14(d) to the Securities Law, the bond holders will bear the difference which was the cost of the fee of the Trustee that was appointed as stated for the wages paid to the trustee who was appointed in his stead if the difference as stated is unreasonable, and the provisions of the relevant law at the time of exchange shall apply, as stated.

The holders bearing the difference as stated will be done by offsetting a relative portion of the payment that the Company shall make to the bond holders in accordance with the terms of the Deed of Trust and with the transfer being conducted by the Company directly to the Trustee.

20.2 The bond holders shall participate in financing the Trustee's salary and remuneration of his expenses in accordance with the provisions of section 23 to the Deed of Trust (indemnification of the Trustee).

21 The trustee's authority

21.1 The Trustee is entitled under execution of the Trust's affairs under this Deed to request in writing the opinion or advice of any lawyer, CPA, appraiser, assessor, evaluator, broker or another specialist (Hereinafter: "**The consultants**"), whether such advice or opinion was prepared at the request of the Trustee and/or the Company, and to abide by its conclusions and the Trustee will not be responsible for any loss or damage caused as a result of any action or omission made by him relying on advice or opinions as stated unless the Trustee acted in negligence (except for negligence exempt by law as will be

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from time to time) and/or lack of good faith and/or malice. The Trustee will place a copy of the opinion or advice as stated at the disposal of the Company, according to its demand. The company will incur the full fees and reasonable expenses of hiring the appointed consultants, as stated. Subject that it does not harm the rights of the bond holders insofar as possible under the circumstances, the Trustee and the Company will reach an agreement on a list of no more than three reputed consulting firms and with relevant expertise, which the Trustee shall approach to receive advisory fees as stated. The company shall choose one of the proposals submitted, and is entitled to negotiate with firms on the proposals for a period of up to 5 business days and provided that there shall not be a delay resulting from the negotiations conducted in order not to compromise, in the Trustee's opinion, the rights of the bond holders. The Company is entitled to object to the identity of consultants on reasonable grounds that it shall specify, i.e., in cases in which the Consultants have a conflict of interest and/or if the Consultants are advising the competitors or acting against the Company in another legal proceeding.

21.2 Any advice or opinions such as these may be given, sent or received in writing, telegram, facsimile or any other electronic means for conveying information and the Trustee shall not be responsible for actions that were made by relying on advice or opinions or knowledge delivered in one of the methods mentioned above, although there were errors in them or they weren't authentic unless it was possible to discover the errors or lack of authenticity while reasonably checking and only provided that he did not act in negligence (except for negligence exempt by law as it will be from time to time) and/or lack of good faith and/or with malice. It is clarified that the documents can be forwarded, on the one hand, and the trustee is entitled to rely on them, on the other hand, only where are clearly received, and when no difficulty arises in reading them. Otherwise, the Trustee shall be responsible to demand their being sent in a manner that permits them to be read and understood, correctly as stated.

21.3 The trustee shall not be required to notify any party whatsoever regarding the signing of this Deed and is not permitted to interfere in any manner at all in the Company's business or affairs. The foregoing in this section does not limit the Trustee to carry out actions that it needs to in accordance with this Deed of Trust

21.4 The Trustee, shall make use of the Trust, the powers, authority and privileges granted to it under this Deed at its absolute discretion and will not be responsible for any harm caused by an error in judgment aforementioned, unless the trustee acted with negligence (except exempt negligence by law as will be from time to time) and/or in bad faith and/or malice.

22 Authority of the trustee to employ agents Subject to delivering a notice in advance to the Company, provided that the trustee's opinion is not to undermine the rights of the bond holders, the trustee may appoint an agent(s) to act on its behalf, whether an Attorney or another, to do or to participate in special activities that must be done in relation to the Trust and to pay a reasonable wage to every agent as stated, and without limiting to the generality of the foregoing in taking legal proceedings or representation in merger

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or splitting proceedings of the Company. The Company may oppose the nomination as aforesaid on any grounds, in the event that the agent is a competitor, whether directly or indirectly, in the Company's business (including consolidated companies in its financial statements) and/or in the event that there is concern that agent might be found to be, directly or indirectly, in a situation of conflict of interest or between his appointment and duty as an agent and personal affairs, his other duties or his affinities to the Company and Corporations under its control (including in case where the agent is an opposing party to a juridical procedure (representing or action for or on behalf of such party) which the Company or held companies are a party to) , provided that notice of the Company's stated objection is delivered to the trustee not later than five business days from the date in which the Trustee notified the Company of his intention to appoint the stated agent. However, there will be no opposition by the Company to appointing a particular agent who has been appointed at a holder's assembly, to delay the start of his employment as an agent insofar as the delay may prejudice the rights of the holders. It is clarified that the appointment of an agent shall not detract from the Trustee's responsibility for his actions and those of his agents. The trustee will also be entitled to pay at the Company's expense the reasonable fee of each such agent and the Company shall respond to the Trustee upon his demand for all expenditures, as mentioned above, and provided that the trustee is not to undermine the rights of bond holders, which is prior to the stated appointment of the agent, the Trustee will notify the Company in writing regarding the appointment together with details of the agent's wages and the purpose of his appointment, and under the circumstances that the agents fees cost does not exceed reasonable and customary limits. It is clarified that publication of the results of the decision of the bond holders in the matter of appointment of agents shall constitute granting of notification as mentioned above, and provided that only prior to appointing as aforesaid, the Trustee gave the Company all the information and details as stated above (including by attaching the said information regarding the holders decision). For the avoidance of doubt, the Company shall not remunerate the Trustee for the agent's wages or expenses which fulfilled the normal actions that is the Trustee's duty to perform by virtue of this Deed of Trust whereby performance of these actions are included in Trustee's salary that is received from the Company under the provisions of section 20 above. For the avoidance of doubt, if bonds were due immediately for repayment, the actions required to be taken by the Trustee in this context shall not be considered as normal activities that the Trustee is to perform by virtue of this Deed of Trust for the purposes of this section.

23 Indemnification of the trustee

23.1The Company and the bond holders (at the relevant time determined thereto under section 23.5 below, each in respect of the liabilities thereto under section 23.3 below), hereby undertake to indemnify the Trust and any officers in it, its employees, agent or an expert appointed and others on behalf of the Trust as per the provisions of the Deed of Trust and/or according to the decision reached in the bond holders assembly (Hereinafter: "**Those entitled to indemnity**") and provided that there shall not be double indemnification or compensation on the same issue:

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23.1.1 In respect of any reasonable expense, damage, payment or financial obligation pursuant to a judgment or arbitral award (in respect of which no stay was granted) or pursuant to a compromise settlement that was concluded (and insofar as the compromise settlement pertains to the Company, the Company's consent to the compromise settlement was granted), where the grounds of any of the foregoing pertain to the activities that were performed by Those entitled to indemnity or activities that were not performed (as the case may be) by Those entitled to indemnity or that they should have performed by virtue of the provisions of this Deed and/or pursuant to law and/or the provisions of any competent authority and/or any law and/or at the request of the holders of the bonds and/or at the request of the Company, and all in connection with this Deed of Trust; and

23.1.2 In respect of the salary that is due to Those that are entitled to indemnity and reasonable expenses incurred and/or are about to incur by way of execution and/or use of the authorities and authorizations pursuant to this Deed or pursuant to law or in connection with such activities which, in their reasonable opinion, it was necessary to perform, and all provided that none of the situations listed below in sections A-F transpired:

- (A) The matter in respect of which the indemnity was provided cannot be delayed (without prejudice to their right to demand retroactive indemnity, insofar as their entitlement thereto shall be accrued);
- (B) A peremptory judicial decision that determined that those eligible for indemnity did not act in good faith;
- (C) A peremptory judicial decision that determined that those eligible for indemnity did not in the capacity of their duties and/or not in accordance with the provisions of the Deed and/or Law;
- (D) A peremptory judicial decision that determined that those entitled to the indemnity were negligent (except for negligence exempt by law as will be from time to time);
- (E) A peremptory judicial that determined that those entitled to the indemnity acted with malice;
- (F) Insofar as the indemnity undertakings apply to the Company – if Those entitled to indemnity did not notify the Company in writing as soon as they revealed the charge and did not enable the Company to conduct the proceedings (except in cases where the proceedings are administered by the Trust's insurance Company or if the Company is in conflict of interest).

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It is clarified that in any case that it will argue against the indemnity payable to the creditors, that they are not eligible for indemnification due to the provisions of subsections (B)-(D) above, they shall be entitled to indemnity payable, shortly after the ruling that rejects the allegations as stated against the creditors for indemnity payment entitlement amount of "undertaking to indemnify". If thereafter, it is determined by an appellate that those eligible for indemnity acted according to argued against them as stated above, the eligible amounts of indemnity paid from 'undertaking to indemnify' would be reimbursed.

Undertakings to indemnify in accordance with section 23.1 shall be name "**Undertaking to indemnify**".

23.2 Without limiting to the validity of the undertaking to indemnify under section 23.1 above and subject to the securities law, whenever the Trust shall be required under the Deed of Trust and/or by law and/or the provision of qualified authority and/or any law and/or by demand of the bond holders and/or by demand of the Company to perform any action, including but not limited to opening of proceedings or file claims as per the demand of bond holders as stated in this Deed, the trustee is entitled to refrain from taking any action as aforesaid, until he is satisfied by deposit of money, firstly by the Company, and in case the Company doesn't deposit any money on any grounds whatsoever, from the bondholders to cover the indemnity undertaking (hereinafter: the **Financing Pillow**"). The Trustee shall contact the bond holders that held at the said time (under section 23.5 below), with a request that they deposit with him the amount of the financing pillow, each according to his relative share (as this term is defined below). In the event that no bond holders are actually going to deposit the full amount of the financial pillow, a duty to take relevant action or proceedings will not apply to the Trustee. The aforesaid shall not exempt the Trustee from taking urgent action required to prevent significant adverse impact on the bond holders' rights.

23.3 Undertaking for indemnification

23.3.1 Shall apply to the Company in respect of the following events: (1) actions that were performed and/or that should have been performed pursuant to the terms and conditions of the Deed of Trust or for the purpose of the protection of the rights of the bondholders; and also (2) actions that were performed and/or that should have been performed at the Company's request

23.3.2 Shall apply to those who held the bonds at the determined time (under section 23.5 below), in the following cases: (1) actions taken and/or required to be made upon demand by bond holders (except for the aforesaid actions taken upon demand of the holders, the grounds set forth in this Deed of Trust, in order to protect the rights of

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the bond holders); and (2) in the amount of the non-payment by the Company of all or part of the amount of the "indemnity undertaking", as the case may be, that applies to the Company pursuant to Section 23.1 above (subject to the provisions of Section 22.7 below). It should be clarified that the payment in accordance with this subsection (2) shall not derogate from the Company's obligation to bear the indemnity undertaking in accordance with the provisions of section 23.3.1 above.

23.4 In every event wherein: (A) The Company does not pay the amounts required to cover indemnification undertakings; and/or (B) The obligation to indemnify applies to the holders by virtue of the provisions of section 23.3 above and/or the holders who were requested to deposit the financing pillow amount under section 23.2, the following provisions shall apply:

23.4.1 The funds will be collected as follows:

23.4.1.1 Firstly - The amount will be funded from the interest monies and/or the principal that the Company has to pay the bond holders after the date of the required action, the provisions of section 11 above shall apply;

23.4.1.2 Secondly - Insofar as in the Trustee's opinion the amounts are not deposited in the financial pillow to cover the indemnity obligation, the holders holding at the set time shall deposit (as stipulated in section 23.5 below), each in their relative share (this term as defined below), with the Trustee the missing amount. The amount that shall be deposited by each bondholder shall bear annual interest at a rate that is equal to the fixed interest on the bonds and shall be paid with priority as stated in section 10 above.

"His relative share" means: The relative part of the bonds that the holder held at the relevant determining time as stated in Section 23.5 below from the nominal value that is in circulation at the time. It is clarified that the proportion calculation shall be fixed whether after that time any change in the par value of the bond with the holder.

It should be clarified that the bondholders who will bear the liability to cover the expenses are stated in this section above will be able to bear the expenses as stated in this section above beyond their Relative Share, and in such an event, the repayment of the amounts will be subject to the order of priorities in accordance with that set forth in section 10 of this Deed.

23.5 The date of record for determining the liability indemnification and/or payment of the financing pillow is as follows:

23.5.1 In any event where liability indemnification and/or payment required for the financing pillow or urgent action required to prevent damage to a significant adverse impact on the rights of bond

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holders and that is without prior decision of the bond holders assembly - will be the date of record at the end of the trading day of the day for taking action or making a decision, and if that day is not a trading day, the previous trading day.

23.5.2 In each case in which the indemnity obligation and/or payment of the financial pillow is required according to the decision at the bonds holders assembly - shall be the determining date for liability that the determining date for participation at the assembly (as that date set in the summons notice) and shall apply to a holder who does not attended or participate in the assembly.

23.6 The payment by the holders instead of by the Company of any amount whatsoever that is imposed on the Company pursuant to this section 23 shall not release the Company from its obligation to bear the said payment.

23.7 The repayment to the bond holders who bore the payments under this section shall be done in the precedence order determined in section 10 above.

24 Notices

24.1 Each notice on behalf of the Company and/or the Trustee to the bond holders (including bond holders that are listed in the Company's registry which is managed by it) will be given by immediately publishing the report in the MAGNA system of the Israel Securities Authority (for this issue' the Trustee is entitled to instruct the Company and the Company shall be obliged to report in the MAGNA system, on behalf of the Trustee, any report as shall be delivered in writing to the Company according to the dates determined by law for immediate reports), and in cases as listed below are only in addition by publishing a notice in two daily newspapers with wide circulation, who are published in Israel in the Hebrew language: (1) A settlement or compromise according to section 350 of the Companies Law; (2) merger. Any message that is published or sent as aforesaid shall be considered as if delivered by the bond holders on the day it was published in MAGNA as stated.

24.2 In the event that the Company would become a Corporation that does not report (as this term is defined in section 28.02 below), each notice by the Company and/or the Trustee to the bond holders will be given by registered mail to each registered holder according to the last address listed in the registry of bond holders (and, in the case of joint holders - the joint holder whose name appears first in the registry), and all non-registered holders through notice in two daily newspapers with wide circulation, who are published in Israel in the Hebrew language. Every notice that is sent shall be considered as delivered to bond holders within 3 business days from the date of delivery by registered mail and every notice that is published shall be considered as delivered to bond holders on the day it is published as stated.

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24.3 Any notice or demand on behalf of the Trustee to the Company or on its behalf to the Trustee may be provided by a letter sent by mail to the address listed in the Deed of Trust, or to another address which one party will notify to the other in writing, or via Courier, or it was sent by fax (with the addition of a telephone video regarding its receipt by the recipient) and/or by e-mail which is approved by return email (not automatic) by the recipient, and any such notice or demand will be considered as received by the party to whom the notice was sent after three business days from the date of its delivery by registered mail, or the day receipt of e-mail was confirmed or telephone confession on the day it was received by fax, or the first business day following the date of delivery by courier or in response to recipient to receive from the courier, as applicable.

25 Changes in terms of bonds and Deed of Trusts

25.1 Subject to the provisions of law and regulations enacted or enacted thereunder from it, the trustee may from time to time and at any time, if convinced that there is no damage to the bond holders from it, to waive any breach or failure to fulfil any of the conditions of the bond or this deed by the company, provided that these relate to subjects of a technical nature only. It is clarified that the provisions of this section 25.1 shall not be apply for the following topics:

Deadlines and payments under the terms of bonds, reducing the interest rate specified in the terms of the bond, grounds for immediate payment, the company's liability under section 5.2 above, restrictions on expansion of the series as stated in section 3.2 above, provisions in connection with restrictions on a distribution as stated in section 5.2 above, provisions in connection with an undertaking not to create liens on ICL Shares as stated in Section 5.3, provisions in connection with meeting the financial covenants as stated in section 5.4 above and the provisions of change in interest rate adjustment mechanism in case of change in the rating as stated in section 5.5 above.

25.2 Subject to the provisions of the law, and by prior resolution of the bonds holders meeting (series 13), the trustee may, whether before or after the principal of bond stand to mature, shall compromise with the company about any right or claim of bond holders or any of them and agree with the company to any arrangement of rights, including waiving up any right or claim of his and/or bond holders or any of them towards the company.

25.3 Subject to the provisions of law and regulations issued or enacted thereunder, the company and the trustee may, whether before or after the principal of the bonds stand to mature, change the Deed of Trust and/or bond conditions if one of the following takes place:

25.3.1 Except Changing the identity or fee of the trustee, or to appoint a trustee in place of the trustee who ended his term, if the trustee is satisfied that the changes do not harm the bond holders and except in relation to the matters listed in section 25.1. above

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25.3.2 The proposed change was approved by a special resolution of the holders of the Series 13 Bonds.

25.4 The company will pass to the bond holders a notification (in accordance with the provisions of section 24 above) of any change as stated under section 25.1 or section 25.2 above or as soon as possible after its execution.

25.5 In any case of the use of his rights by the trustee according to this section in accordance with stipulated therein, the trustee may demand that the bond holders provide him or the company the bond certificates to register a comment in them about every compromise, waiver, modification or amendment as aforesaid and on the demand of the trustee the company will register the comment as stated in the certificates passed to it. In any case of using the trustee's right in accordance with this section, it will notify in writing the bond holders without delay and as soon as possible.

25.6 If the company is merged into the acquiring company and if there exist at the time of the merger bonds in circulation not repaid in full (principal and interest), the company shall be entitled to assign its rights and obligations in accordance with the Deed of Trust and the bonds to the acquiring company, subject to such that the acquiring company has declared to the bond holders, including through the trustee, at least 10 business days prior to the completion of the merger, that the absorbing company also assumes on itself the full liability towards the bond holders that there is no reasonable concern that due to the merger it will not be in the absorbing company's ability to fulfil the commitments towards the holders.

25.7 Without limiting the foregoing, the terms of the bonds may be modified in the framework of a settlement or compromise, which has been approved by the Court, according to article 350 of the company's law.

26 **Register of Bond holders**

26.1 Hold Company will hold and manage in its registered office a register of bond holders in accordance with the provisions of the securities law, which will be open to the inspection of any person.

26.2 The Company will not be required to register in the register of bond holders any notice about an explicit trustee, implied or any equitable right, claim or set-off or any other right in connection with the bonds. The company will solely recognize the ownership of the person in whose name the bonds are registered. Legal heirs, executors or the executors of the will of the registered holder and any person who is entitled to the bonds due to the bankruptcy of any registered holder (and if it is a corporation - due to dissolution) will be allowed to register as holders of them after providing proof that in the company opinion is enough to prove their right to register as holders of them.

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27 Certificates and splitting of certificates

- 27.1 In respect of bonds registered in the name of a single holder a certificate will be issued, or at his request, several certificates will be issued (certificates mentioned in this section shall be referred to below: "**The certificate**"), each of a minimum amount of 1,000 (one thousand) NIS face value. (Hereinafter: "**The minimum amount**").
- 27.2 Each certificate can be split into certificates where the total face value of the bonds included in them is equal to the sum of the face value of the bonds included in the certificate which was requested to be split, provided that the face value specified for any certificate is not less than the minimum amount. The split will be carried out on a signed request for split by the registered owner of the bonds the certificate being the subject whose split is requested is against delivery at the registered office of the company of the certificate requested to be split. The split will within 30 days of the end of the month in which the certificate was delivered together with the request for the split at the company's registered office. The new bond certificates issued following the split will be in the amounts of face value in new Israeli shekels each one. All expenses involved in the split, if there are any, shall apply on the requester of the split.

28 Reporting to the Trustee

- 28.1 In addition to the stated in section 17 above, The company will prepare and deliver to the trustee, as long as any bonds were not redeemed;
- 28.1.1 Audited financial statements of the company for the fiscal year that ended on 31 December of the year that has passed, until the date on which a public company is required to report in accordance with the provisions of the Securities Act. The publication of these reports in the EDS by the company will be considered as delivery of the reports to the trustee.
- 28.1.2 Interim financial results of the company till the date when a public company is required to report in accordance with the provisions of the securities law. The publication of these reports in the EDS by the company will be considered as delivery of the reports to the trustee.
- 28.1.3 Copy of every document that the company delivers to bond holders.
- 28.1.4 Reporting of any change in rating of the bonds or cessation of rating.
- 28.1.5 Every document report or notice which is in accordance with the provisions of any law on the company to deliver to the trustee.
- 28.1.6 Should it be so requested by the trustee, not later than at the expiration of 30 days from the date of the offering of bonds out of the Series 13 Bonds and/or from the date of expansion of the

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Series 13 Bonds, the amortization schedule for the payment of the Series 13 Bonds (principal and interest) in an Excel file.

28.1.7 Notice with respect to the change of the name and/or address of the Company, not later than one trading day after the date of the said change. Publication of information as aforesaid in the EDS system will be deemed to be an update to the trustee for the purposes of this section.

28.1.8 The Company shall provide the Trustee within 10 days following the publication date of the Company's annual financial statements - a confirmation signed by the CEO of the Company or the chairman of the board of directors of the Company that there has been no material breach of the provisions of this Deed. The foregoing shall not derogate from the Company's obligation to provide the Trustee such confirmation at any time upon request, in such case such confirmation will be provided within 10 days from the date of receipt of such demand.

It is hereby clarified that these publications of reports and/or documents and/or reports listed above by the company is as a delivery to the trustee.

28.1 Should the Company cease to be a "Reporting Corporation," as this term is defined in the Securities Law, the Company will deliver to the Trustee yearly, intermediate and immediate reports, as specified in the consolidated sheet of the Ministry of Finance - Capital Market, Insurance and Savings - provisions concerning investments by financial institutions in non-government bonds⁶, as they shall be from time to time. It is clarified that the stated does not detract from any obligation to report that applies or which will be apply to the company under any law.

29 **Proxy**

The company hereby appoints the Trustee for the bonds as a proxy to issue, implement and execute in its name and place those actions which it would have to perform according to the terms contained in this deed, and generally to act on its behalf with respect to those activities that the company has to perform according to this deed and did not perform them or to execute some of the powers granted to it, and to appoint any other person as the trustee sees fit to perform his duties in accordance with this deed and this subject that the company did not perform the duties that it must perform according to the terms of this deed within a reasonable time as determined by the trustee from the time of the demand of the trustee and only if they acted in a reasonable manner.

⁶ <http://mof.gov.il/hon/Information-entities/Pages/Codex.aspx>

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The appointment under this section does not require the trustee to take any action and the company hereby exempts the trustee and agents in advance in case they do not take any action, and the company waives in advance on any claim against the trustee and his agents for any damage caused or likely to be caused to the company directly or indirectly in connection with this, on the basis of an action not taken by the trustee and his agents as stated above.

30 Applicability of the Securities law

On every matter not referred to in this deed as well as in any case of discrepancy between the provisions of law and regulations (which cannot be subject to conditions) between this Deeds, the parties will act in accordance with the provisions of law and regulations.

31 Meeting of bond holders

The General Assembly of the bond holders will be convened and conducted in accordance with the terms specified **in the Second Appendix II** to this deed.

32 Discrepancy between the provisions of the Deed of Trust, the prospectus and the shelf offer report

In each case of discrepancy between the provisions of this Deed of Trust (on various appendices) to the company's prospectus instructions and/or shelf offer report, in relation to the Series 13 Bonds, all the provisions of this deed shall prevail. As of the date of the signing of this Deed, there is no such discrepancy.

33 Responsibility of the trustee

33.1 Notwithstanding the provisions stated in any law and anywhere in the Deed of Trust, as the trustee acted in fulfilling his duty in good faith and in a reasonable time and checked the facts that a reasonable trustee would have clarified under the circumstances of the matter, will not be responsible towards the holder of the bonds for damage caused to him by as a result that the Trustee executed his discretion in accordance with the provisions of article 35 (D1) or 35I1 of the law, unless the plaintiff proves that the trustee acted in gross negligence. It is clarified that in case there arises a discrepancy between the provisions of this section to another provision in this Deed of Trust, the provisions of this section shall prevail.

33.2 If the trustee acted in good faith and without negligence in accordance with the provisions of article 35 (D2) or 35 (D3) of the law, he will not be responsible for executing the stated activity.

34 Other agreements:

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The Company shall not engage with the Trustee in various contracts or perform any transactions whatsoever with the Trustee, with the exception of engagements from time to time for the purpose of his position as the Trustee for the Company's bond series.

35 General

Without derogating from the other provisions of this deed and the bonds, any waiver, extension, discount, silence, avoiding action (hereinafter together: "**Waiver**") on the part of the trustee or the company about the non existence or partial existence or not correct of any liability, according to this deed and bond, will not be considered as a waiver on part of the trustee or the company, as applicable, on any right except to a limited consent for a special opportunity given. Without derogating from the other provisions of this Deed and the bond, any modification to the commitments of the trustee or the company as stated, requires the prior consent of the trustee or the company in advance and writing (including "written" including fax or e-mail). Any other agreement that is not in writing will not be considered as agreement. The rights of the trustee and the company according to this agreement are independent of each other and not dependent, and are in addition to any existing right and/or will be to the trustee and/or company by law.

36 Addresses

Addresses of the parties will be as appearing in the introduction to this deed or any other address which will be given about the party against an appropriate notification in writing.

37 Governing Law and Jurisdiction

The law applying to this Deed of Trust, its appendices, is the Israeli law only. The exclusive jurisdiction and venue in any matters related to this deed would be subject to the competent courts in Tel Aviv-Yaffo.

38 Certification to report on the Electronic Disclosure System

The trustee authorizes by signing on this deed, the authorized electronic signatories of the company, as will be the reporting in his name on the EDS on his contract with this deed and his signature on it, on everything required by law.

And in witness whereof the parties have signed:

Israel Corporation Ltd

Hermetic trustees (1975) Ltd.

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I the undersigned, [] Attorney, confirms that this Deed of Trust signed by Israel Company Ltd. as per its articles of association, Using Messrs: _____ and - _____ Where their signature commits the company in connection with this Deed.

[] , Attorney

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Appendix A' - Confidentiality Agreement

__ on _____

To

Israel Corporation Ltd

Dear Sirs.

Re: Commitment to confidentiality

1. As part of or in connection with the discharge of functions as _____ to the bond holders (series 13) of the company to Israel corporation Ltd. (hereinafter: "**The company**") (hereinafter: "**The job**"), I may receive or be exposed to information that is not public, including, but without derogating, information, news or professional information, technical, financial, technology, commercial or other related directly and/or indirectly to the company, affiliates or related subsidiaries of the company (as these terms are defined in the Securities Act, 5728 - 1968 (hereinafter: "**The securities law**")), the corporations in the group of companies, and/or stakeholders in the company (hereinafter together: "**The Group**"), Procedures and/or working methods and/or group activities and also commercial and business information, of any other kind because it is not common knowledge (hereinafter together: "**confidential " Information**"). Notwithstanding the foregoing, the term "Confidential Information" will not include information as stated above when I can prove that: (1) it is common knowledge (including information published by you or by stakeholders in you) or make common knowledge not due to breach of this commitment letter commitment; or (2) it was known to me before its disclosure by the Company and I can provide reasonable proof to that effect; or (3) it was provided to me by a third party, provided that at the time of receipt such information it was not known to me, after questioning the provider of the information, that the disclosure of information by that third party is a breach of the fiduciary duty that the third party owes to the Company.
2. It is known to me that I am forbidden to disclose the confidential information to any person and will not be allowed to use the confidential information for any purpose, except for work.

Notwithstanding any of the foregoing I shall be entitled (a) to submit the conclusions and evaluations based on the confidential information to the holders of Series 13 Bonds of the company (including a presentation at bonds holders meeting to make a decision regarding their rights), provided that reliance on the stated information be kept to the minimum information and extent required to meet the requirements of the law and I gave a message to the company of such in a reasonable time in advance, in order to leave the company enough time to apply to the courts and to prevent the transfer of the stated conclusions and evaluations; (B) to submit the conclusions and evaluations based on the confidential information to bond holders representatives appointed as per the law by the bond holders, provided that all the members of the representatives (as it may be) signed a commitment to confidentiality towards the company, the text of this confidentiality letter and a also a declaration regarding the absence of conflict of interest or lack of competition with the company, and to allow the stated representatives of the holders of bonds to review the confidential information at our offices, subject to signing a confidentiality letter in the stated text by all

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the members of the representatives of the bond holders, and this subject to the provisions of section 17.2 of the Deed of Trust. It is clarified that if all bond holders representatives sign a commitment to confidentiality as stated, the passing of the confidential information to their proxies, their employees, including Board members, including members of investment committees and credit commissions, is allowed without their signing on additional commitments of confidentiality, subject to commitment of the representatives of the bond holders that all these entities and anyone acting on their behalf, including subcontractors that work on their behalf, that they also will fulfil the commitments outlined in this document; (C) to disclose confidential information, as you would have to do so under the law or as per the demand of an authorized authority according to the law and/or judicial order, provided that the disclosure is reduced to the minimum learning and scope required to comply with the demand of the law to coordinate with them in advance, as much as possible and allowed, and the content and timing of disclosure in order to leave them decent time to defend against this kind of demand.

3. In addition to passing of allowed confidential information as mentioned in section 2 and without derogating from the stated there, disclosure of confidential information would be done only and to my employees and/or authorized representatives on my behalf and including professional advisors (hereinafter: "**Authorized receiver**") as needed ("need to know" basis) only. I know that the disclosure or use of confidential information by an authorized receiver that is not in accordance with the provisions of this letter shall have the effect of disclosure or use as stated by me and shall take all the necessary measures to ensure the confidentiality of the confidential information. This commitment shall not apply for an authorized receiver who signed the similar confidentiality in all significant aspects to the commitment detailed in this text.
4. It is known to me that disclosing the confidential information to any person or body may be contrary to the securities laws in Israel. I know that due to my exposure to confidential information that various restrictions may apply to me if inside information comes to me as meant by the securities laws in Israel and I am taking and will take all reasonable measures to ensure no prohibited use of the inside information regarding the confidential information.
5. All the documents that are delivered to me by you or came into my possession as a result and/or linked to my contract with you and the relation, directly or indirectly, in a group and/or activities (including any copy or processing of them) (hereinafter together "**the documents**") belong to you at all times and for all purposes be considered your property for purposes and intent and they will be returned to you by me according to your request immediately upon completion of the work, except for the information, which is retained in accordance with the provisions of any law and including the guidelines of an authorized authority, or in accordance with internal procedures, as required for documentation of work processes. For the aforementioned in this commitment, the term "documents" shall be construed as including all means of storing information, including, but without limiting the generality of the foregoing above, physical, mechanical, electronic, magnetic, optical or electro-optical means.

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6. My commitment according to this letter will be valid even after termination for any reason of my work and till the confidential information is made public (that is not due to the breach of the commitment according to this letter, as it may be). My commitments according to this confidential letter are irrevocable and are not allowed to be cancelled and they come in addition to and not instead of, every obligation imposed on me under the law and/or any other agreement. The signing of this commitment by me does not grant me the right to perform the work and terms of work shall be set in separate documents between us.
7. I will safeguard the information in strict confidentiality, at least at the same level of caution which I safeguard my confidential information, and to that end shall take no less than a reasonable level of caution.
8. It is clarified that in accordance with the provisions of the securities law, nothing stated in this commitment requires the company to disclose any information, and disclosure and delivery to us will be at the sole discretion of the company.
9. This commitment of mine in this document is to each one of the corporations in the group when its confidential information will be provided to me.
10. Was and it was determined by a court or any authority whatsoever that there is no validity to my commitment in the commitment letter – reducing the commitment, to the permitted by law at that time and there was in the stated decision to harm the other commitments and rights according to this document.

Sincerely yours,

_____	_____	_____
Full name	Identity number	Signature

Appendix B
Trustee's fees

The company will pay a salary to the trustee for his services, in accordance with the provisions of the Deed of Trust, as follows:

1. Annual fee for the first year (a period of twelve (12) months from the actual date of the issue of the bonds) a total of 20,000 NIS; For each year of additional term, that the bonds will be in circulation and have not yet been paid (principal and interest), a total of 19,000 NIS.
2. In addition, the trustee will be entitled from the company of reasonable return of expenses below against demand.

"Reasonable expenses" — amounts that the trustee spent as part of his position and/or pursuant to the powers granted to him by this Deed of Trust, including: Expenses and costs for summons and convening of meetings of bond holders and expenses for missions and travel and in press publications related to the summoning for meetings and as obligatory under any law.

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3. Towards every shareholders annual meeting that the trustee takes part, even if did not actually take place due to lack of quorum, shall be paid a fee of 600 NIS for the meeting plus reimbursement for travel.
4. For special activities and works to be performed by the trustee, beyond the ongoing activity of the trustee, the company will pay the trustee 600 NIS per hour including:
 - 4.1 Activities that is on the trustee to execute to fulfil the legal obligation of securities law in general and in particular Amendment 50 and 51;
 - 4.2 Activities Resulting from a breach or anticipated breach of the trustee deed by the company;
 - 4.3 Actions in connection with the provision of immediate repayment of bonds and/or actions in connection with the decision of the meeting of holders of bonds to have the bonds redeemed immediately;
 - 4.4 Special actions required or there will be the need to execute, in order to carry out his duties according to this deed in connection with the rights of the holders of the bonds and for protecting them, including in connection with the noncompliance of the company of its commitments according to this deed, including converging of meetings of the holders of bonds as stated in this deed and including for participation at meetings of the holders of bonds;
 - 4.5 Work needed due to a change in the company structure or due to the demand of the company;
- 5 All amounts quoted above are linked to the consumer price index for March 2018 (that will be published in April 2018) But in any event will not paid an amount lower than the amounts shown above.
- 6 In Case the tenure of the trustee expired, as stipulated in section 2.2.3 of this deed, the trustee will not be entitled to payment of fees from the day his term expires. If the trustee's tenure expires during the year, the trustee will return the fee paid in respect of the months he did not serve as trustee as trustee in practice within 7 business days from the date of his appointment of as alternate trustee (for a partial term will be paid relative wages).
- 7 VAT, if applicable, will be added to each of these amounts and will be paid by the company.

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Israel Corp. Ltd.

First addendum

Certificate for Series 13 Bonds

Hereby issued is this bond which is payable in 6 installments, and bearing an annual interest and linkage differentials as stated below.

Series 13 Bonds registered in the name of

Certificate number: []

Inclusive par value of bonds in this certificate [] NIS.

The registered owner of the bond in this certificate []

1. This certificate attests that Israel Corporation Ltd. (Hereinafter: "**The company**") shall pay on the 30th of September of each year from 2021 to 2026 (inclusive), the par value of the bonds in this certificate, to whosoever that holds (as defined in the conditions overleaf) listed in the bond on the date determined for that payment, and everything is subject to the conditions listed overleaf and the Deed of Trust dated March 27, 2018 between the Company on the one hand and Hermetic Trust (1975) Ltd. and/or anyone who periodically serves as Trustee for the bond holders under the Deed of Trust ("**The Trustee**" and "**the Deed of Trust**", respectively).
2. This bond bears an interest at the annual rate shown above which will be paid on the dates, all as specified in the conditions overleaf.
3. This bond is linked (principal and interest) to the US Dollar subject to the terms described in the terms appearing overleaf.
4. This bond is issued as part of the bond series 13 of bonds whose terms are identical to the terms of this bond, subject to the terms outlined overleaf and in accordance with the trust the Deed of Trust for bonds from series 13, and are not assured at the time of issuance for the first time with any pledge.
5. It is clarified that the provisions of the Deed of Trust will constitute an integral part of the provisions of this bond and will bind the Company and the bond holders included in the above series. In any event of conflict between the provisions of this certificate and the Deed of Trust and the provisions of the Deed of Trust shall prevail.
6. Payment of the last principal and interest will be against delivery of the bond to the Company's registered office, at the time of payment, as stated in the terms and conditions overleaf or anywhere else on it that the Company will notify not later than five business days before the date of payment.
7. All the bonds in this series will stand at the same rating between them and themselves (pari-passu), without having any preference right to one over the other.
8. The Company reserves the right to issue, subject to the provisions of the law, at any time (between a private and public offering) at its sole discretion, and without the need for the consent of the Trustee

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and/or the bond holders, the bonds of different kind or an additional series of bonds or other securities, under interest and linkage terms, the level of repayment in the event of liquidation and other terms, including guaranteeing them with collateral, as the Company will deem it necessary and whether they preferred over the terms of the bonds, that are equal to or less favorable of them. In addition, the Company may, from time to time, at its sole discretion, without the need for approval from the Trustee and/or the bond holders, to expand the bond series and issue additional Series 13 Bonds (whether a private offer, or under prospectus, or under a shelf offering report or otherwise), including a related holder as stipulated in section 4.2 to the Deed of Trust, at any price and in any manner deemed by the Company, including a discounting or premium rate (including the lack of discount or absence of premium) are different from those (if at all) other offerings made from the same series in accordance with the provisions of any law and subject to the provisions of section 2.2 to the terms listed overleaf. Notwithstanding the foregoing, to the extent that the Company will issue additional bonds and another series and this other series won't be backed by collateral (and while it is not backed by collateral), the rights of the additional series on liquidation will not be a priority over that of Series 13 Bonds.

9. Every transfer of bonds subject to the limitations set forth in section 7 of the conditions listed overleaf, of the bond certificate.

Signed by the company on [_____].

Israel Corp. Ltd.

By:

Authorized Signatory: [_____] Authorized Signatory: [_____]

The terms appearing overleaf

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1. General

In this bond the following terms shall have the following meanings, unless another meaning is implied by the context of the term:

“Initial proposal report of the bonds”. Proposal report according to which the Series 13 Bonds will be initially offered.

“Bond holders” and/or “Bond owners” and/or “The holders”. As defined in section 1.6 of the indenture, above.

“Business day” Any day on which most of the banks in Israel are open for conducting transactions.

“Principal” The total nominal value of the bond

“The Nominee Company” Tel Aviv Stock Exchange Nominee Company Ltd., or any other nominee company with which the Company will engage at its sole discretion, so long as all of the Company’s securities are registered to the same nominee company.

“Bonds” or “Series of Bonds” or “Series 13 Bonds” A series of Bonds that shall be named Series 13 of the Company’s Bonds, registered, whose terms and conditions are pursuant to the Bonds certificate of Series 13, to the indenture and to the initial proposal report of the Series 13 Bonds, which shall be issued from time to time by the Company at its sole discretion.

“Trading day” Any day on which transactions are conducted at the Tel Aviv Stock Exchange Ltd.

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

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Clearing-House”

“The Stock Exchange” Tel Aviv Stock Exchange Ltd.

“The Prospectus” or “The Shelf Prospectus” As defined in section 1.6 of the indenture.

"Payment exchange rate" - The last known on the third business day prior to the actual date of payment.

"The nominal rate" - The nominal dollar rate as determined by the Bank of Israel or any other official exchange rate that replaces it, if so, and only if during the period Bank of Israel does not customarily determine the nominal rates, the rate that shall be determined by the Governor of the Bank of Israel for linkage of the dollar to bonds issued by the State, and if the Governor of the Bank of Israel does not determine the rate as stated for period whatsoever to determine the rate of Exchange respectively, it will be replaced by the average exchange rate and if there isn't, then the nominal rate will be determined by the Company in consultation with financial experts that shall be chosen by it in collaboration with the Trust and in its opinion and with its consent.

"The base rate" - The representative rate that shall be published at 15:30 on the day of the institutional tender that shall be held in connection with the first issue of the Series 13 Bonds, and as shall be set forth in the first offering report of the Series 13 Bonds.

"The known rate" - On any date - The last dollar exchange rate determined by the Bank of Israel before that date But at a time when Bank of Israel does not customarily determine the nominal rate, it shall be the known rate on any date, the recently determined rate before that date by the Minister of Finance, together with the Governor of the Bank of Israel for government bonds linked to the dollar exchange rate, and in the absence of rate as stated as determined between the Company and the Trust.

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It is clarified that notwithstanding anything to the contrary in this Appendix, the dates specified above and below may vary according to the bylaws of the TASE Clearing-House and to the directives of the Stock Exchange, as would be in force on the publication date of the proposal report, and would be detailed in the proposal report.

The terms of the Bonds (the terms listed overleaf) are an integral part of the provisions of the indenture. The provisions of the indenture shall be seen as though they were explicitly included in the terms and conditions of these Bonds. In case of conflict between the provisions of the bond and those of the indenture, the provisions of the indenture shall prevail. As of the date of this Deed there is no contradiction between the provisions of the bonds (The terms appearing overleaf) and those described in the shelf offer report (as defined below) in connection with bond (series 13) of the Company.

2. **Bonds**

- 2.1. The Company proposes to issue, pursuant to a shelf proposal report, registered Series 13 Bonds, nominated at NIS 1 each (hereafter the "Bonds [Series 13]") under the terms and conditions specified in sections 3 to 5 below.
- 2.2. Expanding the series
Concerning the expansion of the series, see Section 3.2 of the indenture.
- 2.3. Issuance of additional securities
concerning issuance of additional securities, see Section 3.2 of the indentures.
- 2.4. Collateral
Concerning collateral, see section 6 of the indenture.

3. **The Principal**

- 3.1. The Principal of the Series 13 Bonds
The Company intends to issue, pursuant to a shelf offering report, registered Series 13 Bonds of 1 NIS par value each (hereinafter: "**Series 13 Bonds**"). The Series 13 Bonds shall be due and payable (principal) in six annual unequal payments, which will be made on the 30th of September of each of the years 2021 to 2026 (inclusive), as set forth below: the first payment in respect of the principal shall be made on September 30, 2021, and it shall be at a rate of 10% of the par value of the principal; the second, third, fourth and fifth payments in respect of the principal shall be made on the 30th of September of each of the years 2022 to 2025, as the case may be, and each one shall be at a rate of 17.5% of the par value of the principal; the sixth (and final) payment in respect of the principal shall be made on September 30, 2026, and it shall be at a rate of 20% of the par value of the principal. The bond principal is not linked..

4. **Interest**

- 4.1. The Series 13 Bonds shall bear annual interest rate that shall be determined by tender for the interest rate, not to exceed the maximum interest rate, which will be determined in the Offering Report. Interest on the unpaid balance, as it may accrue from time to time, of the Principal of the Bonds (Series 13) shall be paid from September 2018, twice a year (except in 2018) on the 31st of March and

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on the 30th of September in each of the years 2019 to 2026 (inclusive), in such a manner that the first payment of the interest shall be made on September 30, 2018, and the last interest payment shall be made on September 30, 2026. The interest on the Series 13 Bonds shall be linked to the Representative Rate of the Dollar according to the following linkage provisions: in case the Payment Rate of the payment of the interest of Series 13 Bonds is higher than the Base Rate than the Company will pay that interest payment increased relatively to the rate of increase of the Payments rate compared to the Base Rate. in case the Payment Rate of the payment of the interest of Series 13 Bonds is lower than the Base Rate than the Company will pay that interest payment lowered relatively to the rate of increase of the Payments rate compared to the Base Rate. The linkage method of the interest will not change during the term of the bonds.

- 4.2. The interest rate in respect of the first interest period of the Bonds and the annual interest rate on whose basis it is determined and the semiannual interest rate shall be specified in the report to be published by the Company concerning the results of the tender governing the interest rate.
- 4.3. The interest payment to be made at each interest payment date shall be calculated according to the annual interest rate, divided by the number of payments per year, i.e. two payments (with the exception of the first interest payment that will be made on September 30, 2018, and that will be paid in respect of the period that commences on the first trading day after the date of the tender for the Series 13 Bonds and that ends on the last day prior to the said date of payment, which shall be paid according to the interest rate that will be set forth in the tender and it will be calculated according to the number of days in the aforesaid period and based on 365 days per year). The Company will specify, in the issuance results report, the annual interest rate, as well as the semi-annual interest rate (which shall be calculated as the annual interest rate divided by the number of payments per year, which shall be made in two instalments).
- 4.4. The interest on the Series 13 Bonds shall be paid semi-annually for the interest period ending on the last day prior to the date of payment (hereafter: the "Interest Period"). The first interest period of the Bonds shall commence one Trading Day after the day of the tender, which shall be specified in the initial proposal report and will end on the last day prior to the date of the first interest payment. Every subsequent interest period of the Series 13 Bonds, shall commence on the first day following the end of the interest period immediately preceding it, and shall conclude at the end of the interest period. Interest for the first interest period shall be calculated according to the number of days in that period, on the basis of 365 days per year.
- 4.5. The last interest payment in respect of the unpaid Principal balance of the Series 13 Bonds, shall be made together with the last Principal payment of the Series 13 Bonds, in exchange for the delivery of the Bonds' certificates to the Company.
- 4.6. Overdue interest: wherever the Company delays payments in respect of the Bonds' Principal and/or interest, for a reason attributable to the Company, then in case said delay does not exceed 7 days, the Company shall pay to the Bonds' bearer's overdue interest at an annual rate 3% higher than the Bonds' interest for that period (calculated pro-rata). In respect of any delay in excess of 14 days, the Company shall pay to the Bonds' bearer's overdue interest at the overdue interest rate generally used by the Accountant General in the Ministry of Finance, as of the end of the aforementioned 14-day period,

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and until actual payment (“Overdue Interest”). The Company shall immediately report the overdue interest rate, the total interest rate for the period (including the Overdue Interest) as well as its planned time of payment, two Trading Days before actual payment. For the avoidance of doubt it is clarified that a delay in the payment date as elaborated in article 5.2 hereunder, does not constitute a delay in payment.

5. **The Principal and interest payments in respect of the Bonds**

5.1 Payments on account of the interest and/or the Principal, in respect of the Bonds, shall be made to people registered in the Bonds’ Bearer Register on March 25th and on September 24th in respect of any relevant time period, preceding the due date of that payment (“The Deciding Date”), except for the last interest and Principal payment, to be made on September 30th, 2026, in exchange for the delivery of the Bonds’ certificates to the Company on the payment date, at the Company’s registered office or in any other place, as the Company would determine. The Company shall publish a notification of the above no later than five business days prior to the last payment date.

It is clarified that whoever is not registered in the Bonds’ (series 13) Bearer Log on the Deciding Date, shall not be eligible to an interest payment in respect of the interest period started before that date.

5.2 Wherever the due date for a Principal and/or an interest payment occurs otherwise than on a business day, the due date shall be deferred to the first following business day, with no addition to the payment, and the Deciding Date for the determination of eligibility to redemption or to interest shall not be altered as a consequence of the above.

5.3 Payment to eligible persons shall be made by checks or by a bank transfer to the bank account of the persons registered in the Bonds’ (series 13) Bearer Log, who would be mentioned in a written letter to be delivered to the Company in due time, according to the provisions of articles 26 to the indenture, and 5.5 hereunder. In case the Company is precluded from paying any amount to an eligible person, for a reason outside its control, the provisions of articles 13.3 – 13.8 to the indenture shall apply.

5.4 The bearer of the Series 13 Bonds shall inform the Company of his bank information, for accreditation with payments due to that bearer, pursuant to the Series 13 Bonds as aforesaid, and of any changes in the aforementioned bank account information, or in his address, as the case may be, by a written notification to be sent to the Company by registered mail. The Company shall have to comply with the bearer’s notification concerning a change as mentioned above, after 15 business days following the reception of the bearer’s notification at the Company.

5.5 In case the Bonds’ bearer, eligible to payment as mentioned above, has failed to deliver his bank account information to the Company in a timely manner, any payment on account of the Principal and interest shall be made by a check, posted through registered mail, to his last registered address in the log. The shipment of a check to an eligible person by registered mail

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shall be considered, for all intents and purposes, as the payment of the amount nominated therein, at the date of its postal shipping, so long as said check is actually paid, when properly presented for collection.

- 5.6 Any lawfully required obligatory payment shall be deducted from any payment in respect of the Series 13 Bonds.

6. **Failure to pay for reasons not under the Company's control**

As concerns failure to pay for reasons not under the Company's control – see articles 13.3 – 13.8 to the indenture.

7. **Transfer of the Bonds**

7.1 The Bonds are transferable in respect of any nominated value amount, so long as it is mentioned in whole New Israeli Shekels. Any transfer of the Bonds held by a registered holder shall be carried out pursuant to a stock transfer deed, made in the commonly used wording for a stock transfer, duly signed by the registered owner or his legal representatives, as well as by the recipient of the transfer or his legal representatives. The stock transfer deed shall be delivered to the Company at its registered office, together with the certificates of the Bonds transferred pursuant thereto, and every other reasonable proof as may be required by the Company to establish the transferrer's right to transfer them.

7.2 Subject to the aforementioned, procedural provisions included in the Company regulations relative to the modality of transferring shares, shall apply, mutatis mutandis as the case may be (except those provisions pertaining to obtaining the consent for transfer of the possessor of a special State share, which shall not apply to a transfer of Bonds), to the modality of transferring the Bonds and converting them.

7.3 In case any obligatory payment, including taxes and other charges, applies to the stock transfer deed, the Company shall be provided with reasonable proof of their payment, by the person seeking the transfer.

7.4 In case of a partial transfer of the nominated Principal amount of the Bonds covered by this certificates, the Bond shall first be split, pursuant to the provisions of article 8 hereunder, into several Bond certificates as warranted (up to a reasonable quantity, to be determined by the Company), so that the aggregate of the Principal amounts nominated therein equals the nominated Principal amount of the aforementioned Bonds certificate.

7.5 After all of the aforementioned terms and conditions are complied with, the transfer shall be registered in the Register, and the Company may require that a caveat be registered, in respect of the aforementioned transfer, upon the transferred Bond certificate to be handed to the transferee, or that he is issued a new bond certificate instead of the previous one, and all of the terms and conditions detailed in the indenture and in the certificate of the transferred bond,

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shall apply to the transferee, so that wherever the word “possessor” appears, it shall be seen as though it was “transferee”, and he shall be considered as a possessor for the purposes of the indenture.

7.6 All expenses and fees related to the transfer shall apply to the person requesting the transfer.

8. **Splitting the Bonds' certificate**

Regarding a split of the Bonds' certificate, see article 27 to the indenture.

9 **Early redemption of the Series 13 Bonds**

9.1 **Early redemption at the Stock Exchange's initiative**

In case the Stock Exchange decides to strike the unpaid Bonds from its listing, pursuant to the worth of the Series 13 Bonds falls below the amount set forth in the Stock Exchange directives concerning striking bonds from the listing, the Company shall proceed to an early redemption and act as follows:

- (a) Within 45 days of the decision of the Stock Exchange Board of Directors, on striking the bonds from the listings as mentioned above, the Company shall inform the Bonds holder of an early redemption date, on which he would be entitled to redeem them. The notification of the early redemption date shall be published in an immediate report, which will be sent to the authority and to the Stock Exchange and published in two common daily newspapers in Israel, in the Hebrew language. It shall also be delivered in writing to all of the registered holders of the Bonds.
- (b) The early redemption date shall be no earlier than 17 days before the publishing date of the notification, and no later than 45 days following that date, but not between the Deciding Date for an interest payment and its actual payment date.
- (c) On the early redemption date, the Company shall redeem the bonds, whose holders will have asked to redeem. The consideration paid within the redemption procedure shall not be lower than the nominated value of the Bonds, plus any accrued interest as of the actual payment date, as determined in the Bonds' terms and conditions.
- (d) The determination of an early redemption date as mentioned above, shall not derogate from the redemption rights set forth in the Bonds of any of the bond holders, who would not redeem them at the early redemption date as mentioned above. However, the aforementioned Series 13 Bonds shall be struck out from trade in the Stock Exchange, and shall be, among other things, subject to the tax implications arising of that fact.
- (e) Early redemption of the Bonds as mentioned above, shall not entitle the holders of Bonds redeemed as mentioned above, to Principal or to interest payments in respect of the period following the redemption date.

9.2 **Early redemption at the Company's initiative**

The Company may, at its sole discretion, carry out an early redemption (in part or in full) of the Series 13 Bonds at any time, but not before at least 60 days pass after the registration of the Series 13 Bonds for trade in the Stock Exchange. In this case, the following provisions shall

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apply, all subject to the directives of the Israel Securities Authority, and to the provisions of the Stock Exchanges and the directives pursuant thereto, as they may be at the relevant date:

- (a) The frequency of early repayments shall not exceed one quarterly repayment.
- (b) Wherever an early redemption is scheduled to a quarter, in which an interest payment, a partial redemption date or a final redemption date is also scheduled, the early redemption date shall be carried out on the date set forth for payment as mentioned above.

For that matter, a “quarter” means each of the following periods: January – March, April – June, July – September, October – December.

- (c) The minimal scope of any early redemption shall be at least one million NIS. The aforementioned notwithstanding, the Company may carry out early redemption at an amount lower than one million NIS, so long as the frequency of redemptions as mentioned above, shall not exceed one redemption per year.
- (d) Any amount to be redeemed by an early redemption act initiated by the Company, shall be discharged in respect of all of the Bond bearers, pro-rated according to the nominated value of the Bonds possessed.
- (e) As the Company board of directors resolves to carry out early redemption as mentioned above, the Company shall publish an immediate report of the fact, and send a copy of the immediate report to the trustee, not less than 17 days and not more than 45 days before the early redemption date.
- (f) The early redemption date shall not be scheduled to the period between the Deciding date for an interest payment in respect of the Bonds, and the actual payment date of the interest. In the aforementioned immediate report, the Company shall publish the Principal amount to be discharged by early redemption, as well as the interest accrued in respect of the aforementioned Principal amount, up to the early redemption date, according to the aforementioned.
- (g) No early redemption will be performed for part of the Series 13 Bonds in case the last redemption amount is under NIS 3.2 million.

In case of a partial early redemption, as there may be, the Company shall pay to the Bond holders, at the partial early redemption date, the interest accrued only in respect of the part redeemed within the partial early redemption, and not in respect of the entire unpaid balance. In the event of an additional interest payment due to the early redemption, the additional interest shall be paid on the par value that was redeemed in the early redemption only.

- (h) At a partial early redemption date, as there may be, the Company shall notify, within an immediate report, of: (1) the partial redemption rate, in terms of the unpaid balance; (2) the partial redemption rate in terms of the original series; (3) the interest rate, in the partial redemption, in respect of the part redeemed; (4) an update of the remaining partial redemption rates, in terms of the original series; (5) the deciding date for eligibility for early redemption of the Bonds' Principal, which would be six (6) days before the date set forth for the early redemption.
- (i) The amount to be paid to the Bond bearers (series 13) within an early redemption, shall be the higher of the following: (1) the market value of the balance of the Series 13 Bonds in circulation, as are presented for early redemption, to be determined according to the average closing price of the Bonds on the thirty (30) trading days preceding the date in

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which the Board of Director will have resolved upon the early redemption; (2) The liability value of the Bonds presented for early redemption, that is to say: Principal plus interest, up to the actual early redemption date; (3) The cash flow balance of the Series 13 Bonds presented for early redemption (Principal plus interest), capitalized according to the yield of the Government Bonds (as defined hereunder), plus interest at an annual rate of 1%. Capitalization of the Series 13 Bonds presented for early redemption shall be calculated as of the early redemption date, until the last payment date scheduled for the Series 13 Bonds presented for early redemption.

In this regard: “**The Yield of the Government Bonds**” means, the average (gross) yield for redemption, in a period of seven business days, ending two business days prior to the notification of the early redemption, of wyo series of Government Bonds linked to the Dollar with fixed interest rate, with an average term which is the closest to the average term of the Series 13 Bonds at the relevant date.

For example: if the Average Duration of Government Bond A is four (4) years, the Average Duration of Government Bonds B is two (2) years and the Average Duration of the balance of the loan is three and a half (3.5) years, the yield shall be determined as follows:

$$4X + 2(1 - X) = 3.5$$

X = The weight of the Yield of Government Bond A

(1 - X) = The weight of the Yield of Government Bond B

According to the calculation, the annual yield of Government Bond A will be weighted at a rate of seventy five percent (75%) of the "yield" and the annual return of Government Bond B will be weighted at a rate of twenty five percent (25%) of the "yield."

“Average Duration” – Average duration of the bonds.

10. **Acquisition of Bonds by the Company and/or by a related holder**

In this regard, see article 4 to the indenture.

11. **Limitations on distribution**

See article 3.3 to the indenture.

12. **General provisions**

12.1 The Principal and interest amounts are paid and transferrable regardless of any equitable rights, or any offsetting right or a counter-claim existing, or which would exist between the Company and an earlier possessor, including the original possessor of the Bonds.

12.2 Any person who becomes entitled to the Bonds pursuant to bankruptcy or to liquidation procedures of the Bonds' bearer, shall be entitled, upon presentation of such evidence as the

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Company would require from him from time to time, to be registered as the Bonds' bearer in the Log, or, subject to the terms and conditions described above, to transfer them.

12.3 The owners of the Bonds shall be entitled to exercise their rights, pursuant to the Bonds and the indenture, through the Trustee, or pursuant to a Bonds Bearers' general assembly resolution, in the modalities described in the Bond and in the indenture.

12.4 The provisions of the indenture, including the right to present Bonds for immediate redemption, as are detailed in article 8 to the indenture, shall be considered as an inseparable part of this Bond.

13. **Changes in the terms and conditions of the Bonds and the indenture**

In this regard, see article 25 to the indenture.

14. **General assemblies of Bonds' bearers**

The Bonds Bearers' general assembly shall be convened and held pursuant to the provisions of the second supplement to the indenture.

15. **Acceptable proof**

In this regard, see article 14 to the indenture.

16. **Replacing the Bond certificates**

In case the Bonds certificate becomes worn, is lost or destroyed, the Company may issue a new Bonds certificate in its stead, pursuant to the same terms and conditions as apply to the Series 13 Bonds, and subject to proof, the Company shall be entitled to indemnification and reimbursement of the reasonable expenses incurred by the Company, in determining the ownership rights over the Bonds, as the Company sees fit. In case of a worn certificate, the worn Bonds certificate shall be returned to the Company prior to issuance of the new certificate. Taxes, charges and other expenses related to the issuance of the new certificate, as may apply, shall apply to the person requesting the aforementioned certificate.

17. **Notifications**

In this regard, see article 24 to the indenture.

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Second supplement to the indenture

Subject to the provisions of the Securities Law, a Bonds bearers' assembly shall be convened and held, and additional provisions shall apply thereto as follows:

Convening an assembly

1. The Trustee shall convene, no later than fourteen (14) days after presenting the second annual report of the Trust's affairs (pursuant to article 19.1 to the indenture), a bearers' assembly. The assembly shall be convened no later than sixty (60) days after presentation of the aforementioned report. The agenda of the aforementioned assembly shall include the appointment of the Trustee for a time period to be determined, discussion of the annual report of the Trust's affairs, as well as any other subject scheduled for the agenda as mentioned in article 35-l-2 to the Securities Law.
2. The Trustee shall convene a Bonds Bearers' assembly if he sees fit, or pursuant to a written demand by Bonds possessors who hold, separately or jointly, at least five percent (5%) of the nominated value balance of the Bonds in circulation.
3. In case those requesting the convening of the assembly are the Bonds' bearers, the Trustee may demand indemnification from the requesting persons, including beforehand, in respect of the reasonable expenses related. It is clarified that the Trustee's demand for indemnification shall not undermine the convening of an assembly convened in order to take action so as to avoid prejudice against the rights of the Bonds' bearers.
4. A trustee required to convene a bearers' assembly pursuant to the provisions of article 2, shall convene it within 21 days of receiving the demand to convene it. He shall schedule it to the date requested, provided that the date scheduled is not earlier than seven days, nor later than 21 days after the convening date; however, the Trustee may anticipate the convening of the assembly, for at least one day after the convening date, in case he considers this to be necessary in order to protect the bearers' rights, and subject to the provisions of article 20 hereunder; in case he does so, the Trustee shall explain, in a report on convening the assembly, the reasons for anticipating the assembly date.
5. The Trustee may, at his reasonable discretion, change the scheduled date of an assembly convened by himself, or at the Company's request, where the assembly was convened by the Company.
6. Where the Trustee fails to convene a bearers' assembly, as demanded by a bearer as mentioned in article 2 above, within the time period mentioned in article 4 above, the bearer may convene the assembly, so long as the schedule date is within 14 days after the expiry of the time period available to the Trustee to convene the assembly. The Trustee shall bear the expenses incurred by the bearer relative to convening the assembly.
7. In case a bearers' assembly (as in articles 1 or 2 above) fails to be held, a court of law may order its convening, at the request of a bearer.
8. Where a court of law orders as mentioned in article 7 above, the Trustee shall bear any reasonable expenses incurred by the Applicant in the procedure in court, as the court may resolve.
9. The Company may convene, at any time, a Bonds Bearers' assembly coordinated with the Trustee. Where the Company convenes such an assembly, it must immediately send a written notice of the fact to

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the Trustee, mentioning the place, date and time in which the assembly would take place, as well as the matters to be brought for discussion therein.

The Trustee, or his representative, may participate in the aforementioned assembly, but without the right to vote. An assembly as aforementioned shall be convened for the date which would appear in the invitation, so long as the assembly date is not earlier than seven days or later than 21 days following the convening date.

10. In case it is not practically possible to convene a bearer's assembly or to hold it in the manner established in the indenture or by law, a court of law may, as requested by the Company, a Bonds' bearer entitled to vote in an assembly, or the Trustee, order that an assembly is convened and held in a manner determined by the court, and he may also issue complementary instructions for that purpose, as it sees fit.

Irregularities in convening an assembly

11. The court may, at the request of a bearer, order that a resolution made in a bearer's assembly be revoked, when said resolution is passed in a bearers' assembly convened or held in non-compliance with the terms and conditions set forth for that purpose by law, or pursuant to this deed.
12. Where the irregularity in convening the assembly pertains to the notification of the place or the time of the intended assembly, a bearer who was present in the assembly despite that irregularity, may not demand the revocation of the resolution.

Notification of convening an assembly

13. A notification of a bearers' assembly shall be published pursuant to the provisions of section G1 to the Law ("Electronic Reporting") and delivered to the Company by the Trustee before reporting and as prescribed in the regulations.
14. The convening notice shall include the agenda, the resolutions proposed, as well as arrangements pertaining to voting in writing, pursuant to the provisions of articles 26 and 28 hereunder.

The agenda in the assembly

15. The Trustee shall establish the agenda in a bearers' assembly, so as to include therein subjects requiring a bearers' assembly pursuant to articles 1 and 2 above, as well as an subject requested pursuant to article 17, at the request of a bearer.
16. Inasmuch as an assembly is convened as mentioned in article 9 above, the Company shall determine the agenda for the assembly.
17. Any bearer, one or more, who holds at least five percent (5%) of the nominated value balance of a bond series, may request the Trustee to include a subject in the agenda of a bearers' assembly which would be held in the future, so long as the subject is suitable for discussion in an assembly as mentioned above.
18. Resolutions shall pass in a bearers' assembly, only with regard to subjects described in the agenda.

The place set forth for an assembly

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19. A bearers' assembly shall be held in Israel, in the Company offices, or in any other place, as would be notified by the Trustee or the Company. The Trustee may alter the address scheduled for the assembly. The Company shall bear the costs of convening the assembly at any address other than its office.

The Deciding Date for ownership of indentures

20. Bearers eligible to participate and to vote in the bearers' assembly, are Bond bearers at a date to be determined in a resolution to convene a bearers' assembly, so long as this date is not more than three days prior to the date scheduled for the bearers' assembly, nor less than one day before the scheduled date.

Chairman of the assembly

21. The trustee, or his appointee, shall serve as chairman in any bearers' assembly.
22. The Trustee shall prepare minutes of the Bonds bearers' assembly, and keep them in his registered office for a period of seven (7) years after the assembly date. The assembly minutes may be in the form of a recording. Minutes, inasmuch as made in writing, shall be signed by the chairman of the assembly. Any minutes signed by the chairman of the assembly constitutes prima facie evidence to anything stated therein. The minutes log shall be kept in the Trustee's registered office, open for inspection by the bearers during working hours and upon prior coordination. A copy thereof shall be sent to any bearer who requests this.
23. A declaration by the chairman of the assembly, to the effect that a resolution is adopted or rejected in a bearers' assembly, whether unanimously or by a certain majority, shall be prima facie evidence for its contents.

Legal quorum; a deferred or continued assembly

24. A Bonds bearers' assembly shall be opened by the chairman of the assembly after he determines the presence of the legal quorum required for any of the subjects on the agenda of the assembly, as follows:
 - 24.1 Subject to the legal quorum required in an assembly convened in order to pass a special resolution (as defined in the indenture), and subject to the non-negotiable provisions of the Securities Law, and to the provisions of the indenture, the legal quorum required to hold a Bonds bearers' assembly shall be as set forth in article 35 – 1 – 13 to the law.
 - 24.2 In case no legal quorum is present in a bearers' assembly within half an hour of the time set forth to the start of the assembly, the assembly shall be deferred to another date, not earlier than two business days after the date scheduled for the original assembly, or than one business day, in case the Trustee considers this to be necessary in order to protect the bearers' rights; in case the assembly is deferred, the Trustee shall explain, in a report on convening the assembly, the reasons for that.
 - 24.3 In case no legal quorum is present in the deferred bearers' assembly, as mentioned in article 24.2 above, within half an hour of the time set forth for it, the assembly shall take place inasmuch as a legal quorum, as set forth in article 35-l-14 to the law, is present therein.
 - 24.4 Despite the provisions of article 24.3 above, where the bearers' assembly is convened pursuant to the demand of bond bearers, as provided in article 2 above, the deferred bearers' assembly

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shall take place only if persons are present therein, who hold Bonds at least in the amount required to convene an assembly pursuant to the provisions or that article (i.e. – at least five percent (5%) of the nominated value balance of the Bonds in circulation).

25. At the determination of the Trustee, or as resolved by a simple majority of voters in a bearers' assembly, in which a legal quorum was present, the continuation of the original assembly shall be deferred from time to time, or the discussion, or a resolution over a subject included in the agenda, to another date and to a place to be determined by the Trustee or the assembly (hereinafter: "Continued Assembly"). Only a subject which appeared on the agenda and remained unresolved shall be discussed in a Continued Assembly.

Where a bearers' assembly is deferred without altering its agenda, invitations shall be given, indicating the new date for the Continued Assembly, as early as possible, no later than twelve hours before the Continued Assembly; invitations as mentioned above, shall be given pursuant to articles 13 and 14 above.

Participation and voting

26. A Bond bearer may vote in a bearers' assembly, on his own or through an agent, as well as through a voting deed, in which he would indicate the manner of his voting, and in keeping with the provisions of article 28 hereunder.
27. A resolution shall pass in the bearers' assembly by a show of hands.
28. A voting deed shall be published by the Trustee, for all Bond bearers; a bond bearer may indicate his manner of voting in the voting deed, and send it to the Trustee.

A voting deed in which a voter has indicated his manner of voting, which has reached the Trustee prior to the last day scheduled for that purpose, shall be considered as presence in the assembly, regarding the presence of the legal quorum as mentioned in article 24 above. Accordingly, the Trustee may, at his discretion and subject to the provisions of the law, to hold voting assemblies through voting deeds, without convening the bearers, and to hold a vote through voting deeds in a voting assembly (including in its Deferred Assembly), in which the legal quorum required to pass the resolution on the agenda was not present at the outset, so long as the Trustee receives, by the time the voting assembly is concluded, as shall be set forth in the notification of having the assembly convened or the vote held, as the case may be, voting deeds from bearers who constitute a legal quorum required in order to pass the resolution in an original assembly or in a Deferred Assembly, as the case may be.

A voting deed received by the Trustee as mentioned above, concerning a certain subject not voted upon in the bearers' resolution, shall be considered as an abstention vote in that assembly, as concerns a resolution on holding a Deferred bearers' Assembly pursuant to the provisions of article 25 above. That vote shall be counted in the Deferred bearers' Assembly, which would be held pursuant to the provisions of articles 25 or 24.3 and 24.4 above.

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29. Each NIS 1 of nominated value of the Bonds represented in the vote, shall entitle its holder to one vote. In case of joint possession of Bonds, only the vote of the first-listed joint-possessor in the registry shall be accepted.
30. A Bonds' bearer may vote in respect of part of the Bonds he possess, including voting in respect of a part thereof in favor of a proposed resolution, vote against it in respect of another part, and abstain in respect of another part, as he may see fit.
31. The holdings of a related possessor (as the term is defined in article 4.2 to the indenture) shall not be considered in determining the legal quorum in a Bearers' assembly, and their votes shall not be counted in a vote held at an assembly as mentioned above.

Resolutions

32. Bearer assembly resolution shall pass with a simple majority, unless a different majority is set forth by law or in the indenture.
33. The abstention votes shall not be counted among the votes participating.
34. The chairman of the assembly may determine that votes are submitted through voting deeds, or through voting in the assembly. Where the chairman rules that the voting is conducted through voting deeds, the Trustee will have the wording of the voting deed distributed to the bearers, and set forth a time for the conclusion of voting, as a deadline until which the bearers have to send the voting deed, duly filled out and signed, to the Trustee, The Trustee may require of a bearer that he declares, within the voting deed, the existence or non-existence of a conflicting interest (as defined hereunder) he may have, at the Trustee's discretion. A bearer who fails to fully complete the voting deed and/or to prove his eligibility to participate and vote in an assembly pursuant to the provisions of the second supplement, shall be considered to have failed to submit a voting deed, and therefore to have elected not to vote upon the subject/s appearing in the voting deed. A complete and duly signed voting deed, in which a bearer indicates their manner of voting, which has reached the Trustee prior to the deadline set forth for that purpose, shall be considered as presence in the assembly, as regards the presence of a legal quorum as mentioned in article 24 above.
35. Any decision included in the agenda of a bearers' assembly, which is voted upon, shall pass by an ordinary resolution, except where otherwise set forth in the indenture, all subject to the provisions of the law.

Voting and acting through an agent / legal representative

36. A deed of appointment, appointing an agent, shall be made in writing and signed by the person making the appointment, or his representative with authorization to do so, in writing, in a proper manner. Where the person making the appointment is an association, the appointment shall be made in writing and will bear the association stamp, as well as the signatures of the association signatories.
37. An appointment deed of an agent shall be worded in any manner acceptable to the Trustee.

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38. An agent does not need to be a Bond bearer himself.
39. A deed of appointment and the power of attorney, as well as any other document pursuant to which the appointment deed was signed, or a certified copy of such a power of attorney, shall be delivered to the Trustee by the time scheduled for the assembly, unless otherwise prescribed in the notification convening the assembly.
40. The Trustee shall participate in the assembly through his employees, position holders or another person as may be appointed thereby, but shall have no voting right.
41. The Company and any other person, except for the Trustee, shall be precluded from participating in the Bond bearers' assembly, or in any part thereof, as determined by the Trustee, or by an ordinary resolution of Bond bearers. Despite the provisions of this article, the Company may participate in the opening of an assembly, in order to express its opinion regarding any subject appearing on the assembly agenda, and/or in order to present a certain subject (as the case may be).

Addressing Bond bearers

42. The Trustee, as well as a bearer, one or more, who has at least five percent (5%) of the nominated value balance of the Bonds in circulation of that series, through the Trustee, may address the bearers in writing, in order to convince them as to their vote on any of the subjects brought forth for discussion in that assembly (hereinafter: "Notification of Position").
43. Where a Bearers' assembly has been convened pursuant to article 2 above, a bearer may contact the Trustee and ask him to publish, pursuant to the provisions of section G1 of the Law, his own Notification Position for the other Bond bearers.
44. The Trustee or the Company may send a Notification of Position to the Bond bearers, in response to a Notification of Position sent as mentioned in articles 42 and 43 above, or in response to another message to the Bond bearers.

Examination of conflicts of interests

45. Where a Bearers' assembly is convened, the Trustee shall examine the existence of conflicts of interest with the bearers, between an interest arising from their possession of the Bonds, and another of their interest, as the Trustee may determine (in this article – "Another Interest"), pursuant to the provisions of the law as they may be at that time; the Trustee may require that a bearer participating in a bearers' assembly inform him, before voting, of Another Interest he may have, as well as whether he has a conflict of interest as above.

Without derogating from the generality of the aforementioned, each one of the following shall be considered as having conflicting interest:

- 45.1 A bearer who is a related bearer (as this term is defined in article 4.2 to the Indenture);

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45.2 Any bearer, with regard to whom the Trustee has ruled that he has “a conflicting interest” as mentioned hereunder, subject to any law and/or order of a competent authority, including: any bearer who will declare to the Trustee in writing, that he has a material personal interest foreign to the interest of all of the Bond bearers at the bearers’ assembly. A bearer who fails to present a written declaration after being requested to do so by the Trustee, shall be considered to have declared that he has such a personal interest. The Trustee shall determine, with regard to such a bearer, that he is a bearer with a conflicting interest.

Without derogating from the provisions of this article, the Bearer shall examine whether a bearer is a bearer with a “conflicting interest”, also considering that bearers’ holdings of other Company securities and/or securities of any other corporation as may be relevant to the resolution brought to the assembly for ratification (as will be detailed in the voting deed), according to that bearer’s declaration.

46. The determination of the existence of a conflicting interest shall be made also based on a general examination of conflicts of interests, to be conducted by the Trustee. Additionally, for the avoidance of doubt it is clarified that the provisions concerning the definition of Bond bearers with a conflicting interest, do not derogate from the provisions of the law, court decisions and binding directives of the Israel Securities Authority, regarding the definition of Bond bearers with a conflicting interest, as shall apply at the time of examination, and that the aforementioned provisions relative to a conflicting interest shall be subject to those provisions of the law, court decisions and binding directives of the Israel Securities Authorities, as pertain to the matter.
47. In examining a conflict of interests as mentioned above, the Trustee may rely upon legal opinions he may order. The provisions of the indenture concerning bearing costs shall apply thereto.
48. It is hereby clarified that the examination of a conflict of interests, as mentioned above, inasmuch as it is indicated in the Trustee’s opinion, shall be separately conducted in respect of any resolution on the assembly agenda, and in respect of any assembly separately. It shall be further clarified that the determination that a bearer has a conflicting interest over a certain resolution or in a certain assembly, in itself, does not indicate a conflicting interest held by that bearer over another resolution on the assembly agenda, or his conflicting interest in other assemblies.
49. In counting the votes in a vote held at a bearers’ assembly, the Trustee shall omit the votes of bearers who did not comply with his demand as mentioned in article 45 above, or of bearers found by himself to have conflicting interests, as mentioned in article 45 above (hereinafter: “Bearers with Conflicting Interests”).
50. Despite the provisions of article 49 above, where the total holdings participating in the vote, which do not hold a conflicting interest, is under five percent (5%) of the nominated value balance of the Bonds of that series, the Trustee shall count within the votes, also those of the Bearers with Conflicting Interests.

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Convening a bearers' assembly for consultation

51. The provisions of articles 2, 4, 6, 15, 17 and 18 above do not derogate from the authority of the Trustees to convene a bearers' assembly, in case he finds it necessary to consult with them; when convening for an assembly as mentioned above, the subjects on the agenda shall not be detailed, and it shall be scheduled for at least one day after the convening date.
52. In an assembly as mentioned above, no vote shall be held, no resolutions shall pass, and the provisions of articles 2, 4, 6, 7, 8, 14, 15, 17, 18, 20, 24, 25, 26, 28, and 43, and as set forth in law, shall not apply thereto.

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Appendix B – Consent to the Inclusion of the Rating Report

This is an English convenience translation of the original Hebrew version. In case of any discrepancy,
the binding version is the Hebrew original

Maalot
S&P Global Ratings

March 27, 2018

For the attention of:

Israel Corporation Ltd.

Dear Sirs,

Re: **Bond Rating**

We hereby inform you that S&P Maalot determined, on March 27, 2018, an "ilA" rating for the bonds that shall be issued to the public by Israel Corporation Ltd. (ilA/Stable), through the issue of new series of bonds (Series 12 and Series 13) in a total scope of up to NIS 970 million par value.

With respect to the foregoing, we wish to emphasize that the rating for the bonds has been determined, *inter alia*, based on the draft of the Shelf Offering Report, dated March 20, 2018, and based on the structure of the issue and the purpose of the issue, as provided to us by you.

Should the final Shelf Offering Report include changes to the structure of the issue, to the purpose of the issue and/or any other modifications, or should any material change take place in any factor, and all in such a manner that could affect the rating in any manner whatsoever (hereinafter: the "**Modifications and Additions**"), S&P Maalot reserves the right to review the matter and to amend the aforesaid rating. Therefore, we request that you inform us and send to us, in writing, details with respect to all of the Modifications and Additions.

The validity of the rating is for 60 days from the date of this letter, i.e., up until May 26, 2018. The Company is required to refrain from including the rating in the Shelf Offering Report after the said date, without obtaining our prior, written approval.

Subject to the foregoing, we agree that the rating report shall be included, in full, in the Shelf Offering Report, including incorporation by way of reference.

It is hereby clarified that for the purpose of determining the rating, S&P Maalot examines the draft of the Shelf Offering Report only, and it does not examine additional documents that are related to the issue.

For further details regarding the rating of Israel Corporation Ltd., see the rating report dated November 23, 2017.

Sincerely yours,

Standard and Poor's Maalot

www.maalot.co.il

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Page 1 out of 1

Appendix C – Letter of Consent from the Auditor

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the binding version is the Hebrew original

KPMG

Somekh Chaikin
KPMG Millenium Tower
17 Ha'Arba'a Street, POB 609
Tel Aviv, 6100601
03-6848000

March 27, 2018

For the attention of:
The Board of Directors of
Israel Corporation Ltd.
Tel Aviv

Dear Sirs,

**Re: The Shelf Offering Report of the Israel Corporation Ltd. (hereinafter the "Company")
that is Due to Be Published in March 2018**

We hereby inform you that we agree to the inclusion (including incorporation by way of reference) in the above-referenced Shelf Offering Report of our reports, as set forth below:

- (1) A Review Report dated May 19, 2016, on condensed consolidated financial information of the Company as of March 31, 2016 and for the period of three months ended on the said date.
- (2) The Auditor's Report dated May 19, 2016, on condensed solo financial information of the Company as of March 31, 2016 and for the period of three months ended on the said date, in accordance with Regulation 38D of the Securities Regulations (Immediate and Periodic Reports) 5730-1970.
- (3) A Review Report dated August 17, 2016, on condensed consolidated financial information of the Company as of June 30, 2016, and for the periods of six and three months ended on the said date.
- (4) The Auditor's Report dated August 17, 2016, on condensed solo financial information of the Company as of June 30, 2016, and for the periods of six and three months ended on the said date, in accordance with Regulation 38D of the Securities Regulations (Immediate and Periodic Reports) 5730-1970.
- (5) A Review Report dated November 30, 2016, on condensed consolidated financial information of the Company as of September 30, 2016, and for the periods of nine and three months ended on the said date.
- (6) The Auditor's Report dated November 30, 2016, on condensed solo financial information of the Company as of September 30, 2016, and for the periods of nine and three months ended on

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the said date, in accordance with Regulation 38D of the Securities Regulations (Immediate and Periodic Reports) 5730-1970.

- (7) The Auditor's Report dated March 29, 2017, on the Company's consolidated financial statements as of December 31, 2016 and 2015, and for each one of the three years in the period ended on December 31, 2016.
- (8) The Auditor's Report dated March 29, 2017, on the audit of the components of the internal monitoring of the Company's financial reporting, as of December 31, 2016.
- (9) The Auditor's Report dated March 29, 2017, on the solo financial information of the Company in accordance with Regulation 9C of the Securities Regulations (Immediate and Periodic Reports) 5730-1970 as of December 31, 2016 and 2015, and for each one of the three years in the period ended on December 31, 2016.
- (10) A Review Report dated May 24, 2017, on condensed consolidated financial information of the Company as of March 31, 2017 and for the period of three months ended on the said date.
- (11) The Auditor's Report dated May 24, 2017, on condensed solo financial information of the Company as of March 31, 2017 and for the period of three months ended on the said date, in accordance with Regulation 38D of the Securities Regulations (Immediate and Periodic Reports) 5730-1970.
- (12) A Review Report dated August 16, 2017, on condensed consolidated financial information of the Company as of June 30, 2017, and for the periods of six and three months ended on the said date.
- (13) The Auditor's Report dated August 16, 2017, on condensed solo financial information of the Company as of June 30, 2017, and for the periods of six and three months ended on the said date, in accordance with Regulation 38D of the Securities Regulations (Immediate and Periodic Reports) 5730-1970.
- (14) A Review Report dated November 22, 2017, on condensed consolidated financial information of the Company as of September 30, 2017, and for the periods of nine and three months ended on the said date.
- (15) The Auditor's Report dated November 22, 2017, on condensed solo financial information of the Company as of September 30, 2017, and for the periods of nine and three months ended on the said date, in accordance with Regulation 38D of the Securities Regulations (Immediate and Periodic Reports) 5730-1970.
- (16) The Auditor's Report dated March 22, 2018, on the Company's consolidated financial statements as of December 31, 2017 and 2016, and for each one of the three years in the period ended on December 31, 2017.

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- (17) The Auditor's Report dated March 22, 2018, on the audit of the components of the internal monitoring of the Company's financial reporting, as of December 31, 2017.
- (18) The Auditor's Report dated March 22, 2018, on the condensed solo financial information of the Company in accordance with Regulation 9C of the Securities Regulations (Immediate and Periodic Reports) 5730-1970 as of December 31, 2017 and 2016, and for each one of the three years in the period ended on December 31, 2017.

Sincerely yours,

Somekh Chaikin, CPA.

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the binding version is the Hebrew original

Signatures

The Company:

Israel Corporation Ltd.

The Directors:

Aviad Kaufman

Joshua Rosensweig

Yaacov Amidror

Amnon Lion

Dan Suesskind

Zehavit Cohen



March 27, 2018
319740

For the attention of:
Israel Corporation Ltd.
POB 20456
Tel Aviv, 61204

Dear Sir/Madam,

Re: **Authorization To List Securities for Trading on the Stock Exchange Pursuant to a Shelf Offering Report**

1. Further to our approval, in principle, dated May 2, 2016, Ref No. 270202, authorization is hereby granted to list securities for trading, pursuant to the details as set forth below:
 - a. Up to NIS 630,000,000 par value of Series 12 Bonds, which are being offered to the public; and
 - b. Up to NIS 340,000,000 par value of Series 13 Bonds, which are being offered to the public.

In accordance with the Company's undertaking in the Shelf Offering Report, Series 12 Bonds and Series 13 Bonds will not be issued in an amount that will exceed NIS 970,000,000 par value.

2. The validity of this authorization is contingent upon the listing for trading of Series 12 Bonds and Series 13 Bonds within 60 days from March 27, 2018.
3. This authorization is being granted based on the Shelf Prospectus dated May 5, 2016, the draft Shelf Offering Report, dated March 13, 2018, and the pages of the amendments up until March 27, 2018, which you provided to us. This authorization is subject to the approvals that are required pursuant to any law, subject to there being a minimal distribution of public holdings in each one of the Series 12 Bonds and Series 13 Bonds, subject to the value of the public holdings in each one of the Series 12 Bonds and Series 13 Bonds not being less than NIS 36 million, subject to the payment of the fee for the

listing for trading on the Stock Exchange and subject to compliance with all of the other terms and conditions as set forth in the Stock Exchange Rules and Regulations.

4. This authorization of the Stock Exchange shall not be deemed to be approval of the details presented in the Shelf Offering Report or of the reliability thereof or of the completion thereof, and it does not constitute the presentation of any opinion whatsoever on the Company, on the quality of the securities that are being offered in the Shelf Offering Report or on the price at which they are being offered.
5. We request that you:
 - a. indicate any change between the draft Shelf Offering Report that you provided to us and the final Shelf Offering Report;
 - b. submit for our approval any amendment of the Shelf Offering Report that you shall make;
 - c. submit to us, upon the closing of the list of subscriptions, a detailed report on the distribution of the subscriptions and the allocations between the various subscribers; and
 - d. upon the allocation of the securities, hold talks with us for the purpose of the listing of the securities for trading on the Stock Exchange.

Sincerely yours,

Tel Aviv Stock Exchange Ltd.

March 28, 2018
Nissan 12, 5778

For the attention of:

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem

Dear Sir/Madam,

Re: **Israel Corporation Ltd. (hereinafter: the "Company")**

We hereby certify that the above-captioned company has received all of the permits as required by law for the offering of the securities that are being offered to the public pursuant to the Company's Shelf Offering Report dated March 28, 2018, which is being published by virtue of the Company's Shelf Prospectus, dated May 5, 2016.

Sincerely yours,

Yair Shiloni, Attorney at Law

Pinhas Rubin
Moriel Matalon
Jack Smith
Eyal Marom
Ofar Tzur
Itay Geffen
Eyal Raz
Erez Harel
Chaim Y. Friedland*
Lior Porat
Yaron Elhawi
Sharon Werker-Sagy
Elite Elkon
Eli Elya
Shlomo Cohen
Daniel Paserman(CPA)
Gil Grady (CPA)
Noam Ronen
Eli Cohen
Kfir Yaggar
Timor Bilian
Avi D. Pelossof
Aviram Handel
Daniel Marcus
Shlomo Landress*
Yair Shiloni
Joseph D. Gross***
Harel Shaham
Ari Fried**
Orly Tenenbaum
Idan Baki
Shiri Shani
Sagit Ohana-Livne
Avner Finkelshtein
Michael Ayalon
Nurit Traurik
Tamar Cohen
Lior Relewy
Ofar Fleischer
Adi Ben-Hur Efroni
Inbal Zaskay-Horev
Itai Itzkovich
Ronit Rozenstein-Barel
Shlomo Aviad Zider
Ori Yitzhak
Itzhak Lazar
Yiftach Farber
Adi Nahmias-Twina
Inbal Badner
Asaf Avtuvi
Yehonatan Raff
Uri Heller
Oded Uni
Nir Keidar
Assaf Harel
Hila Shimon
Dafna Michalevich-Bacharach
Saray Aharony (CPA)
Yaad Cohavy
Sarit Naaman Shaag
Itay Rubin
Shmuel Shuster
Maya Hoffman
Ehud Katzenelson
Assaf Prussak
Avi Meer*
Daniel Skald (CPA)
Neta Peled
Sharon Zeitouni
Daniel Lasry
Ariel Zeswi
Shani Mizrahi
Tigist Bayleyei-Salomon
Lior Baran
Neta Peled
Arielle Ruimi
Alon Peled
Yoav Meer*
Joanna Yanowsky
Sagi Padureanu
Itamar Ben Yehuda
Lior Grinblat
Amit Levy
Tal Sela
Ori Smith
Renana Lerner
Shirin Gabbay-Metzger
Elinor Lavie Vardi
Noga Haruvi
Yael Kleinman
Inbar Barak-Bilu (CPA)
Adi Haya Raban
Laliv Amitay
Liron Gilor
Nimrod Souille
Dana Suidman
Boaz Urman
Dan Fisher
Yecheil Zipori
Amnon Biss
Aviad Rabinowitz
Michal Karzbrun (CPA)
Tom Alkalay
Shirmit Moshe
Shahar Oshri
Ariel Sheinkman
Idan Zohar
Nir Knoll
Natalie Dragot
Shani Weiss
Samuel Berkowitz****
Marina Portugalov
Oleg Omeli
Adi Shoval
Maor Israeli
Moran Ben Moshe
Yaad Gordon
Ofar Levy (CPA)
Hagar Peles
Smadar Ron
Noa Schweitzer Amar
Eitan Mer
Nofar Arad
Ayala Livni Shoham
Gaelle Lemelson
Shira Plotnik
Yehonatan Prussak
Elona Lerner
Maya Reznitz
Raz Karni
Zeev Bienenstock
Daniel Barlev
Maya Vvir
Alex Lazarovich
Coral Leshez
Inbal Navon
Alex Feldsher
Lior Sharabi
Netanel Kahana
Assaf Hasson
Karin Avichail
Noy Or
Assaf Alterman
Karin Blank
Netalee Aviv
Amir Tzemach
Liron Karass
Dalia Karzbrun (CPA)
Sharon Reingwirtz
Gani Shani
Karin Shani
Noa Even Sapir
Gil Palkovic
Dafna Sidkiyahu
Amir Kappon
Avigail Labaton
Daniel Reshef
Maor Iluz
Tomer Basson
Danielle Fadlon
Amit Ron
Inbal Ronel
Sharon Strauss
Yitzhak Hefetz
Roy Eilon
Isack V. Hasday
Hana Atlas
Laura Tali Hadar
Tali Cohen
Yaara Suesskind
Oren Meiri
Netanel Nebemya
Anat Primovich
Omer Rouso Haerzchay
Omer Razin
Ran Shamia
Lesor Ofar
Zvi Ephrat, Senior Counsel
Zvi Sohar, Of-Counsel
Rani M. Haj-Yachya, Of-Counsel