

**Translation of Immediate Report**

T121  
Public

**Bank Leumi le-Israel  
B.M.**

Registration No.  
520018078

Securities of the Corporation are listed on The Tel Aviv Stock Exchange

Abbreviated Name:

Leumi

34 Yehuda Halevi Street, Tel Aviv  
651316

Phone: 076-8858111, 076-889419; Facsimile: 076-  
8859732

Electronic Mail:

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**January 29 2020**

Reference: 2020-01-011190

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

**Immediate  
Report**

Nature of Event: *Deed of Trust for Subordinated Bonds - TACT Institutionals*

Reference number of previous reports on the matter: 2020-01-005175, 2020-01-008041,  
2020-01-011058.

*Further to the Bank's immediate reports of January 13, 23 and 29 2020 (reference numbers: 2020-01-005175 and 2020-01-008041 and 2020-01-011058, respectively) in connection with the issuance, to foreign classified investors, of US\$750,000,000 par value subordinated bonds with a loss absorption mechanism by means of forced conversion into Bank's ordinary shares, pursuant to the provisions of Proper Conduct of Banking Business Directive 202, attached hereby is a deed of trust for the bonds, dated January 29 2020.*

*Attached please find file [Indenture\\_Signed\\_isa.pdf](#)*

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

Date and time at which the corporation first became aware of the event or matter: *January 29 2020, at 09:04.*

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

Name of signatory	Title
<i>Omer Ziv</i>	<i>Other</i> <i>Head of the Finance Division</i>

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

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

Ticker: Leumi

Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111, Facsimile: 076-8859732

Electronic Mail: [Livnat.Ein-Shay@bll.co.il](mailto:Livnat.Ein-Shay@bll.co.il)

Previous names of the reporting entity:

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Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank  
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**Note:** English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

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

**INDENTURE**

between

Bank Leumi Le-Israel B.M.,

as Issuer

and

Reznik Paz Nevo Trusts Ltd.

as Trustee

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Dated as of January 29, 2020

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\$750,000,000 3.275% Subordinated Notes due 2031

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## INDENTURE

This INDENTURE, dated as of January 29, 2020 (this “Indenture”) by and between BANK LEUMI LE-ISRAEL B.M., a limited liability company incorporated under the laws of Israel (the “Issuer”), and REZNIK PAZ NEVO TRUSTS LTD., as trustee (in such capacity, together with its successors in such capacity, the “Trustee”).

### WITNESSETH:

WHEREAS, the Issuer has authorized the execution and delivery of this Indenture to provide for the issuance of 3.275% Subordinated Notes due 2031 in an aggregate principal amount of \$750,000,000 (the “Initial Notes”), issuable as provided in this Indenture; and

WHEREAS, the execution and delivery of the Notes and of this Indenture have been duly authorized and all things necessary to make the Notes, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement have been done;

NOW, THEREFORE, for and in consideration of the premises, the covenants herein contained and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed, for the benefit of the parties hereto and the equal and proportionate benefit of all Holders, as follows:

## ARTICLE 1

### DEFINITIONS AND CONSTRUCTION; INDENTURE TO CONSTITUTE CONTRACT; AGENCY

Section 1.1. Definitions; Construction. (a) Capitalized terms used in this Indenture shall have the respective meanings given to such terms in Appendix A attached hereto, which Appendix A is hereby incorporated by reference herein;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Israeli GAAP;

(c) all references in this Indenture to designated “Articles,” “Sections,” “Schedules,” “Exhibits” and other subdivisions are to the designated Articles, Sections, Schedules, Exhibits and other subdivisions of this Indenture;

(d) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Exhibit or other subdivision;

(e) unless otherwise expressly specified, any agreement, contract or document defined or referred to herein shall mean such agreement, contract or document as in effect as of the Issue Date, as the same may thereafter be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and of this Indenture and



including any agreement, contract or document in substitution or replacement of any of the foregoing;

(f) unless the context clearly intends the contrary, pronouns having a masculine or feminine gender shall be deemed to include the other;

(g) any reference to any person (including the Issuer) shall include its successors and assigns, and in the case of any Governmental Authority, any person succeeding to its functions and capacities; and

(h) any reference to “\$” shall mean U.S. dollars, unless otherwise stated.

(i) References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

Section 1.2. Indenture to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Notes by those who shall hold the same from time to time, the provisions of this Indenture shall be part of the contract of the Issuer with the Holders of the Notes, and shall be deemed to be and shall constitute contracts between the Issuer, the Trustee and the Holders from time to time of the Notes. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Notes. All of the Notes, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Notes over any other except as expressly provided in or pursuant to this Indenture.

## ARTICLE 2

### THE NOTES

Section 2.1. Authorization, Amount, Terms and Issuance of Notes. (a) There are to be authenticated and delivered on the Issue Date \$750,000,000 principal amount of Notes. No Notes may be issued under this Indenture except in accordance with this Article 2. Each of the Notes shall be issued in denominations of \$200,000 and any amount in excess thereof that is an integral multiple of \$1,000.

(b) Further Issuances. (i) The Issuer may from time to time, without notice to or consent of the Holders of the Notes, create and issue an unlimited principal amount of additional notes (the “Additional Notes”) of the same series as the Notes. Such Additional Notes may be issued in one or more series and with the same or different ISIN or other identifying number as the outstanding Notes; provided, however, that unless such Additional Notes are issued under a separate ISIN number, such Additional Notes are issued either (i) pursuant to a “qualified reopening” for U.S. federal income tax purposes, (ii) with no more than a *de minimis* amount of original issue discount or (iii) otherwise as part of the same “issue,” in each case for U.S. federal income tax purposes.

(ii) Any such Additional Notes, together with the Notes, will constitute a single series of notes under this Indenture. Other than the foregoing, there is no limitation on the amount of Notes or other debt securities that the Issuer or its Subsidiaries may issue under this Indenture and there is no restriction on the Issuer issuing notes of a different series that may have preferential rights to the Notes or notes with similar or different provisions to those described herein.

(iii) For the avoidance of doubt, Additional Notes of the same series of the Notes which may be issued by the Issuer, shall constitute one series and the provisions of this Indenture shall apply to the Additional Notes that may be issued as aforesaid (including that to the extent that on the date of issuance of the Additional Notes the Notes shall be registered for trading on TASECH, the Additional Notes shall also be registered for trading on TASECH and the issuance thereof shall be subject to the approval of the TASE). For the avoidance of doubt, Holders of the Additional Notes of the same series of the Notes shall not be entitled to any interest payments in respect of any interest period which ended prior to the date of issuance of the Additional Notes.

(iv) To the extent the discount rate to be determined for the Additional Notes to be issued as part of a series expansion differs from the discount rate of the Notes outstanding as at such time (including lack of discount, if relevant), the Issuer shall apply to the Israeli tax authority, prior to the issuance of the Additional Notes, in order to obtain its approval that, for purposes of withholding tax from the discount fees in respect of the Notes, a uniform discount rate shall be determined for the Notes based on a formula that weights the different discount rates in the Notes, if any (the “Weighted Discount Rate”).

(v) In the event that such approval is obtained, the Issuer will calculate the Weighted Discount Rate in respect of all Notes, notify the Trustee, publish an immediate report on the website (*Magna*) of the Israel Securities Authority (the “ISA”) and the TASE announcement system (*MAYA*) with respect the discount rate determined for the Additional Notes and the uniform Weighted Discount Rate for the entire series of Notes, in close proximity after the increase of the Notes’ series, and will withhold relevant taxes according to the Weighted Discount Rate and as required by Applicable Law. In such case, all other provisions of Applicable Law relating to taxation of discount fees shall apply. If such approval is not obtained, the Issuer shall publish an immediate report on the website (*Magna*) of the ISA and the TASE announcement system (*MAYA*), and inform the Trustee that no approval has been obtained and that the discount fee shall be the highest discount created in connection with the issuance of the Notes’ series and shall withhold from the discount with respect to the Notes in accordance with the higher discount rate applicable to the series.

Section 2.2. Form and Dating. (a) General. The Initial Notes and the Trustee’s certificate of authentication will be substantially in the form and contain substantially the terms and conditions set forth in Exhibit A hereto. The Notes may have notations, legends or endorsements required by Applicable Law, stock exchange rule or usage, including the provisions of the Applicable Procedures. Each Note will be dated the date of its authentication. Notwithstanding any other provision of this Indenture, the Global Notes will not bear any legend during such time as they are listed for trading on the TACT Institutional. Each Note shall bear

the Transfer Restriction Legend set forth on Exhibit C unless such Notes are to be listed on the TACT Institutional.

(b) Global Notes. Notes issued in global form will be substantially in the form and contain substantially the terms and conditions set forth in Exhibit A hereto. Each Global Note will represent such of the outstanding Notes as will be specified therein. Each Global Note may from time to time be replaced in accordance with the Applicable Procedures with a new Global Note in the event of a reduction or increase, as appropriate, of the amount of outstanding Notes represented thereby to reflect an exchange or redemption pursuant to the terms of this Indenture. Each new Global Note shall be deposited with the Depositary and shall reflect the amount of outstanding Notes represented thereby.

Notes initially offered and resold to QIBs pursuant to Rule 144A under the Securities Act or initially offered and resold in reliance on Regulation S shall be issued initially in the form of one or more Global Notes, which shall be deposited with the Depositary, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Global Note may from time to time be increased or decreased in accordance with the Applicable Procedures by replacement of the Global Note with a new Global Note representing the aggregate principal amount outstanding of Notes initially offered and resold pursuant to Rule 144A or initially offered and resold in reliance on Regulation S and deposited with the Depositary.

(c) Definitive Registered Notes. Definitive Registered Notes issued in exchange for a Book-Entry Interest or a Definitive Registered Note, shall be issued in accordance with this Indenture and the Applicable Procedures. Definitive Registered Notes will be issued substantially in the form and contain substantially the terms and conditions set forth in Exhibit A hereto.

(d) Book-Entry Provisions. The Applicable Procedures shall be applicable to the recordation, transfers and exchanges of Book-Entry Interests in the Global Notes held through Participants. The rules and procedures of Euroclear and Clearstream shall be applicable to any transfer or exchange of Book-Entry Interests in the Global Notes held through Euroclear or Clearstream; provided that neither the Issuer nor the Trustee will have any obligation to monitor the application of such rules and procedures.

(e) Denomination. The Notes shall be issued only in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

Section 2.3. Execution and Authentication. (a) At least one Authorized Officer must sign the Notes for the Issuer by manual or facsimile signature.

(i) If an Authorized Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

(ii) A Note will not be valid until authenticated by the manual signature of a Responsible Officer of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture. Typographical and other minor errors or defects in any signature executing or purporting to execute the

Notes shall not affect the validity or enforceability of any Note that has been duly authenticated and delivered by the Trustee.

(iii) The Trustee will, upon receipt of a written order of the Issuer signed by an Authorized Officer (an “Authentication Order”), authenticate the Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Issuer pursuant to one or more Authentication Orders, except as provided in Section 2.8 (Replacement Notes) hereof.

(b) The Initial Notes issued on the Issue Date shall be dated as of the Issue Date, shall be issued in the aggregate principal amount set forth in this Section 2.3 and shall have a Stated Maturity and bear interest as set forth in this Section 2.3. Notes subsequently issued pursuant to Section 2.7 (Transfer and Exchange) shall be dated as of the date of authentication thereof.

On the Issue Date, the Issuer shall issue \$750,000,000 aggregate principal amount of the Initial Notes, which shall mature, unless earlier redeemed or converted, at 100% of their principal amount on January 29, 2031 (the “Maturity Date”) and shall accrue interest as set forth in this Section 2.3.

(c) Interest on the Notes will be payable at a rate per annum equal to (i) 3.275%, from (and including) the Issue Date to (but excluding) January 29, 2026 (the “Reset Date”) and (ii) the sum of the then-prevailing U.S. Treasury Rate on the relevant Reset Determination Date and 1.631% (the “Margin”), from (and including) the Reset Date to (but excluding) the Maturity Date. The U.S. Treasury Rate shall be calculated by the Calculation Agent.

(d) Interest on the Notes will be calculated and payable semi-annually in arrear on January 29 and July 29 of each year, beginning on July 29, 2020 (each, an “Interest Payment Date”), provided that if any Interest Payment Date would fall on a day that is not a Business Day, the Interest Payment Date will be postponed to the next succeeding Business Day, but interest on that payment will not accrue during the period from and after the scheduled Interest Payment Date.

(e) To the extent that the rate of interest calculated following the Reset Date shall be lower than 0% (zero), the Issuer shall, if applicable, apply to the Israeli tax authority for a tax ruling with respect to the deduction of tax in respect of negative interest and shall, once such ruling is obtained, inform the Trustee and Holders of the Notes of such ruling by publishing an immediate report through the TASE announcement system (*MAYA*). The Issuer shall not collect negative interest from Holders of the Notes, so long as all of the following conditions have not been met, and in any case subject to the Issuer informing the Trustee and Holders of the Notes of the fulfilment of such conditions no less than 30 days prior to any Interest Payment Date: (a) a tax ruling has been received from the Israeli tax authority whereby the Holders of Notes who are subject to tax in Israel in connection with interest paid on the Notes shall be allowed to offset the negative interest against other taxable income; (b) the TASE shall have

informed the Issuer that the TASE and the TASE members have made the required arrangements to allow for the payment of negative interest.

(f) Interest on the Initial Notes will be computed on the basis of a 360-day year of twelve 30-day months and, in the case of an incomplete month (in case of an early redemption or repayment), the actual number of days elapsed. Interest payable on any semi-annual Interest Payment Date (including the first Interest Payment Date) will be equal to one half of the annual interest rate.

(g) If the Issuer is required to pay Additional Amounts pursuant to Section 7.1(d) (Taxation), the Issuer shall pay such Additional Amounts as additional interest on the Notes.

(h) If the Maturity Date or date of redemption or repayment is not a Business Day, payment of interest and principal and/or any amount payable upon redemption or repayment of the Notes will be made on the next succeeding Business Day, but interest on that payment will not accrue during the period from and after the Maturity Date or such date of redemption or repayment. If the Notes are redeemed, unless the Issuer defaults on payment of the redemption price, interest will cease to accrue on the Redemption Date on the Notes called for redemption.

(i) Principal, interest or Additional Amounts (if any) on the Global Notes will be payable by wire transfer of immediately available funds to the Depository through the TASE clearing system in accordance with the Applicable Procedures and the provisions of this Indenture.

(j) The Applicable Procedures to which payments on the Notes are subject, require that the final payment on the Notes be made only against delivery of the Global Notes or Definitive Registered Notes, as applicable.

(k) If the due date for payment of any amount in respect of principal, interest or Additional Amounts (if any) on any Note is not a Business Day, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day and will not be entitled to any further interest or other payment in respect of any such delay. If no due date is specified for the payment of any amount payable by the Issuer hereunder, such amount will be due and payable not later than 15 days after receipt by the Issuer of a written demand from the Trustee for payment thereof.

Section 2.4. Notes Registrar and Paying Agent. (a) The Issuer will initially act as the paying agent (the "Paying Agent") in respect of the Notes and registrar (the "Notes Registrar") reflecting ownership of the Notes. For as long as the Notes are listed on the TACT Institutional, the Issuer undertakes to only appoint a person resident, organized and with its principal place of business in the State of Israel as successor Notes Registrar. The Notes Registrar shall maintain a register reflecting ownership of Definitive Registered Notes (as defined herein) (the "Notes Register") outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on behalf of the Issuer, provided that in the event the Issuer is not the Notes Registrar, the register kept by, and at the registered office of, the

Issuer shall prevail in the event of any discrepancy between such register and the register held by the Notes Registrar.

(b) The Issuer may change the Paying Agent or Notes Registrar with prior notice to the Trustee. For so long as the Notes are listed for trading on the TACT Institutional, the Issuer will publish a notice of any change of Paying Agent or Notes Registrar through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency or news service, and, to the extent and in the manner permitted by the Applicable Procedures, post such notice on the official website of the TASE (<http://maya.tase.co.il> or any successor website thereto) in accordance with Section 13.4 (Notices).

(c) The Issuer will use its best efforts to select a Paying Agent that is resident, organized, and with its principal place of business in either (i) the State of Israel, or (ii) any other jurisdiction, provided that for jurisdictions that are not (or are not within or under) the State of Israel, the Issuer will obtain and, reasonably prior to effecting any binding legal commitments to use such Paying Agent, have delivered to the Trustee, an opinion of independent legal or tax advisers of recognized standing chosen by the Issuer to the effect that no additional withholding or other Taxes will be imposed by such other jurisdiction on any Holder or beneficial owner as a result of the selection of such Paying Agent.

Section 2.5. Paying Agent to Hold Money. The Issuer will require each Paying Agent (excluding, for the avoidance of doubt, the Issuer in its capacity as initial Paying Agent), prior to such appointment, to agree in writing and the Issuer, solely in its capacity as Paying Agent, hereby agrees, that such Paying Agent shall hold all money held by the Paying Agent for the payment of the principal of, Additional Amounts (if any) or interest on the Notes in trust for the benefit of the Holders or the Trustee, and that such Paying Agent shall notify the Trustee of any default by the Issuer or any other obligor of the Notes in making any payment and at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held by such Paying Agent. If payment on any Note is not made when it becomes due and payable, the Paying Agent (if other than the Issuer) shall promptly notify the Issuer that it has failed to make such payment. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon doing so, the Paying Agent (if other than the Issuer or an Affiliate thereof) will have no further liability for the money. Upon any insolvency, bankruptcy or reorganization proceedings relating to the Issuer (including, without limitation, its bankruptcy, voluntary or judicial liquidation, composition with creditors, reprieve from payment, controlled management, fraudulent conveyance, general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally), the Trustee (or such other entity designated by the Trustee for this purpose) will serve as Paying Agent for the Notes. A Paying Agent (if other than the Issuer or an Affiliate thereof) shall not be obliged to make payments pursuant to Section 2.15 (Payments to be Made by Paying Agent; Deposit of Moneys) or Article 3 unless and until such time as it has confirmed receipt of funds sufficient to make the relevant payment.

Section 2.6. Holder Lists. The Notes Registrar will preserve in as current a form as is reasonably practicable and in accordance with the Applicable Procedures the most recent list available to it of the names and addresses of all Registered Holders (including, Holders of Global Notes and Holders of Definitive Registered Notes, if any). In the event that the

Issuer no longer serves as Paying Agent, the Issuer will furnish to each Paying Agent a list of the names, addresses and outstanding balances of, (i) with respect to the Notes (other than Definitive Registered Notes), the Depositary at least seven Business Days before each Interest Payment Date and (ii) with respect to the Definitive Registered Notes, the Holders of Definitive Registered Notes, in each case, as of the Regular Record Date preceding such Interest Payment Date and in such form and as of such date as the Paying Agent may reasonably require. If the Trustee is not the Notes Registrar, the Issuer shall furnish to the Trustee at such times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Registered Holders.

Section 2.7. Transfer and Exchange. (a) Transfer and Exchange of Global Notes. A Global Note may not be transferred except as a whole by a Depositary or a nominee of such Depositary to a successor Depositary or a nominee thereof, subject to the Applicable Procedures.

(b) (i) Definitive Registered Notes may only be issued in the following circumstances: (x) the Holder of a Book-Entry Interest requests such an exchange in writing through the relevant Holder (or participant of Euroclear or Clearstream, if applicable) through which such owner holds its Book-Entry Interest following a Winding-Up Event, or (y) the Issuer delivers written notice to the Trustee following a determination, in its sole discretion, that the Global Registered Notes (in whole but not in part) should be exchanged for Definitive Registered Notes.

(ii) If at any time the Depositary notifies the Issuer that it is unwilling or unable to continue to act as Depositary for the Global Registered Notes, and the Issuer will not have appointed a successor Depositary within ninety (90) days after the Issuer receives notice or becomes aware of such ineligibility, the Issuer will issue Definitive Registered Notes in exchange for the Global Registered Notes. Upon the occurrence of any of the events set forth in the preceding sentence, the Issuer will execute, and, upon receipt of instructions from an Authorized Officer of the Issuer, the Trustee will complete and authenticate or cause to be completed and authenticated, Definitive Registered Notes, in authorized denominations, in an aggregate principal amount equal to the principal amount of the Global Registered Notes in exchange for such Global Registered Notes.

(iii) The Holder of a Definitive Registered Note may transfer such Note by inscribing the transfer on the back of the Definitive Registered Note and notifying the transfer to the Registrar and providing relevant certifications. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

(iv) The Trustee or any of its duly authorized agents, as the case may be, is authorized from time to time in accordance with the provisions of this Indenture to authenticate or cause to be authenticated and deliver or cause to be delivered back to the Issuer replacement Definitive Registered Notes in exchange for or in lieu of Definitive Registered Notes of like tenor and of like form which become mutilated, destroyed, defaced, stolen or lost upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and

Trustee may reasonably require, and mutilated or defaced Definitive Registered Notes must be surrendered before replacements will be issued.

(v) Once Definitive Registered Notes have been issued and while they are not listed on the TACT Institutional, the special withholding and capital gain tax exemption regime of the ruling from the Israeli tax authority may not apply.

(vi) To the extent permitted by Applicable Law, the Issuer, the Trustee, any Paying Agent and any Registrar shall be entitled to treat the Holder of any Definitive Registered Notes as the absolute owner thereof and no person will be liable for treating the Holder as such. Ownership of the Definitive Registered Notes will be evidenced through registration from time to time in the books of the Registrar, and such registration is a means of evidencing title to the Notes.

Global Notes also may be exchanged or replaced, in whole or in part, as provided in Section 2.8 (Replacement Notes) and Section 2.11 (Temporary Notes) hereof. A Global Note may not be exchanged for another Global Note or a Definitive Registered Note other than as provided in this Section 2.7(a). Book-Entry Interests in a Global Note may be transferred and exchanged as provided in Section 2.7(c) (General Provisions Applicable to Transfer and Exchange of Book-Entry Interests in the Global Notes) or Section 2.7(d) (Exchange of Book-Entry Interests for Definitive Registered Notes) hereof.

(c) General Provisions Applicable to Transfer and Exchange of Book-Entry Interests in the Global Notes.

(i) The transfer and exchange of Book-Entry Interests shall be effected in accordance with the provisions of this Indenture and the Applicable Procedures.

(ii) In connection with any transfer or exchange of Definitive Registered Notes, the Registered Holder of such Notes shall present or surrender to the Notes Registrar the Definitive Registered Notes duly endorsed or accompanied by a written instruction of transfer in the form of Exhibit B, duly executed by such Registered Holder or by its attorney, duly authorized in writing.

(iii) Transfers of Book-Entry Interests shall be subject to restrictions on transfer comparable to those set forth herein.

(iv) Book-Entry Interests may be transferred to persons who take delivery thereof in the form of a Book-Entry Interest in accordance with the transfer restrictions set forth in Section 2.7(g) (Transfer Restrictions).

(d) Exchange of Book-Entry Interests for Definitive Registered Notes. Any exchange of a Book-Entry Interest in a Global Note for a Definitive Registered Note shall be effected in accordance with the Applicable Procedures.



(e) Exchange of Definitive Registered Notes for Book-Entry Interests in the Global Notes. Any exchange of a Definitive Registered Note for a Book-Entry Interest in a Global Note shall be effected in accordance with the Applicable Procedures.

(f) Transfer and Exchange of Definitive Registered Notes for Definitive Registered Notes. Any transfer or exchange of a Definitive Registered Note for another Definitive Registered Note shall be effected in accordance with the Applicable Procedures and be subject to Section 2.2(c) (Form and Dating – Definitive Registered Notes) and Section 2.7(c) (General Provisions Applicable to Transfer and Exchange of Book-Entry Interests in the Global Notes) of this Indenture.

If any Holder of a Definitive Registered Note proposes to transfer such Note to another person who takes delivery thereof in the form of a Definitive Registered Note, then, upon receipt by the Notes Registrar of the following documentation,

(1) in the case of a transfer on or before the expiration of the Resale Restriction Termination Date by a Holder of a Definitive Registered Note to a QIB in reliance on Rule 144A, the Notes Registrar shall have received a certificate to the effect set forth in Exhibit D hereto, including the certifications in item (1) thereof; or

(2) in the case of a transfer on or before the expiration of the Resale Restriction Termination Date by a Holder of a Definitive Registered Note in reliance on Regulation S, the Notes Registrar shall have received a certificate to the effect set forth in Exhibit D hereto, including the certifications in item (2) thereof,

the Issuer shall replace the Definitive Registered Note of the Holder transferring such Note with new Definitive Registered Notes to reflect the transfer in the amount of Notes represented thereby and register such Definitive Registered Notes in the names of the Holder transferring such Definitive Registered Note and the person who takes delivery thereof in the form of a Definitive Registered Note.

(g) Transfer Restrictions. The following transfer restrictions shall apply to all Global Notes and Definitive Registered Notes issued under this Indenture and any ordinary shares of the Issuer (the “Ordinary Shares”) issued upon Automatic Conversion unless specifically stated otherwise in the applicable provisions of this Indenture.

Each Holder of a Note, by its acceptance thereof, agrees to offer, sell or otherwise transfer such security, (a) prior to the date (the “Resale Restriction Termination Date”) that is one year after the later of the date of the original issue and the last date on which the Issuer or any of its Affiliates was the owner of such Notes (or any predecessor thereto), only (a) pursuant to a registration statement that has been declared effective under the Securities Act; (b) for so long as the Notes and the Ordinary Shares issuable upon conversion thereof are eligible for resale pursuant to Rule 144A, to a person such Holder reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A; (c) pursuant to offers and sales that occur outside the United States to non-U.S. persons in offshore transactions and that are either (i) conducted on TACT Institutional or (ii) otherwise in compliance with Regulation S; or (d)

pursuant to any other available exemption from the registration requirements of the Securities Act; subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations.

(h) Cancellation and/or Adjustment of Global Notes. At such time as all Book-Entry Interests in a particular Global Note have been exchanged for Definitive Registered Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Issuer in accordance with Section 2.12 (Cancellation) hereof.

(i) General Provisions Relating to Transfers and Exchanges.

(1) To permit registrations of transfers and exchanges, the Issuer will execute and the Trustee will authenticate Global Notes and Definitive Registered Notes upon receipt of an Authentication Order in accordance with Section 2.3 (Execution and Authentication) hereof.

(2) No service charge will be made by the Issuer or the Notes Registrar to a Holder of a Book-Entry Interest in a Global Note, a Registered Holder of a Global Note or a Holder of a Definitive Registered Note for any registration of transfer or exchange, but the Issuer and the Notes Registrar may require payment of a sum sufficient to cover any transfer taxes, stamp duty, stamp duty reserve, documentary or other similar tax or governmental charge that may be imposed in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Section 2.11 (Temporary Notes) or Article 3 (Redemption of Notes) hereof).

(3) The Notes Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Definitive Registered Notes issued upon any registration of transfer or exchange of Definitive Registered Notes will be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Definitive Registered Notes surrendered upon such registration of transfer or exchange.

(5) All new Global Notes issued pursuant to Section 2.2(b) (Form and Dating – Global Notes) will be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes surrendered upon such issuance.

(6) The Notes Registrar shall not be required to register the transfer into its register kept at its registered office of any Definitive Registered Notes: (A) for a period of 15 days prior to any date fixed for the redemption of the Notes under Section 3.2; or (B) for a period of 15 days prior to the Regular Record Date with respect to any Interest Payment Date. Any such transfer will be made without charge to

the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

(7) The Trustee, any Agent and the Issuer may deem and treat the Registered Holders as the absolute owners of the Notes for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes (it being understood that payments to Holders of Book-Entry Interests shall be made through the Depository as the Holder of the Global Notes), and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(8) All certifications and certificates required to be submitted to the Issuer, the Trustee or the Notes Registrar pursuant to this Section 2.7 to effect a registration of transfer or exchange may be submitted by facsimile.

(9) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under Applicable Law with respect to any transfer of any interest in any Note (including any transfers between or among Depository Participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(10) Neither the Trustee nor any Agent shall have any responsibility or liability for any actions taken or not taken by the Depository.

Section 2.8. Replacement Notes. If any mutilated Note is surrendered to the Notes Registrar or the Issuer and the Issuer receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee and any Agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge for their expenses in replacing a Note.

Every replacement Note is an additional obligation of the Issuer and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.9. Outstanding Notes. The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section 2.9 as not outstanding. Except as set forth in Section 2.10 (Treasury Notes) hereof, a Note does not cease to be outstanding because an Affiliate of the Issuer holds the Note; provided, however, that Notes held by the Issuer shall not be deemed to be outstanding for purposes of Article 3 hereof.

(a) If a Note is replaced pursuant to Section 2.8 (Replacement Notes) hereof, it ceases to be outstanding unless the Issuer receives proof satisfactory to it that the replaced

Note is held by a “protected purchaser” pursuant to Article 8 of the Uniform Commercial Code of the State of New York.

(b) If the principal amount of any Note is considered paid under Section 7.1(a) (Affirmative Covenants—Payment of Principal of and Interest on Notes) hereof, it ceases to be outstanding and interest on it ceases to accrue.

(c) If a Paying Agent (other than the Issuer or an Affiliate thereof) holds, on a Redemption Date or Stated Maturity, money sufficient to pay the principal of, premium on, if any, interest and Additional Amounts, if any, on Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.10. Treasury Notes. In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned will be so disregarded.

Section 2.11. Temporary Notes. Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.12. Cancellation. Any Notes held by the Issuer shall automatically be cancelled, and the Issuer shall deliver to the Trustee and the Notes Registrar a certificate of cancellation detailing all Notes redeemed, converted or purchased by the Issuer. The Issuer may not issue new Notes to replace Notes for which it has paid or that have been cancelled. The Issuer will cause any Notes so purchased and cancelled to be withdrawn from the Depository. The Issuer undertakes to promptly inform the TASE (as long as the Notes are admitted to trading on the TACT Institutional) upon any such cancellation.

Section 2.13. Defaulted Interest. If the Issuer defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner to the persons who are Holders on a subsequent date (each such date a “Special Record Date”), at the rate provided in the Notes and this Indenture. For the avoidance of doubt, such payments shall be made by the Paying Agent in accordance with the procedures specified in Section 2.15 (Payments to be Made by Paying Agent; Deposit of Moneys). The Issuer will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The relevant Special Record Date for payment of such defaulted interest shall be set in accordance with the Applicable Procedures. At least 15 days before a Special Record Date (unless otherwise

required by the Applicable Procedures), the Issuer shall provide a notice to Holders in accordance with the Applicable Procedures, pursuant to Section 13.4 (Notices), that states such Special Record Date, the related payment date and the amount of such interest to be paid.

Section 2.14. CUSIP; ISIN. The Issuer in issuing the Notes may use a “CUSIP” number and/or an “ISIN” (or any equivalent thereof issued by the TASE) and, if so, such CUSIP number or ISIN (or any equivalent thereof issued by the TASE) shall be included in notices of redemption or exchange as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP or ISIN (or any equivalent thereof issued by the TASE) printed in the notice or on the Notes, and that reliance may be placed only on the other identification details printed on the Notes, and any such redemption or exchange shall not be affected by any defect in or omission of such numbers.

The Issuer will promptly notify the Trustee in writing of any change in the CUSIP or ISIN (or any equivalent thereof issued by the TASE).

Section 2.15. Payments to be Made by Paying Agent; Deposit of Moneys. (a) With respect to the Notes (other than Definitive Registered Notes), the Issuer, solely in its capacity as Paying Agent shall, prior to 9:30 a.m. Tel Aviv time on each Interest Payment Date or Stated Maturity (or if any such day is not a Business Day, on the next succeeding Business Day), make payments by wire transfer of immediately available funds to the Depositary for further payments on the Global Notes through the TASECH in accordance with the Applicable Procedures and the provisions of this Indenture. The Paying Agent shall promptly notify the Trustee in writing of its failure so to act.

(b) With respect to any Definitive Registered Notes, the Issuer, solely in its capacity as Paying Agent shall make, or cause to have made, payments to Holders of such Definitive Registered Notes by (i) wire transfer of immediately available funds to the accounts of such Holders listed in the register on the Stated Maturity or as notified to the Notes Registrar in writing prior to 9:30 a.m., Tel Aviv time, on the Regular Record Date for each Interest Payment Date or (ii) check mailed to the registered addresses of such Holders listed in the Notes Registrar. The Issuer shall be entitled to rely on information previously supplied to it by the Holder, unless and until such Holder provides the Issuer with written updated information.

(c) In the event that the Issuer no longer serves as Paying Agent, the Issuer shall, prior to 9:30 a.m., Tel Aviv time, one Business Day prior to the date on which payment by the Paying Agent on each Interest Payment Date or Stated Maturity is required pursuant to Section 2.15(a) and Section 2.15(b) (Payments to be Made by Paying Agent; Deposit of Moneys) (or if any such day is not a Business Day, on the immediately preceding Business Day), deposit with the Paying Agent in immediately available funds money sufficient to make cash payments, if any, due on such Interest Payment Date or Stated Maturity, as the case may be, in a timely manner which permits the Paying Agent to remit payment on such Interest Payment Date or Stated Maturity (or if any such day is not a Business Day, on the immediately preceding Business Day), as the case may be, to (i) in the case of the Notes (other than Definitive Registered Notes), the Depositary and (ii) in the case of any Definitive Registered Notes, to Holders of such Definitive Registered Notes, in each case, in accordance with Section 2.15(a) and Section 2.15(b) (Payments to be Made by Paying Agent; Deposit of Moneys). Subject to

actual receipt of such funds as provided by this Section 2.15(c) by the Paying Agent, the Paying Agent shall make payments in accordance with Section 2.15(a) and Section 2.15(b) (Payments to be Made by Paying Agent; Deposit of Moneys).

(d) If and to the extent there shall be a default in the payment of principal, Additional Amounts (if any) and/or interest due with respect to any Note on any Interest Payment Date, such defaulted principal, Additional Amounts (if any) and/or interest shall be paid to the Holder in whose name such Outstanding Note is registered at the close of business on the Special Record Date determined by the Trustee as provided. The Issuer shall pay any administrative costs imposed by banks in connection with the making of payments by wire transfer.

(e) If no due date is specified for the payment of any amount payable by the Issuer hereunder, such amount shall be due and payable not later than 15 days after receipt by the Issuer of a written demand from the Trustee for payment thereof.

Section 2.16. Agents. (a) Actions of Agents. The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) Agents of Trustee. The Issuer and the Agents acknowledge and agree that in the event of an Enforcement Event, the Trustee may, by notice in writing to the Issuer and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee.

(c) Generally. Any Agent (if not the Issuer) shall (i) be a bank or trust company organized and doing business under the laws of the State of Israel, (ii) be authorized under such laws to act as such Agent as the case may be, (iii) be subject to supervision or examination by federal, state, territorial or State of Israel authority and (iv) either (A) have a combined capital surplus of at least NIS 10,000,000 or (B) have a combined capital surplus of at least NIS 15,000,000 and is a wholly-owned subsidiary of a bank or trust company that has a combined capital surplus of at least NIS 10,000,000. If at any time an Agent shall cease to be eligible in accordance with the provisions of this Section 2.16(c) it shall resign immediately in the manner and with the effect hereinafter specified in this Section 2.16(c).

(i) Any corporation into which any Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate agency or corporate trust business of any Agent, shall be the successor of such Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Section 2.16, without the execution and filing of any instrument or any further act on the part of any of the parties hereto or such Agent or successor corporation.

(ii) Any Agent may at any time resign by giving written notice of resignation to the Trustee and the Issuer. The Issuer may, and at the request of the Trustee shall, terminate the agency of any Agent by giving written notice of such termination to

such Agent and to the Trustee. Upon the resignation or termination of any Agent or in case at any time any Agent shall cease to be eligible to hold its position under this Section 2.16 (when, in either case, no other Agent performing the functions of such former Agent shall have been appointed), the Issuer shall promptly appoint one or more qualified successor Agents approved by the Trustee to perform the functions of the Agent which has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section 2.16. The Issuer shall give written notice of any such appointment to all Holders in the manner provided in Section 13.4(b) (Notices). The Issuer may appoint itself as any Agent, without the approval of the Trustee prior to the occurrence of an Enforcement Event.

### ARTICLE 3

#### REDEMPTION OF NOTES

Section 3.1. Optional Redemption. (a) The Issuer may, in its sole discretion, redeem the Notes then outstanding, in whole but not in part, on January 29, 2026 at 100% of their principal amount together with accrued but unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date fixed for redemption (an “Optional Redemption”).

(b) Any optional redemption will be subject, among other things, to the provisions described under Section 3.4 (Notice of Redemption) and Section 3.6 (Redemption Conditions).

Section 3.2. Regulatory Event Redemption. (a) The Issuer may, in its sole discretion, at any time, redeem the Notes then outstanding, in whole but not in part, upon the occurrence of a Regulatory Event at 100% of their principal amount, together with accrued but unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date fixed for redemption (a “Regulatory Event Redemption”).

(b) Such redemption will be subject, among other things, to the provisions described under Section 3.4 (Notice of Redemption) and Section 3.6 (Redemption Conditions) below.

Section 3.3. Tax Redemption. (a) If, as a result of

(i) any change in or amendment to the laws, or any regulations or rulings promulgated under the laws of the State of Israel or taxing authority of the State of Israel affecting taxation,

(ii) any change in the official position regarding the application or interpretation of the laws, regulations or rulings referred to in (i), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Issue Date, or

(iii) involuntary delisting of the Notes from the TACT Institutional,

(x) the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in the State of Israel or taxing authority of the State of Israel in respect of any payment to be made on the next Interest Payment Date, or the value or amount of such deduction to the Issuer would be reduced, (y) the Issuer is required to pay Additional Amounts, or (z) the applicable tax treatment of the Notes would be materially affected (each such event or change in tax law or regulation or the official application thereof, a “Tax Event”), the Issuer may, in its sole discretion, at any time, redeem the Notes then outstanding, in whole but not in part, at 100% of their principal amount, together with accrued but unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date fixed for redemption, including, for the avoidance of doubt, any Additional Amounts with respect to the amount to be paid on redemption (a “Tax Redemption”).

(b) Prior to the publication of any notice of redemption due to a Tax Event, the Issuer shall deliver to the Trustee an opinion of independent legal or tax advisers of recognized standing chosen by the Issuer to the effect that a Tax Event has occurred.

(c) Any redemption as a result of a Tax Event will be subject to the provisions described under Section 3.4 (Notice of Redemption) and Section 3.6 (Redemption Conditions) below.

Section 3.4. Notice of Redemption. (a) At least 30 days but not more than 45 days before the Redemption Date, the Issuer will provide a notice of redemption to each Holder whose Notes are to be redeemed, except that redemption notices may be provided more than 45 days prior to a Redemption Date if the notice is issued in connection with a satisfaction and discharge of this Indenture pursuant to Article 11 hereof. The Issuer shall deliver any such notice to the Trustee and will publish an immediate report on the website (*Magna*) of the ISA and the TASE announcement system (*MAYA*) as soon as practicable after such time. The Issuer shall not be entitled to deliver a notice of redemption after an Automatic Conversion Notice has been published. If the Notes are at such time listed on the TACT Institutional, the Issuer shall inform the TASE of the principal amount of the Notes that have not been redeemed in connection with any optional redemption and such notice shall be deemed as a notice to the Holders in accordance with this Section 3.4 and no other notice shall be required to be made by the Issuer in connection with such redemption.

(b) If the Issuer has elected to redeem the Notes but prior to the payment of the redemption amount with respect to such redemption a Capital Adequacy Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and an Automatic Conversion shall occur as described under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event).

(c) Any notice of redemption shall fully identify the Notes (including the CUSIP, ISIN (or TASE equivalent thereof)) to which it applies and shall state the following:

(i) the Redemption Date;



(ii) the Redemption Price, the amount of accrued interest, if any, and Additional Amounts, if any, to be paid, as well as other information required to be provided under the Applicable Procedures;

(iii) if any Global Note is being redeemed in part, the portion of the principal amount of such Global Note to be redeemed and that, after the Redemption Date upon surrender of such Global Note, the principal amount thereof will be decreased by the portion thereof redeemed pursuant thereto;

(iv) the address to which the Notes are to be surrendered for redemption;

(v) that Definitive Registered Notes called for redemption must be surrendered to the Issuer to collect the Redemption Price, plus accrued and unpaid interest, if any, and Additional Amounts, if any;

(vi) that, unless the Issuer defaults in making such redemption payment, interest, and Additional Amounts, if any, on Notes called for redemption ceases to accrue on and after the Redemption Date;

(vii) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(viii) that no representation is made as to the correctness or accuracy of the CUSIP, ISIN (or TASE equivalent thereof) or other identifying code listed in such notice or printed on the Notes.

(d) Notice of redemption of Notes to be redeemed at the election of the Issuer pursuant to Section 3.1 (Optional Redemption) shall be given by the Issuer or, at the Issuer's written request, by the Trustee in the name and at the expense of the Issuer. If the Notes are at such time listed on the TACT Institutional, the Issuer shall inform the TASE of the principal amount of the Notes that have not been redeemed in connection with any optional redemption. Any notice of redemption given in accordance with this Section 3.4 shall be conclusively presumed to have been given whether or not any Holder receives such notice. In any case, failure to have given such notice as herein provided or any defect in the notice given to a Holder of any Note designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Note.

(e) The Redemption Date for any redemption of Notes pursuant to this Article 3 may not occur on any date occurring between an Interest Payment Date and the Regular Record Date for such Notes. The record date for any redemption of the Notes shall be 12 days prior to the applicable Redemption Date, unless otherwise provided by the Applicable Procedures.

Section 3.5. Notes Payable on Redemption Date. (a) Upon the giving of notice pursuant to Section 3.4 (Notice of Redemption), the Outstanding Notes called for redemption in such notice shall become due and payable on the Redemption Date and at the Redemption Price specified in such notice, and from and after the Redemption Date (unless the Issuer shall default

in the payment of such Notes at the Redemption Price) such Notes or portions thereof shall cease to bear interest. Such Notes shall be paid and redeemed by the Issuer at the Redemption Price therefor; provided, however, that any payment of interest or Additional Amount on any Note the Interest Payment Date of which is on or prior to the Redemption Date shall be payable to the Holder of such Note registered as such at the close of business on the relevant Regular Record Date in accordance with the terms of this Indenture and such Note.

(b) With respect to the Notes (other than Definitive Registered Notes), the Issuer, solely in its capacity as Paying Agent shall, prior to 9:30 a.m. Tel Aviv time, on the Redemption Date (or if any such day is not a Business Day, on the next succeeding Business Day), make payments on all Global Notes to be redeemed on the Redemption Date by wire transfer of immediately available funds to the Depositary for further payments on the Global Notes through the TASECH in accordance with the Applicable Procedures and the provisions of this Indenture. The Paying Agent shall promptly notify the Trustee of its failure so to act.

(c) With respect to any Definitive Registered Notes, the Issuer, solely in its capacity as Paying Agent shall make, or cause to be made, payments to Holders of such Definitive Registered Notes on all Definitive Registered Notes to be redeemed on the Redemption Date by (i) wire transfer of immediately available funds to the accounts of such Holders listed in the register or as notified to the Notes Registrar in writing prior to 9:30 a.m., Tel Aviv time, at least three Business Days prior to the Redemption Date or (ii) check mailed to the registered addresses of such Holders listed in the Notes Register. The Issuer shall be entitled to rely on information previously supplied to it by the Holder, unless and until such Holder provides the Issuer with written updated information. The Paying Agent shall promptly notify the Trustee of its failure so to act.

(d) In the event that the Issuer or a Subsidiary no longer serves as Paying Agent, the Issuer shall, prior to 9:30 a.m., Tel Aviv time, one Business Day prior to the date on which payment by the Paying Agent on the Redemption Date is required pursuant to Section 3.5(b) and Section 3.5(c) (or if any such day is not a Business Day, on the immediately preceding Business Day), deposit with the Paying Agent in immediately available funds money sufficient to pay the Redemption Price of, and accrued interest and Additional Amounts, if any, on, all Notes to be redeemed on that date, in a timely manner which permits the Paying Agent to remit payment on such Redemption Date (or if any such day is not a Business Day, on the immediately preceding Business Day), as the case may be, to (i) in the case of the Notes (other than Definitive Registered Notes), the Depositary and (ii) in the case of any Definitive Registered Notes, to Holders of such Definitive Registered Notes, in each case, in accordance with Section 3.5(b) and Section 3.5(c). Subject to actual receipt of such funds as provided by this Section 3.5(d) by the Paying Agent, the Paying Agent shall make payments in accordance with Section 3.5(b) and Section 3.5(c).

(e) If the Issuer, solely in its capacity as Paying Agent, complies with Section 3.5(b) and Section 3.5(c) or, if the Issuer or a Subsidiary no longer serves as Paying Agent, if the Issuer complies with Section 3.5(d), on and after the Redemption Date, interest will cease to accrue on the Notes or the portions of Notes called for redemption. If any Note called for redemption is not so paid upon surrender for redemption because of the failure of the Issuer, solely in its capacity as Paying Agent, to comply with Section 3.5(b) and Section 3.5(c) or, if the

Issuer or a Subsidiary no longer serves as Paying Agent, the failure of the Issuer to comply with Section 3.5(d), interest shall be paid on the unpaid principal, from the Redemption Date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 7.1(a) hereof.

Section 3.6. Redemption Conditions. (a) The Issuer may only redeem the Notes pursuant to the Optional Redemption, Regulatory Event Redemption or Tax Redemption if the following conditions are satisfied (the “Redemption Conditions”):

(i) the Issuer has obtained Regulatory Approval (if such consent is then required by the Capital Regulations);

(ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator, if required to do so, that one of the Regulatory Capital Criteria, if and to the extent required by the Relevant Regulator under the Capital Regulations, is met; and

(iii) prior to the fifth anniversary of the Issue Date, if required by the Capital Regulations, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the relevant Regulatory Event or Tax Event, as applicable, was not reasonably foreseeable at the Issue Date.

Section 3.7. No Right to Repurchase. Subject to the provisions set forth herein, none of the Issuer, any member of the Group or any entity controlled by, or under significant influence of, the Issuer may, directly or indirectly, purchase, fund the purchase, or otherwise acquire any of the outstanding Notes as long as the Notes constitute part of the Issuer’s Tier 2 Capital.

## ARTICLE 4

### AUTOMATIC CONVERSION

Section 4.1. Automatic Conversion upon Capital Adequacy Trigger Event. (a) If a Capital Adequacy Trigger Event occurs, then an Automatic Conversion of all outstanding Notes will occur on the Conversion Date; provided that any issuance of Conversion Shares upon Automatic Conversion shall be completed prior to any injection of capital from the public sector (including any Governmental Entity), such that any equity rights issued to any Governmental Entity upon such injection shall not be diluted by such Automatic Conversion.

(b) Notwithstanding the foregoing, if the Capital Adequacy Trigger Event is a Trigger Event for Principal Loss Absorption only, the Issuer may (but is not bound to) carry out partial conversion of the Notes and any Parity Obligations containing a similar partial conversion feature (the “Eligible Partially Convertible Securities”) (a “Partial Conversion”) such that, immediately following such Partial Conversion and the concurrent write down or conversion of all Parity Obligations, the Issuer’s CET 1 Ratio will equal or exceed 5.00%. For the avoidance of doubt, subject to the terms hereof the Issuer may carry out more than one Partial Conversion of the Notes between the Issue Date and the Maturity Date. If the Issuer makes a Partial Conversion of the Notes, it will also elect to partially convert all Eligible Partially Convertible Securities on at least a pro rata basis (based on the aggregate principal amount of such securities outstanding).

(c) Automatic Conversion shall follow the procedure described under Section 4.2 (Automatic Conversion Procedures).

(d) Any Conversion Date shall fall no earlier than 21 and no later than 45 days after the occurrence of a Capital Adequacy Trigger Event.

(e) The Conversion Shares shall be registered in the name of the Nominee Company. From such time, the Conversion Shares will be held by the Holders of the Converted Notes through the Nominee Company. Subject to the conditions described under Section 4.5 (Settlement Procedure) and Section 4.4 (Conversion Shares Offer), the Nominee Company will credit the Conversion Shares to the members of the TASECH through the TASECH, which in turn will credit the Conversion Shares (excluding any Excess Shares) to the accounts of the relevant Holders on the applicable Settlement Date.

(f) The Issuer shall immediately inform the Bank of Israel and the Trustee of the occurrence of a Capital Adequacy Trigger Event and shall publish an Automatic Conversion Notice as described under Section 4.2 (Automatic Conversion Procedure).

(g) Any Conversion Shares Offer Consideration resulting from the sale of the Excess Shares will be delivered to Holders of the Converted Notes on or around the date on which the Conversion Shares Offer Period ends and the Converted Notes shall be cancelled on the applicable Cancellation Date.

(h) Following an Automatic Conversion, no Holder of the Converted Notes will have any rights against the Issuer with respect to the repayment of the principal amount of the Converted Notes or the payment of interest or any other amount on or in respect of such Converted Notes, which liabilities of the Issuer shall be irrevocably and automatically released and, accordingly, the principal amount of the Converted Notes shall equal zero at all times thereafter. Any interest in respect of an interest period ending on any Interest Payment Date falling between the date of a Capital Adequacy Trigger Event and the Conversion Date shall be deemed to have been cancelled upon the occurrence of such Capital Adequacy Trigger Event and shall not be due and payable.

(i) Following the issuance of the Conversion Shares to the Nominee Company on the Conversion Date, the Converted Notes shall remain in existence until the applicable Cancellation Date for the sole purpose of evidencing the Holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Nominee Company or the Trustee, respectively.

(j) The Notes are not convertible into Conversion Shares at the option of the Holders at any time.

(k) By its acquisition of the Notes, each Holder and beneficial owner of the Notes shall also be deemed to have

(i) consented to the Automatic Conversion and the issuance of the Conversion Shares (and any related Conversion Shares Offer) thereto (and acknowledged that such Automatic Conversion of its Notes resulting from the occurrence of a Trigger

Event for Principal Loss Absorption or a Trigger Event for Non-Viability may occur without any further action on the part of such Holder or beneficial owner or the Trustee); and

(ii) undertaken to take, and authorized, directed and requested the Issuer, the Trustee, the Nominee Company and any intermediary through which it holds such Notes to take, any and all necessary action, if required, to implement the Automatic Conversion (and any related Conversion Shares Offer) on the terms set out herein. Notwithstanding the foregoing, an Automatic Conversion shall not occur if a temporary or permanent liquidator has been appointed in respect of the Issuer by a court of competent jurisdiction as of the Conversion Date.

Section 4.2. Automatic Conversion Procedures. (a) If a Capital Adequacy Trigger Event has occurred, the Issuer shall deliver an Automatic Conversion Notice to the Trustee and will publish an immediate report on the ISA's website (*Magna*) and the TASE announcement system (*MAYA*) as soon as practicable after such time.

(b) The date on which the Automatic Conversion Notice shall be deemed to have been given (such date, the "Conversion Notice Date") shall be the date on which it is published by the Issuer on the ISA's website (*Magna*) and the TASE announcement system (*MAYA*) and delivered to the Trustee.

(c) Once the Issuer has published the Automatic Conversion Notice on the ISA's website (*Magna*) and the TASE announcement system (*MAYA*) following the occurrence of a Capital Adequacy Trigger Event,

(i) the Holders shall have no rights whatsoever under this Indenture or the Converted Notes to instruct the Trustee to take any action whatsoever in respect of such Converted Notes; and

(ii) as of the Conversion Notice Date, except for any indemnity and/or security provided by any Holder in such direction or related to such direction, any direction previously given to the Trustee by any Holders shall cease automatically and shall be null and void and of no further effect, except in each case of (i) and (ii), subject to the last sentence of Section 4.1(h), with respect to any rights of Holders with respect to any payments under the Converted Notes that were unconditionally due and payable prior to the Conversion Notice Date or unless the Trustee is instructed in writing by the Issuer to act otherwise.

(d) The procedures set forth in this Section 4.2 are subject to change to reflect changes in clearing system practices.

Section 4.3. The Conversion Shares. (a) The Conversion Shares issued following an Automatic Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the Issuer's fully paid Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of Applicable Law, and except that the Conversion Shares so issued will not rank for (or, as the case may be, the relevant

Holder shall not be entitled to receive) any rights, the entitlement to which falls prior to the Conversion Date.

(b) If a Qualifying Takeover Event shall have occurred, then, where the Conversion Date falls on or after the QTE Effective Date, Approved Entity Shares of the Approved Entity shall be issued to the Nominee Company on the Conversion Date instead of Conversion Shares (see Section 5.5 (Qualifying Takeover Event)).

(c) The Conversion Shares will be delivered to Holders of the Notes pursuant to the procedures set forth under Section 4.5 (Settlement Procedure),

Section 4.4. Conversion Shares Offer. (a) The Issuer will, no later than five (5) Business Days following the receipt of a Conversion Shares Settlement Notice containing a representation from a Holder of Notes that the Conversion Shares Offer Criteria have been satisfied, cause the Excess Shares to be deposited with the Trustee and direct the Trustee to offer (such offer, a “Conversion Shares Offer”) the relevant Excess Shares on the open market, the cash proceeds of which will be delivered to the relevant Significant Holder(s), subject to (x) deduction from any such cash proceeds of any applicable withholding taxes and of an amount equal to any stamp duty, stamp duty reserve tax, or any other capital gain, net income, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the Conversion Shares Offer (such proceeds, translated into U.S. dollars at the Prevailing Rate on the date on which the relevant Conversion Shares Offer is consummated, the “Conversion Shares Offer Consideration”) and (y) the delivery by the relevant Significant Holder of any other information required by law or reasonably required by the Trustee or Paying Agent. Upon its completion, the Issuer will make a public announcement of any Conversion Shares Offer setting out the number of Excess Shares sold and the related Conversion Shares Offer Consideration.

(b) Any Conversion Shares Offer shall be made subject to Applicable Law in effect at the relevant time, including the Applicable Procedures and the clearing system practices. The Issuer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes referred to in the definition of Conversion Shares Offer Consideration), including any fees of the Trustee. In addition, if so requested by the Trustee as offeror, the Issuer shall indemnify the Trustee for any losses incurred in connection with any Conversion Shares Offer, including, for the avoidance of doubt, any losses arising from any expenses incurred by the Trustee in connection with any Conversion Shares Offer which are to be borne, pursuant to the foregoing, by the Issuer. The Trustee shall have no liability for a failure to sell any Excess Shares during the Conversion Shares Offer Period to the extent that circumstances out of its control prevent such sales from occurring, including but not limited to any suspension in trading of the Ordinary Shares.

(c) Any Conversion Shares Offer Consideration will be delivered through the TASECH to the account of the relevant Holder set forth in the relevant Conversion Shares Settlement Notice (or, if the Converted Notes are held in definitive form, by check mailed to the holders at their address shown on the register for the Notes) on or around the Settlement Date, subject to TASE’s procedures in effect at such time.

(d) With respect to any Note for which a Conversion Shares Offer will occur:

(i) “Cancellation Date” means the Business Day following the date on which the Conversion Shares Offer Consideration has been transferred to the relevant Holder.

(ii) “Settlement Date” means the date that is two (2) Business Days after the end of any Conversion Shares Offer Period.

(e) As of the Conversion Date, Holders of the Converted Notes will have no entitlement to exercise any voting rights in respect of the Excess Shares. Any dividends distributed to the Trustee in respect of such Excess Shares will be held by the Trustee for the benefit of such Holder, and will be transferred by the Trustee to such Holder together with the Conversion Shares Offer Consideration.

(f) Neither the occurrence of a Capital Adequacy Trigger Event nor, following the occurrence of a Capital Adequacy Trigger Event, the occurrence of a Conversion Shares Offer on the terms set out herein, shall preclude the Issuer from undertaking a rights issue at any time on such terms as the Issuer deems appropriate, at its sole discretion, including—for the avoidance of doubt—the offer of Ordinary Shares at or below the Conversion Price.

Section 4.5. Settlement Procedure. (a) Delivery of the Conversion Shares to the Holders of the Converted Notes will be made in accordance with the Applicable Procedures and the clearing system practices, and in accordance with the following procedures. The procedures set forth in this section are subject to (i) change to reflect changes in clearing system practices and (ii) the provisions described under Section 4.4 (Conversion Shares Offer). The Trustee is not responsible for monitoring changes in the clearing system practices.

(b) The Conversion Shares will be delivered to Holders of the Converted Notes in uncertificated form through the TASECH, unless the Conversion Shares are not a participating security in the TASECH at the relevant time, in which case the Conversion Shares will either be delivered in the form of the relevant clearing system in which the Conversion Shares are a participating security or in certificated form, as notified by the Issuer to the Holders. The Conversion Shares will be delivered to the Nominee Company and be credited through the TASECH to the TASECH members.

(c) In addition to the Automatic Conversion Notice, within four (4) Business Days following the Conversion Date, the Issuer shall deliver a Conversion Procedure Notice to the Trustee directly and to the Holders of the Notes via the ISA’s website (*Magna*) and the TASE announcement system (*MAYA*).

(d) The Conversion Procedure Notice shall specify the Suspension Date. On the Suspension Date, the TASECH shall suspend all clearance and settlement of transactions in the Notes. As a result, Holders of the Notes will not be able to settle the transfer of any Notes following the Suspension Date, and any sale or other transfer of the Notes that a Holder of the Converted Notes may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by the TASECH and will not be settled through the TASECH.

(e) The Converted Notes will cease to be admitted to trading on the TACT Institutional after the Suspension Date, subject to receipt by the TASE of any notice by the Issuer required under the TASE's rules and operating procedures.

(f) On the Suspension Date, the Issuer shall deliver a Conversion Shares Settlement Request Notice to the Trustee directly and to the Holders of the Converted Notes via the ISA's website (*Magna*) and the TASE announcement system (*MAYA*). Such notice shall specify the Notice Cut-off Date and the Final Cancellation Date.

(g) Subject as provided herein and provided the relevant Notes, if applicable, are delivered on or before the Notice Cut-off Date, on the applicable Settlement Date the Nominee Company shall credit the Conversion Shares (rounded down to the nearest whole number of Conversion Shares and excluding any Excess Shares) to the TASECH members through the TASECH which in turn will credit the Conversion Shares to the accounts of the Holders in accordance with the information provided in the applicable Conversion Shares Settlement Notice.

(h) In order to obtain delivery of the relevant Conversion Shares, a Holder must deliver its Conversion Shares Settlement Notice to the Issuer on or before the Notice Cut-off Date. If such delivery is made after the end of normal business hours at the specified office of the Issuer, such delivery shall be deemed for all purposes to have been made or given on the next following Business Day. If the Converted Notes are held through the TASECH, the Conversion Shares Settlement Notice must be given in accordance with the standard procedures of the TASECH (which may include the notice being given to the Issuer by electronic means) and in a form acceptable to the TASECH and the Issuer. If the Notes are in definitive form, the Conversion Shares Settlement Notice must be delivered to the specified office of the Issuer together with the relevant Notes. In all cases, a copy of the Conversion Shares Settlement Notice should also be sent to the Trustee by the applicable Holder. Each Conversion Shares Settlement Notice shall be irrevocable.

(i) Subject as provided herein and provided the Conversion Shares Settlement Notice and the relevant Notes, if applicable, are delivered on or before the Notice Cut-off Date, the Nominee Company shall deliver the relevant Conversion Shares (rounded down to the nearest whole number of Conversion Shares and excluding any Excess Shares) to the Holder of the relevant Converted Notes completing the relevant Conversion Shares Settlement Notice or its nominee in accordance with the instructions given in such Conversion Shares Settlement Notice on the applicable Settlement Date.

(j) Failure to properly complete and deliver a Conversion Shares Settlement Notice and the relevant Notes, if applicable, may result in such notice being treated by the Issuer as null and void. Any determination as to whether any Conversion Shares Settlement Notice has been properly completed and delivered shall be made by the Issuer in its sole and absolute discretion and shall be conclusive and binding on the relevant Holder.

(k) Neither the Issuer, nor any member of the Group shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the delivery of



Conversion Shares, which tax shall be borne solely by the Holder or, if different, the person to whom the Conversion Shares are delivered.

Section 4.6. Failure to Deliver a Conversion Shares Settlement Notice. If a Conversion Shares Settlement Notice and the relevant Converted Notes, if applicable, are not delivered to the Issuer on or before the Notice Cut-off Date, then the Conversion Shares relating to such Converted Notes will, as of the Notice Cut-off Date, be held by the Trustee on behalf of the relevant Holder of Converted Notes or, in the case of any Excess Shares, the future purchasers of such Excess Shares, through the Nominee Company until the relevant Conversion Shares Settlement Notice and the relevant Converted Notes, if applicable, are so delivered. However, the relevant Converted Notes shall be cancelled on the Final Cancellation Date and any Holder of Notes delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares satisfactory to the Issuer in its sole and absolute discretion in order to receive delivery of such Conversion Shares and any Conversion Shares Offer Consideration. The Issuer shall have no liability to any Holder of the Notes for any loss resulting from such Holder not receiving any Conversion Shares or any Conversion Shares Offer Consideration or from any delay in the receipt thereof, in each case as a result of such Holder failing to duly submit a Conversion Shares Settlement Notice and the relevant Notes, if applicable, on a timely basis or at all. In the event that the Trustee holds Conversion Shares pursuant to this Indenture and the related Holder does not submit a Conversion Share Settlement Notice by the first anniversary of the Capital Adequacy Trigger Event, the Trustee shall, promptly after such anniversary, return the Conversion Shares to the Issuer, who will hold and record them as treasury shares, and will re-issue and deliver them (excluding any Excess Shares, in respect of which a Conversion Shares Offer will be made by the Trustee) to the Holders against (a) sufficient evidence, at the Issuer's sole discretion, of such Holder's holding of Converted Notes, and (b) delivery of a Conversion Shares Settlement Notice, and the relevant Converted Notes, if applicable.

## ARTICLE 5

### ANTI-DILUTION ADJUSTMENTS

Section 5.1. Adjustment of Floor Price. Upon the occurrence of any of the events described below, the Floor Price shall be adjusted as follows:

(a) If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares of the Issuer, the Floor Price shall be adjusted by multiplying the Floor Price in effect immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares of the Issuer in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares of the Issuer in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

(b) If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to the Issuer's shareholders as a class by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Cash Dividend which the Issuer's shareholders would or could otherwise have elected to receive, (2) where the Issuer's shareholders may elect to receive a Cash Dividend in lieu of such Ordinary Shares or (3) where any such Ordinary Shares are or are expressed to be issued in lieu of a dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to the Issuer's shareholders, whether at their election or otherwise), the Floor Price shall be adjusted by multiplying the Floor Price in effect immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares of the Issuer in issue immediately before such issue; and

B is the aggregate number of Ordinary Shares of the Issuer in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

(c) If and whenever the Issuer shall issue any Ordinary Shares to all or substantially all of the Issuer's shareholders as a class by way of rights at a price per Ordinary Share which is less than 95% of the Current Market Price per Ordinary Shares on the Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Ordinary Shares of the Issuer in issue on the Effective Date;

B is the aggregate number of Ordinary Shares of the Issuer that the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights would purchase at such Current Market Price per Ordinary Share on the Effective Date; and

C is the number of Ordinary Shares to be issued.

Such adjustment shall become effective on the Effective Date.

For the purpose of any calculation of the consideration receivable or price pursuant to this paragraph (b), the following provisions shall apply:

(1) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;

(2) if the consideration or price determined pursuant to (1) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date;

(3) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or otherwise in connection therewith; and

(4) the consideration or price shall be determined as provided in (1)-(3) above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

(d) If and whenever the Issuer shall pay any Extraordinary Dividend to shareholders of the Issuer as a class, the Floor Price shall be adjusted by multiplying the relevant Floor Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Effective Date; and

B is the portion of the aggregate Extraordinary Dividend attributable to one ordinary share, with such portion being determined by dividing the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Extraordinary Dividend. If the Extraordinary Dividend shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date.

Such adjustment shall become effective on the Effective Date.

Notwithstanding the foregoing provisions:

(A) where the events or circumstances giving rise to any adjustment pursuant to this section have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances that have already given or will give rise to an adjustment to the Floor Price or where more than one event that gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result provided that (a) any modifications have been approved by the TASE; and (b) that the Issuer makes an immediate report on the website (*Magna*) of the ISA and the TASE announcement system (*MAYA*) as soon as practicable after such time detailing the modification that was made;

(B) such modification shall be made to the operation of this Indenture as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once;

(C) for the avoidance of doubt, the issue of Ordinary Shares following an Automatic Conversion or upon any conversion or exchange or the exercise of any other options, warrants or other rights shall not result in an adjustment to the Floor Price;

(D) for the avoidance of doubt, a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not result in any modifications or adjustments;

(E) in respect of any adjustment pursuant to paragraphs (a) to (c) above, such adjustment shall be made only up to the extent it does not result in a Floor Price that, if applied to the number of relevant Notes at the time of such adjustment, would result in a number of Conversion Shares that constitutes a greater proportion of Conversion Shares as a percentage of the total number of Ordinary Shares issued had the adjustment not been made nor had the corporate event occurred; and

(F) in respect of any adjustment pursuant to paragraph (d) above, such adjustment shall be made only up to the extent it does not result in a Floor Price that, if applied to the number of relevant Notes at the time of such adjustment, would result in the issue of an additional number of Conversion Shares having a value that is greater than the value of the aggregate Extraordinary Dividend which would be attributable to the Ordinary Shares underlying the Notes had such Ordinary Shares been issued.

Section 5.2. No Retroactive Adjustments. The Issuer shall not issue any additional Conversion Shares if the Automatic Conversion occurs after the record date in respect of any consolidation, reclassification or subdivision as is mentioned in paragraph (a) of Section 5.1 (Adjustment of Floor Price) above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in paragraphs (b), (c) or (d) of Section 5.1 (Adjustment of Floor Price) above, but before the relevant adjustment to the Floor Price becomes effective under such section.

Section 5.3. Decision of an Independent Financial Adviser. If any doubt shall arise as to whether an adjustment is required to be made to the Floor Price or as to the appropriate adjustment to the Floor Price, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Issuer, the Trustee and the Holders, save in the case of manifest error.

Section 5.4. Rounding Down and Notice of Adjustment to the Floor Price. (a) On any adjustment to the Floor Price as provided under this Article 5 (Anti-Dilution Adjustments), if the resultant Floor Price is a number with more decimal places than the initial Floor Price, as the case may be, that number shall be rounded to the same number of decimal places as the initial Floor Price. Any adjustment not required to be made, and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

(b) Notice of any adjustments to the Floor Price shall be given by the Issuer to Holders of the Notes via written notice published through the ISA's website (*Magna*) and the TASE announcement system (*MAYA*) (or, if the Notes are held in definitive form, through the Trustee) promptly after the determination thereof.

(c) The Floor Price shall not in any event be reduced to below the U.S. dollar equivalent of the nominal value of the Ordinary Shares (as calculated by the Issuer on the date such adjustment becomes effective).

Section 5.5. Qualifying Takeover Event. (a) Within ten (10) Business Days following the occurrence of a Takeover Event, the Issuer shall give notice thereof to the Holders of the Notes by means of a Takeover Event Notice.

(b) If the Takeover Event is a Qualifying Takeover Event, the Notes shall, where the Conversion Date falls on or after the QTE Effective Date, be converted into or exchanged for Approved Entity Shares of the Approved Entity, mutatis mutandis as provided under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event), at a Conversion Price that shall initially be the New Conversion Price, which may be higher or lower than the Conversion Price and references herein to "Conversion Shares" shall be deemed to be references to "Approved Entity Shares."

(c) The New Floor Price shall be subject to adjustment in the circumstances provided for under Section 5.1 (Adjustment of Floor Price) (if necessary with such modifications and amendments as an Independent Financial Adviser acting in good faith shall determine to be appropriate and references to “Ordinary Shares” shall be read as references to “Approved Entity Shares”), and the Issuer shall publish a notice to Holders on the ISA’s website (*Magna*) and the TASE announcement system (*MAYA*) of the Notes of the New Floor Price and of any such modifications and amendments thereafter.

(d) In the case of a Qualifying Takeover Event:

(i) the Issuer shall, to the extent permitted by Applicable Law and regulation, on or prior to the QTE Effective Date, enter into such agreements and arrangements (which may include supplemental indentures to this Indenture and amendments and modifications to the terms of the Notes and this Indenture) as may be required to ensure that, with effect from the QTE Effective Date, the Notes shall be convertible into, or exchangeable for, Approved Entity Shares, mutatis mutandis in accordance with, and subject to, the provisions under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event) (as may be so supplemented, amended or modified), at the New Conversion Price and any references to the Conversion Price shall be construed as references to the New Conversion Price; and

(ii) upon the occurrence of a Capital Adequacy Trigger Event where the Conversion Date falls on or after the QTE Effective Date, the Issuer shall procure (to the extent within its control) the issue of the relevant number of Approved Entity Shares mutatis mutandis in the manner provided under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event), as may be amended or modified as provided above.

(e) The Trustee shall be obliged (at the expense of the Issuer) to concur with the Issuer in making any such amendments and modifications to this Indenture, and to execute any supplemental indentures to this Indenture in respect thereof, provided that the Trustee shall not be bound to do so if any such amendments or modifications would, in the opinion of the Trustee, have the effect of (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre funded to its satisfaction, (ii) changing, increasing or adding to the obligations or duties of the Trustee or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favor of, the Trustee under this Indenture and/or the terms of the Notes.

(f) For the avoidance of doubt, if a Takeover Event is not a Qualifying Takeover Event (including if that is because the Acquirer is a Governmental Entity), there is no provision for any automatic adjustment to the terms of the Notes, whether in the manner provided for above in respect of Qualifying Takeover Events, or at all, and therefore the provisions above under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event) shall continue to apply and “Conversion Shares” will continue to have the meaning set out in Section 4.3 (The Conversion Shares).

Section 5.6. Definitions. Unless otherwise provided, for the purposes of this Article 5:

“Acquirer” means the person that Controls the Issuer following a Takeover Event. “Control” has the meaning set forth in the definition of a “Takeover Event”. On and after the date of a Qualifying Takeover Event, references to “Ordinary Shares” shall be read as references to “Approved Entity Shares.”

“Additional Amounts” has the meaning given to such term under Section 7.1(d) (Taxation).

“Approved Entity” means a body corporate which, on the occurrence of the Takeover Event and thereafter, has in issue Approved Entity Shares.

“Approved Entity Shares” means Ordinary Shares in the capital of a body corporate that constitutes equity share capital or the equivalent (or depository or other receipts representing the same) which are listed and admitted to trading on a Recognized Stock Exchange. Such shares shall cease to be “Approved Entity Shares” if they do not satisfy the definition above on the Conversion Date. In relation to an Automatic Conversion in respect of which the Conversion Date falls on or after the QTE Effective Date, references herein to “Conversion Shares” shall be deemed to be references to “Approved Entity Shares.”

“Cash Dividend” means any dividend or distribution in respect of the Ordinary Shares to shareholders of the Issuer which is to be paid or made in cash (in whatever currency), and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to shareholders upon or in connection with a reduction of capital.

“Current Market Price” means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five (5) consecutive dealing days ending on the dealing day immediately preceding such date; provided that, if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Cash Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Cash Dividend (or cum- any other entitlement), then:

(i) if the Ordinary Shares to be issued do not rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Cash Dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to such Cash Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Cash Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or

(ii) if the Ordinary Shares to be issued do rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Cash Dividend (or ex- any other

entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to such Cash Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Cash Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and *provided further* that, if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Cash Dividend (or cum- any other entitlement) in respect of a Cash Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued do not rank for that Cash Dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to such Cash Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Cash Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and *provided further* that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

“dealing day” means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time).

“Effective Date” means, for the purposes of paragraph (iii) under Section 5.1 (Adjustment of Floor Price) above, the first date on which the Ordinary Shares are traded ex-rights, on the Relevant Stock Exchange and, for the purposes of paragraph (iv) under Section 5.1 (Adjustment of Floor Price), the first date on which the Ordinary Shares are traded ex-the relevant Cash Dividend on the Relevant Stock Exchange.

“Extraordinary Dividend” means any Cash Dividend that is expressly declared by the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to shareholders or any analogous or similar term, in which case the Extraordinary Dividend shall be such Cash Dividend. For the avoidance of doubt, no regular ordinary dividend declared by the Issuer (whether or not paid by way of instalments) shall constitute an Extraordinary Dividend.

“Governmental Entity” means any government, regulatory or administrative agency, commission or authority or other governmental instrumentality, including federal, state or local, domestic, foreign or multinational entities.



“Independent Financial Adviser” means an independent financial institution of international repute appointed by the Issuer at its own expense.

The “New Conversion Condition” shall be satisfied if (a) by not later than seven (7) Business Days following the completion of a Takeover Event where the Acquirer is an Approved Entity, there shall be arrangements in place for the Approved Entity to provide for issuance of Approved Entity Shares following an Automatic Conversion of the Notes on terms *mutatis mutandis* identical to the provisions under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event) above and (b) the Issuer, in its sole and absolute discretion, has determined that such arrangements are in the best interest of the Issuer having regard to the interests of its stakeholders (including, but not limited to, the Holders of the Notes) and are consistent with Applicable Law (including, but not limited to, the guidance of any applicable regulatory body).

“New Conversion Price” means, in respect of any Conversion Notice Date falling on or after the QTE Effective Date, the higher of:

- (i) the Current Market Price of an Approved Entity Share (translated into U.S. dollars at the Prevailing Rate); and
- (ii) the New Floor Price;

*provided*, however, that in no event shall the New Conversion Price be less than the higher of: (1) the nominal value of an Approved Entity Share; and (2) NIS 0.30, in each case translated into U.S. dollars at the Prevailing Rate.

“New Floor Price” means the amount determined in accordance with the following formula, which shall apply from the QTE Effective Date:

$$NFP = EFP \times \frac{VWAPAES}{VWAPOS}$$

where:

“NFP” is the New Floor Price.

“EFP” is the Floor Price in effect on the dealing day immediately prior to the QTE Effective Date.

“VWAPAES” means the average of the Volume Weighted Average Price of the Approved Entity Shares (translated, if necessary, into the same currency as the price of the Ordinary Shares at the Prevailing Rate on the relevant dealing day) on each of the five (5) dealing days ending on the dealing day prior to the closing date of the Takeover Event (and where references in the definition of “Volume Weighted Average Price” to “ordinary share” shall be construed as a reference to the Approved Entity Shares and in the definition of “dealing day,” references to the “Relevant Stock Exchange” shall be to the relevant Recognized Stock Exchange).

“VWAPOS” is the average of the Volume Weighted Average Price of the Ordinary Shares on each of the five (5) dealing days ending on the dealing day immediately prior

to the closing date of the Takeover Event.

“Ordinary Shares” means (a) prior to the QTE Effective Date, Ordinary Shares and (b) on and after the QTE Effective Date, the relevant Approved Entity Shares.

a “person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

“QTE Effective Date” means the date with effect from which the New Conversion Condition shall have been satisfied.

“Qualifying Takeover Event” means a Takeover Event where: (i) the Acquirer is an Approved Entity; and (ii) the New Conversion Condition is satisfied.

“Recognized Stock Exchange” means the TASE or another regulated, regularly operating, recognized stock exchange or securities market in an OECD member state.

“Relevant Currency” means NIS or, if at the relevant time or for the purposes of the relevant calculation or determination the TASE is not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

“shareholders” means the Holders of Ordinary Shares.

A “Takeover Event” shall occur if any person or group acquires Control of the Issuer. For the purposes of the definition of “Takeover Event” and this Indenture, “Control” means the ability to direct the activities of the Issuer; provided, that a person or group will not be deemed to have Control if the ability to direct the activities of the Issuer derives solely as a result of holding a position of a director or an officer; provided further, that such person or group shall be deemed to have Control if such person or group acquires or holds, directly or indirectly (a) beneficial ownership in more than 50% of the total voting power of the Issuer or (b) the right to appoint directors or the CEO of the Issuer.

“Takeover Event Notice” means the notice to the Holders of the Notes notifying them that a Takeover Event has occurred and specifying: (1) the identity of the Acquirer; (2) whether the Takeover Event is a Qualifying Takeover Event or not; (3) in the case of a Qualifying Takeover Event, if determined at such time, the New Conversion Price; and (4) if applicable, the QTE Effective Date.

“Volume Weighted Average Price” means, in respect of an Ordinary Share (or an Approved Entity Share, as applicable) on any dealing day, the order book volume-weighted average price of an Ordinary Share (or Approved Entity Share, as applicable) published by or derived from the relevant Bloomberg page or such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share (or an Approved Entity Share, as applicable) in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can

be so determined or determined as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

References to any issue or offer or grant to shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all shareholders, as the case may be, other than shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognized regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

## ARTICLE 6

### RANKING

Section 6.1. Ranking. The Notes will constitute the Issuer’s direct, unsecured and subordinated obligations ranking *pari passu* without any preference among themselves. In the event of the winding-up or administration of the Issuer, if the Notes have not previously been converted into the Issuer’s Ordinary Shares according to their terms, then the claims of the Trustee (on behalf of the Holders of the Notes but not the rights and claims of the Trustee in its personal capacity under this Indenture and the Holders of the Notes against the Issuer, in respect of such Notes (including any damages or other amounts (if payable))) shall:

- (a) be subordinated to the claims of all Senior Creditors;
- (b) rank at least *pari passu* with the claims of Holders in respect of Parity Obligations and with the claims of all other subordinated creditors of the Issuer (if any) which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Notes; and
- (c) rank senior to the Issuer’s Ordinary Shares, preference shares, Additional Tier 1 capital securities and any junior subordinated obligations (including Junior Obligations) or other securities which in each case either by law rank, or by their terms are expressed to rank, junior to the Notes.

In the event of the winding-up of the Issuer or liquidation, if any amount in respect of the Notes is paid to the Holders of such Notes or to the Trustee (including any damages or other amounts (if payable)) before the claims of Senior Creditors, then such payment or distribution shall be held by such Holders or the Trustee in trust to be applied in the following order: (i) to the amounts due to the Trustee in connection with this Indenture and the acceptance or administration of the trust or trusts under this Indenture; (ii) in payment of all claims of Senior Creditors outstanding at the commencement of, or arising solely by virtue of, a winding-up of the Issuer to the extent that such claims shall be admitted in the winding-up and shall not be satisfied out of the Issuer’s other resources; and (iii) in payment of Notes issued under this Indenture. By accepting the Notes, each Holder agrees to be bound by this Indenture’s subordination provisions and irrevocably authorizes the Issuer’s liquidator to perform on behalf of the Holder the above subordination trust.

## ARTICLE 7

### COVENANTS

Section 7.1. Affirmative Covenants. The Issuer hereby covenants and agrees that, from the date of this Indenture, it shall observe and comply with, and shall cause to be observed and complied with, each and all of the following covenants until all amounts and other obligations due under this Indenture and the Notes shall have been indefeasibly paid or satisfied in full:

(a) Payment of Principal of and Interest on Notes. The Issuer shall promptly pay, or cause to be paid, the principal of, Additional Amounts (if any) and interest on, and other amounts due in respect of, every Note issued hereunder according to the terms hereof and thereof.

(b) Maintenance of Office or Agency. The Issuer shall maintain an office or agency where notices and demands in respect of the Notes and this Indenture may be served. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee.

(c) Corporate Existence. The Issuer shall at all times preserve and maintain in full force and effect its existence as a limited liability company in good standing under the laws of the State of Israel.

(d) Taxation. The Issuer or the Withholding Agent will make any and all payments of principal, interest or premium (if any) payable by it or its Paying Agent free and clear of, and without withholding or deduction for or on account of, any and all present or future Tax of whatever nature imposed by or on behalf of the State of Israel or taxing authority of the State of Israel, unless such withholding or deduction is required by Applicable Law or by regulation or governmental policy having the force of law. If any such Taxes in the State of Israel or taxing authority of the State of Israel are so withheld or deducted, the Issuer will pay such additional amounts as will result in receipt by the Holders of such amounts as would have been received by them had no such Taxes in the State of Israel or taxing authority of the State of Israel been withheld or deducted (the "Additional Amounts"), except that no Additional Amounts will be payable to a Holder or a beneficial owner in respect of:

(i) any Taxes in the State of Israel or taxing authority of the State of Israel that would not have been imposed but for (A) the existence of any present or former connection between the Holder or a beneficial owner and the State of Israel (other than merely the holding of such Notes or receipt of interest, principal or premium in respect thereof or activities (including enforcement) incidental thereto), including, without limitation, such Holder or beneficial owner being or having been a resident thereof, being or having been engaged in a trade or business therein or having, or having had a permanent establishment therein or (B) the failure of the Holder or a beneficial owner (x) to comply with any certification, identification, information, documentation (including ITA Form 2402) or other reporting requirement, including requirements by the

Withholding Agent or a broker or other intermediary effectuating the transaction or a financial institution through which the Notes are held or (y) to make and to deliver any declaration or similar claim (including a claim for a refund of a Tax withheld with respect to the Notes), that is required by a requirement of Applicable Law, administrative practice or treaty of the State of Israel or taxing authority of the State of Israel as a precondition to exemption from, or the reduction in the rate of, deduction or withholding of such taxes in the State of Israel or taxing authority in the State of Israel;

(ii) any estate, inheritance, gift, sale, transfer, value added, personal property or similar Tax or any Tax which is payable otherwise than by withholding or deduction from payments of (or in respect of) principal of, premium (if any) or interest on the Notes;

(iii) any Taxes that would not have been imposed, deducted or withheld but for the failure by such Holder or beneficial owner to make a declaration of non-residence or other similar claim for exemption (including ITA Form 2402) to the relevant taxing authority, including by the Withholding Agent or a broker or other intermediary effectuating the transaction or a financial institution through which the Notes are held;

(iv) Taxes that would not have been imposed but for the presentation of such Note (where presentation is required) for payment more than 30 days after the date payment became due or was provided for, whichever is later, except to the extent that the Holder would have been entitled to the Additional Amounts on presenting the Note for payment at the close of that 30 day period;

(v) Taxes that would not have been imposed but for the failure to present the Note (where presentation is required) to a paying agent or a Withholding Agent for payment by or on behalf of a Holder or a beneficial owner who would have been able to avoid such withholding or deduction by presenting the Note to another paying agent or Withholding Agent in another jurisdiction;

(vi) any Tax imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or current or future U.S. Treasury Regulations or rulings promulgated thereunder (“FATCA”), any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted or published in any jurisdiction implementing FATCA or an intergovernmental agreement with respect thereto, or any agreement with the U.S. Internal Revenue Service under FATCA;

(vii) to a Holder or beneficial owner that is (i) a “related person” to the Issuer within the meaning of paragraph 3 of the definition of “related person” in section 88 of the Israeli Income Tax Ordinance of 1961 (the “Israeli Tax Ordinance”); (ii) a “substantial shareholder” of the Issuer as defined in section 88 of the Israeli Tax Ordinance; or (iii) an employee of the Issuer, service provider to the Issuer, seller of products to the Issuer, or any Holder or beneficial owner that has special relationship with the Issuer within the meaning of section 9(15d) of the Israeli Tax Ordinance;

(viii) to a non-Israeli resident Holder or a beneficial owner that is not an individual, to the extent Israeli tax residents are (i) “controlling shareholders” (as defined in section 68A of the Israeli Tax Ordinance) of such Holder or a beneficial owner, or (ii) the beneficiaries of, or entitled to, 25% or more of the income or profits of such Holder or a beneficial owner, in each case directly or indirectly; and

(ix) any combination of (i), (ii), (iii), (iv), (v), (vi), (vii), and (viii) above.

No Additional Amounts will be paid to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that, under the laws of the State of Israel or taxing authority of the State of Israel, such payment would be required to be included in the income for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof. For the avoidance of doubt, no Additional Amounts shall be paid with respect to dividends or any other payment in connection with the Conversion Shares.

If any Taxes are imposed on any payments on the Notes, the Issuer or the Withholding Agent will make such withholding or deduction as required by Applicable Law and remit the full amount so deducted or withheld to the relevant authority as and when required in accordance with Applicable Law.

The Issuer will promptly pay when due any present or future stamp, or documentary taxes which are imposed by the State of Israel or taxing authority of the State of Israel, in connection with the execution, delivery, registration or enforcement of each Note or any other such document or instrument.

Wherever in this Indenture, the Notes or the Description of the Notes there is mentioned, in any context, the payment of principal, purchase prices in connection with a purchase of Notes (including any premium), interest or any other amount payable on or with respect to the Notes, such reference will be deemed to include payment of Additional Amounts as described under this Section 7.1(d) to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(e) Listing. The Issuer will obtain, and use its reasonable best efforts to maintain, listing of the Notes on the TACT Institutional for so long as the Notes are outstanding and such listing is necessary in order to make payments on the Notes to non-Israeli investors without withholding or deduction of Israeli taxes (unless such listing becomes unduly burdensome to make or maintain (for the avoidance of doubt, preparation of financial statements in accordance with any accounting standard other than Israeli GAAP and any other standard pursuant to which the Issuer then prepares its financial statements shall be deemed unduly burdensome)). If the Notes cease to be listed or are expected to cease to be listed on the TACT Institutional, the Issuer will use its reasonable best efforts to obtain and maintain the listing of the Notes on another recognized exchange that is regulated by Israel or take other steps that would enable payments on the Notes to non-Israeli investors to be made without withholding or deduction of Israeli taxes.

(f) Further Assurances. The Issuer shall execute and deliver, from time to time as reasonably requested by the Trustee or as necessary, at the Issuer's expense, such other documents in connection with the rights and remedies of the Trustee and the Holders granted or provided for by this Indenture in order to consummate the transactions contemplated therein.

(g) Statement by Officers as to Default. The Issuer shall deliver to the Trustee, as soon as possible and in any event within five Business Days after the Issuer becomes aware of the occurrence of any Enforcement Event, an Officers' Certificate setting forth the details of such Enforcement Event and the action which the Issuer proposes to take with respect thereto.

(h) Statement as to Compliance. The Issuer will deliver to the Trustee annually, within 120 days after the end of each fiscal year of the Issuer ending after the Issue Date, a certificate, from its principal executive officer, principal financial officer or principal accounting officer, stating whether or not to the best knowledge of the signer thereof an Enforcement Event exists on the date of such certificate, and if an Enforcement Event exists, setting forth the details of such Enforcement Event and the action which the Issuer proposes to take with respect thereto.

(i) No Limitation on Dividends. For the avoidance of doubt, neither this Indenture nor the Notes contain any restriction on the Issuer's ability to pay dividends or make other distributions to its shareholders or to buyback any of its shares.

Section 7.2. Negative Covenants. The Issuer hereby covenants and agrees that from the date of this Indenture, it shall observe and comply with, and shall cause to be observed and complied with, each and all of the following covenants until all amounts and other obligations due under this Indenture and the Notes shall have been indefeasibly paid or satisfied in full:

(a) Limitation on Consolidation, Merger or Transfer of Assets. The Issuer shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any person, unless:

(i) the resulting, surviving or transferee person (if not the Issuer) will be a person organized and existing under the laws of Israel, the United States of America, any state thereof or the District of Columbia, the United Kingdom, any other country that is a member country of the European Union or of the Organization for Economic Cooperation and Development and such person expressly assumes, by Supplemental Indenture to this Indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Notes and this Indenture;

(ii) the resulting, surviving or transferee person (if not the Issuer), if organized under the laws of a country other than Israel, undertakes, in such Supplemental Indenture, to pay such additional amounts in respect of principal and interest as may be necessary in order that every payment made in respect of the Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if

any) and interest then due and payable on the Notes, subject to the same exceptions set forth under Section 7.1(d) (Taxation) but replacing existing references in such section to Israel with references to such other country;

(iii) immediately prior to such transaction and immediately after giving effect to such transaction, no Enforcement Event will have occurred and be continuing; and

(iv) the Issuer will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from international legal counsel of recognized standing, each stating that such consolidation, merger or transfer and such Supplemental Indenture, if any, comply with this Indenture.

The Trustee shall accept such Officers' Certificates and Opinions of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this Section 7.2(a) in which event it will be conclusive and binding on the Holders.

Upon any consolidation, merger, conveyance, transfer or lease of all or substantially all of the Issuer's assets in accordance with this Section 7.2(a) the successor company will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture and the Notes with the same effect as if such successor company had been named as the Issuer herein and thereafter the Issuer shall be relieved of all obligations and covenants under this Indenture and the Notes; provided that, in the case of a lease of all or substantially all its assets, the Issuer will not be released from the obligation to pay the principal of and interest on the Notes.

## ARTICLE 8

### ENFORCEMENT EVENTS AND REMEDIES

#### Section 8.1. Enforcement Events and Remedies

(a) Winding-up. If a Winding-up Event occurs before the occurrence of a Capital Adequacy Trigger Event, subject to the prior consent of the Relevant Regulator, the Trustee may demand immediate repayment of the principal amount.

For the avoidance of doubt, as the principal amount of the Notes will become immediately due and payable upon a Winding-up Event that occurs before the occurrence of a Capital Adequacy Trigger Event, neither the Trustee nor the Holders of the Notes are required to declare such principal amount to be due and payable; provided however that the preceding sentence shall not exempt the Trustee from the requirement to formally demand payment as a pre-condition to commence any action against the Issuer, under Applicable Law.

A "Winding-up Event", with respect to the Notes, shall result if a permanent liquidator is appointed to the Issuer or an order is granted by a court of competent jurisdiction for the liquidation of the Issuer and the aforesaid appointment or order is not revoked within 30 days from the day on which it was issued.



(b) Limited remedies for breach of obligations. If default is made by the Issuer in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days in either case, the Trustee may, subject to Applicable Law, upon giving prior written notice as required under Applicable Law and in any event of at least seven Business Days to the Issuer, institute proceedings against the Issuer under Applicable Law for the Issuer's winding-up, dissolution or liquidation but may take no other action in respect of such default.

Without prejudice to the foregoing, the Trustee may, upon giving prior written notice as required under Applicable Law and in any event of at least seven Business Days to the Issuer, institute such proceedings against the Issuer under Applicable Law as it sees fit to enforce any term, obligation or condition binding on the Issuer under the Notes or this Indenture (other than any payment obligations of the Issuer arising from the Notes or this Indenture) provided that the Issuer shall not as a consequence of such steps, actions and/or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except for (a) under a final dissolution, winding-up or liquidation order, or (b) with the prior approval of the Relevant Regulator.

(c) No other remedies. Other than the limited remedies specified herein, no remedy against the Issuer will be available to the Trustee (acting on behalf of the Holders of the Notes) or the Holders of the Notes, whether for the recovery of amounts owing in respect of such Notes or under this Indenture or in respect of any breach by the Issuer of any of its obligations under or in respect of the terms of the Notes or under this Indenture in relation thereto.

Under the terms of the Notes, an Automatic Conversion or exercise of discretionary powers by the relevant resolution authority and/or any relevant regulatory authority with respect to the Notes will not constitute a Winding-Up Event or a default under the terms of the Notes or failure to perform by the Issuer in any manner whatsoever.

Section 8.2. Trustee's Duties. The Issuer shall deliver written notice to the Trustee as soon as practicable but no later than thirty (30) days of becoming aware of the occurrence of an Enforcement Event. In case of an Enforcement Event under this Indenture of which a Responsible Officer of the Trustee shall have received written notice at the corporate trust office of the Trustee, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. For these purposes, an "Enforcement Event" shall occur (i) upon the occurrence of a Winding-Up Event, or (ii) if default is made by the Issuer in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days in either case, as described under Section 8.1 (Enforcement Events and Remedies). The Majority Holders, through a decision taken by the Holders in accordance with this Indenture, may not waive any past Enforcement Event specified in clauses (i) and (ii) in the preceding sentence.

If an Enforcement Event occurs and is continuing with respect to the Notes, the Trustee will have no obligation to take any action at the direction of any Holders of the Notes, unless they have offered the Trustee security or indemnity satisfactory to the Trustee in its sole discretion. The Majority Holders, through a decision taken by the Holders in accordance with the

provisions of Section 9.1 (Acts of Holders), shall have the right to direct the time, method and place of conducting any proceeding in the name of and on the behalf of the Trustee for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to such securities. However, this direction (a) must not be in conflict with any rule of Applicable Law or this Indenture and (b) must not be unjustly prejudicial to the Holder(s) of such Notes not taking part in the direction, in the case of either (a) or (b) as determined by the Trustee in its sole discretion.

The Trustee will, within ninety (90) days of an Enforcement Event with respect to the Notes, give to each affected Holder of the Notes notice of any Enforcement Event known to the Trustee, unless the Enforcement Event has been cured or waived. The Issuer is required to furnish to the Trustee annually a statement as to its compliance with all conditions and covenants under this Indenture.

Section 8.3. Judicial Proceedings Instituted by Trustee.

(a) Collection of Indebtedness; Trustee Entitled to Bring Suit. Subject to Section 13.12 (Limitation of Liability), if an Enforcement Event shall have occurred and be continuing, then the Trustee, in its own name and as trustee of an express trust, subject to Section 8.3 (Remedies Upon an Enforcement Event) and Section 9.1 (Acts of Holders), shall be entitled and empowered to institute any suits, actions or other proceedings at law and in equity or otherwise for the collection of the sums due and unpaid in respect of the Notes, and may prosecute such claim or proceeding to judgment or final decree, and may enforce any such judgment or final decree and collect the monies adjudged or decreed to be payable in any manner provided by Applicable Law, whether before or after or during the pendency of any proceedings for the enforcement of any of the Trustee's rights or the rights of the Holders under this Indenture, and such power of the Trustee shall not be affected by any sale hereunder or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture.

(b) Trustee May File Proofs of Claim; Appointment of Trustee as Attorney-in-Fact in Judicial Proceedings.

(i) Subject to Section 13.12 (Limitation of Liability), the Trustee, in its own name, as trustee of an express trust or as attorney-in-fact for the Holders, or in any one or more of such capacities (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand for the payment of overdue principal, Additional Amounts (if any), or interest), shall be entitled and empowered to (x) file such proofs of claim and other papers or documents and take any other actions authorized under Applicable Law as necessary or advisable in order to have the claims of the Trustee and of the Holders (whether such claims be based upon the provisions of the Notes or of this Indenture) allowed in any judicial proceeding relating to the Issuer, the creditors of the Issuer or any such obligor, or any other property of the Issuer or such obligor (each such proceeding, for purposes of this clause (b), a "Proceeding") and (y) collect and receive any monies or other property payable or deliverable on any such claims and distribute the same. Any receiver, assignee, trustee or

other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

(ii) The Trustee is hereby granted the authority to:

(x) make and file in the names of the Holders (subject to deduction from any such claims of the amounts of any claims filed by any of the Holders themselves) any claim, proof of claim or amendment thereof, debt, proof of debt or amendment thereof, petition or other document in any Proceeding, and receive payment of any amounts distributable on account thereof;

(y) execute any and all papers and documents and do and perform any and all acts and things for and on behalf of the Holders as may be necessary or advisable in order to have the respective claims of the Trustee and the Holders against the Issuer or any other property of the Issuer or such obligor allowed in any Proceeding; and

(z) receive payment of or on account of such claims and debt.

(iii) No provision of this Indenture shall be deemed to give the Trustee any right to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, to vote in respect of the claim of any Holder in any Proceeding or to otherwise change or waive in any way the rights of any Holder in any Proceeding; provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

(iv) Any monies collected by the Trustee under this clause (b) shall be applied as provided in Section 8.8 (Application of Monies Collected by Trustee).

(c) Trustee Need Not Have Possession of Notes. Subject to Applicable Law, all proofs of claim, rights of action and rights to assert claims under this Indenture or under any of the Notes may be enforced by the Trustee without the possession of the Notes or the production thereof at any trial or other proceedings instituted by the Trustee. In any proceedings brought by the Trustee (and any proceedings involving the interpretation of any provision of this Indenture or the Notes to which the Trustee shall be a party), the Trustee shall be held to represent all of the Holders and it shall not be necessary to make any such Holders parties to such proceedings.

(d) Suit to be Brought for the Ratable Benefit of Holders. Subject to the other provisions of this Indenture, any suit, action or other proceeding at law, in equity or otherwise

which shall be instituted by the Trustee under any of the provisions of this Indenture or the Notes shall be for the equal, ratable and common benefit of all of the Holders.

(e) Restoration of Rights and Remedies. In case the Trustee shall have instituted any proceeding to enforce any right, power or remedy under this Indenture or the Notes by foreclosure, entry or otherwise and such proceedings shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and any Agent shall be restored to its former positions hereunder, and all rights, powers and remedies of the Trustee, any Agent and the Holders shall continue as if no such proceeding had been instituted.

(f) Right to Participate in Defense. Nothing contained herein shall prevent the Trustee from participating in any defense of any claim brought against it, even if defense against such claim is assumed by an indemnifying party.

(g) Exculpation of Trustee in Exercise of Remedies. In the exercise of remedies, if the terms of this Indenture permit the Trustee to sell or liquidate the assets of the trust, the Trustee shall not be liable for any decline in value or loss realized as a result of the sale of the trust assets in accordance with the terms of this Indenture.

Section 8.4. Control by Holders. Subject to Section 12.2(e) (Certain Rights of Trustee), the Majority Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; provided that such direction shall not be in conflict with any rule of Applicable Law or with this Indenture, the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction and subject to Section 12.1 (Certain Duties and Responsibilities of Trustee), the Trustee need not follow any such direction if doing so would in its reasonable discretion either involve it in personal liability or be unduly prejudicial to Holders not joining in such direction, it being understood that, subject to Section 12.1 (Certain Duties and Responsibilities of Trustee), the Trustee shall have no obligation to make any determination with respect to any such conflict, personal liability or undue prejudice.

Section 8.5. Limitation on Suits by Holders. (a) Subject to the other provisions of this Article 8, a Holder shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise for the appointment of a receiver or for the enforcement of any other remedy under or upon this Indenture, unless:

(i) such Holder shall have previously given written notice to the Trustee of a continuing Enforcement Event;

(ii) Holders representing the percentage of aggregate principal amount of Outstanding Notes needed to initiate the exercise of remedies shall have requested the Trustee in writing to institute such suit, action or proceeding;

(iii) such Holder or Holders offer to the Trustee reasonable security and indemnity satisfactory to the Trustee in its sole discretion against any loss, liability, or expense;

(iv) the Trustee shall have refused or neglected to institute any such suit, action or proceeding for 60 days after receipt of such notice by the Trustee; and

(v) no direction inconsistent with such written request has been given the Trustee during such 60 day period by the Holders of at least 25% in principal amount of the outstanding Notes.

(b) It is understood and intended that one or more of the Holders shall not have any right in any manner whatsoever hereunder or under the Notes to obtain or seek to obtain priority or preference over any other Holders or enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all of the Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

Section 8.6. Undertaking to Pay Court Costs. All parties to this Indenture, and each Holder by its acceptance of a Note, shall be deemed to have agreed that any court may in its discretion require, in any suit for the enforcement of any right or remedy hereunder, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section 8.6 shall not apply, to the extent permitted by Applicable Law, to any suit instituted by the Trustee, any suit instituted by a Holder or group of Holders holding in the aggregate more than ten percent (10%) in principal amount of the Outstanding Notes or any suit instituted by a Holder pursuant to Section 8.7 (Unconditional Right to Receive Payment) for the enforcement of the payment of the principal of, Additional Amounts (if any) or interest accrued and unpaid on any Note on or after the respective due dates expressed in such Note.

Section 8.7. Unconditional Right to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of the principal of, Additional Amounts (if any) or interest on any Note on or after the respective due dates expressed in such Note (or, in the case of redemption, on the Redemption Date fixed for such Note), or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 8.8. Application of Monies Collected by Trustee. Any money collected by the Trustee pursuant to this Article 8 in respect of the Notes, either directly or through any other person acting on behalf of the Trustee, together with any other monies which may then be held by the Trustee under any of the provisions of this Indenture as security for the Notes (other than monies at the time required to be held in a separate account for the payment of specific Notes at their stated maturities or at a time fixed for the redemption thereof pursuant to Article 11) shall be applied in the following order from time to time, on the date or dates fixed by the Trustee and, in the case of a distribution of such monies on account of principal, Additional Amounts (if any), or interest, upon presentation of the Outstanding Notes, and stamping thereon of payment, if only partially paid, or upon surrender thereof, if fully paid:

FIRST: To the payment of all amounts due to the Trustee or any other Agent, or any of their predecessors under Section 12.7 (Compensation; Reimbursement; Indemnification);

SECOND: In case the unpaid principal amount of the Outstanding Notes shall not have become due, to the payment of any interest (including any Additional Amounts) in default, together with interest (at the rates specified in the Notes in respect of overdue payments and to the extent that payment of such interest shall be legally enforceable) on such payments of overdue interest;

THIRD: In case the unpaid principal amount of a portion of the Outstanding Notes shall have become due, first to the payment of accrued interest (including any Additional Amounts) on all Outstanding Notes in the order of the due dates of the payments thereof, together with interest (at the rates specified in the respective Notes in respect of overdue payments and to the extent that payment of such interest shall be legally enforceable) on such payments of overdue interest, and next to the payment of the unpaid principal amount and Additional Amounts (if any) of all Notes then due;

FOURTH: In case the unpaid principal amount of all the Outstanding Notes shall have become due, to the payment of the whole amount then due and unpaid upon the Outstanding Notes for principal, Additional Amounts (if any) and interest, together with interest (at the rates specified in the respective Notes in respect of overdue payments and to the extent that payment of such interest shall be legally enforceable) on such overdue principal, Additional Amounts (if any) and interest; and

FIFTH: In case the unpaid principal amount of all of the Outstanding Notes shall have become due, and all of the Outstanding Notes shall have been indefeasibly paid in full in cash or cash equivalents, any surplus then remaining shall be paid to the Issuer or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct;

provided, however, that all payments in respect of the Notes to be made pursuant to priorities “SECOND” through “FOURTH” of this Section 8.8 shall be made ratably to the Holders of Notes entitled thereto, without discrimination or preference, based upon the ratio of (x) the unpaid principal amount of the Notes in respect of which such payments are to be made that are held by each such Holder and (y) the unpaid principal amount of all Outstanding Notes in respect of which such payments are to be made.

Section 8.9. Waiver of Appraisal, Valuation, and Stay. To the full extent it may lawfully do so, the Issuer, for itself and for any other person who may claim through or under it, hereby:

(a) agrees that neither it nor any such person will set up, plead, claim or in any manner whatsoever take advantage of any appraisal, valuation, stay, extension or redemption laws, now or hereafter in force in any jurisdiction which may delay, prevent or otherwise hinder the performance or enforcement of this Indenture or the Notes; and

(b) waives the benefit or advantage of any appraisal, valuation, stay, extension or redemption laws, now or hereafter in force in any jurisdiction.

Section 8.10. Remedies Cumulative; Delay or Omission Not Waiver.

(a) Each and every right, power and remedy herein specifically given to the Trustee shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised, from time to time and as often and in such order as may be deemed expedient by the Trustee. No failure or delay on the part of the Trustee in exercising any right, power or privilege hereunder and no course of dealing of the Trustee shall impair any such right, power or privilege or operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder.

(b) No failure or delay on the part of the Issuer in exercising any right, power or privilege hereunder shall impair any such right, power or privilege or operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies expressly provided herein are cumulative and not exclusive of any rights, powers or remedies which the Issuer would otherwise have, all of which may be pursued separately, successively or concurrently by the Issuer.

ARTICLE 9

ACTS OF HOLDERS

Section 9.1. Acts of Holders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture or the Notes to be given or taken by Holders (collectively, an “Act” of such Holders, which term also shall refer to the instruments or record evidencing or embodying the same), including any Act for which a specified percentage of the principal amount of the Outstanding Notes is required, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such percentage of Holders in person or by an agent duly appointed in writing or, alternatively, may be embodied in and evidenced by the record of Holders of Outstanding Notes voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of this Article 9, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments of record are delivered to the Trustee and, when specifically required herein or under the Notes, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and the Notes and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 9.1. Any record of any meeting of Holders shall be proved in the manner set forth in Section 9.7 (Counting Votes and Recording Action of Meeting).

(b) Subject to the Applicable Procedures, the fact and date of the execution by any person of any such instrument or writing may be proved by the certificate of any public or

other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer, and where such execution is by an officer of a corporation, association or partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of such officer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Trustee may rely on the Notes Register to determine the principal amount and identification details of the Outstanding Notes held by any person, and the date or dates of holding the same and the Trustee shall not be affected by notice to the contrary.

(d) Any Act by the Holder of any Note (i) shall bind every future Holder of the same Note and the Holder of every Note issued upon the transfer thereof or the exchange therefor or in lieu thereof, whether or not notation of such action is made upon such Note and (ii) shall be valid notwithstanding that such Act is taken in connection with the transfer of such Note to any other person, including the Issuer or any Affiliate thereof.

(e) Until such time as written instruments shall have been delivered with respect to the requisite percentage of principal amount of Outstanding Notes for the Act contemplated by such instruments, any such instrument executed and delivered by or on behalf of an Holder of Outstanding Notes may be revoked with respect to any or all of such Notes by written notice by such Holder (or its duly appointed agent) or any subsequent Holder (or its duly appointed agent), proven in the manner in which such instrument was proven unless such instrument is by its terms expressly irrevocable. In determining whether the requisite percentage or a majority in principal amount of Holders of Outstanding Notes has joined in any Act of Holders, (i) the percentage of Holders of Outstanding Notes voting and (ii) the manner in which such Holders of Notes have voted shall be as notified by the Trustee to the Issuer.

(f) Notes authenticated and delivered after any Act of Holders may, and shall if required by the Issuer, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Issuer, to such action, may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes, each at no cost to the Holders of such Notes.

(g) The Trustee shall fix a record date for the purpose of determining the Holders entitled to sign any instrument evidencing or embodying an Act of Holders. Promptly after any record date is set pursuant to this clause (g), the Issuer, at its own expense, shall cause notice of such record date to be given to the Trustee in writing and to each Holder of Outstanding Notes in the manner set forth in Section 13.4(b) (Notices). Only those persons who were Holders at such record date (or their duly appointed agents), shall be entitled to sign any such instrument evidencing or embodying an Act of Holders or to revoke any such instrument previously signed, whether or not such persons continue to be Holders after such record date. No such instrument shall be valid or effective if signed more than 90 days after such record date, and may be revoked as provided in clause (e) of this Section 9.1.



Section 9.2. Purposes for Which Holders' Meeting May Be Called. A meeting of Holders may be called at any time and from time to time pursuant to this Article 9 for any of the following purposes:

(a) to give any notice to the Issuer or to the Trustee, or to give any directions to the Trustee, or to waive or to consent to the waiving of any default hereunder and its consequences;

(b) to remove the Trustee and appoint a successor Trustee pursuant to Article 12 (The Trustee);

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to Article 10 (Supplemental Indentures);

(d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Outstanding Notes under any other provision of this Indenture, under the Notes, or under Applicable Law.

Section 9.3. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Holders of Notes for any of the purposes set forth in Section 9.2 (Purposes for Which Holders' Meeting May Be Called) to be in the Borough of Manhattan, the City of New York, as the Trustee shall determine. Notice of every meeting of Holders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given by the Trustee, in the manner provided in Section 13.4(b) (Notices), not less than 10 nor more than 180 days prior to the date fixed for the meeting, to the Holders of the Notes.

Section 9.4. The Issuer May Call Meeting. In case the Issuer shall have requested the Trustee to call a meeting of Holders of Notes, by written request setting forth in general terms the action proposed to be taken at the meeting, and the Trustee shall not have sent notice of such meeting within ten days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Issuer may determine the time and place in the Borough of Manhattan, the City of New York, for such meeting and may call such meeting to take any action authorized in Section 9.2 (Purposes for Which Holders' Meeting May Be Called) by giving notice thereof as provided in Section 13.4(b) (Notices).

Section 9.5. Persons Entitled to Vote at Meeting. To be entitled to vote at any meeting of Holders, a person shall be (a) a Holder, as of the record date for participation in the meeting, of one or more Outstanding Notes with respect to which such meeting is being held or (b) a person appointed by an instrument in writing as proxy for the Holder or Holders of such Notes by a Holder of one or more such Notes on the record date for participation in the meeting. The only persons who shall be entitled to be present or to speak at any meeting of Holders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Issuer and its counsel.

Section 9.6. Determination of Voting Rights; Conduct and Adjournment of Meeting. (a) Notwithstanding any other provision of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders, in regard to proof of the holding of Outstanding Notes and of the appointment of proxies, and in regard to the

appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 9.1 (Acts of Holders) or other proof. Except as otherwise permitted or required by any such regulations, the holding of Outstanding Notes shall be proved in the manner specified in Section 9.1 (Acts of Holders) and the appointment of any proxy shall be proved in the manner specified in said Section 9.1 (Acts of Holders) or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, banker, trust company or firm satisfactory to the Trustee.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Issuer or by Holders as provided in Section 9.4 (the Issuer May Call Meeting), in which case the Issuer or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Majority Holders represented at the meeting and entitled to vote.

(c) Subject to the provisions of Section 9.10 (Notes Owned by Certain persons Deemed Not Outstanding), at any meeting each Holder of an outstanding Note that is present or represented by proxy at such meeting shall be entitled to one vote for each \$1,000 principal amount of Outstanding Notes held or represented by it; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Outstanding Notes held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Holders of Notes. Any meeting of Holders duly called pursuant to Section 9.3 (Call of Meetings by Trustee) or Section 9.4 (The Issuer May Call Meeting) may be adjourned from time to time, and the meeting may be held as so adjourned without further notice. At any meeting, the presence of persons holding or representing Outstanding Notes with respect to which such meeting is being held in an aggregate principal amount sufficient to take action upon the business for the transaction of which such meeting was called shall be necessary to constitute a quorum; provided, however, that if less than a quorum shall be present at any meeting, the Majority Holders represented at the meeting may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present.

Section 9.7. Counting Votes and Recording Action of Meeting. The vote upon any resolution submitted to any meeting of Holders of Outstanding Notes shall be by written ballots on which shall be subscribed the signatures of the Holders of Outstanding Notes or of their representatives by proxy and the identification details and principal amounts of the Outstanding Notes held or represented by them. The permanent chairman of the meeting shall appoint two (2) inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken at such meeting and affidavits by one or more persons having knowledge of the facts

setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 9.3 (Call of Meetings by Trustee). The record shall show the identification details of the Outstanding Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Issuer and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.8. Evidence of Action Taken by Holders. Whenever in this Indenture or the Notes it is provided that the Holders of a specified percentage or a majority in aggregate principal amount of the Outstanding Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action) the fact that at the time of taking any such action the Holders of such specified percentage or majority have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, (b) by the record of the Holders of Outstanding Notes voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of this Article 9, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders, and except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments and/or such record are delivered to the Trustee, and where expressly required, to the Issuer.

Section 9.9. Proof of Execution of Instruments and of Holding of Outstanding Notes. Subject to the provisions of Section 12.2 (Certain Rights of Trustee) and Section 9.6 (Determination of Voting Rights; Conduct and Adjournment of Meeting) hereof, proof of the execution of any instrument by a Holder or his agent or proxy and proof of the holding by any person of any of the Outstanding Notes shall be sufficient if made in the following manner:

(a) Subject to the Applicable Procedures, the fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in any State within the United States, as applicable, that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument may also be proved in any other manner which the Trustee may deem sufficient.

(b) The ownership of Notes may be proved by the Notes Register or by a certificate of the Notes Registrar or, for as long as the Notes are listed for trading on the TACT Institutional, by a proof of ownership issued to the Holder by the respective TASE member through which the Notes of such Holder are held.

(c) If the Issuer shall solicit from the Holders of Outstanding Notes any request, demand, authorization, direction, notice, consent, waiver or other act, the Issuer shall fix in advance a record date for the determination of Holders of Outstanding Notes entitled to give

such request, demand, authorization, direction, notice, consent, waiver or other act, but the Issuer shall have no obligation to do so. Such request, demand, authorization, direction, notice, consent and waiver or other act may be sought or given before or after the record date, but only the Holders of Outstanding Notes of record at the close of business on such record date shall be deemed to be the Holders of Notes for the purpose of determining whether Holders of the requisite proportion of Outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other act, and for that purpose the Outstanding Notes shall be computed as of such record date.

(d) The Trustee may require such additional proof, if any, of any matter referred to in this Section 9.9 hereof as it shall deem necessary.

(e) The record of any Holders' meeting shall be proved as provided in Section 9.7 (Counting Votes and Recording Action of Meeting) hereof.

Section 9.10. Notes Owned by Certain Persons Deemed Not Outstanding. In determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any request, demand, authorization, direction, notice, consent, waiver or other act under this Indenture or the Notes, Notes which are owned by the Issuer or any of its Affiliates shall be disregarded and deemed not to be outstanding for the purpose of any such determination except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Notes for which a Responsible Officer of the Trustee has actually received written notice of such ownership shall be so disregarded. The Issuer shall furnish the Trustee, upon its reasonable request, with an Officers' Certificate listing and identifying all Notes, if any, known by the Issuer to be owned or held by or for the account of any of the above-described persons, and the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that the Notes not listed therein are outstanding for the purpose of any such determination. Notes so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 9.10 if the pledgee shall establish to the satisfaction of the Trustee that the pledgee has the right to vote such Notes and that the pledgee is not an Affiliate of the Issuer. In case of a dispute as to such right, any decision by the Trustee, taken upon the advice of counsel, shall be full protection to the Trustee.

Section 9.11. Right of Revocation of Action Taken; Acts of Holders Binding. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 9.1 (Acts of Holders), of the taking of any action by the Holders of the percentage in aggregate principal amount of the Outstanding Notes specified in this Indenture or the Notes in connection with such action, any Holder of a Note the identification details of which is shown by evidence to be included in the Outstanding Notes the Holders of which have consented to such action may, by filing written notice with the Trustee and upon proof of holding as provided in Section 9.1 (Acts of Holders), revoke such action so far as concerns such Note. Except as aforesaid, any such action taken by the Holder of any outstanding Note shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Note, and of any Note issued in exchange therefor or in place thereof, irrespective of whether or not any notation in regard thereto is made upon such Note or any Note issued in exchange therefor or in place thereof. Any action taken by the Holders of the percentage in aggregate principal amount of the Outstanding Notes specified

in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the Holders of all the Notes affected by such action.

## ARTICLE 10

### SUPPLEMENTAL INDENTURES

Section 10.1. Amendments and Supplements to Indenture Without Consent of Holders. This Indenture may be amended or supplemented by the Issuer and the Trustee at any time and from time to time without the consent of the Holders by a Supplemental Indenture authorized by a resolution of the Board of Directors or similar governing body of the Issuer filed with, and in form satisfactory to, the Trustee, solely for one or more of the following purposes:

- (a) to cure any ambiguity, omission, defect or inconsistency;
- (b) to comply with Section 7.2 (Negative Covenants – Limitation on Consolidation, Merger or Transfer of Assets);
- (c) to add guarantees or collateral with respect to the Notes;
- (d) to add to the covenants of the Issuer for the benefit of the Holders;
- (e) to surrender any right herein conferred upon the Issuer;
- (f) to evidence and provide for the acceptance of an appointment by a successor Trustee;
- (g) to provide for the issuance of Additional Notes;
- (h) to conform the provisions of this Indenture to the “Description of the Notes” section of the Offering Memorandum of the Issuer, dated January 22, 2020; or
- (i) to make any other change that does not materially and adversely affect the rights of any Holder.

The Issuer shall provide a written direction certifying compliance with the applicable Indenture provisions for any such amendment or supplement.

Section 10.2. Amendments and Supplements to Indenture or Notes With Consent of Holders. Except as specified in Section 10.1 (Amendments and Supplements to Indenture Without Consent of Holders), the Issuer, when authorized by a resolution of the Board of Directors of the Issuer, and the Trustee, together, may amend this Indenture or the Notes with the consent of the Majority Holders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or modifying in any manner the rights of the Holders under this Indenture or waiving any past default or non-compliance with any provision, provided, without the consent of the Holders of at least 90% of the aggregate

principal amount of then outstanding Notes, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

- (a) reduce the rate of or extend the time for payment of interest on any Note;
- (b) reduce the principal, or extend the Stated Maturity, of any Note;
- (c) change the Redemption Prices or time of redemption in Article 3 hereof in a manner adverse to the Holder;
- (d) change the currency, or place of payment for principal of or interest on any Note;
- (e) impair the right to institute suit for the enforcement of any payment on or with respect to any Note;
- (f) waive default in payment of principal of, and interest and premium (if any) on, the Notes;
- (g) reduce the principal amount of Notes whose Holders must consent to any amendment or waiver;
- (h) change the terms of the securities into which the Notes may be convertible;
- (i) change the subordination provisions of the Notes in any manner adverse to the interests of the Holders thereof; or
- (j) make any changes to Section 10.2(a) through Section 10.2(i) herein.

The Issuer shall mail to Holders of the Notes prior written notice of any amendment proposed to be adopted under this Section 10.2. After an amendment under this Section 10.2 becomes effective, the Issuer shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all such Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 10.2.

In executing any amendment, waiver or supplemental indenture to the indenture or the Notes, the Trustee will be entitled to receive an Officers' Certificate and an opinion of international legal counsel of recognized standing, each stating that such amendment, waiver or supplemental indenture is authorized or permitted by the indenture, that it is not inconsistent with the terms of the indenture, and that it is valid and binding upon the Issuer in accordance with its terms.

It shall not be necessary for the consent of the Holders of the Notes under this Section 10.2 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

Section 10.3. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to, and shall, join with the Issuer in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article 10 and in so doing shall receive and shall be fully protected in conclusively relying upon an Officers' Certificate and an Opinion of Counsel, each stating that such amendment, waiver or Supplemental Indenture is authorized or permitted by this Indenture, that it is not inconsistent with the terms of this Indenture, and that it is valid and binding upon the Issuer in accordance with its terms. The Trustee may, but shall not be obligated to, enter into any Supplemental Indenture or amendment which affects the Trustee's own rights, duties or immunities under this Indenture or the Notes. The Trustee's consent shall be obtained if any such Supplemental Indenture or amendment could adversely affect its rights.

Section 10.4. Effect of Supplemental Indentures or Amendments. Upon the execution of any Supplemental Indenture or amendment to the Notes permitted under this Article 10, this Indenture or such Notes shall be modified in accordance therewith, and such Supplemental Indenture or amendment shall form a part of this Indenture or such Notes, as the case may be, for all purposes, and every Holder of Notes therefor or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 10.5. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any Supplemental Indenture pursuant to this Article 10 may, and shall if required by the Issuer or the Trustee, bear a notation in form approved by the Issuer and the Trustee as to any matter provided for in such Supplemental Indenture and, in such case, suitable notation may be made upon Outstanding Notes after proper presentation and demand. If the Issuer or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Issuer and the Trustee, to any such Supplemental Indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes, each at the expense of the Issuer.

## ARTICLE 11

### SATISFACTION AND DISCHARGE

Section 11.1. Satisfaction and Discharge of Indenture. Except as set forth in Section 11.3 (Survival of Obligations), this Indenture shall be discharged and cease to be of further effect as to all Outstanding Notes and the Trustee, on written demand and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(a) either:

(i) all the existing authenticated and delivered Notes (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or otherwise have converted into Ordinary Shares in accordance with the

procedures set forth under Section 4.1 (Automatic Conversion Upon Capital Adequacy Trigger Event); or

(ii) all Notes that have not been delivered to the Trustee for cancellation or that have not otherwise been cancelled or converted into Ordinary Shares have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders of such Notes, funds in amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on such Notes not already cancelled, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(b) the Issuer shall have paid or caused to be paid all other sums due and payable by it hereunder; and

(c) the Issuer shall have, upon its request for written acknowledgment of such satisfaction and discharge of this Indenture, delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with provided that in giving an opinion of international counsel, counsel may rely on any Officers' Certificate as to matters of fact (including as to compliance with the foregoing paragraphs (a), (b) and (c)).

For the avoidance of doubt, the distribution and payments to Holders prior to the maturity or the Redemption Date as set forth above will not include any present value adjustment, break cost or any other premium on such amounts. All funds that remain unclaimed for one year will be paid to the Issuer upon its written request, and thereafter Holders must look to the Issuer for payment as general creditors.

Section 11.2. Reserved.

Section 11.3. Survival of Obligations. Notwithstanding the satisfaction and discharge of this Indenture and the Notes pursuant to Section 11.1 (Satisfaction and Discharge of Indenture), the obligations of the Issuer and the Trustee under this Article 11 and under Section 2.2 (Form and Dating), Section 2.4 (Notes Registrar and Paying Agent), Section 2.5 (Paying Agent to Hold Money), Section 2.7 (Transfer and Exchange), Section 2.8 (Replacement Notes), Section 8.10 (Remedies Cumulative; Delay or Omission Not Waiver), Section 12.7 (Compensation; Reimbursement; Indemnification), Section 12.9 (Resignation and Removal; Appointment of Successor), Section 13.8 (Governing Law; Submission to Jurisdiction; Currency Indemnity), Section 13.9 (Waiver of Jury Trial), Section 13.10 (Waiver of Immunity) and Section 13.12 (Limitation of Liability) and the obligations of the Trustee under Section 11.4 (Application of Trust Money).

Section 11.4. Application of Trust Money. (a) The Trustee shall hold in trust all monies deposited with it pursuant to this Article 11 and shall apply such deposited monies



through the Paying Agent and in accordance with this Indenture to the payment of the principal of, Additional Amounts (if any) and interest on the Notes.

Section 11.5. Unclaimed Monies. Monies deposited with the Trustee pursuant to this Article 11 which remain unclaimed two years following the date payment thereof becomes due shall, at the request of the Issuer, if at such time no Enforcement Event shall have occurred and be continuing, or if Notes shall have been indefeasibly repaid in full as evidenced by an Opinion of Counsel, be paid to the Issuer, and the Holders of the Notes for which such deposit was made shall thereafter be limited to a claim against the Issuer.

Section 11.6. Reinstatement. If the Trustee or the Paying Agent is unable to apply any monies in accordance with this Article 11 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit of monies shall have occurred pursuant to this Article 11 until such time as the Trustee or the Paying Agent is permitted to apply such monies in accordance with this Article 11; provided, however, that, if the Issuer has made any payment of principal of, Additional Amounts (if any) or interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the monies held by the Trustee or the Paying Agent.

## ARTICLE 12

### THE TRUSTEE

#### Section 12.1. Certain Duties and Responsibilities of Trustee.

(a) Except during the continuance of an Enforcement Event:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Notes, and no implied covenants or obligations shall be read into this Indenture or the Notes against the Trustee; and

(ii) in the absence of gross negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture (including, without limitation, an Officers' Certificate); provided, however, that, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any conclusions, mathematical calculations or other facts stated therein).

(b) Trustee's Duties. In case an Enforcement Event has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture or the Notes shall be construed to relieve the Trustee from liability for its own grossly negligent acts or omissions, or its own gross negligence or willful misconduct, except that:

(i) this clause (c) shall not be construed to limit the effect of clause (a) of this Section 12.1;

(ii) the Trustee shall not be liable for any error of judgment by one or more Responsible Officers of the Trustee, unless it shall be proved (by a non-appealable, final decision of a court of competent jurisdiction which is binding on the Trustee) that the Trustee was grossly negligent, or engaged in willful misconduct in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Majority Holders pursuant to Section 8.1 (Enforcement Events and Remedies), or in the case of any action taken or omitted to be taken by it in good faith in accordance with the direction of Holders of not less than 25% in principal amount of the outstanding Notes pursuant to Section 8.5 (Limitation on Suits by Holders), or for any loss or damage resulting from its actions or inactions except where such loss or damage is directly attributable to its own gross negligence or willful misconduct, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture or the Notes; and

(iv) no provision of this Indenture or the Notes shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have grounds for believing that repayment of such funds or indemnity against such risk or liability is not assured to it.

(d) Whether or not herein or therein expressly so provided, every provision of this Indenture and the Notes relating to the conduct or affecting the liability of or affording protection to the Trustee (and its officers, Affiliates, directors, employees, agents, successors and assigns, and including the Trustee acting in the capacity of an Agent) shall be subject to the provisions of this Section 12.1.

(e) The Trustee shall not be responsible for insuring the Issuer and shall have no responsibility for the financial, physical or other condition of the Issuer.

Section 12.2. Certain Rights of Trustee. (a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, notice, other evidence of Debt or other paper or document (whether in its original or facsimile or electronic form) believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of the Issuer shall be sufficiently evidenced by a written instrument signed by an Authorized Officer of the Issuer, and any resolution of the Board

of Directors of the Issuer, shall be sufficiently evidenced by a copy thereof certified by the secretary of the Board of Directors of the Issuer.

(c) Whenever in the administration of this Indenture or the Notes the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting to take any action hereunder or thereunder, the Trustee (unless other evidence is herein or therein specifically prescribed to be relied upon) may, in the absence of gross negligence or willful misconduct on its part, conclusively rely upon an Officers' Certificate.

(d) The Trustee may consult with counsel and third party advisors of its selection, at the expense of the Issuer, and the advice of such counsel or third party advisors or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder or under the Notes in good faith and in reliance thereon. The Trustee shall have no responsibility for the contents of any Opinion of Counsel or other opinions delivered to it. Any such advice, opinion or information may be sent or obtained by letter, email, electronic communication or fax and the Trustee shall not be liable for acting in good faith on any advice, opinion or information purporting to be conveyed by such means even if it contains an error or is not authentic.

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity (reasonably satisfactory to the Trustee) against the costs, expenses (including reasonable attorney's fees) and liabilities which might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, notice, other evidence of Debt or other paper or document made in connection with this Indenture.

(g) The Trustee may execute any of the trusts or powers hereunder or under the Notes or perform any duties hereunder either directly or by agents or attorneys or receivers and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed in good faith by it hereunder.

(h) The Trustee shall be under no obligation to take any action which it reasonably deems discretionary under this Indenture or the Notes.

(i) The Trustee shall not incur any liability for its own action or inaction except for gross negligence and willful misconduct. The Trustee shall not incur any liability arising from loss of insurance, custody of assets, or from breach of obligations by the Issuer or any other Person.

(j) Unless required by Applicable Law or the express terms of this Indenture, Holders shall not have the right to compel disclosure of information made available to the Trustee in connection with this Indenture.

(k) No knowledge shall be imputed to the Trustee unless a Responsible Officer within its corporate trust department has actual knowledge or has received written notice thereof.

(l) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(m) The Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(n) Any liability of the Trustee arising under the transaction documents shall be limited to the amount of actual loss suffered (such loss shall be determined as of the date of default of the Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Trustee at the time of entering into the transaction documents, or at the time of accepting any relevant instructions, which increase the amount of the loss.

(o) The Trustee powers set forth herein shall be additional to any powers the Trustee may exercise under Applicable Law.

(p) The Trustee shall be under no obligation to monitor or supervise any other Person.

(q) The Issuer shall notify Trustee of any claims which would implicate rights or duties of the Trustee hereunder and, upon request by the Trustee, provide the Trustee with status updates pertaining to any claims.

(r) The Trustee shall have no obligation whatsoever under this Indenture to post data or documents on its website.

(s) The Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(t) The Trustee should be entitled to take any action or refuse to take any action which the Trustee regards as necessary for the Trustee to comply with any Applicable Law, regulation or fiscal requirement, court order, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.

(u) The Trustee shall not be liable for any action it takes or omits to take which it believes to be authorized or within its rights or powers under or in connection with this Indenture.

Section 12.3. Notice of defaults. (a) Within 90 days after the occurrence of any Enforcement Event of which a Responsible Officer of the Trustee has actual knowledge, the Trustee shall give to all Holders, in the manner provided for in Section 13.4(b) (Notices), notice of such Enforcement Event, unless such Enforcement Event shall have been cured or waived.

Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein, or of any other documents executed in connection with the Notes, or as to the existence of an enforcement event thereunder, and shall not be deemed to have notice of an Enforcement Event unless and until a Responsible Officer of the Trustee shall have been notified in writing in accordance with the terms hereof. The occurrence of the preceding clause shall constitute for purposes of this Indenture “actual knowledge” on behalf of the Trustee.

(b) If (i) an Enforcement Event occurs and is continuing, (ii) the Trustee has received written notice thereof in accordance with this Section 12.3 and (iii) the Notes are admitted to trading the TACT Institutional and the Trustee has received written notice thereof, the Trustee will post or deliver to the Issuer and the TASE for the purpose of posting notice of such Enforcement Event on the official website of the TASE (<http://maya.tase.co.il> or any successor website thereto) within 90 days after receipt of such notice, and the Issuer undertakes to post such notice of the Trustee should the Trustee not be able to do so.

Section 12.4. Not Responsible for Recitals or Issuance of Notes. The Trustee assumes no responsibility for the correctness of the recitals, representations, warranties, and other statements contained herein and in the Notes, except the Trustee’s certificate of authentication. The Trustee makes no representations and shall have no liability as to the validity, enforceability or sufficiency of this Indenture, the financial condition of the Issuer or of the Notes. The Trustee shall not be accountable for the use or application by the Issuer of the Notes or the proceeds of the issuance and sale thereof, and shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes.

Section 12.5. May Hold Notes. The Trustee or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes and may deal with the Issuer, and the Issuer may deal with the Trustee, with the same rights it would have if it were not Trustee or such other agent.

Section 12.6. Monies Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by Applicable Law. The Trustee shall be under no liability for interest on any money or the management of money received by it hereunder except as otherwise agreed in writing with the Issuer.

Section 12.7. Compensation; Reimbursement; Indemnification. (a) The Issuer hereby agrees:

(i) to pay to the Trustee as agreed upon from time to time in writing compensation for all services rendered by it hereunder or in connection with the Notes (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(ii) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable and documented expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this

Indenture or in connection with the Notes (including the reasonable compensation and the expenses and disbursements its agents, independent consultants and counsel), except any such expense, disbursement or advance as may be attributable to the gross negligence or willful misconduct of the Trustee; and

(iii) to indemnify each of the Trustee and any predecessor Trustee for, and to hold them harmless against, any and all loss, liability, claim (whether asserted by the Issuer, a Holder or any other Person), damage, or expense (including Taxes, other than Taxes based on the income of the Trustee, and the reasonable compensation and the expenses and disbursements of the Trustee's agents, independent consultants and counsel including counsel's costs of defending itself) incurred without gross negligence or willful misconduct on its part, as determined by a court of competent jurisdiction by a final and non-appealable judgment, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, or the costs and expenses of enforcing this Indenture (including the indemnification obligation of the Issuer).

(b) The obligations of the Issuer under this Section 12.7 shall survive the termination of this Indenture and the resignation or removal of the Trustee.

(c) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to and shall be enforceable by, the Trustee in each of its capacities hereunder (including as any Agent if acting in such capacity) and to each agent, custodian and other Person employed to act hereunder. All indemnifications and releases from liability granted hereunder to the Trustee shall extend to its officers, directors, employees, agents, successors and permitted assigns.

Section 12.8. Eligibility. (a) There shall at all times be a Trustee hereunder which shall (a) be a bank or trust company organized and doing business under the laws of the State of Israel, (b) be authorized under such laws to exercise corporate trust powers, (c) maintain insurance up to at the least the amount of NIS 20 million; and (d) have a corporate trust office in the State of Israel, to the extent there is such an institution eligible and willing to serve. If such corporation publishes reports of condition at least annually, pursuant to Applicable Law or to the requirements of said supervising or examining authority, then for purposes of this the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 12.8 it shall resign immediately in the manner and with the effect hereinafter specified in this Article 12. None of the Issuer, any other obligor upon the Notes or any Affiliate of any entity controlled by the Issuer or any of the foregoing shall serve as Trustee hereunder.

Section 12.9. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article 12 shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 12.10 (Acceptance of Appointment by Successor Trustee).

(b) The Trustee may resign at any time and for any reason by giving written notice thereof to the Issuer. If the instrument of acceptance by a successor Trustee required by Section 12.10 (Acceptance of Appointment by Successor Trustee) shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition, at the expense of the Issuer, any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Majority Holders, upon notice delivered to the Trustee and the Issuer. If the instrument of acceptance by a successor Trustee required by Section 12.10 (Acceptance of Appointment by Successor Trustee) shall not have been delivered to the Trustee within 30 days after such removal, the removed Trustee may petition, at the expense of the Issuer, any court of competent jurisdiction for the appointment of a successor Trustee.

(d) If at any time any of the following shall occur:

(i) the Trustee shall cease to be eligible under Section 12.8 (Eligibility) and shall fail to resign after written request therefor by the Issuer or by any Holder of a Note;

(ii) the Trustee shall be adjudged bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or

(iii) the Trustee have failed to eliminate a conflicting interest or to resign as required by Section 12.13;

then, in any such case, (A) the Issuer by a resolution of its Board of Directors may remove the Trustee, or (B) any Holder who has been a bona fide Holder of a Note for at least six Months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of action, or if a vacancy shall occur in the office of Trustee for any reason, the Issuer, by a resolution of its Board of Directors, shall promptly appoint a successor Trustee and shall comply with the applicable requirements of Section 12.10 (Acceptance of Appointment by Successor Trustee). If, within 30 days after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee is appointed by Act of the Majority Holders delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 12.10 (Acceptance of Appointment by Successor Trustee), become the successor Trustee with respect to the Notes and to that extent supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or the Holders and have accepted appointment in the manner required by Section 12.10 (Acceptance of Appointment by Successor Trustee), any Holder who has been a bona fide Holder of a Note for at least six months may, on behalf of itself

and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall, at its own expense, give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to all Holders in the manner provided in Section 13.4(b) (Notices). Each notice required to be given pursuant to this Section 12.9(f) shall include the name of the successor Trustee and the address of its principal corporate trust office.

(g) The successor Trustee will post or deliver to the Issuer and the TASE for the purpose of posting a notice of its succession on the official website of the TASE (<http://maya.tase.co.il> or any successor website thereto), and the Issuer undertakes to post such notice of the successor Trustee should the successor Trustee not be able to do so.

Section 12.10. Acceptance of Appointment by Successor Trustee. (a) In case of the appointment hereunder of a successor Trustee, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; provided that, on the request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder or under the Notes.

(b) Upon request of the Issuer, any successor Trustee shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts under this Indenture to which the Trustee is a party.

(c) Upon request of any successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in clause (a) of this Section 12.10.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article 12,

Section 12.11. Merger, Conversion, Consolidation or Succession to Business. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such Person shall be otherwise qualified and eligible under this Article 12, without the execution and filing of any instrument or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such



authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 12.12. Authorization to Enter into Indenture. The Trustee is hereby authorized to execute, deliver and perform on behalf of the Holders this Indenture, and each Holder agrees to be bound by all of the agreements of the Trustee contained therein.

Section 12.13. Disqualification; Conflicting Interests. If the Trustee has or shall acquire a conflicting interest within any Applicable Law, the Trustee shall (i) either eliminate such interest or resign, to the extent, within the time periods, and in the manner provided by, and subject to the provisions of, any Applicable Law and this Indenture and (ii) provide notice of such conflicting interest to the Issuer.

Section 12.14. Trustee's Application for Instructions from the Issuer. Any application by the Trustee for written instructions from the Issuer may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than five Business Days after the date any officer of the Issuer actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

## ARTICLE 13

### MISCELLANEOUS PROVISIONS

Section 13.1. Third Party Beneficiaries. Except as provided in Section 13.5 (Successors and Assigns) and Section 13.12 (Limitation of Liability), nothing in this Indenture or in the Notes, express or implied, shall give or be construed to give any Person, other than the parties hereto and the Holders of the Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 13.2. Severability. In case any provision in or obligation under this Indenture or the Notes shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations in such jurisdiction, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 13.3. Substitute Notice. If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or financial journal of general circulation in the Borough of Manhattan, the City of New York, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a giving of such notice.

Section 13.4. Notices. (a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be sufficient if in writing, in English and (1) delivered in person, (2) mailed by first-class mail (certified or registered, return receipt requested), postage prepaid, or overnight air courier guaranteeing next day delivery (3) sent by facsimile or electronic transmission, addressed to the Issuer and the Trustee at their respective addresses specified on Schedule I hereto, or at such other address as shall be designated by such Person in a written notice to the other parties hereto, or (4) published on the MAYA system of the TASE. Any such notice or other communication shall be deemed to have been given or made (i) as of the date so delivered if personally delivered, (ii) upon receipt if sent by registered or certified mail, (iii) when receipt is confirmed if delivered by overnight delivery, (iv) when receipt is acknowledged if sent by facsimile or electronic transmission, and (v) as of the date and time published on the MAYA if so published.

(b) In providing any notice to Holders pursuant to this Indenture, the Issuer shall (i) for so long as any Notes are represented by Global Notes, deliver any such notice to the Depository, for the purpose of delivery to Euroclear and Clearstream for further communication to their entitled account Holders; (ii) for so long as any Notes are listed on the TACT Institutional, publish such notice through the newswire service of Bloomberg, or if Bloomberg does not then operate, any similar agency; and (iii) for so long as any Notes are listed on the TACT Institutional and to the extent and in the manner permitted by the Applicable Procedures, post such notice on the official website of the TASE (<http://maya.tase.co.il> or any successor website thereto). If publication as provided in this Section 13.4(b) is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to Registered Holders at their respective addresses as they appear on the records of the Notes Registrar, unless stated otherwise in the Notes Register kept by, and at the registered office of the Issuer.

Section 13.5. Successors and Assigns. All of the covenants, promises and agreements in this Indenture by or on behalf of the Issuer or the Trustee shall bind and inure to the benefit of their respective successors and permitted assigns, regardless of whether so expressed.

Section 13.6. Section Headings. Captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Indenture.

Section 13.7. Counterparts. This Indenture may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any of the parties hereto may execute this Indenture by signing any such counterpart. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes, to the extent permissible under Applicable Law.

Section 13.8. Governing Law; Submission To Jurisdiction; Currency Indemnity.

(a) THIS INDENTURE AND THE NOTES WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT FOR THE WAIVER OF SET-OFF PROVISIONS AND SUBORDINATION PROVISIONS IN SECTION 13.21 AND ARTICLE 6 OF THIS INDENTURE, WHICH WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, ISRAELI LAW.

(b) Each of the parties hereto hereby irrevocably submits to the jurisdiction of any New York state or U.S. federal court sitting in the Borough of Manhattan in The City of New York or the competent courts of its corporate domicile with respect to actions brought against it as a defendant in respect of any suit, action or proceeding or arbitral award arising out of or relating to this Indenture or the Notes or any transaction contemplated hereby or thereby, and irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Issuer agrees that a judgment in any such action or proceeding shall be conclusive and binding upon the Issuer, and may be enforced in any other jurisdiction, by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment. The Issuer hereby irrevocably designates, appoints and empowers Bank Leumi USA, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notice and documents which may be served in any such action or proceeding. If for any reason such designee, appointee and agent shall cease to be available to act as such agent, the Issuer agrees to designate a new designee, appointee and agent on the terms and for the purposes of this provision satisfactory to the Trustee. The Issuer further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Issuer, at its address referred to in Section 13.4(b) (Notices), such service to become effective 30 days after such mailing. Nothing herein shall affect the right of the Trustee or any other Person to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Issuer in any other jurisdiction.

(c) To the extent permitted by Applicable Law, the Issuer hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Indenture in the courts referred to in clause (b) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

(d) The Issuer agrees that, if a judgment or order given or made by any court for the payment of any amount in respect of any Note is expressed in a currency (the "judgment currency") other than the currency (the "denomination currency") in which such Note is denominated or in which such amount is payable, it will indemnify the relevant Holder of Notes against any deficiency arising or resulting from any variation in rates of exchange between the date as of which the amount in the denomination currency is notionally converted into the amount in the judgment currency for the purposes of such judgment or order and the date of actual payment thereof. This indemnity will constitute a separate and independent obligation from the other obligations contained in this Indenture, will give rise to a separate and

independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the relevant Note or under any such judgment or order.

Section 13.9. WAIVER OF JURY TRIAL. EACH OF THE ISSUER AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE ISSUER AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO SUCH PERSON AT SUCH PERSON'S ADDRESS FOR PURPOSES OF NOTICE HEREUNDER.

Section 13.10. Waiver of Immunity. To the extent that the Issuer has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attached prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or its property, the Issuer hereby irrevocably waives, to the fullest extent permitted by Applicable Law, such immunity in respect of its obligations under this Indenture and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 13.10 shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for the purposes of such Act.

Section 13.11. Legal Holidays. If any date for the payment of principal of Additional Amounts (if any) or interest on the Notes is not a Business Day, such payment shall be due on the first Business Day thereafter.

Section 13.12. Limitation of Liability. (a) The obligations of the Issuer under this Indenture and the Notes are solely the obligations of the Issuer and no recourse shall be had against any employee, officer, director, Affiliate, agent or servant of the Issuer with respect to the Notes or this Indenture, any of the obligations of the Issuer hereunder or thereunder or any obligation of the Issuer for the payment of any amount payable hereunder or thereunder for any claim based on, arising out of or relating to the Notes or this Indenture.

(b) Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee or any Agent (or their respective officers, directors, employees, agents, successors and permitted assigns) be liable under or in connection with this Indenture for any special, punitive, indirect or consequential loss or damage of any kind whatsoever, including lost profits, loss of goodwill, reputation, business opportunity, or anticipated saving whether or not the likelihood of such loss or damage was known to the Trustee or any Agent and regardless of the form of action.

Section 13.13. English Language. All documents to be furnished or communications to be given or made under this Indenture shall be in the English language or, if

in another language, shall be accompanied by a certified translation into English, which translation shall be the governing version among the parties hereto.

Section 13.14. Entire Agreement. This Indenture, together with any other agreements executed in connection herewith, is intended by the parties hereto as a final expression of their agreement as to the matters covered hereby and is intended as a complete and exclusive statement of the terms and conditions hereof.

Section 13.15. Survival. The representations and warranties of the Issuer contained herein shall survive the execution and delivery of this Indenture.

Section 13.16. Officers' Certificates and Opinions of Counsel. (a) Except as otherwise expressly provided in this Indenture, upon any application or request by the Issuer to the Trustee that the Trustee take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee an Officers' Certificate of the Issuer (and the Trustee may conclusively rely on such Officers' Certificate) stating that all conditions precedent (if any) provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent (if any) have been complied with; provided, however, that, in the case of any particular application or request as to which the furnishing of documents, certificates or opinions is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished. The Trustee shall not be liable for any such action it takes or omits to take (i) in reliance on such Officers' Certificate or Opinion of Counsel, or (ii) as a result of not having received such Officers' Certificate or Opinion of Counsel as of the time of its action or omission.

(b) Every certificate with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each Authorized Officer signing such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such Authorized Officer, such examination or investigation has been made as is necessary to enable each such individual to express an informed opinion as to whether such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such Authorized Officer, such condition or covenant has been complied with.

Section 13.17. Form of Certificates and Opinions Delivered to Trustee. (a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified by only one document, but one such

Person may certify or give an opinion with respect to some matters and one or more other such Persons may certify or give an opinion as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but shall not be required to, be consolidated and form one instrument.

(b) Any Officers' Certificate or opinion of an Authorized Officer of any Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows or has reason to believe that the certificate or opinion of or representations by such counsel with respect to the matters upon which such Officers' Certificate or opinion of such officer is based are erroneous.

(c) Any certificate of counsel or Opinion of Counsel may be based, insofar as it relates to factual matters or information which is in the possession of any Person, upon a certificate or opinion of, or representations by, an Authorized Officer of such Person. Any Opinion of Counsel stated to be based on another Opinion of Counsel shall be accompanied by such other Opinion of Counsel.

Section 13.18. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 13.19. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each Person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 13.20. Issuer Not a U.S. Tax Obligor. The Issuer represents that it is not a U.S. Tax Obligor. For the purposes of this Section 13.20, a "U.S. Tax Obligor" means: (a) a Person that is resident of the United States for U.S. federal income tax purposes or (b) a Person some or all of whose payments under the Notes or this Indenture are from sources within the U.S. for U.S. federal income tax purposes.

Section 13.21. No Set-Off. Subject to Applicable Law, no Holder of the Notes may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the Notes and this Indenture and each Holder of Notes shall, by virtue of its holding a Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the foregoing, if any amounts

due and payable to any Holder of the Notes by the Issuer in respect of, or arising under, the Notes or this Indenture are discharged by set-off, such Holder shall, subject to Applicable Law, immediately pay to the Issuer an amount equal to the amount of such discharge (or, in the event of the Issuer's winding-up or administration, the Issuer's liquidator or administrator, as the case may be) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the Issuer's liquidator or administrator, as the case may be) and, accordingly, any such discharge shall be deemed not to have taken place. By its acquisition of the Notes, each Holder agrees to be bound by these provisions relating to waiver of set-off.

*[Remainder of this page intentionally left blank]*





IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as at the date first above written.

BANK LEUMI LE-ISRAEL B.M.

By \_\_\_\_\_

Name:

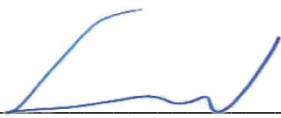
Title:

By \_\_\_\_\_

Name:

Title:

REZNIK PAZ NEVO TRUSTS LTD.

By  \_\_\_\_\_

Name: Michal Avtalion Rishony

Title: Joint CEO

*[Signature page to Indenture]*

## APPENDIX A

“Act” when used with respect to any Holder, shall have the meaning given to that term in Section 9.1 (Acts of Holders) of this Indenture.

“Additional Amounts” shall have the meaning given to that term in Section 7.1(d) (Taxation) of this Indenture.

“Additional Notes” shall mean any Notes (other than the Initial Notes) issued under this Indenture.

“Affiliate” shall mean, with respect to a Person, any other Person Controlling, Controlled by or under common Control with such Person.

“Agent” shall mean any Notes Registrar or Paying Agent.

“Applicable Law” shall mean, with respect to any Person, property or matter, any of the following applicable thereto: any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Governmental Approval related to the Issuer, whether in effect as of the date of this Indenture or thereafter and in each case as amended (including, without limitation, any pertaining to mining licenses or permits and exploration licenses or permits) with which such Person is obligated, or has formally agreed, to comply.

“Applicable Procedures” shall mean (i) the bylaws of the TASE and the regulations promulgated thereunder that apply to securities listed for trading on the TACT Institutional, including the relevant provisions of the bylaws of the TASECH and (ii) any instructions received by the Issuer from the TASE with respect to the Notes.

“Authentication Order” shall have the meaning given to that term in Section 2.3(a) (Execution and Authentication) of this Indenture.

“Authorized Officer” shall mean (i) in the case of any corporation or limited liability company, the chief executive officer, the president, the chief financial officer, a vice president, the treasurer or an assistant treasurer or any director of such corporation or limited liability company; and (ii) in the case of any general or limited partnership, any Person authorized by the general partner (or such other Person that is responsible for the management of such partnership) to take the applicable action on behalf of such partnership or any officer (with a title specified in clause (i) above) or Authorized Officer of such partnership’s managing general partner (or such other Person that is responsible for the management of such managing general partner).

“Automatic Conversion Notice” means the written notice to be delivered by the Issuer to the Trustee directly and to the Holders of the Notes through the ISA’s website (*Magna*) and the TASE announcement system (*MAYA*) (or, if the Notes are held in definitive form, by the Issuer to the Trustee directly and to the Holders at their addresses shown on the register for the Notes) specifying (i) the Conversion Date, (ii) the Conversion Price, and (iii) the number of Ordinary Shares that will be issued in respect of the Automatic Conversion per Note, and in total.

“Automatic Conversion” means the irrevocable and automatic release of all of the Issuer’s obligations under the Converted Notes in consideration of the Issuer’s issuance of the Conversion Shares to the Holders of the Converted Notes through the Nominee Company on the Conversion Date at the Conversion Price, and under no circumstances shall such released obligations be reinstated.

“Bloomberg” shall mean Bloomberg Financial Markets or any other similar financial reporting service.

“Board of Directors” shall mean, with respect to any corporation, either the board of directors of such corporation or any committee of such board of directors duly authorized to act therefor, and, with respect to any limited liability company, either the board of directors or members of such limited liability company or any committee of such board of directors or members duly authorized to act therefor.

“Book-Entry Interest” shall mean a beneficial interest in a Global Note held through a Participant.

“Business Day” shall mean any weekday, other than one on which banking institutions are authorized or obligated by law, regulation or executive order to close in Tel Aviv, Israel, or in New York City, New York, United States of America.

“Calculation Agent” means (a) an independent financial institution of international standing or an Independent Financial Adviser (in each case, that is not an Affiliate of the Issuer) as appointed by the Issuer at the expense of the Issuer, or, (b) if it is not reasonably practicable to appoint a party as referred to under (a), the Issuer. All determinations and any calculations made by the Calculation Agent for the purposes of calculating the applicable U.S. Treasury Rate shall be conclusive and binding on the Holders of the Notes, the Issuer and the Trustee, absent manifest error.

“Cancellation Date” means (i) with respect to any Note for which a Conversion Shares Settlement Notice is received by the Issuer on or before the Notice Cut-off Date and in respect of which no Conversion Shares Offer will occur, the applicable Settlement Date; and (ii) with respect to any Note for which a Conversion Shares Settlement Notice is not received by the Issuer on or before the Notice Cut-off Date, the Final Cancellation Date.

“Capital Adequacy Trigger Event” means either (i) a Trigger Event for Principal Loss Absorption; or (ii) a Trigger Event for Non-Viability.

“Capital Regulations” means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for regulatory capital, own funds and eligible liabilities and/or loss absorbing capacity and/or calculation of risk weighted assets of credit institutions of either (i) the Relevant Regulator and/or (ii) any other national or international authority, in each case then in effect in Israel (or in such other jurisdiction in which the Issuer may be organized or domiciled) and applicable to the Issuer or the Group including, as at the date hereof, PCB 202 and related technical standards.

“Capital Stock” shall mean, with respect to any Person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such Person’s equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

“CET 1 Ratio” means the Issuer’s Common Equity Tier 1 capital ratio, pursuant to PCB 201, 202 and 299.

“Clearstream” shall mean Clearstream Banking, *société anonyme*.

“Code” shall have the meaning given to that term in Section 7.1(d) (Affirmative Covenants) of this Indenture.

“Comparable Treasury Issue” means, with respect to the Reset Period, the U.S. Treasury security or securities selected by the Issuer with a maturity date on or about the last day of the Reset Period and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in U.S. dollars and having a maturity of five years.

“Comparable Treasury Price” means, with respect to the Reset Date, (i) the arithmetic average of the Reference Treasury Dealer Quotations for the Reset Date (calculated on the Reset Determination Date), after excluding the highest and lowest such Reference Treasury Dealer Quotations, (ii) if fewer than five such Reference Treasury Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if fewer than two such Reference Treasury Dealer Quotations are received, then such Reference Treasury Dealer Quotation as quoted in writing to the Calculation Agent by a Reference Treasury Dealer.

“Conversion Date” means the date on which an Automatic Conversion occurs.

“Conversion Price” means, in respect of a Conversion Notice Date, if the Ordinary Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange the higher of:
  - (i) the Reference Market Price of an Ordinary Share (translated into U.S. dollars at the Prevailing Rate); and
  - (ii) the Floor Price;
- (b) not then admitted to trading on a Relevant Stock Exchange, the Floor Price;

provided, however, that in no event shall the Conversion Price be less than the higher of: (1) the nominal value of an Ordinary Share (translated into U.S. dollars at the Prevailing Rate), which on the date hereof is NIS 1.00 par value per Ordinary Share; and (2) NIS 0.30.

“Conversion Procedure Notice” means the written notice from the Issuer specifying (i) the Suspension Date, and (ii) details of the Nominee Company.

“Conversion Shares” means the Ordinary Shares to be issued to the relevant recipient in accordance with the terms of the Notes following an Automatic Conversion, which Ordinary Shares shall be in such number as is determined by dividing (x) the aggregate principal amount of the Notes to be converted outstanding immediately prior to the Automatic Conversion on the Conversion Date by (y) the Conversion Price in effect on the relevant Conversion Notice Date (rounded down, if necessary, to the nearest whole number of Ordinary Shares). Fractions of Conversion Shares will not be issued following an Automatic Conversion and no cash payment will be made in lieu thereof.

“Conversion Shares Offer Criteria” means:

- (a) an Automatic Conversion would lead to an individual Holder of the Notes holding greater than 5% of the Ordinary Shares (any such Holder, a “Significant Holder”); and
- (b) approval for the Significant Holder’s holding of Ordinary Shares to exceed 5% has not, as of the Conversion Date, been received from the Governor.

“Conversion Shares Offer Period” means the period during which a Conversion Shares Offer may occur with respect to any Excess Shares, which period shall end no later than the later of (i) ten (10) Business Days after the delivery of the Conversion Shares Settlement Notice relating to such Excess Shares and (ii) five (5) Business Days after the Trustee receives such Excess Shares.

“Conversion Shares Settlement Notice” means a written notice to be delivered by a Holder to the Issuer, with a copy to the Trustee, no earlier than the Suspension Date containing the following information: (i) the name of the Holder, (ii) the aggregate amount of the book entry interests in the Notes held by such Holder on the date of such notice, (iii) the name to be entered in the Issuer’s share register, (iv) the details of the TASECH or other relevant clearing system account or, if the Conversion Shares are not a participating security in the TASECH or another clearing system, the address to which the Conversion Shares should be delivered; (v) such Holder’s representation as to whether or not the Conversion Shares Offer Criteria are satisfied in respect of such Holder and, if so, the details of (x) what its percentage holding of Ordinary Shares would be following an Automatic Conversion and the number Excess Shares this would result in and (y) the account into which the Conversion Shares Offer Consideration should be transferred; and (vi) such other details as may be required by the Nominee Company.

“Conversion Shares Settlement Request Notice” means the written notice to be delivered by the Issuer to the Trustee directly and to the Holders of the Notes through the ISA’s website (*Magna*) and the TASE announcement system (*MAYA*) (or, if the Notes are held in definitive form, by the Issuer to the Trustee directly and to the Holders at their addresses shown on the register for the Notes) on the Suspension Date requesting that any Holders complete a Conversion Shares Settlement Notice and specifying (i) the Notice Cut-off Date

and (ii) the Final Cancellation Date. Such notice will restate for information purposes the Conversion Price and the number of Ordinary Shares that will be issued in respect of the Automatic Conversion (per note and in total), as previously included in the Automatic Conversion Notice.

“Converted Notes” means the Notes which are subject to Automatic Conversion.

“day” shall mean a calendar day, unless otherwise stated.

“Debt” shall mean, with respect to any Person, without duplication, (i) its liabilities for borrowed money, whether or not evidenced by bonds, Notes, debentures or similar instruments; (ii) its liabilities for the deferred purchase price of property acquired by such Person (excluding trade accounts payable arising in the ordinary course of business but including, without limitation, all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property); (iii) all liabilities for borrowed money secured by any security with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); and (iv) any guarantee or indemnity against financial loss of such Person with respect to liabilities of a type described in any of (i) through (iii) above.

“Definitive Registered Note” means a certificated Note registered in the name of the Registered Holder thereof and issued in accordance with Section 2.2(c) and Section 2.7 (Transfer and Exchange) of this Indenture in exchange for a Book-Entry Interest and in a minimum principal amount at maturity of \$200,000 and integral multiples of \$1,000 in excess thereof, substantially in the form of Exhibit A.

“Depository” shall mean Bank Leumi le-Israel Nominee Company as depository until a successor replaces it and thereafter shall mean the successor serving hereunder.

“Enforcement Event” has the meaning given to it in Section 8.2.

“Euroclear” shall mean Euroclear Bank SA/NV.

“Excess Shares” means the number of Ordinary Shares by which, following an Automatic Conversion, a Significant Holder’s holding of the Ordinary Shares would exceed 5%.

“FATCA” shall have the meaning given to that term in Section 7.1(d) (Affirmative Covenants) of this Indenture.

“Final Cancellation Date” means the date, as specified in the Conversion Shares Settlement Request Notice, on which the Notes in relation to which no Conversion Shares Settlement Notice has been received by the Issuer on or before the Notice Cut-off Date shall be cancelled, which date may be up to twelve (12) Business Days following the Notice Cut-off Date.

“Floor Price” means \$3.6048, subject to adjustment as described in Article 5 (Anti-Dilution Adjustments).

Assuming that the Conversion Price will be the Floor Price, and further assuming that no adjustments will be made pursuant to Article 5 (Anti-Dilution Adjustments), the maximum number of Conversion Shares that will be issued is 208,055,925.

“Global Notes” means, individually and collectively, each of the Global Notes deposited with or on behalf of and registered in the name of the Depositary, that will be issued in an initial amount equal to the principal amount of the Notes initially resold in reliance on Rule 144A and Regulation S, substantially in the form of Exhibit A hereto, issued in accordance with Section 2.2 and Section 2.7 hereof.

“Governmental Approval” shall mean all governmental orders, approvals, authorizations, consents, decrees, licenses, permits, leases, production leases, rights of way rulings, exemptions, permits, waivers, filings, or registrations by or with all Governmental Authorities.

“Governmental Authority” shall mean the State of Israel and any other government or political subdivision thereof exercising competent jurisdiction over the Issuer, including all agencies, boards and instrumentalities of such governments and political subdivisions.

“Governor” means the Governor of the Bank of Israel.

“Group” refers to Bank Leumi Le-Israel B.M together with its consolidated subsidiaries.

“Holder” shall mean, a Person in whose name a Note is registered in the register maintained in accordance with Section 2.4 of this Indenture.

“Indenture” shall mean this Indenture, dated as of the Issue Date, between the Issuer and the Trustee, as amended or supplemented from time to time.

“Independent Financial Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense.

“Initial Notes” shall have the meaning given to that term in the preamble to this Indenture.

“Initial Purchasers” shall mean the Initial Purchasers named in Schedule I to the Purchase Agreement.

“Interest Payment Date” has the meaning given in Section 2.3(d).

“Internal Revenue Service” shall mean the Internal Revenue Service of the United States of America.

“ISA” has the meaning given to it in Section 2.1(b).

“Israeli GAAP” shall mean generally accepted accounting principles in Israel applicable to banks.

“Israeli Securities Law” shall mean the Israeli Securities Law 5728-1968, as amended and the regulations promulgated thereunder.

“Israeli Tax Ordinance” shall mean the Israeli Income Tax Ordinance (New Version), 1961.

“Issue Date” shall mean January 29, 2020, the date of issuance and delivery of the Initial Notes.

“Issuer” shall have the meaning given to that term in the preamble to this Indenture.

“Junior Obligations” means the obligations of the Issuer in respect of any junior subordinated obligations or other securities which in each case either by law rank, or by their terms are expressed to rank, junior to the Notes.

“Majority Holders” shall mean, with respect to any action or consent of Holders to be taken under this Indenture, Holders holding at least 50% in aggregate principal amount of the outstanding Notes and Additional Notes (voting together as a single class).

“Margin” has the meaning given to it in Section 2.3(c).

“Maturity Date” shall have the meaning given to that term Section 2.3(b) (Execution and Authentication) of this Indenture.

“Month” shall mean a calendar month.

“Nominee Company” means Bank Leumi le-Israel Ltd. Nominee Company (*Hevra Lerishumim*) (or any other nominee company appointed by the Issuer for such purpose).

“Notes Registrar” shall have the meaning given to that term in Section 2.4 (Notes Registrar and Paying Agent) of this Indenture.

“Notes” shall mean the Initial Notes and any Additional Notes and “Note” shall mean any of the foregoing. “Notes Register” shall have the meaning given to that term in Section 2.4 (Notes Registrar and Paying Agent) of this Indenture.

“Notice Cut-off Date” means the date specified as such in the Conversion Shares Settlement Request Notice, which date shall be at least forty (40) Business Days following the Suspension Date.

“Officers’ Certificate” shall mean a certificate executed by an Authorized Officer or Authorized Officers of the Issuer.



“Opinion of Counsel” shall mean a written opinion of counsel for any Person either expressly referred to herein or otherwise reasonably satisfactory to the Trustee, which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer.

“Ordinary Shares” has the meaning given to it in Section 2.7(g).

“Outstanding Notes”, “Outstanding” or “outstanding” when used in connection with any Notes shall mean, as of the time in question, all Notes authenticated and delivered under this Indenture, except (a) Notes theretofore cancelled or required to be cancelled under Section 2.12 (Cancellation) of this Indenture, (b) Notes for which provision for payment shall have been made pursuant to this Indenture and (c) Notes in substitution for which other Notes have been authenticated and delivered pursuant to this Indenture; provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action under this Indenture as of any date, Notes owned by the Issuer or any Affiliate of the Issuer shall be disregarded and deemed not to be Outstanding.

“Parity Obligations” means the following obligations of the Issuer (as issuer or borrower, as the case may be): (i) the Issuer’s currently outstanding securities which have been recognized by the Relevant Regulator as “upper tier 2 capital”, namely the Series 200, 201, 300 and 301 securities; (ii) any debt, bonds or capital securities that were previously issued and/or that will be issued by the Issuer in the future and recognized by the Relevant Regulator as Tier 2 Capital, including the Series 400, 401, 402, 403 and 404 securities; and (iii) any other obligations of the Issuer that rank or are expressed to rank *pari passu* with any such obligations.

“Participant” shall mean, with respect to the Depository, a member of the TASE.

“Paying Agent” shall have the meaning given to that term in Section 2.4 (Notes Registrar and Paying Agent) of this Indenture.

“PCB” shall mean the Israeli Proper Conduct of Banking Business and the Directives enumerated therein.

“Person” shall mean an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Prevailing Rate” means, in respect of any currencies on any day, the rate of exchange between the relevant currencies published on that date on:

- (a) the Bank of Israel’s website for representative exchange rates (currently available at <https://www.boi.org.il/en/Markets/ExchangeRates/Pages/Default.aspx>) or its successor, appearing at 3:30pm (Tel Aviv time); or, if not available,
- (b) Reuters page FXIL appearing at 4:00pm (Tel Aviv time); or, if not available,

(c) any other Reference Page appearing at 4:00pm (Tel Aviv time),

or, if such a rate cannot be determined at such time, the rate prevailing as at 4:00pm (Tel Aviv time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Reference Page, the rate determined in such other manner as an Independent Financial Adviser in good faith shall prescribe.

“Proceeding” shall have the meaning given to that term in Section 8.3(b) (Trustee May File Proofs of Claim; Appointment of Trustee as Attorney-in-Fact in Judicial Proceedings) of this Indenture.

“Purchase Agreement” shall mean the Purchase Agreement, dated as of January 22, 2020, between the Issuer and the Initial Purchasers.

“QIB” shall mean a “qualified institutional buyer” as defined in Rule 144A.

“Redemption Date” shall mean any date for redemption of Notes established pursuant to Article 3 (Redemption of Notes) of this Indenture.

“Redemption Price” shall mean an amount equal to the sum of (a) the principal amount of Notes being redeemed pursuant to Article 3 (Redemption of Notes) of this Indenture, (b) all accrued and unpaid interest thereon through the applicable Redemption Date, and (c) all Additional Amounts accrued thereon (if any) through the applicable Redemption Date.

“Reference Market Price” means, in respect of an Ordinary Share on a particular date, the arithmetic mean of the closing price per Ordinary Share on each of the 14 consecutive trading days on which such closing price is available ending on the trading day immediately preceding such date, rounding the resulting figure to the nearest cent (with 0.5 cents being rounded upwards).

“Reference Page” means the relevant page or any successor page on Bloomberg or Reuters or any successor service or such other information service provider that displays the relevant information.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and the Reset Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the applicable Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, at 11:00 a.m. (New York City time) on the Reset Determination Date.

“Reference Treasury Dealer” means each of up to five banks selected by the Issuer (following, where practicable, consultation with the Calculation Agent), or the Affiliates of such banks, which are (i) primary U.S. Treasury securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues denominated in U.S dollars.

“Registered Holder” shall mean, with respect to any Note, the Person in whose name such Note is registered in the Notes Register; provided that the Issuer or any Affiliate thereof shall not be deemed a Holder for purposes of any Act of the Holders.

“Regular Record Date” means the close of business (if a Business Day) on the twelfth calendar day immediately preceding each Interest Payment Date.

“Regulation S” shall mean Regulation S under the Securities Act.

“Regulatory Approval” means the written approval, obtained in advance, of the Relevant Regulator.

“Regulatory Capital Criteria” means (i) the Notes will be replaced with capital of equal or higher quality on terms that are sustainable for the income capacity of the Issuer (alternative offerings may be carried out simultaneously but not after the instrument has been redeemed); or (ii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its capital ratio, following the exercise of the relevant redemption, would be well above the minimum capital requirements (as stated in PCB 201, Introduction, Scope of Application and Calculation of Requirements).

“Regulatory Event” means a change (or pending change which the Relevant Regulator considers to be sufficiently certain) in the regulatory classification of the Notes by the Relevant Regulator or otherwise, that occurs on or after the Issue Date and that does, or would be likely to, result in some of or the entire outstanding aggregate principal amount of the Notes at any time being excluded from, or ceasing to qualify as Tier 2 Capital of the Group (whether on an individual or a consolidated basis).

“Relevant Regulator” means the Israeli Banking Supervision Department or any successor entity or such other authority having primary supervisory authority with respect to prudential matters concerning the Issuer or the Group.

“Relevant Stock Exchange” means TASE or if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on TASE, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing.

“Reset Date” shall have the meaning given to that term in Section 2.3(c) in this Indenture.

“Reset Determination Date” means the date falling two Business Days prior to the Reset Date.

“Reset Period” means the period from (and including) the Reset Date to (but excluding) the Maturity Date.

“Responsible Officer” shall mean, when used with respect to the Trustee, any vice president, assistant vice president, secretary, assistant secretary, treasurer, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions

similar to those performed by the Persons who at the time shall be such officers and who shall have direct responsibility for the administration of this Indenture.

“Rule 144A” shall mean Rule 144A under the Securities Act.

“Senior Creditors” means creditors of the Issuer: (i) that are unsubordinated creditors (including, for the avoidance of doubt, public deposits held by the Issuer from time to time, whether collateralized or not collateralized); or (ii) that are subordinated creditors (whether in the event of a winding-up or administration of the Issuer or otherwise), other than (x) those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of the Notes or (y) those whose claims are in respect of Parity Obligations or Junior Obligations.

“Settlement Date” means (i) with respect to any Note in relation to which a Conversion Shares Settlement Notice is received by the Issuer on or before the Notice Cut-off Date, the date that is two (2) Business Days after the date on which such Conversion Shares Settlement Notice has been received by the Issuer and in respect of which no Conversion Shares Offer will occur, the applicable Settlement Date; and (ii) with respect to any Note in relation to which a Conversion Shares Settlement Notice is not received by the Issuer on or before the Notice Cut-off Date, the date on which the Nominee Company delivers the relevant Conversion Shares.

“Special Record Date” shall have the meaning given to that term in Section 2.13 (Defaulted Interest) of this Indenture.

“Stated Maturity” shall mean, with respect to any note, the date specified in such note as the fixed date on which the principal of such note is due and payable.

“Subsidiary” shall mean, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (a) the Issuer, (b) the Issuer and one or more Subsidiaries, or (c) one or more Subsidiaries.]

“Supplemental Indenture” shall mean an indenture supplemental to this Indenture entered into by the Issuer and the Trustee for the purpose of establishing, in accordance with this Indenture, the title, form and terms of the Notes.

“Suspension Date” means the date specified in the Conversion Procedure Notice as the date on which TASE shall suspend all clearance and settlement of transactions in the Notes in accordance with its rules and procedures, which date shall be no later than thirty eight (38) Business Days after the publication of the Conversion Procedure Notice.

“TACT Institutional” shall mean the system for trading securities by institutional investors of the TASE.

“TASE” shall mean the Tel Aviv Stock Exchange Ltd.

“TASECH” shall mean the Tel Aviv Stock Exchange Clearing House Ltd.

“Tax” and “Taxes” means, with respect to payments on the Notes, all present and future taxes, levies, imposts, withholdings (including backup withholdings), duties, assessments or governmental charges of any nature whatsoever (including any interest, additions to tax or penalties applicable thereto), provided that they are imposed by the State of Israel or taxing authority of the State of Israel.

“Tax Event” has the meaning given to it in Section 3.3(a).

“Tier 2 Capital” means Tier 2 Capital for the purposes of the Capital Regulations.

“Transfer Restriction Legend” shall mean a legend substantially in the form of Exhibit C to this Indenture.

“Treasury” shall mean the United States Department of the Treasury.

“Trigger Event for Non-Viability” means the earlier of (a) a notice in writing addressed to the Issuer from the Relevant Regulator that, in its opinion, a conversion of the Notes is necessary to avoid the Issuer reaching the point of non-viability; and (b) a decision to inject capital from the public sector, or support of equal value to the Issuer without which the Issuer will reach the point of non-viability, as determined by the Relevant Regulator.

“Trigger Event for Principal Loss Absorption” occurs if, at any time, the Issuer’s CET 1 Ratio falls below 5.00%. Whether a Trigger Event for Principal Loss Absorption has occurred at any time shall be determined by the Issuer, and such determination shall be binding on the Trustee and the Holders of the Notes.

“Trustee” shall mean Reznik Paz Nevo Trusts Ltd., its successors and permitted assigns, in its capacity as trustee under this Indenture and the Notes.

“U.S. Dollar” and the sign “\$” shall mean the lawful money of the United States.

“U.S. Tax Obligor” shall have the meaning given to that term in Section 13.20 (Issuer Not a U.S. Tax Obligor).

“U.S. Treasury Rate” means, with respect to the Reset Date, the rate per annum equal to: (1) the yield, under the heading which represents the average for the week immediately prior to the Reset Determination Date, appearing in the most recently published statistical release designated “H.15”, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption “Treasury Constant Maturities”, for the maturity of five years; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue

(expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the Reset Date.

If the U.S. Treasury Rate cannot be determined, for whatever reason, “U.S. Treasury Rate” means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in the most recently published statistical release designated “H.15” under the caption “Treasury Constant Maturities” (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities” for the maturity of five years) at 5:00 p.m. (New York City time) on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

“U.S.” and “United States” shall mean the United States of America.

“U.S.A. Patriot Act” shall mean the U.S.A. Patriot Act, Title III of Pub.L.107-56 (signed into law October 26, 2001).

“Upper Tier 2 Capital” means Upper Tier 2 Capital for the purposes of the Capital Regulations in force at the time of the issuance of such Upper Tier 2 Capital.

“Winding-up Event” has the meaning given to it in Section 8.1(a) (Enforcement Events and Remedies).

“Withholding Agent” means “Debtor (חייב)” as that term is defined in Section 1 of the Israeli Income Tax Regulations (Withholding from Interest, Dividends and Certain Profits), 2005.

SCHEDULE I

NOTICES

If to the Issuer:

34 Yehuda Halevi Street,  
Tel Aviv,  
65546,  
Israel  
Attention: Legal Department.

If to the Trustee:

14 Yad Harutzim Street  
Tel Aviv,  
6770007,  
Israel.

No. 1

EXHIBIT A

FORM OF SECURITY

BANK LEUMI LE-ISRAEL B.M

Subordinated Notes Due 2031

ISIN Number: IL0060404899

Principal Amount:	\$750,000,000
Maturity Date:	January 29, 2031
Issue Date:	January 29, 2020
Interest Rate:	Interest on the Notes will be payable at a rate per annum equal to (i) 3.275%, from (and including) the Issue Date to (but excluding) January 29 2026 (the “ <b>Reset Date</b> ”) and (ii) the sum of the then-prevailing U.S. Treasury Rate on the relevant Reset Determination Date and 1.631% (the “ <b>Margin</b> ”), from (and including) the Reset Date to (but excluding) the Maturity Date. Interest will be calculated and payable semi-annually in arrear on January 29 and July 29 of each year, beginning on July 29, 2020
Registered Holder:	Bank Leumi le-Israel Ltd. Nominee Company ( <i>Hevra Lerishumim</i> )

For value received, the undersigned, BANK LEUMI LE-ISRAEL B.M, a limited liability company formed under the laws of Israel (the “Issuer”), which term includes any successor or assign under this Indenture (as defined below), by this promissory Note (this “Note”) promises to pay to Bank Leumi le-Israel Ltd. Nominee Company (*Hevra Lerishumim*) or its registered assigns, the principal amount of \$750,000,000 (SEVEN HUNDRED AND FIFTY MILLION DOLLARS), or if less, the aggregate unpaid and outstanding principal amount of this Note, in accordance with the applicable provisions of that certain Indenture (the “Indenture”) dated as of January 29, 2020 between the Issuer, and REZNIK PAZ NEVO TRUSTS LTD., as Trustee (the “Trustee”), and as the same may be amended from time to time, and all other amounts owed by the Issuer to Bank Leumi le-Israel Ltd. Nominee Company (*Hevra Lerishumim*) hereunder. Capitalized terms used and not defined herein shall have the meanings set forth in Appendix A of the Indenture.

Unless earlier redeemed or converted, principal of this Note shall be payable on January 29, 2031.



The Issuer further agrees to pay, when due and payable hereunder, Additional Amounts thereon (if any), and interest from the date hereof on the unpaid and outstanding principal amount hereof until such unpaid and outstanding principal amount shall become due and payable (whether at stated maturity, by acceleration or otherwise) at the rates of interest and at the times set forth in this Indenture, and the Issuer agrees to pay all other amounts due, including, without limitation, fees and costs, as stated in this Indenture. All amounts paid hereunder shall be in immediately available funds and in such coin or currency of the United States which, at the respective dates of payment thereof, is legal tender for the payment of public and private debt.

REFERENCE IS MADE TO THE FURTHER PROVISIONS SET FORTH UNDER THE TERMS AND CONDITIONS OF THE SECURITIES ENDORSED ON THE REVERSE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose.

*[Remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed.

Dated: \_\_\_\_\_

BANK LEUMI LE-ISRAEL B.M

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

This is one of the Notes described in the within-mentioned Indenture.

REZNIK PAZ NEVO TRUSTS LTD.

as Trustee

By: \_\_\_\_\_

Authorized Signatory

Dated: \_\_\_\_\_

FORM OF TERMS AND CONDITIONS OF SECURITIES

Principal Amount:	\$750,000,000
Interest Rate:	Interest on the Notes will be payable at a rate per annum equal to (i) 3.275%, from (and including) the Issue Date to (but excluding) January 29, 2026 (the “ <u>Reset Date</u> ”) and (ii) the sum of the then prevailing U.S. Treasury Rate on the relevant Reset Determination Date and 1.631% (the “ <u>Margin</u> ”), from (and including) the Reset Date to (but excluding) the Maturity Date.
Interest Payment Dates:	January 29 and July 29 of each year
Minimum Denominations:	\$200,000 and integral multiples of \$1,000 in excess thereof.

1. General.

This Note is one of a duly authorized issue of fixed interest rate debt securities (the “Notes”) of BANK LEUMI LE-ISRAEL B.M. (the “Issuer”) issued pursuant to an Indenture (the “Indenture”) dated as of January 29, 2020, between the Issuer and REZNIK PAZ NEVO TRUSTS LTD. as Trustee. All capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Indenture. The Holders will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the corporate trust office of the Trustee at 14 Yad Harutzim Street, Tel Aviv, 6770007, Israel and at the principal office of the Issuer.

2. Payments and Paying Agencies.

(a) The principal of, Additional Amounts (if any), and interest on this Note shall be made exclusively in immediately available funds and in such coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debt.

(b) The Person in whose name any Note is registered at the close of business on any Regular Record Date with respect to any Interest Payment Date shall be entitled to receive from the Trustee (or the Paying Agent if the Paying Agent is not the Trustee) the principal of, Additional Amounts (if any) and/or interest payable by the close of business on such Interest Payment Date notwithstanding the cancellation of such Note upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment

Date; provided, however, that if and to the extent there is a default in the payment of the principal of, Additional Amounts (if any) and/or interest due on such Interest Payment Date, such defaulted principal, Additional Amounts (if any) and/or interest shall be paid to the Persons in whose names Outstanding Notes are registered at the close of business on a subsequent date (each such date, a “Special Record Date”), which shall not be less than five days preceding the date of payment of such defaulted principal, Additional Amounts (if any) and/or interest, established by a notice given by the Trustee to the registered owners of the Notes in accordance with Section 13.4(b) (Notices) of the Indenture not less than 15 days prior to the Special Record Date or, if the Special Record Date is less than 15 days after the applicable Interest Payment Date, such shorter period.

(c) If any date for the payment of principal of, Additional Amounts (if any) or interest on the Notes is not a Business Day, such payment shall be due on the first Business Day thereafter. Any payment made on such next succeeding Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest shall accrue for the period after such date.

(d) Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months and, in the case of an incomplete month (in case of an early redemption or repayment), the actual number of days elapsed. Interest payable on any semi-annual Interest Payment Date (including the first Interest Payment Date) will be equal to one half of the annual interest rate.

### 3. Amendments and Supplements to Indenture.

(a) Amendments and Supplements to Indenture Without Consent of Holders. The Indenture may be amended or supplemented by the Issuer and the Trustee at any time and from time to time without the consent of the Holders by a Supplemental Indenture authorized by a resolution of the Board of Directors or similar governing body of the Issuer filed with, and in form satisfactory to, the Trustee, solely for one or more of the following purposes:

- (i) to cure any ambiguity, omission, defect or inconsistency;
- (ii) to comply with Section 7.2 (Negative Covenants – Limitation on Consolidation, Merger or Transfer of Assets) of the Indenture;
- (iii) to add guarantees or collateral with respect to the Notes;
- (iv) to add to the covenants of the Issuer for the benefit of the Holders;
- (v) to surrender any right herein conferred upon the Issuer;
- (vi) to evidence and provide for the acceptance of an appointment by a successor Trustee;
- (vii) to provide for the issuance of Additional Notes;

(viii) to conform the provisions of this Indenture to the “Description of the Notes” section of the Offering Memorandum of the Issuer, dated January 22, 2020; or

(ix) to make any other change that does not materially and adversely affect the rights of any Holder.

(b) Amendments and Supplements to Indenture or Notes With Consent of Holders. Except as specified in Section 10.1 of the Indenture, the Issuer, when authorized by a resolution of the Board of Directors of the Issuer, and the Trustee, together, may amend the Indenture or the Notes with the consent of the Majority Holders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or modifying in any manner the rights of the Holders under the Indenture or waiving any past default or compliance with any provision, provided, however, that, without the consent of the Holders of at least 90% of the aggregate principal amount of then outstanding Notes, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(i) reduce the rate of or extend the time for payment of interest on any Note;

(ii) reduce the principal, or extend the Stated Maturity, of any Note;

(iii) change the Redemption Prices or time of redemption in Article 3 of the Indenture in a manner adverse to the Holder;

(iv) change the currency, or place of payment for principal of or interest on any Note;

(v) impair the right to institute suit for the enforcement of any payment on or with respect to any Note;

(vi) waive default in payment of principal of, and interest and premium (if any) on, the Notes;

(vii) reduce the principal amount of Notes whose Holders must consent to any amendment or waiver;

(viii) change the terms of the securities into which the Notes may be convertible;

(ix) change the subordination provisions of the Notes in any manner adverse to the interests of the Holders thereof; or

(x) make any changes to Section 13.21(b)(i) through Section 13.21(b)(ix) of the Indenture.

#### 4. Mutilated, Destroyed, Lost or Stolen Notes.

(a) If any Note shall become mutilated, the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Note of like tenor, interest rate, maturity and denomination in exchange and substitution for the Note so mutilated, but only upon surrender to the Issuer of such mutilated Note for cancellation, and each of the Issuer and the Trustee may require indemnity therefor reasonably satisfactory to it. If any Note shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Trustee. If such evidence shall be satisfactory to both the Trustee and the Issuer and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Note of like tenor, interest rate, maturity and denomination. The cost of providing any substitute Note under the provisions of Section 2.8 (Replacement Notes) of the Indenture shall be borne by the Holder for whose benefit such substitute Note is provided. If any such mutilated, lost, stolen or destroyed Note shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Holder thereof the principal amount of such Note upon the maturity thereof and compliance with the aforesaid conditions by such Holder, without the issuance of a substitute Note therefor, and likewise pay to the Holder the amount of the unpaid interest, if any, which would have been paid on a substitute Note had one been issued.

(b) Every substitute Note issued pursuant to Section 2.8 (Replacement Notes) of the Indenture shall constitute an additional contractual obligation of the Issuer, whether or not the Note alleged to have been mutilated, destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionally with any and all other Notes duly issued under the Indenture.

(c) All Notes shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by Applicable Law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes, and shall preclude any and all other rights and remedies with respect thereto.

5. Trustee. For a description of the duties and the immunities and rights of the Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Trustee to the Holder hereof are subject to such immunities and rights.

6. Paying Agent; Notes Registrar. The Issuer will initially act as Paying Agent. Initially the Issuer will act as Notes Registrar for so long as the Notes are listed on the TACT Institutional. Upon written notice to the Trustee, the Issuer may change any Notes Registrar.

7. Automatic Conversion Upon a Capital Adequacy Trigger Event

(i) If a Capital Adequacy Trigger Event occurs, then an Automatic Conversion of all outstanding Notes will occur on the Conversion Date; provided that any issuance of Conversion Shares upon Automatic Conversion shall be completed prior to any injection of capital from the public sector (including any Governmental Entity), such that any equity rights issued to any Governmental Entity upon such injection shall not be diluted by such Automatic Conversion.

(ii) Notwithstanding the foregoing, if the Capital Adequacy Trigger Event is a Trigger Event for Principal Loss Absorption only, the Issuer may (but is not bound to) carry out partial conversion of the Notes and any Parity Obligations containing a similar partial conversion feature (the “Eligible Partially Convertible Securities”) (a “Partial Conversion”) such that, immediately following such Partial Conversion and the concurrent write down or conversion of all Parity Obligations, the Issuer’s CET 1 Ratio will equal or exceed 5.00%. For the avoidance of doubt, subject to the terms of the Indenture, the Issuer may carry out more than one Partial Conversion of the Notes between the Issue Date and the Maturity Date.

(iii) If the Issuer makes a Partial Conversion of the Notes, it will also elect to partially convert all Eligible Partially Convertible Securities on at least a pro rata basis (based on the aggregate principal amount of such securities outstanding).

(iv) Any Conversion Date shall fall no earlier than 21 and no later than 45 days after the occurrence of a Capital Adequacy Trigger Event.

(v) Notwithstanding the foregoing, an Automatic Conversion shall not occur if a temporary or permanent liquidator has been appointed in respect of the Issuer by a court of competent jurisdiction as of the Conversion Date.

#### 8. Enforcement.

(a) Subject to the provisions of Article 8 (Enforcement Events and Remedies) of the Indenture, if a Winding-up Event occurs before the occurrence of a Capital Adequacy Trigger Event, subject to the prior consent of the Relevant Regulator, the Trustee may demand immediate repayment of the principal amount.

(b) A “Winding-up Event”, with respect to the Notes, shall result if a permanent liquidator is appointed to the Issuer or an order is granted by a court of competent jurisdiction for the liquidation of the Issuer and the aforesaid appointment or order is not revoked within 30 days from the day on which it was issued.

(c) If default is made by the Issuer in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days in either case, the Trustee may, subject to Applicable Law, upon giving prior written notice as required under Applicable Law and in any event of at least seven Business Days to the Issuer, institute proceedings against the Issuer under Applicable Law for the Issuer’s winding up, dissolution or liquidation but may take no other action in respect of such default.

(d) Without prejudice to the foregoing, the Trustee may, upon giving prior written notice as required under Applicable Law and in any event of at least seven Business Days to the Issuer, institute such proceedings against the Issuer under Applicable Law as it sees fit to enforce any term, obligation or condition binding on the Issuer under the Notes or the Indenture (other than any payment obligations of the Issuer arising from the Notes or the Indenture) provided that the Issuer shall not as a consequence of such steps, actions and/or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it,

except for (a) under a final dissolution, winding up or liquidation order, or (b) with the prior approval of the Supervisor of Banks.

(e) Other than the limited remedies specified in the Indenture under Section 8.1 (Enforcement Events and Remedies), no remedy against the Issuer will be available to the Trustee (acting on behalf of the Holders of the Notes) or the Holders of the Notes, whether for the recovery of amounts owing in respect of such Notes or under the Indenture or in respect of any breach by the Issuer of any of its obligations under or in respect of the terms of the Notes or under the Indenture in relation thereto.

(f) Under the terms of the Notes, an Automatic Conversion or exercise of discretionary powers by the relevant resolution authority and/or any relevant regulatory authority with respect to the Notes will not constitute a Winding-Up Event or a default under the terms of the Notes or failure to perform by the Issuer in any manner whatsoever.

9. Notices. Notices will be mailed to Holders at their registered addresses. Notice sent by first class mail, postage prepaid, shall be deemed to have been given on the date of such mailing. In addition, the Issuer will cause all such other publications of such notices as may be required from time to time by Applicable Law.

10. Redemption of the Notes. The Notes are, under certain conditions, subject to redemption at the option of the Issuer as set forth in Section 3.1 (Optional Redemption) of the Indenture.

(a) Optional Redemption.

(i) The Issuer may, in its sole discretion, redeem the Notes then outstanding, in whole but not in part, on January 29, 2026 at 100% of their principal amount together with accrued but unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date fixed for redemption (an “Optional Redemption”). Such redemption will be subject, among other things, to the Redemption Conditions.

(b) Regulatory Event Redemption.

(i) The Issuer may, in its sole discretion, at any time, redeem the Notes then outstanding, in whole but not in part, upon the occurrence of a Regulatory Event at 100% of their principal amount, together with accrued but unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date fixed for redemption.

(ii) “Regulatory Event” means a change (or pending change which the Relevant Regulator considers to be sufficiently certain) in the regulatory classification of the Notes by the Relevant Regulator or otherwise, that occurs on or after the Issue Date and that does, or would be likely to, result in some of or the entire outstanding aggregate principal amount of the Notes at any time being excluded from, or ceasing to qualify as, Tier 2 Capital of the Group (whether on an individual or a consolidated basis).



(c) Tax Redemption

(i) If, as a result of (i) any change in or amendment to the laws, or any regulations or rulings promulgated under the laws of the State of Israel or taxing authority of the State of Israel affecting taxation, or (ii) any change in the official position regarding the application or interpretation of the laws, regulations or rulings referred to in (i), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Issue Date, or (iii) involuntary delisting of the Notes from the TASE for trading by institutional investors (the “TACT Institutional”), (a) the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in the State of Israel or taxing authority of the State of Israel in respect of any payment to be made on the next Interest Payment Date, or the value or amount of such deduction to the Issuer would be reduced, (b) the Issuer is required to pay Additional Amounts, or (c) the applicable tax treatment of the Notes would be materially affected (each such event or change in tax law or regulation or the official application thereof, a “Tax Event”), the Issuer may, in its sole discretion, at any time, redeem the Notes then outstanding, in whole but not in part, at 100% of their principal amount, together with accrued but unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date fixed for redemption, including, for the avoidance of doubt, any Additional Amounts with respect to the amount to be paid on redemption (a “Tax Redemption”).

11. Authentication. This Note shall not be valid for any purpose until a Responsible Officer of the Trustee manually signs the certificate of authentication hereon.

12. GOVERNING LAW. THIS SECURITY WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT FOR THE WAIVER OF SET-OFF PROVISIONS AND SUBORDINATION PROVISIONS IN SECTION 13.21 AND ARTICLE 6 OF THE INDENTURE, WHICH WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, ISRAELI LAW.

13. Waiver of Immunity. To the extent that the Issuer has or hereafter may acquire any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attached prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or its property, the Issuer hereby irrevocably waives, to the fullest extent permitted by Applicable Law, such immunity in respect of its obligations under this Note and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 13 shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for the purposes of such Act.

14. Warranty by the Issuer. Subject to Section 11 (Authentication), the Issuer hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of this Note, and to constitute the same a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, have been done and performed and have happened in accordance with all Applicable Laws.

15. Trustee Dealings with the Issuer. The Trustee or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes and may deal with the Issuer or its Affiliates, and the Issuer may deal with the Trustee, with the same rights it would have if it were not Trustee or such other agent.

16. No Set-off. The Notes are subject to the waiver of set-off provisions set forth in Section 13.21 of the Indenture.

17. No Recourse Against Others. Anything in the Indenture to the contrary notwithstanding, in no event shall the Trustee (or its officers, directors, employees, agents, successors and permitted assigns) or any Agent be liable under or in connection with the Indenture for any special, punitive, indirect or consequential loss or damage of any kind whatsoever, including lost profits, whether or not the likelihood of such loss or damage was known to the Trustee or any Agent and regardless of the form of action.

18. CUSIP and ISIN Numbers. The Issuer in issuing the Notes may use CUSIP and/or ISIN numbers (or any equivalent thereof issued by the TASE), and the Trustee may use CUSIP and ISIN numbers (or any equivalent thereof issued by the TASE) in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption or exchange, and reliance may be placed only on the other identification details placed thereon.

19. Indenture. The Issuer will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to the Issuer at the address specified on Schedule I attached to the Indenture.

20. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (Tenants in Common), TEN ENT (Tenants by the Entireties), JT TEN (Joint Tenants with Rights of Survivorship and not as Tenants in Common), CUST (Custodian), and U/G/M/A (Uniform Gift to Minors Act).

21. Descriptive Headings. The descriptive headings appearing in these Terms and Conditions are for convenience of reference only and are not intended to affect the interpretation of any provision of this Note.

22. Confidentiality. The Holders are subject to certain confidentiality obligations as set forth in the Indenture in respect of information that the Issuer delivers under the Indenture.

EXHIBIT B

FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby transfers to

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(PRINT NAME AND ADDRESS OF TRANSFEREE)

\$\_\_\_\_\_ principal amount of these Notes due 2031, and all rights with respect thereto, and irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer this Note on the books kept for registration thereof, with full power of substitution.

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Notes due 2031:

- (i) The signature on this transfer form must correspond to the name as it appears on the face of these Notes due 2031.
- (ii) A representative of the Holder shall state the capacity in which he or she signs (e.g., executor).
- (iii) The signature of the Person effecting the transfer shall conform to any list of duly authorized specimen signatures supplied by the registered Holder or shall be certified by a bank which is a member of \_\_\_\_\_ or in such other manner as the Paying Agent, acting in its capacity as transfer agent or the Trustee, acting in its capacity as Notes Registrar, may require.

EXHIBIT C

FORM OF TRANSFER RESTRICTION LEGEND

THIS SECURITY AND THE ORDINARY SHARES ISSUABLE UPON CONVERSION THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR THE ORDINARY SHARES ISSUABLE UPON CONVERSION OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY AND THE ORDINARY SHARES ISSUABLE UPON CONVERSION THEREOF, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE SECURITIES AND THE ORDINARY SHARES ISSUABLE UPON CONVERSION THEREOF ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES AND THAT ARE EITHER (I) CONDUCTED ON TACT INSTITUTIONAL OR (II) OTHERWISE IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (C) or (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON

THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY AND THE ORDINARY SHARES ISSUABLE UPON CONVERSION THEREOF IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

EXHIBIT D

FORM OF TRANSFER CERTIFICATE

BANK LEUMI LE-ISRAEL B.M.

34 Yehuda Halevi Street,

Tel Aviv,

65546,

Israel

REZNIK PAZ NEVO TRUSTS LTD., as TRUSTEE

14 Yad Harutzim Street

Tel Aviv,

6770007,

Israel

Re: \$750,000,000 3.275% Subordinated Notes due 2031 of Bank Leumi Le-Israel B.M.

Reference is hereby made to the Indenture, dated as of January 29, 2020 (the “*Indenture*”), between Bank Leumi Le-Israel B.M., organized under the laws of Israel (the “*Issuer*”) and Reznik Paz Nevo Trusts Ltd., as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_, (the “*Transferor*”) owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$ \_\_\_\_\_ in such Note[s] or interests (the “*Transfer*”), to \_\_\_\_\_ (the “*Transferee*”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. **Check if Transferee will take delivery of a Definitive Registered Note pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “*Securities Act*”), and, accordingly, the Transferor hereby further certifies that the Definitive Registered Note is being transferred to a person that the Transferor reasonably believed and believes is purchasing the Definitive Registered Note for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account

is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of Rule 144A under the Securities Act and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Definitive Registered Note will be subject to the restrictions on transfer enumerated in the Indenture and the Securities Act.

2. **Check if Transferee will take delivery of a Definitive Registered Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that the Definitive Registered Note is being transferred to a person that the Transferor reasonably believed and believes is purchasing the Definitive Registered Note for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a non-U.S. person in a transaction meeting the requirements of Rule 903 or Rule 904 under the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Definitive Registered Note will be subject to the restrictions on transfer enumerated in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

\_\_\_\_\_  
[Insert Name of Transferor]

By: \_\_\_\_\_

Name

Title

Dated:

EXHIBIT E

FORM OF AUTOMATIC CONVERSION NOTICE<sup>1</sup>

**NOTICE TO THE TASE, THE TRUSTEE AND FOR PUBLICATION AS A NOTICE TO  
HOLDERS AND BENEFICIAL OWNERS**

*[Issuer Letterhead]*

To: [The Trustee Contact Information] [The TASE Contact Information]

Cc: [The Paying Agent Contact  
Information]

**Re: Bank Leumi Le-Israel B.M \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) –  
Notice to the Trustee and the Holders and Beneficial Owners of the Occurrence of a Capital  
Adequacy Trigger Event**

This notice is in relation to Bank Leumi Le-Israel B.M's (the "Issuer") \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) issued on January 29, 2020 (the "Notes") pursuant to the Indenture, dated January 29, 2020, between the Issuer and Reznik Paz Nevo Trusts Ltd., as Trustee (the "Trustee") (the "Indenture"), and pursuant to the offering memorandum dated January 22, 2020. Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

The Issuer hereby notifies the TASE, the Trustee, and the Holders and Beneficial Owners of the Notes<sup>2</sup> that a Capital Adequacy Trigger Event has occurred with respect to the Notes. Such Capital Adequacy Trigger Event has occurred because *[the Issuer's CET1 Ratio as of [Date],<sup>3</sup> as determined by the Issuer was less than 5.00%]* [or] *[a notice in writing as of [Date]<sup>4</sup> was addressed to the Issuer from the Relevant Regulator that, in its opinion, a conversion of the Notes is necessary to avoid the Issuer reaching the [point of non-viability]]* [or] *[a decision as of [Date]<sup>5</sup> was taken to inject capital from the public sector, or support of equal value to the Issuer without which the Issuer will reach the point of non-viability, as determined by the Relevant Regulator].*

Upon the occurrence of the Capital Adequacy Trigger Event, the terms of the Notes provide for an Automatic Conversion of the Notes on the Conversion Date, which is expected to be [Date], based on the Conversion Price, which is [Price].<sup>6</sup> Upon the Automatic Conversion, all of the Issuer's obligations under the Notes shall be irrevocably and automatically released in consideration of the Issuer's issuance of

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<sup>1</sup> **Note: Addresses to be reconfirmed prior to when notice is sent; subject to modification if Notes are in definitive form and to changes in the TASECH (or successor clearing system) policies and procedures.**

<sup>2</sup> **Note: Holders and Beneficial Owners need to be notified through the ISA's website (*Magna*) and TASE's announcement system (*Maya*).**

<sup>3</sup> **Note: To be completed with the date of the relevant Capital Adequacy Trigger Event.**

<sup>4</sup> **Note: To be completed with the date of the relevant Capital Adequacy Trigger Event.**

<sup>5</sup> **Note: To be completed with the date of the relevant Capital Adequacy Trigger Event.**

<sup>6</sup> **Note: To be completed with the Conversion Date and Conversion Price.**



Ordinary Shares of the Issuer (the “Conversion Shares”). [Number] of Conversion Shares will be issued per Note, and [Number] of Conversion Shares will be issued in total.<sup>7</sup>

Accordingly, the Issuer hereby instructs the TASECH to indicate to all Holders of the Notes that payments of principal and interest are no longer payable under the Notes as of the Conversion Date and that the Notes will have no further entitlement to interest or principal as of such date by making a note to that effect in its system.

Should the TASECH or any Holder or any Beneficial Owner of the Notes have any inquiries, please contact:

*[Bank Leumi Contact Person]*

*[Telephone]*

*[Fax]*

*[Email]*

EXHIBIT F

FORM OF CONVERSION PROCEDURE NOTICE<sup>8</sup>

**NOTICE TO THE TASECH, THE TRUSTEE AND FOR PUBLICATION AS A NOTICE TO  
HOLDERS AND BENEFICIAL OWNERS**

*[Issuer Letterhead]*

To: [The Trustee Contact Information] [The TASE Contact Information]

Cc: [The Paying Agent Contact  
Information]

**Re: Bank Leumi Le-Israel B.M \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) –  
Notice to the TASE, the Trustee, Holders and Beneficial Owners of the Suspension Date**

This notice is in relation to Bank Leumi Le-Israel B.M's (the "Issuer") \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) issued on January 29, 2020 (the "Notes") pursuant to the Indenture, dated January 29, 2020, between the Issuer and Reznik Paz Nevo Trusts Ltd., as Trustee (the "Trustee") (the "Indenture"), and pursuant to the offering memorandum dated January 22, 2020. Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

The Issuer hereby notifies the TASE, the Trustee, and the Holders and Beneficial Owners of the Notes<sup>9</sup> that the Suspension Date shall be [Date].<sup>10</sup> Accordingly, the Issuer instructs the TASECH to suspend as of the Suspension Date all clearance and settlement of transactions in the Notes. As a result, Holders of the Notes will not be able to settle the transfer of any Notes following the Suspension Date, and any sale or other transfer of the Notes that a Holder of the Converted Notes may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by the TASECH and will not be settled through the TASECH.

[Bank Leumi le-Israel Ltd. Nominee Company (Hevra Lerishumim)] has been appointed as the Nominee Company.<sup>11</sup>

Should the TASE or any Holder or any Beneficial Owner of the Notes have any inquiries, please contact:

*[Bank Leumi Contact Person]*

*[Telephone]*

*[Fax]*

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<sup>8</sup> **Note: Addresses to be reconfirmed prior to when notice is sent; subject to modification if Notes are in definitive form and to changes in the TASECH (or successor clearing system) policies and procedures.**

<sup>9</sup> **Note: Holders and Beneficial Owners need to be notified through the ISA's website (*Magna*) and TASE's announcement system (*Maya*).**

<sup>10</sup> **Note: Insert the Suspension Date, which is the date on which the TASE shall suspend all clearance and settlement of the Notes, which date shall be no later than thirty-eight (38) Business Days after the publication of the Conversion Procedure Notice.**

<sup>11</sup> **Note: If the Issuer has been unable to appoint a Nominee Company, it shall also include in this notice such other arrangements for the issuance and/or delivery of the Conversion Shares to the Holders of the Notes as it shall consider reasonable in the circumstances.**

*[Email]*

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EXHIBIT G

FORM OF CONVERSION SHARES SETTLEMENT REQUEST NOTICE<sup>12</sup>

**NOTICE TO THE TASE, THE TRUSTEE AND FOR PUBLICATION AS A NOTICE TO  
HOLDERS AND BENEFICIAL OWNERS**

*[Issuer Letterhead]*

To: [The Trustee Contact Information] [The TASE Contact Information]

Cc: [The Paying Agent Contact  
Information]

**Re: Bank Leumi Le-Israel B.M \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) –  
Notice to the TASE, the Trustee, Holders and Beneficial Owners of the Suspension Date Requesting  
that Holders and Beneficial Owners Complete a Conversion Shares Settlement Notice**

This notice is in relation to Bank Leumi Le-Israel B.M's (the "Issuer") \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) issued on January 29, 2020 (the "Notes") pursuant to the Indenture, dated January 29, 2020, between the Issuer and Reznik Paz Nevo Trusts Ltd., as Trustee (the "Trustee") (the "Indenture"), and pursuant to the offering memorandum dated January 22, 2020. Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

The Issuer hereby requests that Holders of the Notes<sup>13</sup> provide notice to the Issuer, with a copy to the Trustee, in the form provided in Schedule I hereto before [Date]<sup>14</sup> (the "Notice Cut-off Date").

If a Holder provides the Conversion Shares Settlement Notice and the relevant Notes, if applicable, are delivered on or before the Notice Cut-off Date, the [Nominee Company]<sup>15</sup> shall deliver the relevant Conversion Shares (rounded down to the nearest whole number of Conversion Shares and excluding any Excess Shares) to the Holder of the relevant Converted Notes completing the relevant Conversion Shares Settlement Notice or its nominee in accordance with the instructions given in such Conversion Shares Settlement Notice on the applicable Settlement Date. If the Holder represents in the Conversion Shares Settlement Notice that the Conversion Shares Offer Criteria have been satisfied, any Excess Shares will be sold on the open market by the Trustee in a Conversion Shares Offer, and the Conversion Shares Offer Consideration transferred to the relevant Holder.

If a Holder fails to deliver a Conversion Shares Settlement Notice and the relevant Converted Notes, if applicable, on or before the Notice Cut-off Date, then the Conversion Shares relating to such Converted Notes will, as of the Notice Cut-off Date, be held by the Trustee on behalf of the relevant holder of Converted Notes or, in the case of any Excess Shares, the future purchasers of such Excess Shares,

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<sup>12</sup> **Note: Addresses to be reconfirmed prior to when notice is sent; subject to modification if Notes are in definitive form and to changes in the TASE's (or successor clearing system) policies and procedures.**

<sup>13</sup> **Note: Holders need to be notified through the ISA's website (*Magna*) and TASE's announcement system (*Maya*).**

<sup>14</sup> **Note: The Notice Cut-off Date must be at least forty (40) Business Day following the Suspension Date.**

<sup>15</sup> **Note: If the Issuer has been unable to appoint a Nominee Company, this should refer to the entity undertaking its functions.**

through the Nominee Company until the relevant Conversion Shares Settlement Notice and the relevant Converted Notes, if applicable, are so delivered. However, the relevant Converted Notes shall be cancelled on the Final Cancellation Date, which shall be *[Date]*,<sup>16</sup> and any Holder of Notes delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares satisfactory to the Issuer in its sole and absolute discretion in order to receive delivery of such Conversion Shares and any Conversion Shares Offer Consideration.

The Issuer hereby reiterates, for information purposes, that the Conversion Price is *[Price]*, and the number of Ordinary Shares per Note that will be issued in respect of the Automatic Conversion is *[Number]* per Note and *[Number]* in total.<sup>17</sup>

Should the TASE or any Holder or any Beneficial Owner of the Notes have any inquiries, please contact:

*[Bank Leumi Contact Person]*

*[Telephone]*

*[Fax]*

*[Email]*

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<sup>16</sup> **Note: The Final Cancellation Date may be up to twelve (12) Business Days following the Notice Cut-off Date.**

<sup>17</sup> **Note: To be completed with the Conversion Price and the numbers of Conversion Shares per Note and in total.**

SCHEDULE I

FORM OF CONVERSION SHARES SETTLEMENT NOTICE<sup>18</sup>

**NOTICE TO THE ISSUER, THE TRUSTEE AND THE TASE**

To: [The Issuer Contact Information] [The TASE Contact Information]  
Cc: [The Paying Agent Contact Information] [The Trustee Contact Information]

**Re: Bank Leumi Le-Israel B.M \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) – Conversion Shares Settlement Notice to the Issuer and the TASE**

This notice is in relation to Bank Leumi Le-Israel B.M's (the "Issuer") \$750,000,000 3.275% Subordinated Notes (ISIN: IL0060404899) issued on January 29, 2020 (the "Notes") pursuant to the Indenture, dated January 29, 2020, between the Issuer and Reznik Paz Nevo Trusts Ltd., as Trustee (the "Trustee") (the "Indenture"), and pursuant to the offering memorandum dated January 22, 2020. Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

<b>INFORMATION OF THE HOLDER FOR DELIVERY OF CONVERSION SHARES OR CONVERSION SHARES OFFER CONSIDERATION</b>	
<i>Surname/Company Name</i>	<i>First Name</i>
<i>Name to be entered in Bank Leumi Le-Israel B.M's share register</i>	
<i>Aggregate amount of the Notes held on the date hereof</i>	
<i>TASECH member name</i>	<i>TASECH member subaccount number</i>
<i>Cash account details (if applicable)</i>	

<sup>18</sup> **Note: Addresses to be reconfirmed prior to when notice is sent; subject to modification if Notes are in definitive form and to changes in the TASECH (or successor clearing system) policies and procedures.**

<i>[Account details of clearing system account]<sup>19</sup></i>	
<i>[Address to which any Conversion Shares should be delivered]<sup>20</sup></i>	
<i>[Tick if Conversion Shares Offer Criteria are satisfied. If yes, state percentage holding of Ordinary Shares upon Automatic Conversion and the number of Excess Shares this would result in]</i>  _____	<i>[Account into which the Conversion Shares Offer Consideration should be transferred]<sup>21</sup></i>
_____	
_____	

**YOU MUST DELIVER THE CONVERSION SHARES SETTLEMENT NOTICE TO THE ISSUER, WITH A COPY TO THE TRUSTEE, VIA THE TASE BEFORE [DATE].<sup>22</sup>**

If you fail to properly complete and deliver the Conversion Shares Settlement Notice and the relevant Notes, if applicable, on or before the Notice Cut-off Date, the Nominee Company shall continue to hold your Conversion Shares. However, your Notes shall be cancelled on the Final Cancellation Date, which shall be [Date],<sup>23</sup> and you will have to provide evidence of your entitlement to the relevant Conversion Shares satisfactory to the Issuer in its sole and absolute discretion in order to receive delivery of such Conversion Shares.

<sup>19</sup> **Note: To be included if the Conversion Shares will be delivered through a clearing system account other than TASECH.**

<sup>20</sup> **Note: To be included if the Conversion Shares are not a participating security in TASECH or any another clearing system.**

<sup>21</sup> **Note: To be included if the Conversion Shares Offer Criteria are satisfied.**

<sup>22</sup> **Note: The Notice Cut-off Date must be at least forty (40) Business Days following the Suspension Date.**

<sup>23</sup> **Note: The Final Cancellation Date may be up to twelve (12) Business Days following the Notice Cut-off Date.**