

May 18, 2025

Phoenix Financial Ltd ("The Company")

To	To
The Securities Authority	The Tel Aviv Stock Exchange Ltd.
www.isa.gov.il	www.tase.co.il

Re: Immediate Report regarding Subsidiaries' Renewal of Collective Agreement

The Company hereby announces that on 18 May 2025, a new collective agreement was executed, for the period from 1.1.2025 through 31.12.2027, between The Phoenix Insurance Company Ltd. and The Phoenix Pension and Provident Fund Ltd., subsidiaries of the Company (hereinafter, jointly: "**The Subsidiaries**"), and between The New Histadrut - The General Federation of Labor in Israel - Histadrut HaMaof ("**The Histadrut**") and the Employees Union (hereinafter: "**The Agreement**").

As part of the Agreement, and relating to employee rights in connection with the planned relocation to the new campus in Rishon LeZion, the Company shall, for the first time, allocate equity-based compensation in the form of restricted shares units (RSUs) to all The Subsidiaries' employees who are eligible therefor, subject to the conditions defined in the Agreement, for the purpose of encouraging excellence and creating an incentive-based work environment aligned with the success of the Company.

Pursuant to the Agreement, the provisions of the previous¹ collective agreements in The Subsidiaries shall continue to apply during the term of the Agreement, except for changes defined in the Agreement, the main ones of which are as follows:

1. **A. Salary Increases** - During the term of the Agreement, The Subsidiaries shall pay, to permanent employees and employees in a probationary period, subject to the conditions defined in the Agreement², a gross salary increase in a total amount of NIS 29 million. The salary increases for hourly employees in the various service centers shall be in accordance with the tables included in the Agreement.
- B. Allocation of Restricted Shares Units** - The Company shall allocate to The Subsidiaries' employees who are eligible therefor, subject to the conditions defined in the Agreement, unregistered restricted shares units (RSUs), under the Company's equity based compensation plan, with a total cost of approximately Nis 7.7 Million for the year 2025.

¹ See details in the Immediate Report dated January 5, 2016 (Reference No. 2016-01-075355) regarding the collective agreement from 2016, as well as in the Immediate Report dated May 6, 2019 (Reference No. 2019-01-039201) regarding the collective agreement from 2019.

² That are not call centers hourly paid employees.

2. **Minimum Wage** - The monthly minimum wage for a full-time employee shall be NIS 7,000 gross in 2025, NIS 7,250 gross in 2026, and NIS 7,500 gross in 2027.
3. **Annual Bonus** - Insofar as The Subsidiaries meet between 100% and 150% of the profit targets to be determined by the BOD of The Subsidiaries in relation to the relevant year, The Subsidiaries shall allocate a budget for the payment of a bonus to employees, the total cost of which shall be between an amount equal to 6.791% of the annual salary cost in the year preceding the year in which the bonus shall be paid, which is equivalent to one monthly salary, and an amount equal to 13.581%, which is equivalent to two monthly salaries.
Insofar as The Subsidiaries does not meet 70% of the profit targets determined in relation to the relevant year - there shall be no eligibility for bonus distribution for that year.
4. **Phoenix's Participation in the Cost of Daily Lunch for Employees** – from July 1, 2025 The Subsidiaries shall allocate an annual budgetary addition in the amount of NIS 32.6 million for each calendar year of the term of the Agreement, which shall be designated for its participation in the cost of the daily lunch for The Subsidiaries employees eligible for the arrangement.
5. **Relocation to the New Campus** - Within the framework of the Agreement, provisions were set forth with respect to the relocation to the campus, including the allocation of unregistered restricted share units (RSUs), under the Company's equity based compensation plan, to Phoenix employees who are eligible therefor, subject to the conditions defined in the Agreement, with a total cost of approximately NIS 35.8 Million.
6. **Exhaustion of Claims and Industrial Stability** - The Agreement constitutes full and complete exhaustion of the parties' claims for the duration of the Agreement. The parties to the Agreement have undertaken to maintain mutual industrial stability with respect to the matters settled in the Agreement.
7. The estimated average annual cost of headcount costs (excluding costs that are subject to meeting targets) for the years of The Subsidiaries Agreement is approximately NIS 61.6 million. The estimated average annual cost of the annual bonuses expected to be granted for the years 2025, 2026, and 2027, assuming achievement of 100% of the profit targets for the relevant years, shall be approximately NIS 83 million per year.
8. Notably, the amounts referred to above are in lieu of costs in respect of headcount costs that would have been incurred by The Subsidiaries even if this Agreement had not been executed. It is further clarified that the aforesaid data do not include cost estimates for benefits whose scope of implementation is uncertain, including with respect to The Subsidiaries achievement in excess of the profit target to be determined for the relevant year.
9. A Part of the information included in this report constitutes forward-looking information within the meaning of the Securities Law, which depends, inter alia, on the scope of the headcount, The Subsidiaries financial results, and its achievement of the profit targets to be determined.

10. The Company and Subsidiaries management thanks the Employees' Union and the Histadrut for their cooperation and for reaching a new collective agreement for the benefit of The Subsidiaries and its employees.

Respectfully,
Phoenix Financial Ltd.
c/o Adv. Menachem Neeman
Chief Legal Counsel