Cabinet Secretariat

Resolution Number MH/1 of the Ministerial Committee for Privatization Matters dated April 12, 2022.

MH/1. The Privatization of Israel Postal Company Ltd.

Resolve to amend the Ministerial Committee for Privatization Matters' Resolution No. MH/7 of July 2, 2018 regarding the Israel Postal Company (the "**Postal Company**" or the "**Company**"), as amended in Resolution No. MH/10 of July 2, 2018 as follows:

1. In the first part, "up to 40%" will be replaced by "100%"; And the words: "in two stages" will be deleted.
2. Section 1 of the Resolution will be deleted.
3. Section 2.1 of the Resolution will be replaced by the following:

   "2.1. The sale of 40% (fully diluted) of the Company's share capital, by way of an offering to the public according to one or more prospectuses, on the Tel Aviv Stock Exchange, which will include a sale offering by the state, allocation of shares with capital raising for the Company or any combination thereof ("Public Offering"). The rest of the state's holdings in the Company (60%) will be sold, as a single whole, by way of sale to a private investor or a group of investors, from Israel or abroad ("Private Sale"), which can be carried out in combination with raising capital for the Company through the allocation of the Company shares to the buyer."
4. Section 2.2 of the Resolution will be deleted.
5. Section 2.4 will be followed by:

   "2.5 Government corporations, including government companies, government subsidiaries and mixed companies will not be allowed to participate in the sale process, directly or indirectly, alone or together with others.

   2.6 If the Ministers of Finance and Communications determine that there is no benefit, in terms of the privatization, to carrying out the Public Offering prior to the sale to the private investor, including due to the schedules for carrying out the offering and taking into account the Company's financing needs as well as due to the market's situation and the viability of the transaction, or if by March 31, 2023 no Public Offering will be carried out, they may decide that the Company's share capital, which was supposed to be sold by means of a Public Offering, will be added to the Company's share capital that will be included in the Private Sale, so that all 100% of the state's shares in the Company will be sold, as a single whole, in a Private Sale."
6. Section 3 of the Resolution will be amended so that "General Security Service" will be followed by "and in consultation with the Ministry of Foreign Affairs", "prior to the date of submission of the bids for the purchase of the state's holdings in the Company pursuant to section 1.1" will be replaced by "prior to the date of publication of a prospectus for the purpose of the Public Offering, and in the event a resolution was adopted pursuant to section 2.6 – prior to the publication of the sale procedure for the purpose of the Private Sale."

7. Section 5.2 of the Resolution will be replaced by the following: The Ministerial Committee directs the Minister of Communications to take steps to amend the Postal Company's general license and the Minister of Communications and the Minister of Finance, if necessary, to take steps to amend secondary legislation, if necessary and *inter alia* in accordance with the Postal Law (Amendment No. 13), 5782-2022.

8. In section 5.3 of the Resolution, "and including" will be followed by "to authorize the Authority to carry out by itself or by giving instructions to the Company as stated, as applicable, the following actions:"

9. Section 5.3.4 will be followed by:

   "5.3.4a To take steps to establish all the necessary arrangements for the execution of this resolution, including anchoring in such arrangements the Company's undertakings or the buyer's undertakings within the framework of the Private Sale on the following subjects:

   1) For a period of 5 years from the date of completion of the Private Sale, two directors from among the employees will serve on the Company's board of directors.

   2) For a period of 5 years after the date of completion of the Private Sale, it will not be possible to carry out a distribution exceeding 50% of the Company's current profits.

   3) Even if the legal restriction on the sale of Postal Bank shares is removed, the Company will not sell Postal Bank Ltd. or its operations for a period of 5 years from the date of completion of the Private Sale, except for the issuance of up to 49% of the Postal Bank Company shares in a public offering according to a prospectus on the Tel Aviv Stock Exchange."

10. Section 11 of the Resolution will be repealed.