

# **Maof Derivatives Guide**

## **Board of Directors Resolutions**

### **All-Bond Indices**

**This is not an official translation and has no binding force.**

**Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the original. In the event of any discrepancy between the original Hebrew and this translation, the Hebrew alone will prevail. The reader is therefore warned to take proper professional advice before acting further hereto, as neither The Tel-Aviv Stock Exchange Ltd. nor the translators assume any liability for accuracy hereof.**

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

**TABLE OF CONTENTS**

**COMPOSITION AND UPDATE OF ALL-BOND INDICES**

**ALL-BOND-GENERAL INDEX**

**ALL-BOND-LINKED INDEX**

**ALL-BOND-SHEKEL INDEX**

**ALL-BOND-FLOATING INDEX**

This English version is an unofficial translation of the official Hebrew version and has no binding force.  
The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

**ALL-BOND INDICES**  
**TABLE OF CONTENTS**

<b><u>Index</u></b>	<b><u>Page</u></b>
Composition and Update of All-Bond Indices	H-1
All-Bond-General Index	H-13
All-Bond-Linked Index	H-14
All-Bong-Shekel Index	H-16
All-Bond-Floating Index	H-18

This English version is an unofficial translation of the official Hebrew version and has no binding force.  
The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

## Composition and Update of All-Bond Indices

The All-Bond indices composition, calculation, and update are as follows.

### 1. Definitions

For the purpose of this chapter:

<b>Terms</b>	<b>Definitions</b>
“Bond”	- Commitment certificate of any kind, except convertible bonds.
"Government Bond"	- Bonds issued under the Mileva State Law, 1979.
"Indices Committee"	- A committee comprising TASE’s Chief Executive Officer, its Trading Manager and the Head of the Listing and Economics Department or someone selected as a substitute for one of these.
“All-Bond Universe”	- A universe of a bond series that meets the constituency criteria set forth below.
"Weight Limit"	- A weight cap or equal weighting.
“All-Bond Indices”	- Any index carrying in its name the expression “All-Bonds” and is calculated and disseminated by TASE.
“Indices Director”	- The Trading Manager or someone authorized by them.
"Trading Manager"	- As its meaning in the regulations under the Third Part of the TASE Rules or someone authorized by them.
"Equal Weighting"	- Identical weight given to each of the bond series that is a constituent in the index.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

**Terms****Definitions**

"Weighted Revenue" - The weighted revenue of a series of bonds will be calculated as follows:

$$M_{Avg} = \sum_{i=1}^n \left( \frac{Q_i}{Q} \times \frac{t_d}{365} \right)$$

where,

- $M_{Avg}$  - Weighted redemption in years.
- n - Number of redemptions remaining from the index update record date and until the final redemption of the bonds, with the exception of unpaid redemptions, but the redemption ex-date has been set and passed.
- $Q_i$  - Number of bonds in par value that will be redeemed at redemption i.
- Q - Number of binds in par value remaining for redemption as of the index update record date, with the exception of unpaid redemptions, but the redemption ex-date has been set and passed.
- $t_d$  - A period in days from the index update record date until the i payment date of the bond series, with the exception of unpaid redemptions, but the redemption ex-date has been set and passed.
- Notwithstanding the aforementioned,
- $t_d$  - In the event the issuer is classified under the Banking Sector based on TASE's sectoral classification, and under the bond's conditions it is set an occasion that from there on the issuer is allowed for early redemption of the bond, that event will be considered as the final redemption date of the bond series.
- In the event the issuer is classified under the Insurance Sector based on TASE's sectoral classification, the first event where "incentive for early redemption" is considered as the final redemption of the Bond series, all according to the directives for equity of Insurance companies published by the Capital Market, Insurance and Saving Authority.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

<b>Terms</b>	<b>Definitions</b>
“Market Capitalization”	<ul style="list-style-type: none"> <li>- The capital listed for the trading of a bond series, multiplied by the closing price set of the bonds, on a given day.</li> </ul>
“Average Market Capitalization”	<ul style="list-style-type: none"> <li>- The average price of a bond series multiplied by the TASE-listed capital on All-Bond universe update record date.</li> </ul> <p>Notwithstanding the aforementioned,</p> <ul style="list-style-type: none"> <li>- In the event that in the period between the closest date for updating the All-Bond universe and the following update date, a partial redemption record date of the fund in the bond series takes places, the capital listed for trading shall be calculated excluding the partial redemption expected to be redeemed as aforesaid.</li> <li>- In the event the issuer is classified under the Banking Sector based on TASE's sectoral classification, and under the bond's conditions it is set an occasion that from there on the issuer is allowed for early redemption of the bond, that event will be considered as the final redemption date of the bond series.</li> <li>- In the event the issuer is classified under the Insurance Sector based on TASE's sectoral classification, the first event where "incentive for early redemption" is considered as the final redemption of the Bond series, all according to the directives for equity of Insurance companies published by the Capital Market, Insurance and Saving Authority.</li> </ul>
“Average Price”	<ul style="list-style-type: none"> <li>- The average closing prices of the TASE-listed bond series, which were determined as of the ninth trading day preceding the All-Bond universe updated record date, as is defined herein (hereinafter: “the first average day”), and up until the All-Bond universe updated record date.</li> <li>- However, should the bond become listed on TASE after the first average date, the average price shall be the average of the closing prices starting from the bond's TASE listing date and ending on the All-Bond universe update record date.</li> <li>- Should an ex-price be set for a bond series during the period between the first average day and the All-Bond update record date, the average closing price for the</li> </ul>

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

<b>Terms</b>	<b>Definitions</b>
	bond series will be calculated where each of the aforesaid closing prices, between the first average day and the trading day preceding the ex-date, will be multiplied by the ratio between the base price of the bond series on the ex-day and the determining rate of the bond series on the trading day preceding ex-day.
“Weighted Cap”	- The maximum weight in percent a bond series can be assigned in the index.
“Payment”	- Payment of principal or interest, as applicable.

## 2. General

The All-Bond indices will comprise solely of shares included in the All-Bond universe.

Should a bond series be deleted from the All-Bond universe, it will be deleted from all the All-Bonds indices in which it is included on the day of its removal from the All-Bonds universe.

## 3. All Bond-Universe – Formation and Update Methodology

- A. The universe shall be updated semi-annually, at the end of the trading day that will occur on the third Thursday in the months May and November (hereafter: "All-Bond universe update date"), and this, subject to the following conditions:
- 1) If on this day trading is not conducted on the Tel Aviv Stock Exchange or on the stock exchanges in the United States listed in Schedule Two of the Securities Law (hereinafter: “Exchanges Abroad”), the universe update date will be postponed to the close of the next trading day, and solely if on that day trading is conducted on both the Tel Aviv Stock Exchange and on the Exchanges Abroad.
  - 2) If on this day trading did not end in the closing trading phase, the universe update date shall be postponed to the close of the next trading day and solely if on that day, trading is conducted on both the Tel Aviv Stock Exchange and on Exchanges Abroad.
  - 3) Should the All-Bond universe update date be postponed as aforementioned in subparagraphs 1) and 2) above, no revision to the universe update record date will be made, as stipulated below.
- B. The record date for updating the All-Bond universe will be at the close of the Thursday three weeks prior to the All-Bond universe update date (hereinafter: “the All-Bond universe update record date”).
- C. On the All-Bond universe update date, each share, which on the universe update record date meets the following cumulative conditions (hereinafter: All-Bond constituency criteria), will be included in the All-Bonds).

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

## H-5

- 1) The bond series is listed for trade on the stock exchange.
- 2) The average market value of the bond series -
  - a) If on the All-Bonds universe update record date the bond series is an All-Bonds universe constituent – its average market value is no less than NIS 100 million.
  - b) If on the All-Bond universe update record date the bond series is not an All-Bonds universe constituent – its average market value is no less than NIS 150 million.

Notwithstanding the aforementioned, on the first All-Bond universe update record date, the average market value will not be less than NIS 100 million.

- 3) On the All-Bond universe update record date at least 12 months remain up to the final redeem date of the bond series.
- 4) To date, no delisting processes have been initiated from the trading of the bond series.
- 5) Bond trading is not suspended.
- 6) Trading unit of the bond series – NIS 1.
- 7) It is rated at least at the minimum rating level as determined by the indices committee<sup>1</sup>.

D. As follows:

- 1) On the All-Bond universe update record date, the bond series that does not meet the All-Bond constituency criteria will be removed from the universe.
- 2) As follows:
  - a) On the All-Bond universe update record date, the bond series that meet the All-Bond constituency criteria will be added to the universe, if during the period between the universe update record date and the date preceding the universe update record date no event occurred that stipulates its removal from the All-Bond universe, as stated below in section 4.

Notwithstanding the aforementioned, the Trading Manager can add to the All-Bond universe, at the universe update record date, a bond series that is subject to removal from the All-Bond universe, as stated.

- b) An event occurred with respect to a bond series that constitutes grounds for removal from the universe as stated in section 4 below.

<sup>1</sup> It will be recommended to the Indices Committee that no rating conditions will be set for All-Bond universe, and instead, until the end of the technical preparation in handling default payment events, the rating of a non-government bond series will be at least (BBB-) in the Maalot rating or (Baa3) in the Midroog rating. If a non-governmental bond series is ranking in both Maalot and Midroog, the higher ranking of the two will be the determining one for the matter of examining compliance with this threshold criteria.



Hereinafter, between the trading day that preceded the universe update record date and the updated record date itself of the All-Bond universe, the bond series will be added to the universe.

Notwithstanding the aforementioned, the Trading Manager can decide that the bond series will not be added to the All-Bond universe on the update record date.

- E. The list of All-Bond constituents on the universe update date shall be published by the close of the second Thursday following the universe update record date. If trading was not conducted on this date on either the Tel Aviv Stock or on the Exchanges Abroad, the publication of the universes will be postponed to the close of the next first day on which trading is conducted both on the Tel Aviv Stock Exchange and on the Exchanges Abroad (hereinafter: “the All-Bond universe publication date”).

#### **4. Deletion of a bond form All-Bonds universe**

- A. In the event that one or more of the following grounds for deletion should exist, a bond will be deleted from the All-Bond universe in the manner and on the date specified below:
- 1) Suspension
    - a) Trading in a bond series is suspended due to failure to submit financial reports on a timely manner, the bond series will be removed from the All-Bonds universe.
    - b) Trading in a bond series is suspended due to one of the stipulations listed in sections 6.A.2 and 6.A.2 of the Fourth Part of the TASE Rules, the bond series will be removed from the All-Bonds universe following its trading suspension.
    - c) Should trading be suspended for a bond series, on grounds other than those specified in sections A.1.a and A.1.b. above, the bond series will be removed from the All-Bond universe following its trading suspension.
  - 2) Delisting

A last trading day was set for the bond series due to the decision to delist the bond series from the stock exchange, the bond series will be deleted from the All-Bond universe following the time at which its last trading day was set as specified above.
  - 3) Minimal Market Value

If the market value of the bond series is reduced by NIS 75 million at the end of a trading day, the bond series will be deducted from the All-Bonds universe shortly after the date on which the market value of the said series was less than NIS 75 million for the first time.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

## 4) Series Replacement

If a series of bonds (hereinafter: "the replaced series") has been replaced by another bond series (hereinafter: "the replacing series"), the replaced series will be deducted from All-Bond universe shortly after the event. The Indices Director is authorized to decide that the replacement series will replace the replaced series in the All-Bond universe and in the indices in which the series was included.

## 5) Early Redemption

In an event where a company announced a full and early redemption of corporate bond series, the corporate bond series shall be deleted from the All-Bond universe following the last trading day of the corporate bond series due to the announcement, as mentioned.

## 6) Payment Failure

- a) If the company was obligated to make a payment to the holders of a nongovernmental bond series and has announced that this payment will not be made on the designated payment date, that nongovernmental bond series will be deleted from the All-Bond universe following the announcement, as mentioned.
- b) If the company was obligated to make a payment to the holders of a nongovernmental bond series and this payment was not made on the designated payment date, that nongovernmental bond series will be deleted from the All-Bond universe following the designated payment date which was not met, as mentioned.

B. Should there be two or more grounds for deleting a bond series from the All-Bond universe, and in accordance with the various grounds more than one date for deletion from the universe are set, the bond series shall be deleted from the All-Bond universe on the earliest date as stipulated in sub-paragraph A above.

C. 1) Should the grounds for deleting a bond series from the All-Bond universe, as applicable, be annulled up to 14:00 on the trading day preceding the designated deletion date (hereafter: "the annulment deadline"), the bond series shall not be deleted from the All-Bond universe.

Notwithstanding that stated above, on Chol Hamoed Succot and Chol Hamoed Pesach, the annulment deadline will be 12:00 on the trading day preceding the deletion date.

2) Should the grounds for deleting a bond series from the All-Bond universe, as stipulated, be annulled after the annulment deadline, the bond series will be deleted from the All-Bond universe.

D. Prior to the deletion of a bond series from the All-Bond universe, an announcement shall be disseminated over the TASE notification system on which TASE publicizes the date of the impending deletion of the bond series from the All-Bond universe.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

## 5. Composition of All-Bond indices, calculation, and update methodology

- A. The above and following provisions shall apply to all of the All-Bond indices. In addition to these provisions, the rules stipulated in the annexes to this document shall apply to each individual All-Bond index, as well.
- B. A list of the constituent bond series of each one of the All-Bond indices shall be updated twice annually on the All-Bond universe update date, as specified in the annex to these provisions, as applicable.

The update record date for the list of constituent bonds in each one of the All-Bond indices shall be the All-Bond universe update record date.

- C. Should the All-Bond universe update date be postponed as stipulated in Paragraph 3 above, the All-Bond index update date shall be postponed accordingly.

## 6. Weighting of a bond series in an index

- A. The weight of a bond series in an index shall be calculated as the ratio between the market capitalization of the bond series and the market capitalization of all constituent bond series in the index, according to the following formula and subject to the provision set in subparagraphs B below:

$$W_i = \frac{Q_i^t \times P_i^f}{\sum_{i=1}^n Q_i^t \times P_i^f}$$

where,

<b>Terms</b>	<b>Definitions</b>
--------------	--------------------

$W_i$	- Weight of a bond series $i$ in an index.
-------	--

$n$	- Number of constituent bond series in an index.
-----	--

$Q_i^t$	- TASE-listed trading capital of a bond series $i$ in an index on day $t$ prior to the start of trade.
---------	--

$P_i^t$	- Base Price of bond series $i$ on day $t$ .
---------	--

- B. If in an index for which a weight cap has been set, it is discovered that, according to the equation stipulated in subparagraph A above, the weight of a given bond series in the index exceeds the weight cap set for that index, the weight of that bond series in the index will be set to the index weight cap and the residual portion will be referred to hereinafter as: "the excess".

The total excess of all the constituent bond series in an index shall be divided on a pro rata basis between the remaining constituent bond series in the index, according to the formula stipulated in subparagraph A above, and solely such that none of the constituent bond series exceed the weight cap set for that index.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

## 7. Calculation and publication of the All-Bond indices

### A. Index calculation formula

All-Bond indices shall be calculated as stipulated in the following formula:

$$M_{t,j} = M_{t-1} \times \left| \sum_{i=1}^n W_i^t \times \frac{P_{ij}^t}{P_i^t} \right|$$

where,

#### Terms Definitions

n	-	Number of constituent bond series in an index.
$M_{t,j}$	-	Index on day t at point in time j.
$M_{t-1}$	-	Closing index in day t-1.
$W_i^t$	-	Weight of a bond series i in the index on day t, as calculated in clause 6 above, or equal weight, as applicable.
$P_{ij}^t$	-	Price of bond series i on day t at point in time j.
$P_i^t$	-	Base price of bond series i on day t.

### B. Calculation of theoretical indices

Theoretical indices will be calculated and published during the pre-opening session, according to the theoretical opening price, as defined in Chapter E of the Regulations under the third part of the Rules, at the time of calculation of each of the bond series included in the index.

Trading in a bond series has been suspended or discontinued after theoretical opening prices have been calculated or before its trading has ceased, theoretical indices will be calculated according to the last theoretical opening price calculated for the bond series.

If theoretical indices were not calculated for the bond series, the theoretical indices will be calculated per base price of that bond series on that day.

The frequency of calculation and dissemination of a theoretical index shall be determined by the Indices Committee.

### C. Calculation of opening price index

- 1) The opening price index will be calculated and published according to the opening prices of the bond series included in the index.

If trading in a bond series is ceased at the pre-opening session and trading already took place on the same day, the opening index will be calculated

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

according to the price determined for the bond series as stated in the continuous multi-lateral trading that took place that day.

If no continuous trading took place in the bond series during the entire trading day, the opening price index will be calculated throughout the trading day per opening base price of the bond series on that day.

- 2) Despite the stated above, if no continuous trading in the bond series took place until 10:00, TASE's Trading Manager is authorized to order the calculation of the opening index at the base price of that bond series on the same day.

#### D. Calculation of real-time indices

Real-time indices will be calculated and published at the continuous trading session, based on the price of the last transaction executed in each of the bond series included in the index, at the time of calculation. The frequency in which calculation and publication of real-time indices will be done is determined by the Indices Committee<sup>2</sup>.

Were no trades executed in the bond series included in the continuous trading session, the index will be calculated according to the opening price of the bond series on that trading day. If an opening price was not calculated for the corporate bond series, the index will be calculated according to the base price of the bond series on the same day.

#### E. Calculation of record index

- 1) The record index shall be calculated and published at the end of each trading day based on the closing prices, as defined in Chapter A of the Third Part of the Rules, for the bond series included in the indices.
- 2) Notwithstanding that stated in subparagraph 1) above, in the following instances the record index shall be calculated as follows:
  - a) If no separate closing or opening trading took place, in the bond series included in the index on the day it was deleted from the index, on grounds stipulated in subparagraph 4.A.1) b. above, the record index shall be calculated on its deletion date from the index, as if the closing price of that bond series equals 0.
  - b) If no payment was made for the bond series and on the ex-date as stated the bond series was included in the index, on the trading day following the unpaid payment day the record index shall be calculated as follows:

$$M_K = M_L - M_{Kcum} \times W_{cum} \times \frac{T}{P_{Kcum} \times Q_{Bcum}}$$

where,

<sup>2</sup> Indices Committee has decided that TASE's indices will be calculated every 15 seconds.

<b>Terms</b>	<b>Definitions</b>
$M_k$	- Record index on the day of the calculation above.
$M_L$	- Record index calculated under section 1) above.
$M_{Kcum}$	- Record index on the trading day preceding the trading day on which the base price of the said bond series constituted the ex-payment price for a delinquent payment.
$W_{cum}$	- Weight of the said bond series in the index on the trading day preceding the trading day on which the base price of that said bond series constituted the ex-payment price for a delinquent payment.
$P_{Kcum}$	- Record price of the said bond series on the trading day preceding the trading day on which the base price of that corporate bond series constituted the ex-payment price for a delinquent payment.
$O_{Bcum}$	- TASE-listed debt capital of the said bond series at the beginning of the trading day preceding the trading day on which the base price of that bond series constituted the ex-payment price for a delinquent payment.
T	- Total amount of the delinquent payment, in agarot [NIS 0.01].

## **8. Notice of changes to stipulations and Indices Committee resolutions**

- A. An amendment to the Board of Directors resolutions shall take effect, at least 3 trading days after a notice has been issued regarding the amendment in TASE's systems. However, in exceptional cases, the Indices Manger may shorten the period of time between the publication of the said notice and the entry into force of the amendment.
- B. Decisions of the Indices Committee and of the Indices Director received in accordance with the authority provided on these decisions of the Board of Directors, shall take effect at least 3 trading days after its publication to the public in TASE's systems along with the reasons. However, in exceptional cases, the Indices Committee and Indices Director are authorized, according to the case, to shorten the period between the publication of the said notice and the entry into force of the decision.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

**9. Data used to calculate and update All-Bond indices**

The data used to calculate and update All-Bond indices, including the data used to revise the composition of the indices and those used to weight the various constituent of a bond series in the index, shall be based on the data recorded by TASE.

**10. Contingencies**

- A. In cases where no rules have been set, the Indices Committee will determine how to act accordingly based on principles detailed above.
- B. In cases where rules have been determined in respect of which the Indices Committee believes that it should be treated differently, the Indices Committee will determine how to act according to the circumstances of the case.

Should the Indices Committee adopt a decision as aforesaid, the Committee shall report its decision and reasons to the Board of Directors.

**11. Degree of accuracy**

All data and calculations stipulated in this chapter shall be calculated to an accuracy level of five decimal places, and this by rounding the number appearing in the sixth decimal place, according to accepted rounding practice, all unless explicitly stated otherwise.

## All-Bond-General Index

The following rules shall also apply to the composition and calculation of the All-Bond-General index.

1. The All-Bond-General index (hereafter: “the index”) will include all bond series which, on the All-Bond universe update record date, meet the bond universe eligibility criteria as set in paragraph 2. below.
2. On each index update date, the list of bond series included in the index shall be updated according to the procedure below:
  - A. On the index update date, all bond series that meet the index criteria on the index update record date shall be added to the index.
  - B. On the index update date, all corporate bond series failing to meet the index criteria on the index update record date shall be deleted from the index.
  - C. The weight of each bond series expected to be included in the index on the coming index update date, shall be calculated according to bond series data on the index update record date.

Should the weight within the index of all nongovernmental bond series issued by a single issuer exceed 20%, the nongovernmental bond series issued by the issuer with the lowest market capitalization shall be deleted from the index, until the total weight of all bond series issued by that same issuer does not exceed 20%, at the most.

For this purpose –

When the issuer is a company included in either the Banking or Insurance sectors, based on TASE's sectoral classification, the bond series issued by wholly owned subsidiaries of the issuer shall also be taken into account when calculating the weight of this issuer's bond series in the index.

3. Weight cap of a bond series in the index – 1.5%.
4. Index launch date – January 1, 1984.
5. Index base index on the index launch date – 100.

The All-Bond-General index was first launched as a “general bond” index on January 1, 1984, at a base of 100. The index rules were adjusted to the methodology of the All-Bond indices on May 23, 2021 and its name was updated to All-Bond-General index. This index was updated on a daily basis, at the close of every trading day. The base price for All-Bond-General on May 23, 2021, was identical to the closing index of general bonds at end-of-day May 20, 2021. This index shall be updated continuously throughout the entire trading day.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).



## All-Bond-Linked Index

The following provisions shall also apply to the composition and calculation of the All-Bond-Linked index.

1. Eligibility criteria for a constituent bond series in the All-Bond-Linked index (hereinafter: "the index") include the following cumulative criteria:
  - A. Bond series that meet the eligibility criteria for inclusion in the All-Bond-General index on the All-Bond-General update record date.
  - B. Bond series that are linked to Israel's Consumer Price Index (CPI).
2. The All-Bond-Linked index shall comprise all bond series which on the index update record date meet the criteria of the index, subject to the stipulations of paragraph 3 below:
3. On each index update date, the list of bond series included in the index shall be updated according to the procedure below:
  - A. On the index update date, all bond series that meet the index criteria on the index update record date shall be added to the index.
  - B. On the index update date, all bond series failing to meet the index criteria on the index update record date shall be deleted from the index.
  - C. The weight of each bond series expected to be included in the index on the coming index update date, shall be calculated according to bond series data on the index update record date.

Should the weight within the index of all nongovernmental bond series issued by a single issuer exceed 20%, the nongovernmental bond series issued by the issuer with the lowest market capitalization shall be deleted from the index, until the total weight of all bond series issued by that same issuer does not exceed 20%, at the most.

For this purpose –

When the issuer is a company included in either the Banking or Insurance sectors, based on TASE's sectoral classification, the bond series issued by wholly owned subsidiaries of the issuer shall also be taken into account when calculating the weight of this issuer's bond series in the index.
4. If a series was deleted from All-Bond-General index, it will also be deleted from All-Bond-Linked.
5. The weight limit of a constituent bond series in the index – 3%.
6. Index launch date – January 1, 1984.
7. The base index for the index on its launch date – 100.

The All-Bond-Linked index was first launched as a "CPI-index linked bond" index on January 1, 1984, at a base of 100. The index rules were adjusted to the methodology of the All-Bond indices on May 23, 2021 and its name was updated to All-Bond-

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

Linked index. The base index of All-Bond-Linked on May 23, 2021, is identical to the closing index of index-linked bonds at end-of-day May 20, 2021.

## All-Bond-Shekel Index

The following provisions shall also apply to the composition and calculation of the All-Bond-Shekel index.

1. Eligibility criteria for a constituent bond series in the All-Bond-Shekel index (hereinafter: "the index") include the following cumulative criteria:
  - A. Bond series that meet the eligibility criteria for inclusion in the All-Bond-Shekel index on the All-Bond-General update record date.
  - B. Bond series that are not linked.
  - C. Bond series that have a fixed interest rate for all payments remaining until final redemption.

For this purpose, a bond series will be considered as having a fixed rate even if the terms of which stipulate that from a certain date forward interest rates may change for it, as long as this bond bears a fixed interest rate after the relevant rate change occurs.

2. The All-Bond-Shekel index shall comprise all bond series which, on the index update record date meet the criteria of the index.
3. On each index update date, the list of bond series included in the index shall be updated according to the procedure below:
  - A. On the index update date, all bond series that meet the index criteria on the index update record date shall be added to the index.
  - B. On the index update date, all bond series failing to meet the index criteria on the index update record date shall be deleted from the index.
  - C. The weight of each bond series expected to be included in the index on the coming index update date, shall be calculated according to bond series data on the index update record date.

Should the weight within the index of all nongovernmental bond series issued by a single issuer exceed 20%, the nongovernmental bond series issued by the issuer with the lowest market capitalization shall be deleted from the index, until the total weight of all bond series issued by that same issuer does not exceed 20%, at the most.

For this purpose –

When the issuer is a company included in either the Banking or Insurance sectors, based on TASE's sectoral classification, the bond series issued by wholly owned subsidiaries of the issuer shall also be taken into account when calculating the weight of this issuer's bond series in the index.

4. If a series was deleted from All-Bond-General index, it will also be deleted from All-Bond-Shekel.
5. The weight limit of a constituent bond series in the index – 3%.
6. Index launch date – May 23, 2021.

This English version is an unofficial translation of the official Hebrew version and has no binding force.

The only binding version is the official Hebrew version. (Please see Notes on the Translation and Disclaimer).

7. The base index for the index on its launch date – the base index of the All- Bond- General index on the same date.

## All-Bond-Floating Index

The following provisions shall also apply to the composition and calculation of the All-Bond-Floating index.

1. Eligibility criteria for a constituent bond series in the All-Bond-Floating index (hereinafter: "the index") include the following cumulative criteria:
  - A. Bond series that meet the eligibility criteria for inclusion in the All-Bond-General index on the All-Bond-General update record date.
  - B. Bond series which are not linked.
  - C. Bond series that have a floating interest rate on all payment dates remaining until final redemption.
2. The All-Bond-Floating index shall comprise all bond series which on the index update record date meet the criteria of the index, subject to the stipulations of paragraph 3 below.
3. On each index update date, the list of bond series included in the index shall be updated according to the procedure below:
  - A. On the index update date, all bond series that meet the index criteria on the index update record date shall be added to the index.
  - B. On the index update date, all bond series failing to meet the index criteria on the index update record date shall be deleted from the Index.
  - C. The weight of each bond series expected to be included in the index on the coming index update date, shall be calculated according to bond series data on the index update record date.
  - D. In a case where an issuer issues a number of nongovernmental bond series – the nongovernmental bond series is counted with the highest number of bond series that will be defined by the Indices Committee<sup>3</sup>.  
  
For this purpose –  
  
When the issuer is a company included in either the Banking or Insurance sectors, based on TASE's sectoral classification, the bond series issued by wholly owned subsidiaries of the issuer shall also be taken into account when calculating the weight of this issuer's bond series in the index.
4. If a series was deleted from All-Bond-General index, it will also be deleted from All-Bond-Floating.
5. The weight limit of a constituent bond series in the index – 20%.
6. Index launch date – May 23, 2021.
7. The base index for the index on its launch date – the base index of the All-Bond-General index on the same date.

<sup>3</sup> It will be recommended to the Indices Committee to set the highest number of bond series a nongovernmental issuer issues at 1.