The maximum value / safety factor for clearing members' collaterals and pending transactions (table 1), and The maximum value for collaterals that Non-Banking Corporation Members (NBCMs) obtain from their clients (table 2)

Clarification: Starting from **September 07, 2022**, a distinction was made between the maximum value / safety factor for clearing members' collaterals and pending transactions (shown in table 1), and the maximum value for collaterals that Non-Banking Corporation Members (NBCMs) obtain from their clients (shown in table 2).

The safety factor (the maximum value) of State of Israel bonds and short-term loans (MAKAMs) (hereinafter collectively: "bonds") is determined at a "buckets" level, with each bucket representing a remaining time-to-maturity range (e.g., 0-1 years, 1-3 years and so forth) for each type of bond.*

The safety factor that will be applied in respect of a particular bond on a particular trading day, will be the safety factor of the bucket in which said bond was included in accordance with (a) its type, and (b) its remaining time-to-maturity **on said trading day**. Accordingly, the safety factor that will be applied in respect of a particular bond can change over time due to the shortening of the remaining time-to-maturity, with this occurring even if the values of the safety factors for the buckets have not been updated.

An exception to the aforesaid is with regard to **pending transactions** at the TASE Clearing House (paragraph 14.a of Chapter Five in Part Two of the TASE Clearing House By-laws): **with regard solely to pending transactions**, the safety factor that will be used for a particular bond on a particular trading day will also be determined on the basis of the updated safety factors of the buckets (and on the basis of the type of bond) but, in this case, the remaining time-to-maturity of the bond will be **that prescribed for a particular date**, which shall be published as part of the publication of the safety factors.

* The types of bonds for this purpose are: (i) Israel non-linked fixed rate government bonds and Makam, (ii) Israel CPI-linked fixed rate government bonds and (iii) Israel non-linked floating rate government bonds.

A. Method of determining the maximum value/safety factor

1) The maximum value / safety factor for an Israeli government bond / Makam regarding clearing members' collaterals will be determined based on table 1 below, on a daily basis, in accordance with the remaining time-to-maturity of the government bond / Makam, as the case may be.

2) With regard to paragraph 14.a of Chapter Five in Part Two of the TASE Clearing House By-laws, the safety factor for an Israeli government bond / Makam (hereinafter collectively: "bonds") in pending transactions will be determined based on table 1 below, in accordance with the remaining time–to-maturity of the bond, as of **October 29, 2026** (hereinafter: "the relevant date"). Notwithstanding the aforesaid, for bonds whose trading start date was after the relevant date, the safety factor in pending transactions will be determined based on table 1 below, in accordance with the remaining time-to-maturity of its trading start date.

Table 1: The maximum value / safety factor for clearing members' collaterals and pending transactions

Remaining time-to-maturity in Years (T)	Israel non-linked fixed rate government bonds and Makam	Israel CPI-linked fixed rate government bonds	Israel non-linked floating rate government bonds
$0 < T \leq 1$	96.0%	96.0%	96.0%
$1 < T \leq 3$	95.0%	95.0%	95.0%
$3 < T \leq 5$	94.0%	91.0%	94.0%
$5 < T \leq 10$	93.0%	89.0%	93.0%
$10 < T \leq 20$	90.0%	81.0%	90.0%
$20 < T$	82.0%	80.0%	----

3) The maximum value for an Israeli government bond / Makam regarding collaterals that Non-Banking Corporation Members (NBCMs) obtain from their clients (for the purpose of paragraph 14.a of the guidelines in the TASE Rules: Part One – Stock Exchange Membership) will be determined based on table 2 below, on a daily basis, in accordance with the remaining time-to-maturity of the government bond / Makam, as the case may be.

Table 2: The maximum value for collaterals that Non-Banking Corporation Members (NBCMs) obtain from their clients (for the purpose of paragraph 14.a of the guidelines in the TASE Rules: Part One – Stock Exchange Membership)

Remaining time-to-maturity in Years (T)	Israel non-linked fixed rate government bonds and Makam	Israel CPI-linked fixed rate government bonds	Israel non-linked floating rate government bonds
$0 < T \leq 1$	98.0%	98.0%	98.0%
$1 < T \leq 3$	97.0%	96.9%	97.0%
$3 < T \leq 5$	96.5%	94.3%	96.5%
$5 < T \leq 10$	95.5%	93.1%	96.0%
$10 < T \leq 20$	93.5%	87.6%	94.0%
$20 < T$	88.8%	87.4%	----

B. Dates

For clearing members' collaterals

The commencement date for the purpose of paragraph 2.1 of Chapter Three "A" in Part One of the TASE Clearing House By-laws is: **November 04, 2026**

The commencement date for the purpose of paragraph 7.1 of Chapter Eight of the MAOF Clearing House By-laws is: **November 04, 2026**

If the remaining time-to-maturity of a security serving as collateral is 30 days or less, its value for the purpose of calculating compliance with the collateral provision requirement shall be – zero.

For collaterals that Non-Banking Corporation Members (NBCMs) obtain from their clients

The commencement date for the purpose of paragraph 14.a of the guidelines in the TASE Rules: Part One – Stock Exchange Membership is**: November 11, 2026**