

# Mizrahi Tefahot Bank

Periodic report

**2020**



## Table of Contents

Corporate Information	405
Regulation 9 – Financial Statements	405
Regulation 10c – Use Of Proceeds From Securities Pursuant To Prospectus	405
Regulation 11 – List Of Investments In Subsidiaries And Affiliates As Of December 31, 2020	405
Regulation 13 – Revenues Of Subsidiaries And Affiliates And Bank Revenues There From	408
Regulation 14 – List Of Loan Balance Groups As Of The Balance Sheet Date	408
Regulation 20 – Trading On Stock Exchange – Securities Listed For Trading – Dates And Reasons For Trading Halts	408
Regulation 21 – Remuneration Of Interested Parties And Senior Officers	408
Regulation 21a – Names Of Controlling Shareholders Of The Corporation	408
Regulation 22 – Transactions With Controlling Shareholder	408
Regulation 24 – Shares And Securities Held By Interested Parties In The Corporation	408
Regulation 24a –Registered Capital, Issued Capital And Convertible Securities <sup>(1)</sup>	410
Regulation 24b – Shareholder Registry As Of February 25, 2021	410
Regulation 26 – Board Members Of The Bank	411
Regulation 26a – List Of Senior Bank Executives	423
Regulation 26b – Authorized Signatories Of The Bank	427
Regulation 27 – Independent Auditor Of The Bank	427
Regulation 28 – Changes To Articles Of Incorporation Or To Bylaws	427
Regulation 29 – Recommendations And Decisions By Board Members	427



To:  
Israel Securities Authority  
22 Kanfey Nesharim Street  
Jerusalem 95464

Dear Sir/Madam,

## **Re: 2020 Periodic Report**

Pursuant to the Securities Regulations (Periodic and immediate reports), 1970, we hereby present the Bank's 2020 periodic report.

### **Corporate information**

Name of Corporation:	Bank Mizrahi Tefahot Ltd.
Company ID with Registrar	520000522
Corporation's address of record:	7 Jabotinsky Street, Ramat Gan
Corporation's telephone:	03-7559219 fax: 03-7559923
Balance Sheet Date:	December 31, 2020
Report date:	March 8, 2021
Reported period:	2020

### **Regulation 9 – Financial statements**

This periodic report includes the Report of the Board of Directors and Management, Description of Bank Group Business and the opinion of the Bank's Independent Auditor dated March 08, 2021.

### **Regulation 10c – Use of proceeds from securities pursuant to prospectus**

On September 30, 2020, an alternative purchase offer for purchase of Union Bank shares by the Bank was concluded; this offer was offered to all Union Bank shareholders, for purchase of 73,583,024 Union Bank ordinary shares of NIS 0.01 par value each, or 100% of the issued and paid-in share capital of Union Bank and of voting rights in Union Bank, for 19,865,165 Bank ordinary shares of NIS 0.01 par value each, issued pursuant to the Bank's shelf prospectus, as well as cash payment amounting to NIS 16 million.

The Bank received no cash consideration with respect to the share replacement in the purchase offer. For more information see Note 35 to the financial statements.

**Regulation 11 – List of investments in main subsidiaries and affiliates  
as of December 31, 2020**

	Share ID on the Stock Exchange	Share class	Shares held by the Bank	
			Number of shares	Total par value (in NIS / foreign currency)
Bank Yahav for Government Employees Ltd.	Non- negotiable	Ordinary NIS 0.01	12,194,973	121,950
		Base NIS 0.01 par value	1	(1) -
		Ordinary NIS 0.01 par value	1	(1) -
Union Bank Le-Israel Ltd.	Non- negotiable	Ordinary NIS 0.01	81,583,024	81,583
Tefahot Insurance Agency (1989) Ltd.	Non- negotiable	Ordinary NIS 1	201	201
Netzivim Assets and Equipment Ltd.	Non- negotiable	Ordinary NIS 0.0001	1,397,209,107	139,721
Union Leasing Ltd.	Non- negotiable	Ordinary NIS 1	1,000	1,000

(1) Less than NIS 1.

(2) Non-linked capital notes, non-interest bearing, maturing at least 5 years after the issue date thereof.

**Periodic report**  
As of December 31, 2020

					<b>Capital investments and other investments</b>		
Cost of share purchase	Adjusted carrying amount	Loan balance	(Obligatory notes / debentures)				
NIS / foreign currency in thousands	NIS in millions			of capital	of voting rights (in %)	of right to appoint Board members	
419,184	859	–	–	50.0	50.0	50.0	
1,223,000	3,229	–	–	100.0	100.0	100.0	
1	1,127	–	–	100.0	100.0	100.0	
260,176	906	–	(2)30	100.0	100.0	100.0	
701	801	–	–	100.0	100.0	100.0	

### Regulation 13 – Revenues of main subsidiaries and affiliates and Bank revenues there from<sup>(1)</sup>

NIS in millions

Company name	For the year ended December 31, 2020			
	Net profit (loss) <sup>(2)</sup>	Pre-tax profit (loss) <sup>(2)</sup>	Interest Management fee	Dividends
Union Bank Le-Israel Ltd. <sup>(3)</sup>	<sup>(4)</sup> 33	<sup>(4)</sup> 51	–	–
Bank Yahav for Government Employees Ltd.	183	278	–	–
Tefahot Insurance Agency (1989) Ltd.	67	87	2	–
Netzivim Assets and Equipment Ltd.	40	47	–	2
Union Leasing Ltd.	7	9	<sup>(4)</sup> 6	–

(1) Only results of subsidiaries and affiliates with significant information are presented.

(2) As reported by the companies.

(3) As from September 30, the Bank consolidates the financial statements of Union Bank. The consolidated statement of profit and loss for 2020 includes the financial results of Union Bank for the fourth quarter only.

(4) Financial results for the fourth quarter.

### Regulation 14 – List of loan balance groups as of the balance sheet date

See Note 30.C to the financial statements.

### Regulation 20 - Trading on stock exchange – securities listed for trading – dates and reasons for trading halts

During the reported period, 28,395 ordinary shares of NIS 0.1 par value each were listed for trading due to options exercise by Bank managers pursuant to an option plan. For more information see Note 23 to the financial statements.

During the reported period, there were no trading halts on the stock exchange.

### Regulation 21 – Remuneration of interested parties and senior officers

For more information about remuneration of interested parties and senior officers in 2020, see "Details of senior officer remuneration" in chapter "Corporate Governance" of the financial statements, as well as chapter "Remuneration" on the Risks Report available on the Bank website.

Payments to members of the Bank Board of Directors, including VAT (except for payments to the Chairman of the Board of Directors) in 2020 amounted to NIS 6 million. Total pay and associated expenses for the Chairman of the Board of Directors and for the Bank President & CEO amounted to NIS 7 million (for more information see Notes 22.A, 23.B And 34.C to the financial statements, as well as the section "Details of senior officer remuneration" in chapter "Corporate governance" of the financial statements).

### Regulation 21a – Names of controlling shareholders of the corporation

For details of the names of controlling shareholders of the corporation, see "Controlling shareholders" in chapter "Corporate governance" of the financial statements.

### Regulation 22 – Transactions with controlling shareholder

For more information about transactions with controlling shareholders in 2020, see "Transactions with controlling shareholders and related parties" in chapter "Corporate governance" of the financial statements.

### Regulation 24 – Shares and securities held by interested parties in the corporation As of February 25, 2021

Ordinary shares NIS 0.1 par value and other securities of the Bank held by interested parties (security ID on the stock exchange – 0695437):



## Periodic report

As of December 31, 2020

Name of interested party <sup>(5)</sup>	Company ID with Registrar / ID	Number of Shares	Holding stake in %	Number of options	Holding stake, fully diluted <sup>(4)</sup>
L.A.B.M. (Holdings) Ltd. <sup>(1)</sup>	51-2008442	33,262,192	13.04	–	9.33
L.I.N (Holdings) Ltd. <sup>(1)</sup>	51-1349896	21,224,015	8.32	–	5.95
F & W (Registered Partnership) <sup>(2)</sup>	54-0183118	33,212,844	13.02	–	9.32
M.W.Z. Holdings Ltd. <sup>(2)</sup>	51-2024225	19,230,468	7.54	–	5.39
Shlomo Eliyahu Holdings Ltd.	51-0464803	4,552,958	1.79	–	1.28
Eliyahu 1959 Ltd.	52-0029851	834,845	0.33	–	0.23
Migdal Holdings Insurance and Finance Ltd.	52-0029984	11,536,294	4.52	–	3.24
Moshe Lary	28405934	–	–	142,349	0.04
Israel Engel	50402866	–	–	159,902	0.04
Ayala Hakim	56593767	–	–	155,361	0.04
Dinah Navot	55610612	–	–	156,279	0.03
Ofir Morad	24607806	–	–	159,302	0.04
Nissan Levy	59857946	–	–	155,922	0.04
Galit Weizer	23878341	–	–	115,553	0.03
Doron Klausner	51277556	–	–	113,458	0.03
Menahem Aviv	12390175	–	–	111,581	0.03
Rachel Friedman	57222200	–	–	114,969	0.03
Adi Shachaf	25735598	–	–	62,000	0.02
Ofer Horvitz	40573743	–	–	47,500	0.01
The Public		131,208,067	51.44	<sup>(3)</sup> 6,856,462	64.88
<b>Total</b>		<b>255,061,683</b>	<b>100.00</b>		<b>100.00</b>

(1) Ofer Group company.

(2) Wertheim Group company.

(3) Includes option plan approved for Bank employees, other than interested parties, pursuant to Regulation 24 of the Securities Regulations (Periodic and Immediate Reports), 1970.

(4) The fully diluted holding stake was calculated assuming issuance of the maximum number of shares that may be issued upon conversion into shares of subordinated notes issued by the Bank, i.e. 94,554,683 shares.

(5) For more information about holdings of interested parties and agreements between controlling shareholders, see section "Controlling shareholders" in chapter "Corporate governance" of the financial statements.

### Regulation 24a –Registered capital, issued capital and convertible securities<sup>(1)</sup>

Pursuant to Section 24a of the Securities Regulations, below is information about registered capital, issued capital and convertible securities (in NIS):

	Registered		Issued and paid-in	
	December 31,		December 31,	
	2020	2019	2020	2019
Ordinary shares, NIS 0.1 par value <sup>(2)</sup>	40,000,000	40,000,000	<sup>(3)</sup> 25,505,652	23,490,740

(1) For allotment of stock options – see Note 23 to the financial statements.

(2) The shares are listed for trading on the Tel Aviv Stock Exchange.

(3) For more information about the transaction to acquire Union Bank, see Note 35 to the financial statements.

During the reported period, the issued and paid-in share capital increased by NIS 198,652 with respect to acquisition of Union Bank and by NIS 2,840 due to options exercised for shares by Bank managers.

All shares confer identical voting rights.

### Regulation 24b – Shareholder registry as of February 25, 2021

	Number of Shares	Holding stake
<b>Wertheim Group</b>		
MWZ (Holdings) Ltd.	53	–
F & W Registered Partnership	29,275,441	11.48
<b>Total – Wertheim Group</b>	<b>29,275,494</b>	<b>11.48</b>
<b>Ofer Group</b>		
L.A.B.M. (Holdings) Ltd.	29,512,972	11.57
<b>Total – Ofer Group</b>	<b>29,512,972</b>	<b>11.57</b>
<b>Mizrahi Tefahot Registration Company Ltd.</b>	<b>196,273,214</b>	<b>76.95</b>
<b>Fishman Mordechai</b>	<b>3</b>	<b>–</b>
<b>Grand total</b>	<b>255,061,683</b>	<b>100.00</b>

	Number of options
<b>Registry of option holders</b>	
Option warrants to employees MizTef F 2014	34,455
Option warrants to employees MizTef F 2017	651,907
Option warrants to employees MizTef F 2019	4,349,819
Option warrants to employees MizTef F 2020 outline	3,317,335
<b>Total</b>	<b>8,353,516</b>

#### Registry of holders of subordinated capital notes

	Number of capital notes
<b>Registry of holders of subordinated capital notes – Series A (Holder: Registration Company)</b>	<b>1,701,984,302</b>

## Regulation 26 – Board members of the Bank

Below is information about Board members of the Bank as of the report issue date:

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### **Moshe Vidman, Chairman<sup>(1)(2)</sup>**

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ID	690875
Year of birth	1943
Formal Address	9 Katzenelson Street, Tel Aviv
Citizenship	Israeli
Membership of Board of Directors' committees	Credit Committee – Chairman; Risks Management Committee – Chairman; IT and Technology Innovation Committee, Union Bank Integration Committee
Start date in office as member of the Bank's Board of Directors	August 02, 2010
Education	Undergraduate degree – Economics and Political Science, Hebrew University, Jerusalem. MBA (Financing), Hebrew University, Jerusalem.
Current occupation	Volunteer service: Member, Executive Board of the Jerusalem Foundation (since 2000); Member, Executive Board of Magnes Book Publishers. Member, Board of Trustees of the Hebrew University in Jerusalem (since 1995);
Previous occupation (in past 5 years, other than current occupation)	Chairman, Hebrew University Assets Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(3)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) Serves as Chairman of the Board of Directors as from December 1, 2012.

(3) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Eli Alroy**

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ID	050606318
Year of birth	1951
Formal Address	24 Amirim, Savyon
Citizenship	Israeli
Membership of Board of Directors' committees	IT and Technology Innovation Committee; Union Bank Integration Committee
Start date in office as member of the Bank's Board of Directors	June 25, 2019
Education	B.Sc. In Sciences, specialized in civil engineering, Technion Israeli Technology Institute, 1974. M.Sc. in Sciences, Stanford University, California, USA, 1982.
Current occupation	Member of O.G. Advisory committee; Board member of L.I.N (Holdings Ltd.); CEO and Board member of AIRAD Investments Ltd.; and Board member of the following: L.I.N Innovation Ltd., L.A.B.M. (Holdings) Ltd., OG Tech Holdings 2017 Ltd.; OG Tech Ventures Ltd., L.I.N – L.A.B.M (Holdings) Ltd., Amkiri Ltd.
Previous occupation (in past 5 years, other than current occupation)	Board member of: Ofer Investments Ltd., Ofer Bros. Holdings (1989) Ltd., Abir Haber Ltd., Bizaboo Ltd., Shachal Telemedicine Ltd., A.F.A Real Estate Investments Ltd. (in voluntary dissolution), Cloud 9 Wellness and Fitness Ltd., AIADR Ltd., Quick Check Ltd., OG Tech Partners Ltd., Globalworth Real Estate Investment Limited.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	No
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	No

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Joav Asher Nachshon**

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ID	57081630
Year of birth	1961
Formal Address	42 HaOranim Blvd., Ramat Efal
Citizenship	Israeli
Membership of Board of Directors' committees	Credit and IT and Technology Innovation Committees
Start date in office as member of the Bank's Board of Directors	February 27, 2012
Education	Academic, undergraduate degree in Economics and Accounting, Tel Aviv University; MBA (specialized in Strategy), Hebrew University, Jerusalem
Current occupation	CFO; VP, Finance and Business Development; Central Bottling Company Ltd.  Board member of: Keshet International Broadcasting Ltd., Israel Beer Breweries (Import Export 1995) Ltd., Transport Industries Ltd., Neviot Teva HaGalil Ltd. Dairy Manufacturers Association Ltd. (in voluntary dissolution), Tavor Winery (2005) Ltd., Keshet Broadcasting Ltd., Mira Trading Ltd., Ramshak Ltd., Clover (Pty) Ltd. (South Africa), Milco Mauritius International, TURK TUBORG BIRA VE MALT, SANAYII A.S (Turkey), PAZARLAMA A.S TUBORG (Turkey), AL BREWERIES B.V (Holland), UNITED ALBANIAN BREWERIES SH.P.K (Albania).
Previous occupation (in past 5 years, other than current occupation)	Board member of: Central Beverage Distribution Company Ltd., INTERNATONAL DAIRIES CORPORATION B.V (Holland), Calsberg Uzbekistan Limited (UK).
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	Yes
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Ron Gazit<sup>(1)</sup>**

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ID	050688605
Year of birth	1951
Formal Address	8 Herzl Rosenblum Street, Tel Aviv
Citizenship	Israeli
Membership of Board of Directors' committees	IT and Technology Innovation Committee
Start date in office as member of the Bank's Board of Directors	December 14, 2003
Education	Undergraduate degree (LLB) Law degree, Attorney – Tel Aviv University
Current occupation	Consultant to Tanzanite Capital Ltd.
Previous occupation (in past 5 years, other than current occupation)	
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	No
Has professional qualifications?	Yes
Expert Board member <sup>(2)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	No

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(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Estheri Giloz-Ran**

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ID	025682154
Year of birth	1974
Formal Address	1 Yefe Nof, Givatayim
Citizenship	Israeli
Membership of Board of Directors' committees	Audit Committee, Remuneration Committee
Start date in office as member of the Bank's Board of Directors	February 27, 2021
Education	Academic, Graduate in Management from Open University, CPA from Management College, MA in Business Administration from Ben Gurion University, PhD in Accounting and Taxes from Ben Gurion University, post-doc in Accounting and Financing from NYU.
Current occupation	Lecturer at Bar Ilan University, consultant and author of professional opinions for use in Court.
Previous occupation (in past 5 years, other than current occupation)	Head of Accounting faculty and lecturer at Peres Academic Center; Member of testing committee, Ministry of Justice; Chair of the Board of Directors of Tamir Fishman Investment House.
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	No
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Avraham Zeldman<sup>(1)</sup>**

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ID	5795919
Year of birth	1948
Formal Address	6 Shivtey Israel Street, Ra'anana
Citizenship	Israeli
Membership of Board of Directors' committees	Union Bank Integration Committee – Chair, Audit Committee, Risks Management Committee
Start date in office as member of the Bank's Board of Directors	February 26, 2015
Education	Studied Statistics and Economics, Business Administration at Haifa University (not eligible for degree)
Current occupation	Chairman of the Board of Directors of Fox Wiezel Ltd. Board member of A. Zeldman Management Ltd. Consultant to Polyeurethane Ltd.; Executive Board member, MATI Raanana; Executive Board member, Dualis Fund for Social Investments.
Previous occupation (in past 5 years, other than current occupation)	Board member of: Liliot Group Ltd.; Liliot Baker Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(2)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.



**Regulation 26 – Board members of the Bank – Continued**

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**Hannah Feuer<sup>(1)</sup>**

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ID	053549523
Year of birth	1955
Formal Address	13 HaChermesh Street, Savyon
Citizenship	Israeli
Membership of Board of Directors' committees	Remuneration – Chair, Audit, Credit
Start date in office as member of the Bank's Board of Directors	August 30, 2018
Education	Graduate in Sociology, Tel Aviv University Studies in Accounting, California State University Northridge
Current occupation	
Previous occupation (in past 5 years, other than current occupation)	Poalim Capital Markets Ltd. – CFO and executive in all Poalim Capital Markets Ltd. Group companies Board member of: Poalim Real Estate Fund (Israel) Ltd., Poalim Real Estate Fund Ltd. External Board member of the following: Discount Capital Ltd., OWC – Pharmaceutical Research Corp .
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	Yes
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(2)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) Has "banking experience", pursuant to directives of the Supervisor of Banks.

(2) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Joseph Fellus**

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ID	051641025
Year of birth	1953
Formal Address	11 Yehuda HaLevi, Raanana
Citizenship	Israeli
Membership of Board of Directors' committees	Audit – Chair, Credit; Risks Management; Remuneration; Union Bank Integration Committee
Start date in office as member of the Bank's Board of Directors	August 20, 2019
Education	Academic, undergraduate degree in Economics and Accounting, Tel Aviv University Practical engineering, Electronics (Technicum Yad Singalovski)
Current occupation	Board member of: Kaitz BeYafo Ltd., Massa Kaitz Ltd., Hayde Yafo Ltd., Meitav HaTene Holdings (1977) Ltd., Meitav HaTene Land Holdings Ltd., Bar Pal Foreign Investments Ltd. Chairman of the Board of Directors and CEO of Joseph Fellus Accountants Ltd.
Previous occupation (in past 5 years, other than current occupation)	Consulting and CFO service provider (as CFO) to a private company and to three subsidiaries thereof.
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	Yes
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Jonathan Kaplan**

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ID	055251391
Year of birth	1958
Formal Address	2 Haim Zakay Street, Petach Tikva
Citizenship	Israeli
Membership of Board of Directors' committees	Credit, Risk Management, Union Bank Integration Committee
Start date in office as member of the Bank's Board of Directors	May 12, 2011
Education	Undergraduate degree in Economics and Accounting, Tel Aviv University; CPA; graduate degree in Political Science and National Security, Haifa University; National Security College, Tel Aviv.
Current occupation	Economic Advisor. Board member of: Central Bottling Company Ltd.; International Breweries Ltd.; Novolog PharmUp Marketing (1966) Ltd.; Vilar International Ltd.
Previous occupation (in past 5 years, other than current occupation)	Board member of Amir Agricultural Marketing and Investments Ltd.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Ilan Kremer**

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ID	059841742
Year of birth	1967
Formal Address	7 HaDror, Mevaseret Zion
Citizenship	Israeli
Membership of Board of Directors' committees	Risk Management
Start date in office as member of the Bank's Board of Directors	March 27, 2019
Education	Academic, Ph.D in Financing from Northwestern Kellogg.
Current occupation	Professor of Economics and Financing at Hebrew University, 2011-date. Professor of Economics at Warwick University, 2012-date.
Previous occupation (in past 5 years, other than current occupation)	External consultant to Research Department of the Bank of Israel, August 2014 to March 2019.
External Board member as defined in Proper Conduct of Banking Business Directive 301	No
External Board member as defined in the Companies Law	No
Independent Board member	No
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

**Regulation 26 – Board members of the Bank – Continued**

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**Gilad Rabinovich**

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ID	057153603
Year of birth	1961
Formal Address	7 Mitzpeh Street, Shoham
Citizenship	Israeli
Membership of Board of Directors' committees	IT and Technology Innovation Committee – Chair; Audit; Risks Management; Remuneration
Start date in office as member of the Bank's Board of Directors	March 12, 2019
Education	Graduate in Economics, Bar Ilan University; MA in Israeli Studies, Haifa University
Current occupation	Owner and CEO of A.T. Statgee; CEO of Sqlink; guest lecturer at Kiryat Ono College.
Previous occupation (in past 5 years, other than current occupation)	Director General of the Labor Party; Deputy Head of Town Council, Shoham; Manager, Education Department, Town Council, Shoham.
External Board member as defined in Proper Conduct of Banking Business Directive 301	Yes
External Board member as defined in the Companies Law	Yes
Independent Board member	Yes
Has accounting and financial expertise?	Yes
Has professional qualifications?	Yes
Expert Board member <sup>(1)</sup>	Yes
Employed by the corporation, subsidiary, affiliate or an interested party?	No
Family member of another interested party in the corporation?	No
Board member regarded by the corporation as having accounting and financial expertise for meeting the minimum number specified by the Board?	Yes

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(1) As this term is defined in the Companies Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.

## Regulation 26 – Board members of the Bank – Continued

Below is additional information about Board members with accounting and financial qualifications

### **Moshe Vidman**

Undergraduate degree in Economics; Graduate degree in Business Administration; specialized in Financing; served as CEO of two industrial companies; Board member at leading companies for over 25 years; member, Finance Committee and Audit Committee, served as Chairman of multiple companies. Serves as Chairman of the Bank Board of Directors.

### **Joav Asher Nachshon**

Undergraduate degree in Economics and Accounting, Tel Aviv University; MBA (specialized in Strategy); CFO, VP, Finance and Business Development; Board member of private and public companies.

### **Estheri Giloz-Ran**

Graduate in Management from Open University, CPA from Management College, MA in Business Administration from Ben Gurion University, PhD in Accounting and Taxes from Ben Gurion University, post-doc in Accounting and Financing from NYU. Has served as Board member with private and public companies.

### **Avraham Zeldman**

Serves as Chairman of the Board of Directors of a public company. Has served as executive at Bank Leumi, as Chairman of the Board of Directors at Bank Leumi LeMashkantaot and as CEO at Leumi Partners Ltd. Has served as Board member with private and public companies.

### **Hannah Feuer**

Undergraduate degree in Sociology, Tel Aviv University. Graduate in Accounting, California State University Northridge. Served as CFO and executive of Poalim Capital Markets Group companies, 2003-2017.

### **Joseph Fellus**

Undergraduate degree in Accounting and Economics, Tel Aviv University; has served as partner of PwC Consulting, engaged in audit work at public and private companies.

### **Jonathan Kaplan**

Undergraduate degree in Economics and Accounting, Tel Aviv University; CPA; graduate degree in Political Science and National Security; Economic Advisor; Board member of private and public companies; formerly – Income Tax Commissioner.

### **Ilan Kremer**

Professor of Economics and Financing at Hebrew University, 2011-date.

Professor of Economics at Warwick University, 2012-date.

External consultant to Research Department of the Bank of Israel, August 2014 to March 2019.

Professor of Financing at Stanford, 2000-2012.

### **Gilad Rabinovich**

Graduate in Economics, Bar Ilan University; MA in Israeli Studies, Haifa University. Served as CEO of high-tech and communications companies and as Board members of public and private companies.

The Bank's Board of Directors thanks the Bank President & CEO, management and employees for their efforts to promote the Bank, to expand its business and client base.

## Regulation 26a – List of senior Bank executives<sup>(1)</sup>

Below is information about senior Bank officers as of the issue date of the financial statements:

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### **Moshe Lary<sup>(2)</sup>**

ID	28405934
Birth date	1971
Title	President & CEO
Start of term in office	November 8, 2009 (since September 16, 2020 – as Bank President & CEO)
Position held with the banking corporation	President & CEO Chairman, Mizrahi Bank Switzerland; Chairman, Union Bank Le-Israel Ltd.
Position held with the subsidiary	
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Accounting, Hebrew University, Jerusalem. Graduate degree in Business Administration from Tel Aviv University; CPA
Business experience (in past 5 years)	Manager, Financial Division – CFO at Bank Mizrahi Tefahot Ltd. Chairman, Mizrahi Tefahot Issuance Company Ltd., Chairman of Mizrahi Tefahot Trust Company Ltd., Board member of Bank Yahav

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### **Menahem Aviv**

ID	012390175
Birth date	1959
Start of term in office	April 13, 2005
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Financial Information and Reporting Division and Chief Accountant Board member, Union Bank Le-Israel Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Accounting and Economics – Tel Aviv University Graduate degree in Business Administration (MBA) Tel Aviv University, CPA
Business experience (in past 5 years)	Chief Accountant, Bank Mizrahi Tefahot Ltd.

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### **Israel Engel**

ID	50402866
Birth date	1950
Start of term in office	January 01, 2005
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Retail Division Chairman of the Board of Bank Yahav; Board member of Tefahot Insurance <sup>(3)</sup>
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Accounting from Bar Ilan University. Graduate degree in Business Administration (Financing) from Bar Ilan University, CPA
Business experience (in past 5 years)	Manager, Retail Division at Bank Mizrahi Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

(2) Mr. Moshe Lary is an interested party due to his office as President & CEO of the Bank.

(3) Tefahot insurance – Tefahot Insurance Agency (1989) Ltd.

**Regulation 26a – List of senior Bank executives<sup>(1)</sup> – Continued**

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**Ofer Horvitz**

ID	040573743
Birth date	1980
Start of term in office	March 01, 2020
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Bank Secretary and Manager, Bank Headquarters
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Combined undergraduate degrees in: Philosophy, Economics and Political Science – Hebrew University, Jerusalem.
Business experience (in past 5 years)	Personal assistant to President & CEO of Bank Mizrahi-Tefahot Ltd.

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**Galit Weiser<sup>(2)</sup>**

ID	023878341
Birth date	1968
Start of term in office	July 07, 2011
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Chief Internal Auditor; Manager, Internal Audit Division Chief Internal Auditor, Bank Yahav and of the following companies: Etgar, Ne'emanut, Mizrahi Tefahot Issuance, Netzivim, Tefahot Insurance <sup>(3)</sup> .
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Accounting and Statistics from the Hebrew University, Jerusalem. Graduate degree in Business Administration from the Hebrew University, Jerusalem; CPA
Business experience (in past 5 years)	Chief Internal Auditor; Manager, Internal Audit Division, Bank Mizrahi Tefahot Ltd.

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**Ayala Hakim**

ID	056593767
Birth date	1960
Start of term in office	July 01, 2013
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Mizrahi Tefahot Technology Division Ltd.; CIO of Bank Mizrahi Tefahot Ltd.; Board member of Union Bank Le-Israel Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Accounting and Political Science – Bar Ilan University; Graduate degree in Business Administration – Bar Ilan University;
Business experience (in past 5 years)	Manager, Mizrahi Tefahot Technology Division Ltd.; CIO of Bank Mizrahi Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

(2) Pursuant to provisions of Section 146(B) of the Corporations Act, 1999 – the Internal Auditor is not an interested party of the corporation, an officer or relative thereof.

(3) Etgar – Etgar Investment Portfolio Management Company of the Mizrahi Tefahot Group Ltd.

Ne'emanut – Mizrahi Tefahot Trust Company Ltd.

Mizrahi Tefahot Issuance – Mizrahi Tefahot Issue Company Ltd.

Netzivim – Netzivim Assets and Equipment Ltd.

Tefahot insurance – Tefahot Insurance Agency (1989) Ltd.

**Regulation 26a – List of senior Bank executives<sup>(1)</sup> – Continued**



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**Nissan Levy**

ID	59857946
Birth date	1967
Start of term in office	February 02, 2014
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Human Capital, Resources and Operations Division. Chair, Tefahot Insurance <sup>(2)</sup> , Chair, Mizrahi-Tefahot Security Services Ltd.; Chair, Netzivim Assets and Equipment Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Accounting, Hebrew University, Jerusalem. Graduate degree in Business Administration from the Hebrew University, Jerusalem; CPA
Business experience (in past 5 years)	Manager, Planning, Operations and Customer Asset Division at Bank Mizrahi Tefahot Ltd.

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**Ofir Morad**

ID	24607806
Birth date	1969
Start of term in office	January 01, 2014
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Business Banking Division Board member of Bank Yahav for Government Employees Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Business Administration – Bar Ilan University Graduate degree in Industrial Engineering – Ben Gurion University
Business experience (in past 5 years)	Manager, Business Banking Division at Bank Mizrahi Tefahot Ltd.

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**Dinah Zuretz Navot**

ID	055610612
Birth date	1959
Start of term in office	March 05, 2012
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Marketing, Promotion and Business Development Division
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Social Work, Tel Aviv University; graduate degree in Journalism and Media, Bar Ilan University; graduate degree in Social Psychology and Sociology, Bar Ilan University
Business experience (in past 5 years)	Manager, Marketing, Advertising and Business Development Division – Bank Mizrahi Tefahot Ltd.

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(1) Senior officers include no family members of another senior officer or interested party.

(2) Tefahot insurance – Tefahot Insurance Agency (1989) Ltd.

**Regulation 26a – List of senior Bank executives<sup>(1)</sup> – Continued**

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**Rachel Friedman**

ID	057222200
Birth date	1961
Start of term in office	January 01, 2015
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Chief Legal Counsel; Manager, Legal Division
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate Law degree (LL. B) – Tel Aviv University, Graduate Law degree (LL. M) – Tel Aviv University.
Business experience (in past 5 years)	Chief Legal Counsel; Manager, Legal Division of Bank Mizrahi Tefahot Ltd.

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**Doron Klausner**

ID	51277556
Birth date	1952
Start of term in office	November 8, 2009 (since January 01, 2014 – in their current office)
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Risks Control Division, CRO.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Economics and Business Administration – Bar Ilan University
Business experience (in past 5 years)	Manager, Risks Control Division – CRO at Bank Mizrahi Tefahot Ltd.

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**Adi Shachaf**

ID	025735598
Birth date	1974
Start of term in office	September 16, 2020
Title	Vice-President
Position held in banking corporation, subsidiary, affiliate or interested party in the corporation	Manager, Financial Division – CFO Chairman, Mizrahi Tefahot Issuance Company Ltd., Chairman of Mizrahi Tefahot Trust Company Ltd., Board member of Union Bank Le-Israel Ltd.
Family member of another senior officer or of an interested party in the banking corporation	No
Education	Undergraduate degree in Psychology – Hebrew University, Jerusalem. Graduate degree in Businesses Administration – Hebrew University, Jerusalem.
Business experience (in past 5 years)	Deputy Manager, Finance Division at Bank Mizrahi Tefahot Ltd.

(1) Senior officers include no family members of another senior officer or interested party.

### **Reg. 26b – Authorized signatories of the Bank**

The Bank has no sole authorized signatory.

### **Regulation 27 – Independent Auditor of the Bank**

Brightman Almagor Zohar & Co., CPAs, 1 Azrieli Center, Tel Aviv.

### **Reg. 28 - Changes to Articles of Incorporation or to Bylaws**

- Amendment of Bylaws

On October 15, 2020, the General Meeting of Bank shareholders approved amendment of Bank Bylaws 142 and 144 with regard to officer indemnification and insurance. This amendment explicitly specifies (for the sake of clarity) that the Bank may contract for insurance and may indemnify for expenses, including reasonable litigation expenses and legal fees, even with regard to a proceeding seeking to impose a monetary sanction, in conformity with Section D of Chapter 4 of Part 9 of the Corporations Act, 1999 as amended from time to time.

On December 24, 2020, the General Meeting of Bank shareholders approved an amendment of Bank Bylaws 89.1 and 92, with regard to the term in office of Board members (other than external Board members, as defined in section 1.1 of Bank Bylaws).

For more information see report dated August 27, 2020 (reference no. 2020-01-085165, report dated August 27, 2020, reference no. 2020-01-085147, reports dated October 15, 2020, reference no. 2020-01-103765 and 2020-01-103756, report dated October 18, 2020, reference no. 2020-01-104347, report dated November 16, 2020, reference no. 2020-01-114631, and report dated December 24, 2020, reference no. 2020-01-140142).

- Amendment of letter of waiver and commitment to indemnification

On October 15, 2020, the General Meeting of Bank shareholders approved an amendment of the letter of waiver and commitment to indemnification by the Bank for Board members and other officers, including the Bank's President & CEO and controlling shareholders of the Bank and their relatives, as well as employees who serve from time to time, including those who have served in the past or would be appointed in future. The amendment stipulates that the commitment to indemnify shall also apply to expenses, including reasonable litigation expenses and legal fees, even with regard to a proceeding seeking to impose a monetary sanction, as stated in the aforementioned amendment to the Bylaws. The amendment further stipulates that the letter of commitment and anything related to it are subject exclusively to laws of the State of Israel and the Tel Aviv Yafo District Court shall have sole jurisdiction over any such matter. The list of events in the addendum to the letter of commitment was also revised. Pursuant to a resolution by the Audit Committee dated August 17, 2020, the resolution to approve the amended letter of commitment, with regard to its applicability to parties other than controlling shareholders and relatives thereof, would be brought for reapproval as required by law within 9 years after October 15, 2020.

For more information see report dated August 27, 2020 (reference no. 2020-01-085165, report dated August 27, 2020, reference no. 2020-01-085147, report dated October 15, 2020, reference no. 2020-01-103765, report dated October 15, 2020, reference no. 2020-01-103756, report dated October 18, 2020, reference no. 2020-01-104347).

Other than the foregoing, in the reported period, no changes were made to Articles of Incorporation nor to Bylaws of the Bank.

### **Regulation 29 - Recommendations and decisions by Board members**

A. Recommendations by Board members to the General Meeting and resolutions not requiring approval by the General Meeting, with regard to matters listed in the Bylaws:

On November 21, 2016, the Bank's Board of Directors approved a five-year strategic plan for 2017-2021 and resolved to approve a revised dividends policy as from 2017, with distribution of dividends equal to 30% of net income attributable to Bank shareholders.

On February 26, 2018, the Bank's Board of Directors resolved to update the Bank's dividends policy for 2018 through 2021, after monitoring the execution of the aforementioned strategic plan.

The Bank's revised dividends policy is to distribute dividends, as from 2018, with respect to quarterly earnings, at 40% of net profit attributable to shareholders of the Bank. This policy is subject to the Bank achieving a ratio of Tier I capital to risk components as required by the Supervisor of Banks and maintaining appropriate safety margins.

On February 24, 2020, the Bank Board of Directors approved a dividend distribution amounting to NIS 176 million with respect to earnings in the fourth quarter of 2019.

## Periodic report As of December 31, 2020

For more information see report dated February 25, 2020 (reference no. 2020-01-018936).

On March 29, 2020, the Supervisor of Banks issued an interim directive with regard to relief for minimum capital ratios which banks are required to maintain, and with regard to expectation that banks would use the excess capital, due to reduced capital requirements, to support economic activity in the economy, to increase loans and to provide support for households and for the business segment, rather than for other purposes, including dividend distribution or share buy-back. For more information see chapter "Significant Events in the Bank Group's Business" above.

Further to the foregoing, on April 13, 2020, the Board of Directors resolved that the Bank would avoid any dividend distributions (including buy-back of Bank shares), for as long as this interim directive is in effect; that is due, *inter alia*, to the position of the Supervisor of Banks as noted above and with due attention to the foregoing, including the uncertainty associated with implications of the Corona Virus crisis for the Bank, as set forth above.

Below are details of dividend distributions by the Bank in the reported period:

- On March 11, 2020: NIS 176 million.

### B. Amendment of Bylaws

In 2020 and through the report filing date, the following changes were made to Bank Bylaws and Articles of Association:

- On October 15, 2020, the General Meeting approved changes to Bylaws with regard to indemnification and insurance of officers. For more information see Immediate Report dated October 15, 2020 (reference: 2020-01-103765).
- On December 24, 2020, the General Meeting approved changes to Bylaws with regard to term in office of Board members. For more information see Immediate Report dated December 24, 2020 (reference: 2020-01-140124).

### C. Resolutions by the General Meeting made other than in accordance with recommendations made by Board members on issues set forth in sub-section (a): None

### D. Resolutions by an extraordinary General Meeting:

On March 25, 2020, the General Meeting approved contracting of a Board member and officer liability insurance policy, including the Bank's Chief Internal Auditor. For more information, see Immediate Report by the Bank dated March 25, 2020 (reference 2020-01-029814).

The General Meeting held on October 15, 2020 resolved as follows:

- Approve terms of office and employment of Mr. Moshe Lary for their term in office as Bank President & CEO, for the period as from September 16, 2020.
- Approve the Bank's revised waiver and commitment to indemnification.
- About the aforementioned amendment of the Bylaws, as stated in section B. above.

For more information, see Immediate Report by the Bank dated October 15, 2020 (reference 2020-01-103756).

The General Meeting held on December 24, 2020 resolved as follows:

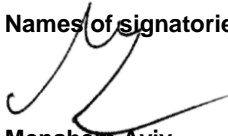
- Approve the appointment of Ms. Estheri Gil-oz Ran as External Board member of the Bank, pursuant to the Corporate Act (also compliant with qualifications for External Board member pursuant to Directive 301) for a term of three (3) years as from February 27, 2021.
- Approved re-appointment of Mr. Joav-Asher Nachshon as Board member of the Bank.
- Approved re-appointment of Brightman Almagor Zohar & Co. as the Bank's Independent Auditor and reporting of their fees in 2019.
- Approve revision of the officer remuneration policy, approved by the General Meeting of Bank shareholders on December 18, 2019, with regard to officer liability insurance.
- About the aforementioned amendment of the Bylaws, as stated in section B. above.

**Regulation 29a(4) – Corporate resolutions**

See Note 26.C.(5-9) to the financial statements.

Ramat Gan, March 08, 2021.

**Names of signatories:**



**Menahem Aviv**  
Vice-president,  
Chief Accountant



**Ofer Horvitz**  
Bank Secretary

CORPORATE GOVERNANCE SURVEY<sup>1</sup>

## BOARD INDEPENDENCE

		True	False
1.	<p>Throughout the reported period, two or more external Board members served the Corporation.</p> <p>This question may be answered True if the period in which no two external Board members served the Corporation does not exceed 90 days, as per Section 363a.(b)(10) of the Corporate Act; however, for any answer, indicate the period during the reported period(in days) in which no two external Board members served the Corporation (including any term of office approved retroactively, separately for the individual external Board members):</p> <p>Board member A: <b><u>Ms. Hannah Feuer</u></b></p> <p>Board member B: <b><u>Mr. Gilad Rabinovich</u></b></p> <p>Board member C: <b><u>Mr. Joseph Fellus</u></b></p> <p>Number of independent Board members who serve the Corporation as of the publication date of this survey: <b>4</b>.</p> <p><b><u>On December 24, 2020, the General Meeting approved the appointment of Ms. Estheri Giloz-Ran as External Board member of the Bank, as this term is defined in the Corporate Act, 1999 (also compliant with qualifications for External Board member pursuant to Proper Conduct of Banking Business Directive 301 issued by the Supervisor of Banks), for a term of three (3) years; Ms. Estheri Giloz-Ran started her term in office as Board member of the Bank on February 27, 2021.</u></b></p>	✓	

<sup>1</sup> Published in conjunction with proposed legislation for improvement of reports on March 16, 2014.

2.	<p>Percentage<sup>2</sup> of independent Board members<sup>3</sup> who serve the Corporation as of the publication date of this survey: <u>4/11</u>.</p> <p>The percentage of Independent Board Members stipulated in the bylaws<sup>4</sup> of the Corporation<sup>5</sup>:</p> <p><b><u>In conformity with Proper Conduct of Banking Business Directive with regard to the Board of Directors, issued by the Supervisor of Banks, at least one third of Board members of a banking corporation must be external Board members, as this term is defined in the aforementioned directive ("External Board members pursuant to the Supervisor's directive"). As of the publication date of this survey, the Bank has four (4) external Board members, as this term is defined in the Corporate Act, 1999, also compliant with qualifications for External Board member pursuant to directive issued by the Supervisor of Banks. All external Board members are also independent Board members.</u></b></p> <p><input type="checkbox"/> N/A (no provisions included in the bylaws).</p>		
3.	<p>In the reported period, the external (and independent) Board members were verified to be in compliance, during the reported period, with provisions of Sections 240(b) and (f) of the Corporate Act with regard to absence of affinity for external (or independent) Board members serving the Corporation - and verified to fulfill the requirements for the office of an external (or independent) Board member.</p> <p><b><u>The external Board members (and the independent Board members) have certified to the Bank their compliance with requirements for the office of an external Board member and absence of affinity, as aforementioned.</u></b></p>	✓	
4.	<p>All Board members who served the Corporation during the reported period do <u>not</u> report<sup>6</sup> to the CEO, directly or indirectly (except for any Board member who is an employee representative - if employees are represented at this Corporation).</p> <p>If you answered False (i.e. a Board member reports to the CEO) - please indicate the percentage of Board members who did <u>not</u> comply with the aforementioned restriction: _____.</p>	✓	

<sup>2</sup> In this survey, "percentage" means a ratio out of the total number. Thus, for example: 3/8.

<sup>3</sup> Including "External Board Members" as defined in the Corporate Act.

<sup>4</sup> For this matter, "Bylaws" including pursuant to specific statutory provisions applicable to the Corporation (for example, for a banking corporation – directives of the Supervisor of Banks).

<sup>5</sup> A debenture company is not required to answer this item.

<sup>6</sup> With regard to this question – merely holding the office of Board member with a corporation owned and controlled by the Corporation shall not constitute "reporting"; conversely, holding the office of Board member with a corporation that is an officer (other than Board member) and/or employee of a corporation owned and controlled by the Corporation shall constitute "reporting" for the purpose of this question.

5.		<p>All Board members who disclosed their personal interest in approval of a transaction on the agenda for the meeting, did not take part in the aforementioned discussion and/or voting (except for any discussion and/or voting conducted under circumstances pursuant to Section 278(b) of the Corporate Act):</p> <p>If you answered False –</p> <p>Was this for the purpose of presenting a certain matter thereby, in conformity with provisions of the end of section 278(a):</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Please mark X in the appropriate box).</p> <p>Indicate the percentage of meetings attended by such Board members during discussion and/or voting, other than under circumstances listed in sub-section A: _____.</p>	✓	
6.		<p>The controlling shareholder (including any relative thereof and/or anyone on behalf thereof), other than a Board member or other senior officer of the Corporation, did not attend the Board meetings held during the reported period.</p> <p>If you answered False (i.e. the controlling shareholder and/or any relative thereof and/or anyone on behalf thereof, other than a Board member and/or other senior officer of the Corporation, did attend the Board meetings) – please indicate the following information with regard to attendance by any other person at the aforementioned Board meetings:</p> <p>ID: _____.</p> <p>Position with the Corporation (if any): _____.</p> <p>Affinity with the controlling shareholder (if the person present is not the controlling shareholder themselves): _____.</p> <p>Was this for the purpose of presenting a certain matter thereby: <input type="checkbox"/> Yes <input type="checkbox"/> No (Please mark X in the appropriate box).</p> <p>Their attendance percentage<sup>7</sup> of Board meetings held during the reported period for the purpose of presenting a certain matter thereby: _____, Other attendance: _____</p> <p><input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).</p>	✓	

<sup>7</sup> Separating the controlling shareholder, any relative thereof and/or anyone on behalf thereof.



BOARD MEMBER QUALIFICATION AND COMPETENCE			True	False
7.		The Corporation Bylaws do <u>not</u> include a provision which restricts the option to immediately terminate the office of all Board members of the Corporation, other than external Board members (for this matter – a vote passed by simple majority does not constitute a restriction) <sup>8</sup> .  If you answered False (i.e. such limitation exists) indicate –	✓	
	A.	The time stipulated in the Bylaws for term of office of Board member: _____.		
	B.	Required majority stipulated in Bylaws for removal from office of Board members: _____.		
	C.	Legal quorum stipulated in Bylaws for the General Meeting for removal from office of Board members: _____.		
	D.	Majority required to change these provisions of the Bylaws: _____.		
8.		The Corporation has prepared a training program for new Board members, covering the Corporation's business and the laws applicable to the Corporation and to Board members, and has prepared a further training program for incumbent Board members aligned, <i>inter alia</i> , with the Board member's role within the Corporation.  If you answered True – please indicate if the program was offered during the reported period: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Mark X in the appropriate box)	✓	

<sup>8</sup> A debenture company is not required to answer this item.

9.	A.	<p>The corporation has specified the minimum number of Board members to have accounting and financial expertise.</p> <p>If you answered True – indicate the minimum number stipulated: <b><u>At least three (3) Board members (pursuant to a resolution by the Board of Directors) and at least one fifth (1/5) of all Board members (in conformity with Proper Conduct of Banking Business Directive with regard to the Board of Directors, issued by the Supervisor of Banks).</u></b></p>	✓	
	B.	<p>Number of Board members who served the Corporation during the reported year:</p> <p>Have accounting and financial expertise<sup>9</sup>: <b><u>9</u></b></p> <p>Have professional qualifications<sup>10</sup>: <b><u>11</u></b>.</p> <p>In case there was a change to the number of such Board members during the reported period, please provide the lowest number (other than within 60 days from such a change) of Board members of each category who served during the reported period.</p> <p><b><u>As of the issue date of this survey, all Board members at the Bank are classified as "Expert" Board members with respect to Corporate Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.</u></b></p>		

<sup>9</sup> After assessment by the Board of Directors, in conformity with Corporate Regulations (Requirements and tests for Board members with accounting and financial skills and for Board members with professional skills), 2005.

<sup>10</sup> See footnote 9.

10.	A.	<p>Throughout the reported period, the Board was composed of members of both genders.</p> <p>If you answered False - please indicate the duration (in days) in which the aforementioned was false: _____.</p> <p>This question may be answered True if the period in which no Board members of both genders served the Corporation does not exceed 60 days; however, for any answer, please indicate the period during the reported period (in days) in which no Board members of both genders served the Corporation: _____.</p>	✓	
	B.	<p>Number of Board members who serve on the Corporation's Board of Directors as of the publication date of this survey:</p> <p>Men: <u>9</u>, Women: <u>2</u>.</p>	_____	_____

BOARD MEETINGS (AND CONVENING OF A GENERAL MEETING)

11.	A.	<p>Number of Board meetings held in each quarter of the reported period:</p> <p>First quarter (2020):           8.</p> <p>Second quarter                   8.</p> <p>Third quarter                     9.</p> <p>Fourth Quarter                  12.</p>	_____	_____

B. Next to the name of each Board member who served the Corporation during the reported period, please indicate their attendance rate<sup>11</sup> at Board meetings (in this sub-Section - including meetings of Board committees they are members of, as noted below) held during the reported period (with reference to their term in office):

Board member name	Their attendance rate at Board meetings of the <b>Board of Directors</b>	Their attendance rate at Board meetings of the <b>Audit Committee</b> <sup>12</sup>	Their attendance rate at Board meetings of the <b>Financial Statements Review Committee</b> <sup>13</sup>	Their attendance rate at Board meetings of the <b>Remuneration Committee</b> <sup>14</sup>	Their attendance rate at meetings of <b>other Board committees of which they are a member</b> (please indicate the committee name)			
		The Audit Committee also serves as the Financial Statement Review Committee. Details of attendance rate at meetings of the Audit Committee (as set forth in the third column of this table) refer to meetings of the Audit Committee, other than meetings involving the financial statements. Furthermore, details of attendance rate at meetings of the Financial Statements Review Committee (as set forth in the fourth column of this table) refer to meetings of the Audit Committee involving the financial statements.			<b>Credit Committee</b>	<b>Risk Management Committee</b>	<b>IT and Technology Innovation Committee</b>	<b>Ad-hoc committee for integration of Union Bank</b> <sup>15</sup>

<sup>11</sup> See footnote 2.

<sup>12</sup> For any Board member who is a member of this Committee.

<sup>13</sup> For any Board member who is a member of this Committee.

<sup>14</sup> For any Board member who is a member of this Committee.

<sup>15</sup> The ad-hoc committee for integration of Union Bank is a Board committee created by resolution of the Board of Directors dated November 5, 2020. In 2020, this Committee held one meeting.

				Attendance rate at <b>Board of Directors</b>	Attendance rate at <b>Audit Committee</b>	Attendance rate at <b>Financial Statements Review Committee</b>	Attendance rate at <b>Remuneration Committee</b>	Attendance rate at <b>Credit Committee</b>	Attendance rate at <b>Risk Management Committee</b>	Attendance rate at <b>IT and Technology Innovation Committee</b>	Attendance rate at <b>Ad-hoc committee for integration of Union Bank</b>	
			<u><b>Moshe Vidman</b></u> <sup>16</sup>	100%	–	–	–	100%	100%	100%	100%	
			<u><b>Ron Gazit</b></u>	97%	–	–	–	–	–	100%	–	
			<u><b>Jonathan Kaplan</b></u>	97%	–	–	–	80%	100%	–	100%	
			<u><b>Sabina Biran</b></u>	97%	100%	100%	100%	100%	100%	100%		
			<u><b>Avraham Zeldman</b></u>	100%	96%	100%			100%		100%	
			<u><b>Hannah Feuer</b></u>	100%	97%	100%	100%	100%	–	–	–	

<sup>16</sup> Moshe Vidman (who serves as Chairman of the Board of Directors) is not member of the Audit Committee but attends as observer the meetings of the Audit Committee in conjunction with the approval process of financial statements. This is in conformity with the position of the Supervisor of Banks, as provided in "Q&A regarding implementation of Proper Conduct of Banking Business Directive 301 with regard to the Board of Directors".

				Attendance rate at <b>Board of Directors</b>	Attendance rate at <b>Audit Committee</b>	Attendance rate at <b>Financial Statements Review Committee</b>	Attendance rate at <b>Remuneration Committee</b>	Attendance rate at <b>Credit Committee</b>	Attendance rate at <b>Risk Management Committee</b>	Attendance rate at <b>IT and Technology Innovation Committee</b>	Attendance rate at <b>Ad-hoc committee for integration of Union Bank</b>	
			<b><u>Gilad Rabinovich</u></b>	100%	100%	100%	100%	–	–	100%	100%	
			<b><u>Ilan Kremer</u></b>	91%	–	–	–	–	100%	–	–	
			<b><u>Eli Alrov</u></b>	97%	–	–	–	–	–	100%	0% (In 2020, this Committee held one meeting.)	
			<b><u>Joseph Fellus</u></b>	100%	96%	100%	100%	–	100%	–	100%	
			<b><u>Joav Asher Nachshon</u></b>	89%	–	–	–	80%	–	85%	–	

		True	False
12.	During the reported period, the Board of Directors conducted at least one discussion concerning the management of the Corporation's business by the CEO and officers reporting there to, without the latter being present, after allowing them an opportunity to express their views.	✓	

SEPARATION OF ROLES OF THE CEO AND OF THE CHAIRMAN OF THE BOARD OF DIRECTORS			
		True	False
13.	<p>Throughout the reported period, a Chairman of the Board of Directors has served the Corporation.</p> <p>This question may be answered True if the period in which no Chairman of the Board of Directors served the Corporation does not exceed 60 days, as per Section 363a(2) of the Corporate Act; however, for any answer, please indicate the period during the reported period (in days) in which no Chairman of the Board of Directors served the Corporation: _____.</p>	✓	
14.	<p>Throughout the reported period, a CEO has served the Corporation.</p> <p>This question may be answered True if the period in which no CEO served the Corporation does not exceed 90 days, as per Section 363a(6) of the Corporate Act; however, for any answer, please indicate the period during the reported period (in days) in which no CEO served the Corporation: _____.</p>	✓	

15.		<p>For a corporation where the Chairman of the Board of Directors also serves as the CEO and/or exercises the authority thereof - this dual office was approved in conformity with provisions of Section 121(c) of the Corporate Act<sup>17</sup>.</p> <p><input checked="" type="checkbox"/> Not applicable (as there is no such dual office at the Corporation).</p>		
16.		<p>The CEO is <u>not</u> related to the Chairman of the Board of Directors.</p> <p>If you answered False (i.e. the CEO is related to the Chairman of the Board of Directors) –</p> <p>A. Indicate the family relationship between the parties: _____.</p> <p>B. The appointment was approved in conformity with Section 121(c) of the Corporate Act<sup>18</sup>:</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>(Mark X in the appropriate box)</i></p>	✓	
	A.	Indicate the family relationship between the parties: _____.	_____	_____
	B.	<p>The appointment was approved in conformity with Section 121(c) of the Corporate Act<sup>18</sup>:</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>(Mark X in the appropriate box)</i></p>	_____	_____
17.		<p>A controlling shareholder and/or any relative thereof do <u>not</u> serve as CEO or senior officer of the corporation, other than as Board member.</p> <p><input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).</p>	✓	

<sup>17</sup> For a debenture company – approval pursuant to Section 121(d) of the Corporate Act.

<sup>18</sup> For a debenture company – approval pursuant to Section 121(d) of the Corporate Act.



AUDIT COMMITTEE			True	False
18.		During the reported period, the Audit Committee did <u>not</u> include as member -	_____	_____
	A.	The controlling shareholder or relative thereof. <input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).	✓	
	B.	Chairman of the Board of Directors.	✓	
	C.	A Board member employed by the Corporation or by the controlling shareholder of the Corporation or by a corporation controlled there by.	✓	
	D.	A Board member regularly providing services to the Corporation or to the controlling shareholder of the Corporation or to a corporation controlled there by.	✓	
	E.	Board member primarily making a living from the controlling shareholder. <input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).	✓	
19.		During the reported period, any person not eligible to be a member of the Audit Committee, including a controlling shareholder or relative thereof, did not attend meetings of the Audit Committee, other than in conformity with provisions of Section 115(e) of the Corporate Act.	✓	

20.	<p>The legal quorum for discussion and passing resolutions at all Audit Committee meetings held during the reported period was a majority of Committee members, with a majority of those present being independent Board members and at least one of them was an external Board member.</p> <p>If you answered False – indicate the percentage of meetings when this requirement was not fulfilled: _____.</p>	✓	
21.	<p>During the reported period, the Audit Committee held one or more meetings attended by the Internal Auditor and by the Independent Auditor, with no officers of the Company, other than Committee members, attending - concerning faults in business management of the Corporation.</p>	✓	
22.	<p>At all meetings of the Audit Committee attended by anyone not permitted to be member of this Committee, this was approved by the Committee Chair and/or requested by the Committee (with regard to Legal Counsel and Corporate Secretary who is not a controlling shareholder or relative thereof).</p>	✓	
23.	<p>During the reported period, there were valid arrangements specified by the Audit Committee with regard to handling complaints by employees of the Corporation with regard to faults in management of corporate business and with regard to protection to be extended to employees who made such complaints.</p>	✓	
24.	<p>The Audit Committee (and/or the Financial Statements Review Committee) was satisfied that the scope of work of the Independent Auditor and their fee with regard to the financial statements in the reported period, were appropriate for carrying out proper audit and review work.</p>	✓	



	C.	<p>The number of days elapsed between the date on which the draft financial statements were provided to Board members and the date of discussion by the Board of Directors for approval date of the financial statements:</p> <p>Report for the first quarter (2020): 11.</p> <p>Report for the second quarter: 10.</p> <p>Report for the third quarter: 8.</p> <p>Annual report: 9.</p>		
26.		<p>The Corporation's Independent Auditor attended all meetings of the Committee and of the Board of Directors convened to discuss the Corporation's financial statements for periods within the reported period.</p> <p>If you answered False, please indicate their attendance rate: _____</p>	✓	
27.		<p>Throughout the reported period and through publication of the annual report, the Committee was in compliance with all of the following conditions:</p>	_____	_____
	A.	<p>Committee members counted no fewer than three (as of the date of discussion by the Committee and approval of the financial statements).</p>	✓	
	B.	<p>All conditions stipulated in Section 115(b) and (c) of the Corporate Act were fulfilled (with regard to office of Audit Committee members).</p>	✓	
	C.	<p>The Committee Chair is an external Board member.</p>	✓	
	D.	<p>All Committee members are Board members and most Committee members are independent Board members.</p>	✓	
	E.	<p>All Committee members can read and understand financial statements, and at least one independent Board member has accounting and financial expertise.</p>	✓	

	F.	Committee members have provided certification prior to being appointed.	✓	
	G.	Legal quorum for discussion and passing resolutions at the Committee was a majority of Committee members, provided that a majority of those present are independent Board members and at least one of them was an external Board member.	✓	
	If you answered False to any sub-items in this question, indicate for which report (periodic / quarterly) the condition was not fulfilled, and which condition was not fulfilled: _____.		_____	_____

REMUNERATION COMMITTEE			True	False
28.		<p>During the reported period, the Committee included at least three members and external Board members constituted a majority of Committee members (on the date of discussion by the Committee).</p> <p><input type="checkbox"/> Not applicable. (No discussions took place).</p>	✓	
29.		<p>Terms of office and employment of all members of the Remuneration Committee in the reported period are in conformity with Corporate Regulations (Rules for remuneration and expense reimbursement for external board members), 2000.</p>	✓	
30.		<p>During the reported period, the Remuneration Committee did not include as member -</p>	—	—
	A.	<p>The controlling shareholder or relative thereof.</p> <p><input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).</p>	✓	
	B.	<p>Chairman of the Board of Directors.</p>	✓	
	C.	<p>A Board member employed by the Corporation or by the controlling shareholder of the Corporation or by a corporation controlled there by.</p>	✓	
	D.	<p>A Board member regularly providing services to the Corporation or to the controlling shareholder of the Corporation or to a corporation controlled there by.</p>	✓	


		E. Board member primarily making a living from the controlling shareholder. <input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).	✓	
31.		During the reported period, a controlling shareholder, or relative thereof, did not attend meetings of the Remuneration Committee, unless the Committee Chair has ruled that they are required to attend for presentation of any particular matter.	✓	
32.		The Remuneration Committee and the Board of Directors have not exercised their authority pursuant to Sections 267a(c), 272(c)(3) and 272(c1)(1)(c) to approve any transaction or remuneration policy despite objection by the General Meeting of Shareholders. If you answered False, please indicate - The type of transaction thus approved: _____ The number of times they exercised their authority during the reported period: _____	✓	

INTERNAL AUDITOR			
		True	False
33.	The Chairman of the Board of Directors or the CEO of the Corporation is the organizational supervisor of the Internal Auditor of the Corporation.	✓	
34.	<p>The Chairman of the Board of Directors or of the Audit Committee have approved the work plan during the reported period.</p> <p>Also elaborate the audit topics addressed by the Internal Auditor in the reported period: 2020 (Mark X in the appropriate box).</p> <p><b><u>The Internal Auditor operates based on a risk-based audit plan. In 2020, the Internal Auditor addressed, inter alia, topics related to credit risk, financial risk, compliance risk, operating risk, AML etc. In 2020, the work plan was adapted for the Corona Virus period. For more information see disclosure with regard to the Internal Auditor of the Corporation in chapter "Corporate governance and audit" in the Bank's 2020 annual report.</u></b></p>	✓	
35.	<p>Scope of work by the Internal Auditor for the Corporation in the reported period (in hours)<sup>19</sup>: <b><u>Full-time</u></b></p> <p><b><u>For more information see disclosure with regard to the Internal Auditor of the Corporation in chapter "Corporate governance and audit" in the Bank's 2020 annual report.</u></b></p>		
	In the reported year, the Audit Committee or the Board of Directors discussed the Internal Auditor's findings.	✓	
36.	The Internal Auditor is not an interested party in the Corporation, relative thereof, Independent Auditor or anyone on behalf thereof and has no material business relationship with the Corporation, the controlling shareholder thereof or corporations controlled thereby.	✓	

<sup>19</sup> Including work with regard to investees and audit work outside of Israel, as the case may be.



TRANSACTIONS WITH INTERESTED PARTIES		
	True	False
37.	<p>The controlling shareholder or relative thereof (including a company controlled there by) is <u>not</u> employed by the Corporation nor provides management services to the Corporation.</p> <p>If you answered False (i.e. the controlling shareholder or relative thereof are employed by the Corporation or provide management services to the Corporation), indicate –</p> <p>– The number of relatives (including the controlling shareholder) employed by the Corporation (including companies controlled thereby and/or through management companies): _____.</p> <p>– Were said employment agreements and/or management services agreements approved by the organs stipulated by law?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>(Mark X in the appropriate box)</p> <p><input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder). _____.</p>	<p>✓</p>

38.	<p>To the best of the Corporation's knowledge, the controlling shareholder has <u>no</u> other business in the Corporation's field of business (in one or more segments).</p> <p>If you answered False – please indicate if an arrangement has been agreed to separate the operations of the Corporation from those of the controlling shareholder:</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>(Mark X in the appropriate box)</p> <p><input type="checkbox"/> Not applicable (the Corporation does not have a controlling shareholder).</p>		
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**Chairman of the Board of Directors: Mr. Moshe Vidman**

**Chairman of the Audit Committee (also serves as the Financial Statement Review Committee): Mr. Joseph Fellus**