

**Mizrahi Tefahot Bank Ltd**  
(the “Bank”)

**T 138**

Re: **Approval and Issue of Option warrants to Employees for 2023, in Accordance with the Option Plans Included in the Outline Published by the Bank on July 26, 2021, including a Private Offering to an Employee who is the Bank’s CEO**

1. **Background**

On July 26, 2021, the Bank approved plans to issue option warrants to the CEO of the Bank, Mr. Moshe Lari (hereinafter: the “CEO”), to other officers at the Bank (except for the directors), as well as additional managers at the Bank and at the Bank’s subsidiaries (hereinafter: the “**Option Plans**”), in accordance with the outline of an offer to employees published by the Bank on July 26, 2021 (reference no. 2021-01-122745) (hereinafter: the “**Outline**”), according to Article 15b(1)(a) of the Securities Law 5728-1968 and the Securities Regulations (Private Offering of Securities in a Listed Company) 5760-2000 (hereinafter: “**Private Offering Regulations**”). Per the Outline, reserves of option warrants intended for the allotment of option warrants in accordance with each of the Option Plans were approved, for each of the years from 2021 to 2023 (inclusive), as detailed in Section 2.1.1 of the Outline (hereinafter: “**Reserves**”). The decision on July 26, 2021 established that only the option warrants that were to be granted for 2021, per the Option Plans, would be issued first, according to the Outline (hereinafter: the “**First Lot**”); and that in addition to the issue of the option warrants included in the First Lot, the Bank would be entitled to issue two additional option warrant lots, according to the Outline, for 2022 and 2023, per the Option Plans in the Outline.

Further to the above, on September 5, 2021, the Bank issued the First Lot of the option warrants (for the year 2021); and on June 26, 2022, the Bank issued the second lot of the option warrants (for the year 2022). Said option warrants were issued to the CEO of the Bank, Bank officers, principal Bank employees (who are not officers), and principal employees at the Bank’s subsidiaries, as well as additional managers at the Bank and the Bank’s subsidiaries, per the Option Plans included in the Outline.

2. **Approval and Issue of Option warrants to Employees For 2023, Offered Per the Outline, including a Private Offering to an Employee who is the Bank’s CEO**

2.1 2.1.1 Further to the issue of the First Lot and second lot of option warrants under the Outline, as aforesaid, the Bank hereby announces that on May 3, 2023, having received the approval of the Remuneration Committee on April 24, 2023, the Bank’s Board of Directors approved the offer and the issue of an additional lot for 2023, to be granted per the Outline (hereinafter: the “**Third Lot**”), to the Chief Executive Officer of the Bank and to other Bank officers (who are not

directors), as well as additional managers at the Bank and the Bank's subsidiaries, as detailed below.

It is hereby clarified that the instructions and provisions established in the Outline shall apply to the option warrants included in the Third Lot, including the provisions of the Option Plans specified in the Outline, and that this report mainly includes details regarding the amounts of the option warrants to be granted under the Third Lot (for 2023) as well as additional details according to the Private Offering Regulations.

It is further clarified that the 1' option warrants included in the Third Lot are offered to the CEO as part of his tenure and employment terms, and constitute an implementation of the aforementioned terms of tenure and employment (listed in Appendix D to the immediate report published by the Bank, on August 27, 2020, reference number 2020-01-085165), which were approved by the Bank's general meeting, on October 15, 2020 (as specified in Section 1.1.1a of the Outline).

2.1.2 The Remuneration Committee and the Board of Directors were presented, *inter alia*, with the documents and information regarding the Third Lot, as specified in Section 3.12.2 of the Outline, with the necessary changes.

2.1.3 The said resolution was made unanimously by all directors who had participated in the Remuneration Committee's meeting on April 24, 2023, and in the Board of Directors' meeting on May 3, 2023.

The Remuneration Committee's meeting on April 24, 2023 was participated by the following members of the Remuneration Committee: Ms. Hannah Feur (O.D.), Mr. Gilad Rabinovich (O.D.), Mr. Joseph Fellus (O.D.) and Ms. Estery Giloz-Ran (O.D.).

The Board of Directors' meeting on May 3, 2022 was participated by the following directors: Mr. Moshe Vidman (Chairman), Mr. Gilad Rabinovich (O.D.), Ms. Hannah Feur (O.D.), Mr. Joseph Fellus (O.D.), Mr. Ron Gazit, Mr. Avraham Zeldman, Mr. Jonathan Kaplan, and Ms. Estery Giloz-Ran (O.D.).

2.1.4 The terms specified in this report shall bear the meaning determined for them in Section 1.1.2 of the Outline, unless explicitly stated otherwise; the mention constitutes an inclusion by way of reference to the contents of Section 1.1.2 of the Outline.

## 2.2 **The Quantity of Option warrants that are Included in the Third Lot of the Option warrants**

2.2.1 Up to 35,355 1' Option warrants shall be granted under Options Plan 1' to the Bank's Chief Executive Officer;

2.2.2 Up to 300,809 A Option warrants shall be granted under Options Plan A to up to 8 officers at the Bank who are not gatekeepers;

- 2.2.3 Up to 135,709 B Option warrants shall be granted under Options Plan B to up to 5 officers at the Bank who are gatekeepers;
- 2.2.4 Up to 554,600 C Option warrants shall be granted under Options Plan C to up to 36 principal employees at the Bank and at the Bank's subsidiaries;
- 2.2.5 Up to 903,975 D Option warrants shall be granted under Options Plan D to up to 67 Bank managers who are employed under personal contracts, as well as up to 31 additional managers at the Bank and at the Bank's subsidiaries, who have been approved to be included in this group for the purposes of the Outline;
- 2.2.6 Up to 1,512,950 E Option warrants shall be granted under Options Plan E to up to 284 Bank managers who are employed under collective agreements.

### 2.3 **The Exercise Price**

- 2.3.1 The exercise price for each of the option warrants to be included in the Third Lot is ILS 114.88 (subject to adjustments, as detailed in Section 2.20 of the Outline), plus index linkage differences from the index known on the date on which the Board of Directors approved the issue of the Third Lot of option warrants (as aforesaid in Section 2.1.1), and up to the index known on the exercise date of an option warrant included in the Third Lot, according to each of the Option Plans.
- 2.3.2 The exercise price of an option warrant, as aforesaid in Section 2.3.1, was determined according to the average of the closing rate of an ordinary share of the Bank on the TASE, during the thirty (30) trading days prior to the date on which the Board of Directors approved the issue of the Third Lot of option warrants (as aforesaid in Section 2.1.1).

It is hereby clarified that on the exercise date, the offeree will not be required to pay the exercise price, and the exercise price will be used solely for the purpose of determining the amount of the cash bonus and the amount of exercise shares that will actually be issued to the offeree.

It is further clarified that the exercise price is subject to adjustments, as detailed in Section 2.20 of the Outline.

### 2.4 **The closing rate of the Bank's ordinary share on the TASE, on the trading day prior to the date on which the Board of Directors approved the issue of the Third Lot of option warrants**

The closing rate of the Bank's ordinary share on the TASE on May 2, 2023 was ILS 119.10

### 2.5 **The Closing Rate Cap**

- 2.5.1 As detailed in the Outline, the issue of the full quantity of exercise shares derived from the option warrants that the offeries are entitled to exercise is merely theoretical, since in practice, the full quantity of exercise shares , according to the provisions of any of the plans, shall not be issued to the

offerees, but only shares at a quantity reflecting the financial benefit sum incorporated in said option warrants, considering the closing rate cap, as provided in Section 2.21 of the Outline.

2.5.2 In this regard, it was established in Section 2.21.2a(3) of the Outline that the “closing rate cap” with respect to the option warrants included in the Third Lot of option warrants shall be a sum which will be determined by the Remuneration Committee and the Board of Directors during the approval of the Third Lot’s issuance for 2023, provided that it does not exceed ILS 200, plus index linkage differences, from the index known on the date of the Board of Directors’ approval of the Third Lot’s issue and until the index known on the exercise date.

Accordingly, the Remuneration Committee and the Board of Directors determined that the “closing rate cap” with respect to the option warrants included in the Third Lot of option warrants shall be at the sum of ILS 154.40, plus linkage differences, as aforesaid.

It is hereby clarified that in accordance with Section 2.21.2 (*finis*) of the Outline, the sum of the “closing rate cap” shall be adjusted per the adjustments to the exercise price, as stated in Section 2.20 of the Outline, with the required changes as applicable.

2.6 **The proportion of exercise shares deriving from the option warrants included in the Third Lot out of the Bank’s issued capital and the voting rights thereat (including by full dilution)**

2.6.1 Assuming issue and full exercise of all option warrants included in the Third Lot, as aforesaid in Section 2.2, and assuming that the offerees shall not be issued the full quantity of the exercise shares deriving from the option warrants, but only shares at a quantity reflecting the financial benefit sum incorporated in the option warrants included in the Third Lot, which shall be calculated in accordance with the “closing rate cap” determined for the Third Lot, as aforesaid in Section 2.5.2, the exercisable shares shall constitute approx. 0.34% of the Bank’s issued capital and of the voting rights therein (immediately after the issue); and assuming full dilution, approx. 0.34% of the Bank's issued capital and the voting rights therein. In this matter, “**full dilution**” – shall assume the exercise of all option warrants that are not listed for trade on the TASE, which were allotted for employees of the Bank (including officers) and its subsidiaries (which have not yet been exercised or have not yet expired), according to their terms, taking into account the financial benefit sum incorporated therein, which shall be calculated according to the closing rate cap determined for them (if and insofar as it was determined).

- 2.6.2 In the matter of the dilution rates specified in Section 2.6.1 above, it is hereby clarified that the quantity of option warrants which an offeree shall be entitled to exercise *de facto* according to the Outline's provisions shall be derived from the fulfilment of the prerequisites and the measures and provisions detailed in Chapter 2 of the Outline. Therefore, this quantity may be lower than the maximum quantity of option warrants that will be issued under the Outline and included in the Third Lot.
- 2.6.3 The dilution rate, as aforesaid in Section 2.6.1, was calculated based on the "Status of Capital, Grant of Rights to Share Purchases and Registers of the Securities of the Corporation and Changes Therein" report published by the Bank on April 3, 2023 (reference no. 2023-01-037644)

## 2.7 **The Fair Value of the Option warrants**

- 2.7.1 The Bank is implementing ASC 718, "Share-Based Payment". In accordance with the provisions of said standard, the Bank's financial reports must state an expense by reason of issue of the option warrants pursuant to the Option Plans. The provisions of the standard cover, *inter alia*, the recording of expenses in respect of the grant of Option warrants in the Bank's financial reports, in accordance with their fair value on the date of the Option warrants' grant for accounting purposes pursuant to the provisions of the standard.
- 2.7.2 The accounting standard distinguishes between option warrants subject to market conditions (for example, the return on the Bank's share relative to the benchmark index) and option warrants that are subject to performance conditions that are subject to performance conditions (for example, the operational efficiency ratio), which are reviewed in the period preceding the vesting date, as provided in Section 2.12.12 of the Outline, and option warrants that are subject to performance conditions that are not market conditions, which are reviewed in the period preceding the vesting date, as provided in Section 2.13.3 of the Outline.

In accordance therewith, the fair value of the option warrants that are included in the Third Lot, and which are subject to performance conditions that are not market conditions, was calculated on the basis of the binomial model, and the fair value of the Option warrants included in the Third Lot, which are subject to performance conditions that are market conditions, was calculated on the basis of the Monte Carlo model;

According to the accounting principles, the amount of Option warrants the Offerees will be entitled to exercise, as stated in the Outline, will be reexamined on each report date, over the Option warrants' vesting period, based on the information that will exist at the time. The results of this review may lead to a change in the amount of expenditure which will be recorded in the Bank's

financial statements due to the Options Warrants, but not to a change in the fair value of any single Option Warrant.

The calculation of the fair value, as of the date of the Board of Directors' approval of the issue of the Option warrants included in the Third Lot, is based on an economic opinion prepared by outside counsel.

2.7.3 For the purpose of calculating the fair value, as of the date of the Board of Directors' approval of the issue of the Option warrants included in the Third Lot, as aforesaid, the terms and conditions of the Option Plans were taken into account, as well as the following figures and assumptions:

- a. The Option warrants' exercise price, for the purpose of the calculation, is ILS 114.88; this price was determined on the basis of the average closing rates of an ordinary share of the Bank on the TASE in the thirty (30) trading days preceding May 3, 2023, on which the Board of Directors' approval of the issue of the Option warrants included in the Third Lot was received.
- b. The closing rate of an ordinary share of the Bank on the TASE on May 2, 2023 (i.e., on the trading day preceding May 3, 2023, on which the Board of Directors' approval of the issue of the Option warrants included in the Third Lot was received), was ILS 119.10.
- c. For 1' Option warrants, the contractual lifespan for exercising the Third Lot of option warrants is 3.59 years.
- d. For Option warrants A, B, and C, the contractual lifespan for exercising the Third Lot of option warrants is between 3.59 and 5.42 years (in this regard, the possibility of advancing the vesting dates of Options Warrants A, B and C, in accordance with Section 2.13.5 of the Outline, was not taken into account.)
- e. For Option warrants D and E, the contractual lifespan for exercising the Third Lot of option warrants is 4.09 years.
- f. The standard deviation for the Third Lot was calculated on the basis of the standard deviations of the historical daily yields of the adjusted share prices on the TASE, according to the Third Lot's conditions (as described in the Outline) including adjustments for extreme events; accordingly, for the purpose of the calculation, the annual standard deviation that was taken into account for the Third Lot of Option warrants 1', A, B, C, D, and E is approx. 23.54%.
- g. Risk-free interest rate: as a rule, according to ASC 718, the interest of a risk-free asset, the conditions of which are consistent with the exercise price (linked or unlinked) must be used for currency in which the exercise

price is denominated, and for a period identical to the option warrants' contractual lifespan.

Accordingly, and since the Option warrants' exercise price is linked to the Consumer Price Index, the interest rates taken into account for the purpose of calculating the Option warrants' value are in accordance with the nominal government bond yield to maturity off which CPI expectations were deducted.

The yield to maturity data that were taken into account for the purpose of the calculation were based on the data published by "Mirvach Hogen" on May 2, 2023, and are in accordance with the conditions of the Option warrants included in the Third Lot.

In light of the aforesaid, the interest rates taken into account for the purpose of the calculation are: between approx. 0.95% and approx. 1.66%.

- h. Dividends: the exercise price is adjusted to dividends and, accordingly, the dividend rate taken into account for the purpose of the calculation is 0%.
- i. Benefit restriction on the Option warrants' exercise date: as stated in Section 2.21 of the Outline, the Option warrants include a restriction on the sum of the cash bonus that shall derive on their exercise date. Accordingly, for the purpose of calculating the sum of the cash bonus for the offeree on the exercise date of the Third Lot of Option warrants, the closing rate of an ordinary Bank share on the TASE, on the trading day preceding the exercise date, or the closing rate cap (in the meaning thereof in Section 2.21.2a.(3) of the Outline), whichever is lower will be taken into account.
- j. For Option warrants A through E the fair value of which was determined using the Monte Carlo model (i.e., Option warrants subject to performance conditions that are market conditions), the following data and assumptions were used (in addition to the assumptions detailed above in SS (a) to (h)):  
In this SS j.: "**excess return measurement period**" – the measurement period of the annual return on the Bank's share (including a dividend) compared to the benchmark index, in accordance with Section 2.12.6 of the Outline.
  - (1) The standard deviations of the other four major banks' shares: the standard deviations for the Third Lot were calculated on the basis of the standard deviations of the historical daily yields of the adjusted TASE share prices for the shares of the other four major banks, over a period equal to the Bank share's standard deviation measurement period; accordingly, for the purpose of the calculation, the annual standard deviations taken into account were between approx. 20.62% and approx. 23.82%.

- (2) The correlation coefficients between the yield on the Bank's share and the share yield of the other four major banks: the correlation coefficients were assessed on the basis of a calculation of the correlation coefficients between the historical yields on the Bank's share price and the historical yields of the other four major banks, over a period consistent with the excess yield measurement period; accordingly, a matrix of correlation coefficients assessed in the range of between approx. 70.31% and approx. 84.52% were taken into account for the purpose of the calculation.
- k. Exercise multiplier: an exercise multiplier of 1.21 was taken into account under the options' worth.
- 2.7.4 On the basis of the assumptions detailed above in Section 2.7.3, the fair value of each (single) 1' option warrant that will be granted to the Bank's CEO under the Third Lot of option warrants, as of the date of the Board of Directors' approval of the issue of the 1' option warrants included in the Third Lot, is approx. ILS 16.21.
- 2.7.5 On the basis of the assumptions detailed above in Section 2.7.3, the average, fair value of each (single) option warrant A through E included in the Third Lot of option warrants, as of the date of the Board of Directors' approval of the issue of the option warrants included in the Third Lot, is as follows:
- a. A option warrant– approx. ILS 16.01.
  - b. B option warrant– approx. ILS 16.01.
  - c. C option warrant– approx. ILS 16.00.
  - d. D or E option warrant– approx. ILS 16.97.

It should be noted that in accordance with the terms of the 1' Option warrants, the rate of the CEO's entitlement to exercise said option warrants shall be determined at the discretion of the Remuneration Committee and the Board of Directors, according to their evaluation of his performance (as stated in Section 2.12.1 of the Outline); and likewise, that in accordance with the terms of Option warrants A through E, the rate of an offeree's entitlement to exercise said option warrants shall be determined according to the various terms of entitlement and exercise established in their regard; accordingly, the quantity of option warrants which an offeree may be entitled to exercise under the terms established in the Outline may be lower than the total quantity of option warrants to be granted to him or her under the Outline.

- 2.7.6 According to the accounting principles, the quantity of option warrants included in the Third Lot that the offerees will be entitled to exercise, as stated in the Outline, will be re-examined on each report date, over the option warrants'



vesting period, based on the information that exists at that time. The results of this review may lead to a change in the amount of expenditure which will be recorded in the Bank's financial reports due to the option warrants, but not to a change in the fair value of any single option warrant.

3. **The Bank's issued and outstanding share capital and the holding rates thereof**

3.1 The Bank's registered capital is ILS 40,000,000, divided into 400,000,000 ordinary shares of ILS 0.1 N.V. each.

The Bank's issued and outstanding capital is approx. ILS 25,719,084, divided into 257,190,844 ordinary shares of ILS 0.1 N.V. each. (hereinafter: "shares").

The Bank's issued and outstanding capital, as aforesaid, was calculated on the basis of the "Status of Capital and Registers of Securities of the Corporation and the Changes Therein" report, released by the Bank on April 3, 2023 (Reference no. 2023-01-047644)

3.2 Below are details on the amount and rate of the holdings of the Bank's Chief Executive Officer, of interested parties at the Bank and of the rest of the Bank's shareholders, in the Bank's issued and outstanding share capital and the voting rights thereat, assuming that all Option warrants included in the Third Lot of 1' Option warrants are issued under the Outline<sup>1</sup>:

Shareholder Name	Amount of 1' Option warrants included in the Third Lot	Amount and rate of holdings in capital and voting rights, before the issuance of 1' Option warrants included in the Third Lot		Amount and rate of holdings in capital and voting rights, after the issuance, assuming all 1' Option warrants included in the Third Lot are exercised <sup>2</sup>		Amount and rate of holdings in capital and voting rights, after the issuance, assuming all 1' Option warrants included in the Third Lot and all other option warrants (A through E) included in the Third Lot are exercised, and assuming also that all existing and convertible or exercisable securities are exercised and converted into company shares <sup>3</sup>	
		# of ordinary shares	Rate in %	# of ordinary shares	Rate in %	# of ordinary shares	Rate in %
The CEO	35,355	---	---	9049	---	41,226	0.02%
M.W.Z. (Holdings) Ltd <sup>4</sup>	---	18,780,468	7.30%	18,780,468	7.30%	18,780,468	7.21%

F&W Registered Partnership <sup>5</sup>	---	33,662,844	13.09%	33,662,844	13.09%	33,662,844	12.93%
L.Y.N. (Holdings) Ltd <sup>6</sup>	---	54,486,207	21.19%	54,486,207	21.19%	54,486,207	20.92%
Excellence Investments Ltd <sup>7</sup>	---	7,263,509	2.82%	7,263,509	2.82%	7,263,509	2.79%
The Phoenix Holdings Ltd <sup>7</sup>	---	8,050,588	3.13%	8,050,588	3.13%	8,050,588	3.09%
Meitav Investment House <sup>8</sup>	---	15,365,100	5.97%	15,365,100	5.97%	15,365,100	5.90%
The rest of the shareholders <sup>9</sup>	---	119,582,128	46.50%	119,582,128	46.50%	122,761,668	47.14%
<b>Total</b>		<b>257,190,844</b>	<b>100%</b>	<b>257,199,893</b>	<b>100%</b>	<b>260,411,610</b>	<b>100%</b>

Table notes:

- 1 The data were calculated based on the immediate report on the “Status of the Holdings of Interested Parties and Senior Officers” published by the Bank on April 5, 2023 (reference no. 2023-01-034267) and the immediate report on the “Status of Capital, Grant of Rights to Share Purchases and Registers of the Securities of the Corporation and Changes Therein” published by the Bank on April 3, 2023 (reference no. 2023-01-037644).
- 2 Assuming a full exercise of the Third Lot of 1’ Option warrants to be issued under the Outline, and assuming an issuance of exercise shares in an amount reflecting the cash bonus sum incorporated in said option warrants considering the closing rate cap determined for the Third Lot, as provided above in Section 2.5.
- 3 In the matter of the calculation of the holdings at full dilution, see the “full dilution” definition above in Section 2.6.1.
- 4 For details regarding how the Bank’s shares are held by M.W.Z. (Holdings) Ltd., see the notes on holder no. 1 in the immediate report on the “Status of the Holdings of Interested Parties and Senior Officers” published by the Bank on April 5, 2023 (reference no. 2023-01-034267).
- 5 For details regarding how the Bank’s shares are held by F&W Registered Partnership, see the notes on holder no. 2 in the immediate report on the “Status of the Holdings of Interested Parties and Senior Officers” published by the Bank on April 5, 2023 (reference no. 2023-01-034267).
- 6 For details regarding how the Bank’s shares are held by L.Y.N. (Holdings) Ltd., see the notes on holder no. 3 in the immediate report on the “Status of the Holdings of Interested Parties and Senior Officers” published by the Bank on April 5, 2023 (reference no. 2023-01-034267).
- 7 For details regarding how the Bank’s shares are held by Excellence Investments Ltd and the Phoenix Holdings Ltd (which are members of an institutional reporting group), see the notes on holders no. 8 through 12 in the immediate report on the “Status of the Holdings of Interested Parties and Senior Officers” published by the Bank on April 5, 2023 (reference no. 2023-01-034267).
- 8 For details regarding how the Bank’s shares are held by Meitav Investment House Ltd (which is a member of an institutional reporting group), see the notes on holders no. 13 through 14 in the

immediate report on the “Status of the Holdings of Interested Parties and Senior Officers” published by the Bank on April 5, 2023 (reference no. 2023-01-034267).

9 Including Bank employees, insofar as they may hold the Bank’s ordinary shares.

4. **The Consideration**

4.1 The 1’ Option warrants included in the Third Lot are offered to the Bank’s CEO for the year 2023, without requital (subject to the entitlement terms specified in the Outline), as part of his terms of service and employment; this offer constitutes an implementation of the CEO’s aforesaid terms of service and employment, which were duly approved, as detailed above in Section 2.1.1.

4.2 The exercise price of the Option warrants included in the Third Lot of 1’ Option warrants that are offered to the CEO was determined as aforesaid in Section 2.3, and it is identical with respect to all offerees under the Outline, including the CEO of the Bank.

5. **Personal interest of a substantial shareholder or officer at the Bank**

5.1 To the best of the Bank’s knowledge, interested parties at the Bank (except for the CEO) have no personal interest in the offer of option warrants under the Outline, which are included in the Third Lot.

5.2 The Bank’s CEO and the officers at the Bank have a personal interest in the offer of option warrants included in the Third Lot under the Outline, by virtue of being its offerees. Moreover, in the CEO’s terms of service and employment, it was established that the decision of the Remuneration Committee and the Board of Directors to grant Option warrants to the CEO for any bonus year, including 2023, is contingent upon deciding to grant option warrants to the officers at the Bank (who are not the CEO or directors) for that year.

6. **Approvals**

6.1 As detailed above, on May 3, 2023, having received the approval of the Remuneration Committee on April 24, 2023, the Bank’s Board of Directors approved the offer and the issue of the option warrants included in the Third Lot, according to the Outline, for the year 2023.

In this regard, it must be noted that the offer of 1’ option warrants included in the Third Lot to the CEO constitutes an implementation of the CEO’s terms of service and employment, which were duly approved, as detailed above in Section 2.1.1.

6.2 The issuance of the warrants included in the Third Lot is subject to receiving the approval of the Tel-Aviv Stock Exchange Ltd. (hereinafter: “TASE”), for the trading registration of the ordinary shares that will result from the exercise of the option warrants included in the Third Lot, according to each of the Option Plans.

Shortly after the publication of this report, the Bank will contact the TASE with a request to list for trading the ordinary shares that will result from the exercise of the

option warrants included in the Third Lot of the option warrants, according to each of the plans.

6.3 The assumption is that the option warrants included in the Third Lot according to the Outline will be granted soon after the publication of this report.

7. **Details of agreements regarding the purchase or the sale of the Bank's securities or with regard to the voting rights at the Bank**

7.1 To the best of the Bank's knowledge, no agreements, written or oral, exist between the CEO and a shareholder of the Bank, or between the CEO and others, including between him and any other offeree under the Outline, regarding the purchase or the sale of the Bank's securities or with regard to the voting rights at the Bank.

7.2 The Bank has contacted the CEO and received his written confirmation of the aforesaid.

8. **Prevention or restriction that will apply to the CEO in performing actions with the 1' option warrants or the exercise shares**

It is hereby clarified that the provisions established in Section 2.23.1 and 2.23.2 of the Outline regarding a prevention or restriction that will apply to an offeree performing actions with the option warrants or the exercise shares shall also apply to the CEO.

9. After the issue of the option warrants included in the Third Lot, per the Outline, the Bank shall report it, as required by law.

**May 3 2023**

Date

Via:

**Mizrahi Tefahot Bank Ltd**

**Racheli Friedman**  
Chief Legal Advisor

**Hanan Kikozashvili**  
Secretary & Head of the  
Bank's Headquarters