

MIZRAHI TEFAHOT BANK LTD
No. with the Registrar of Companies: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel Aviv Stock Exchange Ltd</u>	T121 (Public)	Date of transmission: June 26 2023
	www.isa.gov.il		www.tase.co.il		Ref: 2023-01-070224

Immediate Report for General Essential Information

Explanation: This form may not be used if an appropriate form exists for the reported event.

This report form is intended for essential reports for which no designated form exists.

Issue results must be reported under T20 and not under this form.

Bond rating or corporation rating reports must be submitted through Form T125.

Nature of the Event: Signing of a Special Collective Agreement with the Mizrahi Tefahot Employees' Organization

The reference numbers of previous documents on the subject:

Attached file [collective agreement with employees organization isa.pdf](#)

The company *is not* a shell company, as defined in the TASE Rules and Regulations.

Date on which the corporation first learned of the event: *June 26 2023* at 15:00.

Details of the signatories authorized to sign on behalf of the corporation:

	Signatory's Name	Position
1	<i>Meital Haroush</i>	<i>Other Head of Human Capital and Resources Division</i>
2	<i>Meno Aviv</i>	<i>Other Head of the Information and Financial Reporting Division</i>

Explanation: According to Regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970, a report filed under these regulations shall be signed by those authorized to sign on behalf of the corporation. The position of the senior staff on the matter (in Hebrew) can be found on the ISA's website: [Click here](#)

The reference numbers of previous documents on the subject (reference does not constitute incorporation by reference):

Address: 7 Jabotinsky Street, Ramat Gan, 52520 Tel:03-7559720 Fax:03-7559923
E-mail: mangment@umtb.co.il Company website: <https://www.mizrahi-tefahot.co.il>

Previous name of the reporting entity: United Mizrahi Bank Ltd

Name of the person reporting electronically: Kikozashvili Hanan	Position: Bank Secretary	Name of Employing Company: Mizrahi Tefahot Bank Ltd	
Address: 7 Jabotinsky Street, Ramat Gan, 52520	Tel: 03-7559219	Fax: 03-7559923	E-mail: management@umtb.co .il

June 26 2023

To:

The Securities Authority

To:

The Tel Aviv Stock Exchange Ltd

Dear Sir or Madam,

**Re: Signing of a Special Collective Agreement
with the Mizrahi Tefahot Employees' Organization**

Further to the contents of the Human Resources chapter in the Board of Directors and Management report of the Bank's financial reports from December 31, 2022 and Note 22 of the Bank's financial reports from December 31, 2022 on the subject of "employees' rights", Mizrahi Tefahot Bank Ltd (hereinafter: the "**Bank**") is pleased to announce the signing of a special collective agreement between the Bank and the Mizrahi Tefahot Employees' Organization (hereinafter: the "**Employees' Organization**") for the years 2022-2026 and its approval by the Board of Directors (hereinafter: the "**Agreement**").

1. Below are main principles of the Agreement:

1.1 **Wage and Bonuses**

- 1.1.1 It was agreed that each employee will receive a monthly wage increase of ILS 1000, with an additional ILS 200 to branch employees, for the period beginning on January 1, 2022. These sums will be linked to the Consumer Price Index beginning on January 1, 2023.
- 1.1.2 In addition to the above, it was agreed that the base wage will increase by 3% in each of the years 2023 through 2024, and by 2% in the years 2025 through 2026.
- 1.1.3 Certain positions, such as section managers and authorized signatories, will receive a wage raise.
- 1.1.4 Social provisions will be updated so that the base wage for the pension provisions will be increased, and the base wage for provisions to the study fund will be identical to the pension provision basis.
- 1.1.5 The Bank will give employees who began their jobs before January 1, 2022 (and who are still employed by the Bank) a bonus in the sum of two thirteenth month payments, as well as a bonus in the sum of one thirteenth month payment to employees who began their jobs as of January 1, 2022 (and who are still employed by the Bank).

1.2 **Managerial flexibility and encouragement of excellence**

Various agreements were established with the Employees' Organization to increase the Bank's managerial flexibility and encourage excellence, primarily paying attention to the

challenges that exist in this period, including labor market changes, innovation in the banking industry, and to support the achievement of the Bank's strategic goals. Thus, inter alia, the following matters were agreed upon:

- 1.2.1 The number of personal contracts at the Bank's headquarters will be raised.
 - 1.2.2 It will be possible to supplement salaries through personal supplements to headquarters employees, under certain conditions.
 - 1.2.3 The trial period for a predetermined number of employees will be extended for up to 5 years.
 - 1.2.4 The Bank will be able to relocate employees at its discretion.
 - 1.2.5 The Bank will be able to initiate employment terminations due to a lack of suitability for up to 70 employees classified as low-contributing employees during the period of the Agreement.
- 1.3 In light of the upcoming relocation of Bank headquarters employees to the new bank campus in Lod (the "**New Campus**"), it was agreed that the Bank will determine the working conditions (including those pertaining to employee welfare) at the New Campus after consulting the Employees' Organization. The Employees' Organization shall have no claims whatsoever regarding the relocation to the New Campus.
- 1.4 It was agreed that complete and absolute industrial peace shall be maintained throughout the duration of the Agreement.
2. Concurrently with the signing of the Agreement, the Bank and the Employees' Organization signed an agreement that will put a voluntary retirement plan into effect until December 31, 2027 (the "**Retirement Plan**"). The principal terms of the Retirement Plan are consistent with those of the retirement plan that ended on December 31, 2021.
3. The Bank's financial reports for December 31, 2022 and March 31, 2023 include the cumulative effect of the Agreement up to these dates, respectively. In the assessment of the Bank's management, the Agreement is not expected to have a material impact on the Bank's financial reports in 2023 or subsequent years.
- Wage expenses at the Bank are expected to increase by approximately ILS 85 million in 2023 and by an additional ILS 30-45 million in each of the years 2024-2026 as a result of the Agreement.
4. It is clarified that the aforementioned data are in accordance with the Bank management's assessments, which constitute forward-looking information. This reflects the assessment of the bank's management, based on the information in its possession and the plans in place at the time of this report. The foregoing may not materialize if there are substantial changes in the size or composition of the employee population, in the wage levels of new hires, or due to any external changes.

Respectfully,

Mizrahi Tefahot Bank Ltd

By:

Meital Haroush, Head of Human Capital and Resources Division

Meno Aviv, Head of the Information and Financial Reporting Division