

Mizrahi Tefahot Bank Ltd.'s Immediate Reports are published in Hebrew on the Israel Securities Authority and the Tel Aviv Stock Exchange websites.

The English version is prepared for convenience purposes only. The only binding version of the Immediate Reports is the Hebrew version.

In the event of any discrepancy or inconsistency between the Hebrew version and the translation to English, the Hebrew version shall prevail and supersede, for all purposes and in all respects.

MIZRAHI TEFAHOT BANK LTD

Registrar Number: 520000522

To:	Israel Securities Authority www.isa.gov.il	To:	Tel-Aviv Stock Exchange Ltd www.tase.co.il	T460 (public)	Transmitted via Magna: July 27 2023 Reference: 2023-01-086163
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Amending report to an impaired report submitted on: July 24 2023 the reference number of which is: 2023-01-084555

The impairment:

The amendments proposed for the bank's Articles of Association (as specified in Section 1.1.2 of the immediate report published by the bank on July 24 2023) were erroneously marked on the text of the bank's Articles of Association that were approved on October 15, 2020, instead of the text of the bank's current Articles of Association that were approved on December 24, 2020 (in which Regulations 89.1 and 92 of the bank's Articles of Association were amended, as detailed in the immediate report published by the bank on November 16, 2020, reference no. 2020-01-114631).

Reason for impairment:

Technical error

Primary amendments made:

As part of the amending report on the convening of the general meeting, the current text of the bank's Articles of Association, on which the amendments proposed for the bank's Articles of Association were marked, was attached as Appendix A, instead of the Appendix A that was erroneously attached to the immediate report from July 24, 2023, as aforesaid.

It is hereby clarified that other than the aforesaid, no changes were made to the immediate report from July 24, 2023, including the amendments proposed for the bank's Articles of Association which were not changed. It is further clarified that no amendments were made to the dates specified in the immediate report, including the date that establishes shareholders' entitlement to vote at the general meeting and the date of the general meeting's convening, to which no changes were made.

Immediate Report of a Meeting

Regulation 36B (a) and (d) and Regulation 36C of the Securities Regulations (Periodic and Immediate Reports) 5730-1970

Explanation: Insofar as any of the matters on the meeting's agenda is the approval of a transaction with a controlling shareholder or the approval of an extraordinary proposal, Form T133 or T138 must be filled first, respectively, and thereafter a report should be filed on this form as well.

Is there a possibility to vote through the electronic voting system: *Yes*

Note: The possibility of selecting this field is only available to foreign corporations (that are not registered in Israel) and corporations whose securities are not listed for trade. Usage of the voting system will require the corporation to process all votes received through this system.

Link to the voting system website where a vote may be cast: [Voting system](#)

Explanation: Those who are entitled to vote through the system will receive access information from stock exchange members.

The corporation announces: *The convening of a meeting*

Note: In the event of a change to the meeting's date (postponement or a move forward), select "meeting postponement" or "court-ordered postponement" or "postponement to an unknown date".

The reference number of the last meeting notice is _____. It was called for _____.

Reason of postponement or cancellation: _____

Explanation: The reference number of the previous meeting's convening or postponement should be referenced.

1. Type of security: *Share*

Name of the entitling security: *Mizrahi Tefahot (MZTF)*

Number of the stock exchange security entitling the holder thereof to participate in the meeting: *695437*

The record date for entitlement to attend the meeting and vote thereat: *August 6 2023*

Explanation: If a meeting is required for more than one security number, a T460 must be reported separately for each additional security. Reports listing additional security numbers will require the filing of an amending form

2. On July 24 2023

it was resolved to *convene a meeting special meeting* _____

to be held on *Tuesday, September 5, 2023 at 14:00*

at the following address *7 Jabotinsky Street (13th floor), Ramat Gan*

3. On the agenda:

Explanation: The numbering of the agenda topics shall be according to the order of their appearance in the meeting's convening report, if attached as a file

Issues/resolution which will be raised at the meeting:

1

The issue/resolution and its details:

Description of the nature of the issue:

Amendment of Articles 1.1, 142, 143, 144, and 145 of the bank's Articles of Association.

The proposed resolution:

To approve the amendments of Articles 1.1, 142 (142 preface, as well subsections 142.4A, 142.4B, 142.9 preface, 142.9.8, 142.9.9, and 142.9.10) 143.3, 144 (144 preface, as well as subsections 144.4A, 144.4B, and 144.9) and 145.3 of the bank's Articles of Association in accordance with the amended and marked version of the aforementioned articles, as detailed in the bank's Articles of Association in their amended and marked version, which is attached as Appendix A to the immediate report on the convening of the general meeting, which is attached herein (the said amendments to the current version of Articles of Association are marked with an underline and a strikethrough in Appendix A).

Additional details:

In regard to the majority required to approve the resolution to amend the bank's Articles of Association, as aforesaid, and although the controlling shareholders at the Bank do not currently serve as bank officers, the bank has determined, for the sake of prudence (and ex gratia) that the majority required to approve said resolution is the majority required by Article 262(b) of the Companies Law 5759-1999.

For further details, see Section 1.1 of the attached immediate report regarding the convening of the general meeting.

Change to Articles of Association regarding exemption indemnity or insurance as stated in Article 262(b) of the Companies Law

Notice: A value in this table sets the text of the shareholder's statement in the online voting system. For the conversion table, [click here](#)

Gender:

Notice: The filling out of this field is only possible when the resolution is on the appointment of an outside director.

It is not compulsory to specify gender.

Reference to the last report on the subject of approving a private proposal (T138):

Not a transaction between the company and a controlling shareholder therein as stated in Articles 275 and 320(f) of the Companies Law

Reference to the last report on the subject (T133):

Explanation of the article in the Companies Law or the Securities Law or in another law for the approval of the resolution:

Explanation: In a transaction with a controlling shareholder that does not match any field in the law articles table, select the fields "Declaration: No appropriate classification field exists" and "Yes" transaction with controlling shareholder.

Only in the event of a bonds meeting or that this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, should the relevant articles of the law by power of which the resolution is required be detailed and explained.

Does the issue require the disclosure of a connection or another characteristic of the voting shareholder:

Notice: These values can only be selected if the field "Declaration: No appropriate classification field exists" was marked in the previous table and the transaction at hand is not between the company and its controlling shareholder

In the event of a bonds meeting

The existence of another issue has been decided:

Details of the other issue:

Notice: The details of the other issue establish the text of the declaration which will be included in the online voting system. The question must be worded so as to have a “Yes”/”No” answer. The question will appear in the voting system next to the resolution on the agenda and the voter will be able to choose between “Yes”/”No” and be able to add details if the answer is “Yes”.

Request for additional information from the holders:

It was decided to require additional information from the holders: *No*

Details of the additional information required from the holders or manner of meeting convention (in the event of a meeting according to 350):

Notice: This field establishes the text of the requirement for additional information which will be included in the online voting system. The voter will have the possibility to add the information in a text field.

- Amendment of a disclosure
- Negligible change or one that only benefits the company compared with the text of a resolution detailed in a last report.
- Removed from the agenda
- The subject was discussed in a previous meeting
- The subject was added to the agenda by court order
- The subject was added to the agenda according to Regulation 5b of the Companies Regulations (Notice of General Meetings and of Category Meetings in a Public Company, and Addition of an Issue to the Agenda) 5760-2000
- The subject was added to the agenda after the record date due to a technical error, as specified:

Explanation: After the record date, a resolution cannot be amended except for an amendment of the transaction conditions that benefits the company or a negligible change. Likewise, new issues cannot be added to the agenda after the record date, except by court order or in accordance with Regulation 5B of the Notice of General Meetings Regulations

The resolution on the agenda is brought to *a vote*

Type of majority required for approval *is not an ordinary majority*

The majority required at the general meeting and at the deferred general meeting to approve the resolution is an ordinary majority of the total votes of the shareholders present at the general meeting, who are entitled to vote and voting thereat, provided that one of the following is fulfilled:

- a. *The counting of the majority votes at the general meeting will include a majority of the votes of shareholders who do not have a personal interest in the approval of the resolution, who are participating in the vote; abstaining votes will not be taken into account in the counting of the total votes of said shareholders;*
- b. *The total opposing votes among the shareholders referred to above in SS (a) does not exceed two percent (2%) of the total voting rights at the company.*

Does the rate of the controlling shareholder's holdings of the corporation's shares bestow the controlling shareholder with the required majority for the adoption of the proposed resolution in this matter *No*

2

The issue/resolution and its details:

Description of the nature of the issue:

Approval of the amended text of the bank's letter of exemption and indemnity undertaking (hereinafter: "Amended Undertaking Letter").

The proposed resolution:

- a. *Subject to the approval of the amendments to the Bank's Articles of Association, as detailed above in Issue no. 1 on the agenda of the general meeting – to approve the bank's letter of exemption and indemnity undertaking to directors and other officers, including the Chief Executive Officer of the Bank and controlling shareholders at the Bank and their relatives, as well as employees who serve from time to time, including those who have served in the past or may be appointed in the future, all in accordance with the Amended Undertaking Letter attached as Appendix C to the immediate report on the convening of the general meeting. The proposed amendment to the current wording of the bank's Undertaking Letter are marked with an underline and a strikethrough in Appendix C.*
- b. *The resolution to approve the Amended Undertaking Letter with regard to its applicability to the controlling shareholders at the bank and their relatives will be submitted for re-approval until three (3) years have passed from the date on which said resolution will be approved by the bank's general meeting (according to the attached immediate report on the convening of the general meeting), insofar as it is required by the law.*
- c. *To approve the resolution to approve the Amended Undertaking Letter, with regard to its applicability to the other beneficiaries who are not the controlling shareholders at*

the bank and their relatives, for a period of nine (9) years from the date on which said resolution will be approved by the bank's general meeting (according to the attached immediate report on the convening of the general meeting).

Additional details:

For further details, see Section 1.2 of the attached immediate report regarding the convening of the general meeting.

Declaration: No appropriate classification field exists

Notice: A value in this table sets the text of the shareholder's statement in the online voting system. For the conversion table, click [here](#)

Gender:

Notice: The filling out of this field is only possible when the resolution is on the appointment of an outside director.

It is not compulsory to specify gender.

Reference to the last report on the subject of approving a private proposal (T138):

Yes a transaction between the company and a controlling shareholder therein as stated in Articles 275 and 320(f) of the Companies Law

Reference to the last report on the subject (T133): 2023-01-084549

Explanation of the article in the Companies Law or the Securities Law or in another law for the approval of the resolution:

Explanation: In a transaction with a controlling shareholder that does not match any field in the law articles table, select the fields "Declaration: No appropriate classification field exists" and "Yes" transaction with controlling shareholder.

Only in the event of a bonds meeting or that this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, should the relevant articles of the law by power of which the resolution is required be detailed and explained.

Does the issue require the disclosure of a connection or another characteristic of the voting shareholder:

Notice: These values can only be selected if the field "Declaration: No appropriate classification field exists" was marked in the previous table and the transaction at hand is not between the company and its controlling shareholder

In the event of a bonds meeting

The existence of another issue has been decided:

Details of the other issue:

Notice: The details of the other issue establish the text of the declaration which will be included in the online voting system. The question must be worded so as to have a “Yes”/”No” answer. The question will appear in the voting system next to the resolution on the agenda and the voter will be able to choose between “Yes”/”No” and be able to add details if the answer is “Yes”.

Request for additional information from the holders:

It was decided to require additional information from the holders: *No*

Details of the additional information required from the holders or manner of meeting convention (in the event of a meeting according to 350):

Notice: This field establishes the text of the requirement for additional information which will be included in the online voting system. The voter will have the possibility to add the information in a text field.

- Amendment of a disclosure
- Negligible change or one that only benefits the company compared with the text of a resolution detailed in a last report.
- Removed from the agenda
- The subject was discussed in a previous meeting
- The subject was added to the agenda by court order
- The subject was added to the agenda according to Regulation 5b of the Companies Regulations (Notice of General Meetings and of Category Meetings in a Public Company, and Addition of an Issue to the Agenda) 5760-2000
- The subject was added to the agenda after the record date due to a technical error, as specified:

Explanation: After the record date, a resolution cannot be amended except for an amendment of the transaction conditions that benefits the company or a negligible change. Likewise, new issues cannot be added to the agenda after the record date, except by court order or in accordance with Regulation 5B of the Notice of General Meetings Regulations

The resolution on the agenda is brought to *a vote*

Type of majority required for approval *is not an ordinary majority*

The majority required at the general meeting and at the deferred general meeting to approve the resolution is an ordinary majority of the total votes of the shareholders present at the

general meeting, who are entitled to vote and voting thereat, provided that one of the following is fulfilled:

- a. *The counting of the majority votes at the general meeting will include a majority of the votes of shareholders who do not have a personal interest in the approval of the resolution, who are participating in the vote; abstaining votes will not be taken into account in the counting of the total votes of said shareholders;*
- b. *The total opposing votes among the shareholders referred to above in SS (a) does not exceed two percent (2%) of the total voting rights at the company.*

Does the rate of the controlling shareholder's holdings of the corporation's shares bestow the controlling shareholder with the required majority for the adoption of the proposed resolution in this matter *No*

Attachment of the report on the convening of the meeting: *immediate report 24072023 isa.pdf*

4. Attachments

4.1 Attachment of a file which includes a voting paper/position papers: *Voting paper 24072023 isa.pdf*

Yes a voting paper
No position paper

Explanation: If a voting paper and/or a position paper has been attached, it must be verified that they are drafted in accordance with the Companies Regulations (Written Votes and Position Papers), 5766-2005. The company must assemble all position papers (per the meaning in Article 88 of the Companies Law) in a single file, in which it will be specified when the notice was published, from whom it was received, and a reference will be made to the relevant page in the consolidated file.

4.2 Attachment of a file which includes candidate statements/other related documents:

_____ declaration of the candidate to serve as corporate director
_____ declaration of an independent director
_____ declaration of an outside director
_____ declaration of a representative's appointment to representation
_____ amended deed of trust
_____ an application to approve a creditors' arrangement under Article 350
_____ other _____

5. The legal counting for holding the meeting:

The legal counting for holding the annual meeting will be constituted upon the presence, in person or by proxy, of two shareholders holding at least twenty-five percent (25%) of the voting rights, within half an hour from the time set for the beginning of the meeting.

6. In the absence of a legal counting, the deferred meeting will be held on *September 12, 2023 at 14:00*, at the following address: *7 Jabotinsky Street, Ramat Gan, 13th floor*

No meeting shall be held in the absence of a legal counting

7. The times and place where any proposed resolution which was not described in full in the above description of the agenda may be perused:

At the bank's offices (tel: 03-7559720), during standard business hours, until the time set for the meeting, by appointment.

Meeting identifier:

Note: The meeting identifier is the reference of the initial report. The field will remain empty in the initial report on the meeting.

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

	Signatory's Name	Position
1	<i>Racheli Friedman</i>	<i>Other</i> <i>Chief Legal Advisor</i>
2	<i>Hanan Kikozashvili</i>	<i>Other</i> <i>Bank Secretary & Head of the Bank's Headquarters</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](#)

Note regarding sections 5 and 6 in this form above: on the subject of the legal counting at deferred meetings (insofar as they may be held) and on the subject of a second deferred meeting (insofar as it may be held), see Section 3.2 of the attached immediate report regarding the convening of the annual meeting.

Reference numbers of previous documents concerning the issue reported herein (the mention does not constitute inclusion by way of reference):

[2023-01-086154](#) [2023-01-084555](#)

Securities of a Corporation Listed for

Form structure revision date: June 20 2023

Trading on the Tel Aviv Stock

Exchange

Abbreviated Name: Mizrahi Tefahot

Address: 7 Jabotinsky Street, Ramat Gan, 52520 Tel: 03-7559720 Fax: 03-7559923

E-mail: management@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

Position:

Name of Employing

reporting electronically:

Bank Secretary

Company: Mizrahi Tefahot

Kikozashvili Hanan

Bank Ltd

Address: 7 Jabotinsky Street,

Tel:

Fax:

E-mail:

Ramat Gan, 52520

03-7559219

03-7559923

management@umtb.co.il

Mizrahi Tefahot Bank Ltd

Amending report dated July 27, 2023

Re: Amending Report to the Immediate Report (dated July 24, 2023) on the Convening of a Special General Meeting

Pursuant to the Companies Law, 5759-1999 (the “**Companies Law**”), the Companies Regulations (Notice and Announcement of General Meetings and Class Meetings at a Public Company and the Addition of an Item to the Agenda), 5760-2000, the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, the Securities Regulations (Transactions between a Company and a Controlling Shareholder thereof), 5761-2001 (the “**Controlling Shareholders Regulations**”), and the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “**Periodic and Immediate Reports Regulations**”), Mizrahi Tefahot Bank Ltd. (the “**Bank**”) hereby announces the convening of a special general meeting (“**General Meeting**”) on Tuesday, 5 September 2023, at 14:00, at the Bank’s offices, 7 Jabotinsky St., Ramat Gan, Floor 13.

1. The items on the agenda of the General Meeting and a summary of the proposed resolutions:

1.1. Amendment of Articles 1.1, 142, 143, 144 and 145 of the Bank’s articles of association

1.1.1. Description of the nature of the item and the main facts required to understand the matter

It is proposed to amend Articles 1.1, 142, 143, 144 and 145 of the Bank’s articles of association on the issue of insurance and indemnification, in order to allow insurance and indemnification due to payment to a party injured by a breach and due to expenses in connection with an administrative proceeding, including reasonable litigation expenses, including legal fees, pursuant to the provisions of the Financial Information Service Law, 5782-2021 (the “**Financial Information Service Law**”) and The Regulation of Payment Services and Payment Initiation Law 5783-2023 (the “**Regulation of Payment Services and Payment Initiation Law**”), all as specified in the amendment that is hereby proposed to the Bank’s articles of association.

1.1.2. Proposed text of the resolution

It has been resolved to approve the amendments to Articles 1.1, 142 (the preface of 142 as well as Sub-articles 142.4A, 142.4B, the preface of 142.9, 142.9.8, 142.9.9 and 142.9.10), 143.3, 144 (the preface of 144 as well as Sub-articles 144.4A, 144.4B and 144.9) and 145.3 of the Bank’s articles of association, in accordance with the amended and marked text of the said articles, as specified in the Bank’s articles of association in their amended and marked text, attached hereto as **Appendix A** (the said amendments to the current text of the articles of association are marked in Appendix A by underlines and strikethroughs).

1.1.3. Majority required for adoption of the resolution

For purposes of the majority required at the General Meeting and at a deferred general meeting for approval of the resolution for amendment of the Bank's articles of association, as stated in Section 1.1.2 above, and even though no controlling shareholders of the Bank currently serve as officers of the Bank, the Bank has determined, for the sake of caution (and *ex gratia*), that the majority required for approval of the said resolution is the majority required pursuant to Section 262(b) of the Companies Law. Accordingly, the majority required at the General Meeting and at the deferred general meeting for approval of the said resolution is an ordinary majority of all of the votes of the shareholders present at the General Meeting who are entitled to vote and voted at the meeting, provided that one of the following is fulfilled:

- a. The majority vote count at the General Meeting includes a majority of all of the votes of the shareholders who do not have a personal interest in approval of the resolution, who participate in the vote. The count of all the votes of the said shareholders shall exclude the abstaining votes;
- b. The total dissenting votes among the shareholders stated in Subsection a. above does not exceed two percent (2%) of all of the voting rights at the Bank.

A shareholder who participates in the vote on the resolution specified in Section 1.1.2 above shall notify the Bank prior to his vote, and if the vote is via voting paper, shall mark the relevant box in Part Two of the voting paper, attached hereto as **Appendix B**, as to whether or not he is deemed as having a personal interest in approval of the resolution, and shall describe the relevant connection, if any. If a shareholder does not give notice or mark the box as aforesaid, or marks the box but does not provide a description as aforesaid, his vote will not be counted.

In this report, “**personal interest**” – a personal interest of a person in an action or transaction of a company, including a personal interest of his relative or of another corporation of which he or his relative are interested parties, with the exception of a personal interest deriving from the mere holding of shares of a company, including a personal interest of a person who votes according to a power of attorney given to him by another person, even if the other person does not have a personal interest, and a vote by a person who received a power of attorney to vote on behalf of a person who has a personal interest shall be deemed as a vote by the person who has the personal interest, all regardless of whether or not the voter has discretion on the vote.

1.2. **Amendment of the Bank's letter of exemption and indemnification undertaking**

1.2.1. **Description of the nature of the item:**

Approval of the Bank's letter of exemption and indemnification undertaking, in amended text, attached hereto as **Appendix C** (the “**Amended Undertaking Letter**” or the “**Undertaking Letter**”).

1.2.2. Proposed text of the resolution:

- a. Subject to approval of the amendments to the Bank's articles of association by the General Meeting, as stated in Section 1.1.2 above, to approve the Bank's letter of exemption and indemnification undertaking for directors and other officers, including the Bank's CEO and controlling shareholders of the Bank and their relatives, and for employees who hold office, from time to time, including former or future office holders, all in accordance with the Amended Undertaking Letter attached hereto as Appendix C.

The proposed amendments to the current text of the Bank's Undertaking Letter are marked in Appendix C by underlines and strikethroughs.

- b. The resolution for approval of the Amended Undertaking Letter, regarding its applicability to controlling shareholders of the Bank and their relatives, shall be presented for reapproval up to three (3) years after the date on which the said resolution is approved by the Bank's General Meeting (according to this report), insofar as shall be required by law.
- c. To approve the resolution for approval of the Amended Undertaking Letter, regarding its applicability to the other persons entitled thereunder who are not controlling shareholders of the Bank and their relatives, for a period of nine (9) years from the date on which the said resolution is approved by the Bank's General Meeting (according to this report), further to the resolution of the Bank's audit committee, at its meeting of 17 July 2023 (as specified in Section 1.2.7.c below).

(the "Resolution for Approval of the Amended Undertaking Letter")

- 1.2.3. The Resolution for Approval of the Amended Undertaking Letter was approved by the Bank's Board of Directors on 24 July 2023, after receipt of the Remuneration Committee's approval therefor of 17 July 2023, and it is hereby presented for the General Meeting's approval.

In addition, the Remuneration Committee and the Board of Directors adopted the recommendation of the audit committee, whereby the Amended Undertaking Letter shall also apply to anyone holding office, from time to time, as the Bank's chief internal auditor, and the position of the audit committee whereby approval of the Amended Undertaking Letter, as aforesaid, has no potential to influence the exercise of the professional discretion of the Bank's chief internal auditor.

Below are details according to the Controlling Shareholders Regulations regarding the Resolution for Approval of the Amended Undertaking Letter.

1.2.4. Approval of the Amended Undertaking Letter

a. **Background:**

- (1) On 20 December 2001, the Bank's general meeting approved, after receipt of the approvals of the Bank's Board of Directors and audit committee therefor, a letter of exemption and indemnification undertaking (the "**Original Undertaking Letter**"). The principles of the said resolution were described in a report released by the Bank on 28 November 2001, in accordance with the Controlling Shareholders Regulations.
- (2) On 28 October 2004, 14 May 2006, 9 November 2011, 20 September 2012, 23 December 2015 and 15 October 2020, the Bank's general meeting approved amendments to the Original Undertaking Letter¹, after each one of the amendments was approved by the audit committee and/or the Remuneration Committee (insofar as such approval is required by law) and by the Bank's Board of Directors. Concise details regarding the Original Undertaking Letter and the amendments made thereto, as aforesaid, are included in Sections 1.2.3 and 1.2.4 of the report that was released by the Bank on 3 October 2011 (Ref. no. 2011-01-290787), in Section 1.6.5 of the report that was released by the Bank on 15 August 2012 (Ref. no. 2012-01-211839), in Section 1.4 of the (amended) report that was released by the Bank on 7 December 2015 (Ref. no. 2015-01-175365) and in Section 1.2 of the report that was released by the Bank on 27 August 2020 (Ref. no. 2020-01-085165), in accordance with the Controlling Shareholders Regulations.

(The Undertaking Letter that was attached to the report released by the Bank on 27 August 2020, as aforesaid, and which was approved by the general meeting on 15 October 2020, shall hereinafter be referred to as the "**Current Undertaking Letter**").

- (3) (a) To complete the picture, it is noted that on 15 October 2020, the general meeting approved the Current Undertaking Letter regarding its applicability to all of the persons entitled thereunder, i.e. to the directors and the other officers, including the Bank's CEO and controlling shareholders of the Bank and their relatives, and to employees who hold office, from time to time, including former or future office holders.
- (b) In this regard it is noted that the audit committee, at its meeting of 17 August 2020, confirmed, pursuant to the provisions of Section 275(a1)(2) of the

¹ In this regard it is noted that in addition to the aforesaid, on 30 August 2018, the general meeting (re)approved the letter of undertaking that was approved on 23 December 2015, pursuant to Section 275(a1)(1) of the Companies Law, regarding its applicability to the Bank's controlling shareholders and their relatives, who hold office, from time to time, including former or future office holders.

Companies Law, that the Current Undertaking Letter, regarding its applicability to the persons entitled thereunder who are not the Bank's controlling shareholders and their relatives, will be presented for reapproval nine (9) years after 15 October 2020, insofar as such approval is required by law. However, in view of the amendments to the Current Undertaking Letter, which shall apply to all of the persons entitled thereunder (including persons who are not controlling shareholders or their relatives), the Amended Undertaking Letter was approved by the Remuneration Committee and the Board of Directors, as aforesaid, and it is hereby presented for the General Meeting's approval.

- (4) With respect to determination of the period for reapproval of the Amended Undertaking Letter (in addition to its approval according to this report), regarding its applicability to the persons entitled thereunder who are not controlling shareholders of the Bank and their relatives, see Section 1.2.7.c below.

b. The principles of the transaction:

It is proposed to amend the Current Undertaking Letter, as specified in the Amended Undertaking Letter, attached hereto as Appendix C, including as specified below:

- (1) It is proposed to explicitly determine that the indemnification undertaking shall also apply due to the following:
 - (a) A monetary liability that is imposed due to payment to a party injured by a breach, as stated in Section 52BBB(a)(1)(a) of the Securities Law, 5728-1968 (the "**Securities Law**"), pursuant to the provisions of the Financial Information Service Law and pursuant to the provisions of the Regulation of Payment Services and Payment Initiation Law.
 - (b) Expenses, including reasonable litigation expenses, including legal fees, in connection with a proceeding under Chapter E (which is entitled Administrative Fine) or a proceeding under Chapter F (which is entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Financial Information Service Law (or any other proceeding under the said law), as shall be amended from time to time.
 - (c) Expenses, including reasonable litigation expenses, including legal fees, in connection with a proceeding under Chapter G (which is entitled Administrative Fine) or a proceeding under Chapter

H (which is entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Regulation of Payment Services and Payment Initiation Law (or any other proceeding under the said law), as shall be amended from time to time.

(2) List of events included in the addendum to the Amended Undertaking Letter

- (a) Section 260 of the Companies Law prescribes, *inter alia*, that a company may indemnify an officer thereof due to a monetary liability imposed on him in favor of another person according to a judgment, including a judgment issued in a settlement or an arbitration award approved by a court, if its articles of association include a provision which permits the company to give an advance undertaking to indemnify an officer thereof, provided that the indemnification undertaking is limited to events which, in the Board of Directors' opinion, are expected in view of the company's actual activity at the time of the giving of the indemnification undertaking, and to an amount or by a criterion which the Board of Directors shall have determined are reasonable in the circumstances, and that the indemnification undertaking states the events which, in the Board of Directors' opinion, are expected in view of the company's actual activity at the time of the giving of the undertaking, and the amount or criterion which the Board of Directors determined are reasonable in the circumstances.
- (b) Accordingly, it is proposed to include in the Amended Undertaking Letter, several clarifications, specifications and expansions for the list of events specified in the addendum to the Current Undertaking Letter, including in relation to the Financial Information Service Law and the Regulation of Payment Services and Payment Initiation Law, with the aim of clarifying and adapting the list of events to the events which, in the opinion of the Remuneration Committee and the Board of Directors, are expected in view of the Bank's actual activity at the time of the giving of the indemnification undertaking. As specified above, the amendments to the Current Undertaking Letter in this regard are marked by underlines and strikethroughs in the Amended Undertaking Letter, attached hereto as Appendix C.

1.2.5. Names of the controlling shareholders, within the meaning thereof in Section 268 of the Companies Law, who have a personal interest in the transaction, and the nature of the personal interest;

specification of the rights under which they hold control of the Bank, including their holdings in the Bank and voting agreements

- a. (1) The names of the controlling shareholders, as defined in Section 268 of the Companies Law, who have a personal interest in the Resolution for Approval of the Amended Undertaking Letter, are the controlling shareholders whose names are specified in the notes regarding holders 1 to 3 on the immediate report on the status of holdings of interested parties and senior officers, released by the Bank on 6 July 2023 (Ref. no. 2023-01-075948) (the “**Holdings Report**”).
- (2) Mr. Eyal Ofer, a controlling shareholder of the Bank, may be deemed as having a personal interest in the resolution for approval of the Undertaking Letter since his brother, Mr. Idan Ofer, held office (in the past) as a director of the Bank, and as such, the Undertaking Letter applies to him.
- (3) Messrs. David Wertheim and Drorit Wertheim, controlling shareholders of the Bank, may be deemed as having a personal interest in the said resolution due to the interest of their father, the late Mr. Moshe (Muzi) Wertheim, who was also (in the past) a controlling shareholder of the Bank and who held office (in the past) as a director of the Bank (until 15 September 2014), and as such, the Undertaking Letter applies to him.
- (4) A specification of the rights under which the said controlling shareholders hold control of the Bank, including a description of their holdings in the voting rights and in the issued and paid-up capital of the Bank and voting agreements that pertain to the said voting rights, to which the controlling shareholders are a party, are described in the notes regarding holders 1 to 3 on the Holdings Report. The aforesaid constitutes inclusion by way of reference of all of the information specified in the notes regarding holders 1 to 3 on the Holdings Report.
- b. In addition, Ms. Liora Ofer, who was (in the past) a controlling shareholder of the Bank (until 7 February 2019), held office (in the past) as a director of the Bank (until 7 February 2019), and as such, the Undertaking Letter applies to her. In addition, the late Mr. Yuli Ofer, Ms. Liora Ofer’s father, was also (in the past) a controlling shareholder of the Bank and held office (in the past) as a director of the Bank (until 24 December 2008), and as such, the Undertaking Letter applies to him. In addition, Mr. Doron Ofer, who was also (in the past) a controlling shareholder of the Bank, is the son of the late Mr. Yuli Ofer and the brother of Ms. Liora Ofer.

It is noted in this regard that until the closing date of the separation transaction in the Ofer Group (from 7 February 2019), Mr. Eyal Ofer, the cousin of Ms. Liora Ofer and the nephew of the late Mr. Yuli Ofer, was a party (indirectly) to

agreements between the Ofer Group individuals (including Ms. Liora Ofer and the late Mr. Yuli Ofer), all as specified in the notes regarding holders 3 to 5 on the immediate report released by the Bank on 7 January 2019 (Ref. no. 2019-01-002787).

See the notes regarding holders 3 to 5 on the immediate report on the status of holdings of interested parties and senior officers, which is mentioned in this Subsection b. above, for further details regarding the holdings in the Bank of the Ofer Group, including Ms. Liora Ofer and the late Mr. Yuli Ofer (before the closing date of the separation transaction in the Ofer Group, as aforesaid).

- c. It is hereby clarified that the Undertaking Letter also applies to controlling shareholders of the Bank and their relatives, who hold office, from time to time, including former or future office holders (even if their names are not specified above), and therefore also these controlling shareholders and their relatives shall have a personal interest in the said resolution.

1.2.6. Method of determination of the consideration

- a. The Undertaking Letter was amended, *inter alia*, in order to make the changes specified in Section 1.2.4.b above.
- b. The text of the Amended Undertaking Letter, which will apply to officers who are or were controlling shareholders of the Bank and their relatives (including future office holders), is no different to the text of the Amended Undertaking Letter that will apply to directors and other officers, including the Bank's CEO.
- c. It is hereby clarified that the Resolution for Approval of the Amended Undertaking Letter does not change the maximum indemnification amount that shall be paid by the Bank to all the persons entitled to indemnification under the Current Undertaking Letter.
- d. It is further clarified that the Resolution for Approval of the Amended Undertaking Letter is consistent with the remuneration policy for the Bank's officers, which was approved by the Bank's general meeting on 6 July 2021 (the "**Remuneration Policy**").
- e. The Remuneration Committee and the Board of Directors' reasons for approving the Amended Undertaking Letter are specified in Section 1.2.9 below.

1.2.7. Required approvals or conditions determined for performance of the transaction

- a. The Resolution for Approval of the Amended Undertaking Letter was approved by the Bank's Board of Directors and Remuneration Committee (after adoption of the audit committee's recommendation and position regarding the

applicability of the Amended Undertaking Letter also to anyone holding office, from time to time, as the Bank's chief internal auditor, as specified in Section 1.2.3 above), including regarding the applicability of the Amended Undertaking Letter to controlling shareholders of the Bank and their relatives, who hold office from time to time, including former or future office holders, all in accordance with the Amended Undertaking Letter, subject to approval of the resolution for amendment of the articles of association by the General Meeting, as specified in Section 1.1 above.

- b. The Resolution for Approval of the Amended Undertaking Letter regarding its applicability to controlling shareholders of the Bank and their relatives, shall be presented for reapproval up to three (3) years after the date of approval of the Resolution for Approval of the Amended Undertaking Letter by the Bank's General Meeting (according to this report), insofar as required by law.
- c. (1) In addition, and further to the resolution mentioned in Section 1.2.4a(3) above, the Bank's audit committee, at its meeting of 17 July 2023, decided, pursuant to the provisions of Section 275(a1)(2) of the Companies Law, to approve the Amended Undertaking Letter regarding its applicability to the other persons entitled thereunder who are not controlling shareholders of the Bank and their relatives, for a period of nine (9) years from the date of approval of the said resolution by the Bank's General Meeting (according to this report).

For this purpose, the audit committee confirmed that the determination of the period of nine (9) years, as aforesaid, is reasonable in the circumstances, *inter alia* considering that the officers and the other employees entitled to indemnification ought to be afforded the necessary certainty regarding the continued validity of the Undertaking Letter, during their term of office and employment over time.

In accordance with the aforesaid, the Resolution for Approval of the Amended Undertaking Letter regarding its applicability to the other persons entitled thereunder who are not controlling shareholders of the Bank and their relatives, shall be presented for reapproval (in addition to its approval according to this report) up to nine (9) years after the date of approval of the said resolution by the General Meeting according to this report.

- (2) The following directors participated in the audit committee's meeting of 17 July 2023: Mr. Joseph Fellus (outside director), Ms. Hannah Feuer (outside director), Mr. Gilad Rabinovich (outside director), Ms. Estery Giloz-Ran (outside director) and Avi Zeldman.

In accordance with the aforesaid, the Resolution for Approval of the Amended Undertaking Letter requires the approval of the Bank's General Meeting pursuant to the provisions of Sections 272(c1), 273 and 275 of the Companies Law. This approval is expected to be received on 5 September 2023.

1.2.8. Specification of transactions of the transaction's type or similar transactions thereto between the Bank and the controlling shareholders

- a. In the 2022 periodic report released by the Bank on 14 March 2023 (Ref. 2023-01-026748), Section c.5), 6), 7), 8) and 9) of Note 26 to the financial reports for 2022 ("**Section c**") describes undertakings to indemnify officers and employees which were given by the Bank, as well as undertakings to indemnify officers which were given by Tefahot Israel Mortgage Bank Ltd. and a consolidated company that was wholly owned and controlled thereby, and by Adanim Mortgage Bank Ltd., which were subsidiaries of the Bank and which were merged into the Bank, in which context the Bank assumed the said undertakings. The aforesaid constitutes inclusion by way of reference of the information included on this matter in Section c, as aforesaid.
- b. On 18 April 2000, the Bank's general meeting approved the granting of an undertaking to indemnify officers of the Bank (in this section: the "**Y2000 Undertaking**"), according to which the Bank undertook to indemnify the officers under the terms and conditions that were specified in the Y2000 Undertaking, in respect of and in connection with a public offering of securities of the Bank under a prospectus that was supposed to be released in 2000 (the "**Y2000 Prospectus**"), provided that the sum of the indemnification that would be paid by the Bank to all of the officers, in the aggregate, according to the Y2000 Undertaking, would not exceed ILS 1,000 million, linked to the index, all as specified in the immediate report released by the Bank on 23 March 2000. However, the Bank did not release the Y2000 Prospectus, and only a draft thereof was submitted to the Israel Securities Authority (ISA).

In the event that the Y2000 Prospectus would not be released, the Y2000 Undertaking determined that:

- "5.1 The indemnification undertaking will take effect upon the release of the prospectus and completion of the offering of the securities thereunder, and if the prospectus is released but the offering of the securities is not completed due to cancellation thereof, for whatever reason. However, if the prospectus is not released, the indemnification undertaking shall apply to monetary liabilities and legal expenses, as stated in Section 1 above, which were or shall be incurred by the officer due to a criminal or civil proceeding that is filed by a member of the public in connection with or as a result of a draft of the prospectus that was

submitted to the Israel Securities Authority, and anything relating thereto and deriving therefrom, either directly or indirectly.”

1.2.9. The Remuneration Committee and the Board of Directors’ reasons for approving the transaction, the value of the consideration and the method of determination thereof

The reasons of the Remuneration Committee and the Board of Directors for the Resolution for Approval of the Amended Undertaking Letter state, *inter alia*, the following:

- a. (1) The amendments to the Undertaking Letter were made, *inter alia*, in order to explicitly determine (for the avoidance of doubt) that the indemnification undertaking shall also apply due to a monetary liability that is imposed due to payment to a party injured by a breach (as stated in Section 52BBB(a)(1)(a) of the Securities Law), pursuant to the Financial Information Service Law and pursuant to the Regulation of Payment Services and Payment Initiation Law, and due to expenses, including reasonable litigation expenses, including legal fees, in connection with an administrative proceeding under any one of the said laws.
- (2) In addition, an amendment to the list of events in the addendum to the Current Undertaking Letter, was made to include in the Amended Undertaking Letter several clarifications, specifications and expansions for the list of events, including in relation to the Financial Information Service Law and the Regulation of Payment Services and Payment Initiation Law, with the aim of clarifying and adapting the list of events to the events which, in the opinion of the Remuneration Committee and the Board of Directors, are expected in view of the Bank's actual activity at the time of the giving of the indemnification undertaking.
- b. The Resolution for Approval of the Amended Undertaking Letter is reasonable and fair in the circumstances and contributes to the persons entitled thereunder acting independently while exercising free discretion and performing their duties adequately, professionally and responsibly, without fear, in the Bank's best interests, considering, *inter alia*, the complexity of the Bank's activity and the risks and exposures entailed by their activity and the personal responsibility imposed on them by law.
- c. The Resolution for Approval of the Amended Undertaking Letter is consistent with the Remuneration Policy for officers at the Bank.
- d. The Resolution for Approval of the Amended Undertaking Letter does not change the maximum indemnification amount that shall be paid by the Bank to all the persons entitled to

indemnification, which is reasonable and fair in the circumstances.

- e. It is clarified that the text of the Amended Undertaking Letter shall apply, with the same terms and conditions, to all of the directors and the other officers, without giving any preference to the Bank's CEO, to controlling shareholders of the Bank or to their relatives.
- f. The Remuneration Committee and the Board of Directors determined that the Resolution for Approval of the Amended Undertaking Letter does not include a "distribution" (as defined in Section 1 of the Companies Law), according to its nature, essence and conditions, and there is no reasonable concern that the said resolution will prevent the Bank from being able to meet its existing and expected liabilities as they become due and payable.
- g. The Resolution for Approval of the Amended Undertaking Letter is in the Bank's best interests and promotes its objects, with long-term vision.

1.2.10. The name of each director who has a personal interest in the Resolution for Approval of the Amended Undertaking Letter

All of the Bank's directors are deemed to have a personal interest in the Resolution for Approval of the Amended Undertaking Letter by virtue of their being officers of the Bank.

1.2.11. Authority of the ISA

In accordance with the Controlling Shareholders Regulations, within 21 days from the date of submission of the report, the Israel Securities Authority or an employee it authorized therefor (the "ISA") may instruct the Bank to give, within the timeframe it determines, an explanation, specification, information and documents regarding the Resolution for Approval of the Amended Undertaking Letter, and instruct the Bank to amend the report, in such manner and on such date as it determines. Where an instruction is given to amend the report as aforesaid, the ISA may order postponement of the General Meeting as stated in the Controlling Shareholders Regulations. The Bank shall submit an amendment, and shall release an announcement in this regard, according to the said instruction, by the method set forth in the Controlling Shareholders Regulations, all unless the ISA instructs otherwise.

Where an instruction is given regarding postponement of the General Meeting, the Bank shall give notice of the instruction in an immediate report.

1.2.12. Majority required for adoption of the resolution

The majority required at the General Meeting and at a deferred general meeting for approval of the Amended Undertaking Letter, as stated in Section 1.2.2 above, is an ordinary majority of all of the

votes of the shareholders present at the General Meeting who are entitled to vote and voted at the meeting, provided that one of the following is fulfilled:

- a. The majority vote count at the General Meeting includes a majority of all of the votes of the shareholders who do not have a personal interest in approval of the resolution, who participate in the vote. The count of all the votes of the said shareholders shall exclude the abstaining votes;
- b. The total dissenting votes among the shareholders stated in Subsection a. above does not exceed two percent (2%) of all of the voting rights at the Bank.

A shareholder who participates in the vote on the Resolution for Approval of the Amended Undertaking Letter shall notify the Bank prior to his vote, and if the vote is via voting paper, shall mark the relevant box in Part Two of the voting paper, attached hereto as **Appendix B**, as to whether or not he is deemed as a controlling shareholder of the Bank or another on his behalf, or as having a personal interest in approval of the resolution, and shall describe the relevant connection, if any. If a shareholder does not give notice or mark the box as aforesaid, or marks the box but does not provide a description as aforesaid, his vote will not be counted.

In this report, “**personal interest**” – as defined in Section 1.1.3 above.

2. **Names of the directors who participated in discussions of the Remuneration Committee and the Board of Directors**

The names of the directors who participated in discussions of the Remuneration Committee and the Board of Directors regarding the resolution specified in Section 1.2 above, which is on the General Meeting’s agenda:

- 2.1. The following directors participated in the Remuneration Committee’s meeting of 17 July 2023: Ms. Hannah Feuer (outside director), Mr. Gilad Rabinovich (outside director), Mr. Joseph Fellus (outside director), and Ms. Estery Giloz-Ran (outside director).
- 2.2. The following directors participated in the Board of Directors’ meeting of 24 July 2023: Mr. Moshe Vidman (Chairman), Ms. Hannah Feuer (outside director), Mr. Gilad Rabinovich (outside director), Mr. Joseph Fellus (outside director), Ms. Estery Giloz-Ran (outside director), Mr. Ron Gazit, Mr. Avraham Zeldman, Mr. Jonathan Kaplan, Mr. Ilan Kremer and Mr. Eli Alroy.

3. **Location and time of the meeting’s convening**

- 3.1. The General Meeting shall convene on Tuesday, 5 September 2023, at 14:00, at the Bank’s offices, 7 Jabotinsky St., Ramat Gan, Floor 13 (the “**Bank’s Offices**”). In the absence of legal quorum, the meeting shall stand adjourned until 12 September 2023, at the same time and place.

The date for determining the entitlement of the shareholders to vote at the General Meeting, as stated in Section 182 of the Companies Law, is 6 August 2023 (the “**Effective Date**”).

- 3.2. Legal quorum for holding the General Meeting will be formed when two shareholders holding at least twenty-five percent (25%) of the voting rights are present, in person or by proxy, within one half hour from the time scheduled for the start of the meeting. Where legal quorum is not present at the General Meeting at the end of one half hour from the time scheduled for the start of the meeting, the meeting shall stand adjourned until 12 September 2023, at 14:00 (the “**First Deferred Meeting**”). Legal quorum will be formed at the First Deferred Meeting when two shareholders holding at least fifteen percent (15%) of the voting rights are present, in person or by proxy, at the start of the meeting within one half hour from the time scheduled for commencement of the First Deferred Meeting. Where legal quorum as aforesaid is not present at the First Deferred Meeting at the end of one half hour from the time scheduled for commencement thereof, the meeting shall stand adjourned until 19 September 2023, at 14:00 (the “**Second Deferred Meeting**”). Legal quorum will be formed at the Second Deferred Meeting when two shareholders, regardless of their share in the voting rights, are present, in person or by proxy, at the start of the meeting.
- 3.3. Holdings of the Bank’s controlling shareholders in the Bank’s issued and paid-up capital shall not confer on the Bank’s controlling shareholders the majority required for the adoption of any one of the resolutions on the General Meeting’s agenda.
- 3.4. A shareholder may vote at the General Meeting in person or by proxy. A shareholder or proxy seeking to vote at the General Meeting will be required to identify himself upon arriving at the General Meeting by presenting I.D. (an identity card or passport).

A shareholder may also vote at the General Meeting, in the vote for approval of the resolutions on the General Meeting’s agenda, via a voting paper, as specified below (“**Written Vote**” or “**Voting Paper**”).

- 3.5.
 - 3.5.1. Furthermore, an unregistered shareholder (i.e., a person to whose credit shares are registered with a member of the Tel Aviv Stock Exchange (TASE) and such shares are included in the shares registered in the shareholders’ register in the name of a registration company) (“**Unregistered Shareholder**”) may also vote by means of an electronic voting paper to be transmitted to the Bank via the Electronic Voting System (the “**Electronic Voting System**”) up to 6 hours before the time of the meeting.
 - 3.5.2. An Unregistered Shareholder may, at any time, give written notice to the TASE member through which he holds shares, that he does not wish to be included in the list of persons entitled to vote via the Electronic Voting System (as determined on the Effective Date), in

which case the TASE member shall not deliver information about him pursuant to the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, so long as it does not receive an instruction to the contrary from the Unregistered Shareholder. Instructions of shareholders as aforesaid shall be delivered to the TASE member no later than 12:00 p.m. on the Effective Date, in respect of the securities account and not with respect to specific securities held in the account.

- 3.6. A Written Vote will be cast through Part Two of the Voting paper, attached hereto as **Appendix B**. The Voting paper and the documents to be attached thereto (the “**Attached Documents**”), as specified in the Voting paper, must be delivered to the Bank's Offices up to 4 hours before the time of the meeting (with respect to an Unregistered Shareholder) and up to 6 hours before the time of the meeting (with respect to a person registered as a shareholder in the shareholders' register). For this purpose, the “delivery date” is the date on which the Voting paper and the Attached Documents arrived at the Bank's Offices.
- 3.7. The document appointing a proxy (“**Letter of Appointment**”) and the power of attorney by virtue of which the Letter of Appointment was signed (if any), or a copy thereof certified to the Bank's satisfaction, shall be prepared and signed by the principal or by his representative who is authorized therefor in writing, and if the principal is a corporation shall be signed in a manner that is binding on the corporation. The Letter of Appointment and the power of attorney (if any) shall be deposited at the Bank's Offices no later than 48 hours before the time scheduled for commencement of the meeting.
- 3.8. The distribution address of the website of the Israel Securities Authority and the website of the Tel Aviv Stock Exchange Ltd., where the Voting papers and the position statements are posted, are:
 - 3.8.1. The distribution website of the Israel Securities Authority:
<http://www.magna.isa.gov.il/>.
 - 3.8.2. The website of the Tel Aviv Stock Exchange Ltd.:
<http://maya.tase.co.il/>.
- 3.9. A shareholder may approach the Bank directly and receive therefrom, by registered post, a copy of this immediate report. A shareholder may also approach the Bank directly and receive therefrom the text of the Voting paper and the position statements.
- 3.10. An Unregistered Shareholder may receive, by e-mail, free of charge, a link to the text of the Voting Paper and the position statements on the distribution website, from the TASE member through which he holds his shares, unless he shall have notified the TASE member that he is not interested in receiving a link as aforesaid or wishes to receive Voting papers by post for payment. Notices regarding Voting papers shall also apply regarding receipt of position statements.
- 3.11. A shareholder whose shares are registered with a TASE member may obtain a certificate of ownership at a branch of the TASE member or by post, if he so requests. A request in this regard shall be made in advance for a specific securities account.

An Unregistered Shareholder may instruct that his certificate of ownership be delivered to the Bank via the Electronic Voting System.

3.12.

3.12.1. A Voting paper will be valid with respect to an Unregistered Shareholder only if a certificate of ownership was attached thereto or if a certificate of ownership was sent to the Bank via the Electronic Voting System.

3.12.2. A Voting paper will be valid with respect to a shareholder pursuant to Section 177(2) of the Companies Law (i.e. a person registered as a shareholder in the shareholders' register) only if a photocopy of an identity card, passport or certificate of incorporation was attached thereto.

3.13. The Bank's address for delivery of the Voting papers and the position statements: the Bank's Offices at 7 Jabotinsky St., Ramat Gan.

3.13.1. The deadline for the delivery of position statements to the Bank: up to 10 days before the date of the meeting.

3.13.2. The deadline for the delivery of the Board of Directors' response to the position statements: up to 5 days before the date of the meeting.

3.14. Any holder of securities of the Bank who votes at the General Meeting on resolutions that are on the agenda, who is an interested party of the Bank (as defined in Section 1 of the Securities Law), a senior officer of the Bank (as defined in Section 37(d) of the Securities Law), an institutional body (as defined in the Control of Financial Services (Insurance) Law, 5741-1981), or a fund manager (within the meaning thereof in the Joint Investment Trust Law, 5721-1961), is required to notify the Bank, prior to the vote at the meeting, of the following details regarding his vote at the meeting:

3.14.1. The voter's identity; for an individual – surname and first name, for a corporation – corporation name and number;

3.14.2. The number of securities voted;

3.14.3. The vote;

3.14.4. Whether the voter has a personal interest or has another characteristic as set forth in the table in the schedule to the Companies Regulations (Voting in Writing and Position Statements), 5766-2005;

3.14.5. Other ties between the voter and the company, the controlling shareholder or a senior officer thereof, specifying the nature of the ties;

3.14.6. If the vote is according to a power of attorney, the said details shall be provided for both the principal and the proxy.

4. Addition of an item to the agenda and position papers

After the release of this report, there may be changes to the agenda, including the addition of an item to the agenda, and position papers may be published. The up-to-date agenda and position papers that were published will be available for inspection in the Bank's reports on the distribution website.

One shareholder or more, holding shares that constitute at least 1% of the voting rights at the Bank's General Meeting, may request, up to 7 days after the summoning of the meeting, that the Board of Directors include an item on the meeting's agenda, provided that the item is suitable to be discussed at the General Meeting.

Where the Board of Directors finds that an item requested to be included on the agenda is suitable to be discussed at the General Meeting, the Bank shall prepare an updated agenda and amended voting paper, insofar as required, and shall release them no later than 7 days after the deadline for submitting requests to include an additional item on the agenda as aforesaid. It is clarified that the release of the updated agenda as aforesaid does not change the Effective Date as determined in this report.

5. Details of the Bank's representative for purposes of handling this report

Racheli Friedman, Adv., Chief Legal Advisor, Mizrahi Tefahot Bank Ltd., 7 Jabotinsky St., Ramat Gan, tel.: 03-7559500, and fax: 03-7559655.

6. Perusal of documents

This report and the full text of the proposed resolutions may be perused at the Bank's Offices, tel.: 03-7559720, during standard business hours, after prior coordination, until the date of the meeting.

Mizrahi Tefahot Bank Ltd.

24 July 2023

July 2023

Date

Via:	Racheli Friedman	Hanan Kikozashvili
	Chief Legal Advisor	Bank Secretary and Head of the Bank's Headquarters

Articles of Association

Mizrahi Tefahot Bank Ltd.

-
- The language of these Articles of Association was approved by the general meeting on March 23, 2000.
 - A general meeting of November 3, 2005, resolved to change the name of the Bank from “United Mizrahi Bank Limited” to “Mizrahi Tefahot Bank Ltd.” The validity of the resolution was contingent upon the approval of the Registrar of Companies, according to Section 31 of the Companies Law, 5759-1999. Such approval was received on November 7, 2005. The amendment appears in the heading and in Section 2 of the Articles of Association
 - A general meeting of May 14, 2006, resolved as follows
 - a. To increase the Bank’s authorized capital by NIS 10,000,000 to be divided into 100,000,000 ordinary shares of the Bank of par value NIS 0.1 each, such that after approval of the increase of the authorized capital as aforesaid, the Bank’s authorized capital shall be par value NIS 40,000,000, divided into 400,000,000 ordinary shares of par value NIS 0.1 each. This amendment appears in Section 11 of the Articles of Association; and
 - b. Following the enactment of the Companies Law (Amendment No. 3), 5765-2005, to amend the following articles of the Bank’s Articles of Association: 1.1 (definition of “Shareholder”), 14.1.2, 56, 59, 86, 100, 106, 107, 123, 124, 141, 143, 144, 145 and 177, and all as specified in Annex A of the immediate report released by the Bank on April 3, 2006, Ref. No.: 2006-01-0353076.
 - A general meeting of November 9, 2011, resolved to amend the following articles of the Bank’s Articles of Association regarding Indemnification and Insurance: 1, 142 through 145 and 146A, following the enactment of the Improvement of Enforcement Proceedings in the ISA Law (Legislative Amendments), 5771-2011, including the indirect amendment to the Companies Law, 5759-1999 and all as specified in Section 1.1 and in Annex A of the immediate report released by the Bank on October 3, 2011 (Ref. No.: 2011-01-290787).
 - A general meeting of September 20, 2012, resolved as follows:

- a. To amend the following articles of the Bank's Articles of Association regarding Indemnification and Insurance: 1, and 142 through 145, following, *inter alia*, the enactment of the Increase of Enforcement in the Capital Market Law (Legislation), 5771-2011 and the Restrictive Trade Practices Law (Amendment No. 13), 5772-2012, which amended the Restrictive Trade Practices Law, 5748-1988, and all as specified in Section 1.5 and in Annex B of the immediate report released by the Bank on August 15, 2012 (Ref. No.: 2012-01-211839)
 - b. And, to further amend the following articles of the Bank's Articles of Association: 1 (in addition to the amendments specified in subsection a. above), 48, 88, 90, 91, 92A, 95, 98A through 99.4B., 108, 109, 116 and 122. The said amendments derived, *inter alia*, from the provisions of the Banking Law (Legislative Amendments) 5772-2012, from the Proper Conduct of Banking Business Directives, regarding the Board of Directors, issued by the Supervisor of Banks and from amendments made to the Companies Law, 5759-1999, and all as specified in Section 1.7 and in Annex B of the immediate report released by the Bank on August 15, 2012 (Ref No.: 2012-01-211839).
- A general meeting of March 8, 2016, resolved as follows:
 - a. To add a definition of the terms "Control" and "Controlling Shareholder", in Article 1.1 of the Bank's Articles of Association.
 - b. To amend Article 141 of the Bank's Articles of Association, concerning an officer's exemption from liability.
 - c. To amend *lapsus calami* in Articles 142.5 and 144.5 of the Bank's Articles of Association.
- A general meeting of December 28, 2016, resolved as follows:
 - a. To amend Article 59 of the Bank's Articles of Association, regarding the publication of a notice and announcement on the calling of a general meeting.
 - b. To add Article 183 to the Bank's Articles of Association, regarding exclusive jurisdiction.
- A general meeting of April 2, 2019, resolved to amend Articles 55, 89 and 92 to the Bank's Articles of Association, regarding the appointment of directors (who are not external directors) at the general meeting of the Bank and the duration of their tenure.

- A general meeting of October 15, 2020 resolved to amend Articles 142 and 144 to the Bank's Articles of Association, regarding Insurance and Indemnification.
- A general meeting of December 24, 2020 resolved to amend Articles 89.1 and 92 of the Bank's Articles of Association, regarding the tenure length of directors (who are not outside directors).

* A general meeting of _____¹ resolved to amend Articles 1.1, 142, 143, 144 and 145 of the Bank's Articles of Association, regarding Insurance and Indemnification.

¹ The date will be completed after the general meeting's approval.

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Articles of Association of
Mizrahi Tefahot Bank Ltd.

Introduction

1. 1.1 In these Articles of Association, unless the context prescribes otherwise:
- “Person” or “Persons”** - Including a corporation;
- “In Writing”** - In handwriting, print, typewriter, photocopy, telex, facsimile or any other legible form;
- “Shareholder”** - Anyone who is a shareholder, as provided in Article 14 below, on the record date as stated in Section 182 of the Companies Law, if there is a record date for such matter;
- “Registered Shareholder”** - A shareholder registered in the Company’s Shareholders’ Register;
- “Unregistered Shareholder”** - A shareholder within the meaning of Section 177(1) of the Law;
- The **“Company”** - Mizrahi Tefahot Bank Ltd;
- “Independent Director”** - An external director according to the Companies Law or a director with respect to whom, the following terms are fulfilled, who was appointed or classified as such according to the provisions of Chapter One of Part Six of the Companies Law:
- (1) He fulfills the qualification conditions for appointment as an external director set forth in Section 240(b) to (f) of the

Companies Law, and the audit committee has so confirmed;

- (2) He has not served as a director of the Company for more than nine consecutive years, and for such purpose, an interruption of service for a period not exceeding two years shall not be deemed as interrupting the continuity of the service;

“External Director according to the Companies Law”

- An external director as defined in the Companies Law;

“External Director according to the Supervisor’s Directives”

- External director, within the meaning thereof in the Proper Conduct of Banking Business Directives regarding the board of directors, issued by the Supervisor according to the provisions of Section 5(c1) of the Banking Ordinance;

“External Director”

- An external director according to the Companies Law or an external director according to the Supervisor’s Directives;

The **“Banking Law (Licensing)”**

- The Banking Law (Licensing), 5741-1981;

The **“Restrictive Trade Practices Law”**

- The Restrictive Trade Practices Law, 5748-1988;

The **“Law” or the “Companies Law”**

- The Companies Law, 5759-1999, as shall be worded from time to time and the regulations promulgated thereunder;

The “ Securities Law ”	-	The Securities Law, 5728-1968;
The “ Advice Law ”	-	The Regulation of the Practice of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 5755-1995;
<u>The “Regulation of Payment Services and Payment Initiation Law”</u>	-	<u>The Regulation of Payment Services and Payment Initiation Law 5783-2023;</u>
The “ Control of Insurance Law ”	-	The Control of Financial Services Law (Insurance), 5741-1981;
The “ Control of Provident Funds Law ”	-	The Control of Financial Services Law (Provident Funds), 5765-2005;
The “ Joint Investment Law ”	-	The Joint Investment Trust Law, 5754-1994;
<u>The “Financial Information Services Law”</u>	-	<u>The Financial Information Services Law 5781-2021</u>
The “ Secretary ”	-	Whoever is appointed as the Company’s secretary;
The “ Supervisor ”	-	The Supervisor of Banks;
The “ Register ” or the “ Shareholders’ Register ”	-	The Company’s shareholders’ register, that is required to be

		maintained in accordance with the Law;
The “ Office ” or the “ Registered Office ”	-	The Company’s office, whose address shall be recorded with the registrar, as it shall be from time to time;
The “ Ordinance ” or the “ Companies Ordinance ”	-	The Companies Ordinance (New Version), 5743-1983, as it shall be worded from time to time, and the regulations promulgated thereunder;
“ Officer ”	-	As defined in the Companies Law;
“ Incompetent ”	-	Within the meaning thereof in the Legal Capacity and Guardianship Law, 5722-1962, a minor under the age of 18 and an undischarged bankrupt person;
The “ Banking Ordinance ”	-	The Banking Ordinance, 1941;
“ Super Majority ”	-	A majority of seventy five percent of all of the votes of the shareholders present at a general meeting or class meeting, as the case may be, who are entitled to vote and have voted therein, excluding the abstaining votes;
“ Simple Majority ”	-	A simple majority of all of the votes of the shareholders present at a general meeting or class meeting, as the case may be, who are entitled to vote and have voted therein, excluding the abstaining votes;

“Control” or “Controlling Shareholder”	-	Within the meaning of the term “Control” in the Securities Law;
“Year” or “Month”	-	According to the Gregorian Calendar;
“Corporation”	-	A company, partnership, cooperative society, non-profit organization and any other body corporate, whether incorporated or unincorporated;
A “Banking Corporation without a Controlling Block”	-	Within the meaning thereof in Section 11B(c) of the Banking Ordinance;
These “Articles” or the “Articles of Association”	-	The Articles of Association drafted herein, as modified from time to time;

- 1.2 Any expression in these Articles of Association not defined in this article above shall have the meaning ascribed thereto in the Companies Law, unless it conflicts with the subject matter or content of the text; words in the singular shall incorporate the plural, and vice versa, words in the masculine gender shall also incorporate the feminine gender.
- 1.3 The headings in these Articles of Association are intended for convenience purposes only and shall not be used for the interpretation hereof.
- 1.4 Any determination in these Articles of Association, whereby its provisions shall apply subject to the provisions of the Ordinance or the Companies Law or any other law, the reference is to the particular provisions of the Ordinance or the Companies Law or any other law, which cannot be conditioned upon or altered, unless the context prescribes otherwise.
- 1.5 The other provisions of the Companies Law, ie those that can be conditioned upon and altered, shall apply to the Company, unless determined otherwise herein and insofar as there is no conflict between them and the provisions of these Articles of Association.

Name of Company

2. The name of the Company is as follows:

2.1 In Hebrew – Bank Mizrahi Tefahot Be'am. (בנק מזרחי טפחות בע"מ)

2.2 In English – Mizrahi Tefahot Bank Ltd

Limitation of Liability

3. The Shareholders' liability is limited, as specified in the Company's Memorandum of Association.

Objectives of the Company

4. The objectives of the Company are as specified in the Company's Memorandum of Association.

Donations

5. The Board may donate reasonable amounts for worthy causes, even if the donation is not within the framework of the Company's business considerations.

Business

6. The Company may, at any time, engage in any field or type of business which is explicitly permitted or implied to be permitted in accordance with Article 4 above. The Company may also cease to engage in such business, whether or not it has commenced engaging in such field or type of business;

Registered Office

7. The Company's Registered Office shall be in Tel Aviv, at such address as the Board shall determine, as shall change from time to time

The Articles of Association

8. The Company may modify these Articles by a resolution adopted at the general meeting by a Simple Majority.
9. A resolution adopted by the general meeting with the majority required to modify these Articles of Association, as stated in Article 8 above, modifying any of the provisions hereof, shall be deemed as a resolution modifying these Articles of Association, even if not so explicitly stated in the resolution.
10. Subject to the provisions of the Companies Law, modification to these Articles of Association shall be in force from the adoption date of the resolution by the Company or at a later date determined in the resolution

Authorized Capital

11. The Company's authorized capital is NIS 40,000,000 divided into 400,000,000 ordinary shares of par value NIS 0.1 each. The Company may modify the authorized capital in accordance with the provisions of the Companies Law and these Articles of Association.

The Shares

12. Each ordinary share in the Company's capital shall have equal rights, for all intents and purposes, to any other ordinary share, including the right to a dividend, stock dividend and participation in the distribution of the Company's surplus assets upon winding up, pro rata to the par value of each share, regardless of any premium paid thereon, and all subject to the provisions of these Articles of Association.
13. Each one of the ordinary shares entitles the holder thereof, the right to participate in the Company's general meeting and to one vote.
14. 14.1 14.1.1 A Shareholder of the Company is anyone registered as a Shareholder in the Shareholders' Register, in whose favor a share is registered with a stock exchange member, which share is included among the shares recorded in the Company's Shareholders' Register in the name of a nominee company, and anyone who holds a share deed issued by the Company, as provided in Article 36 below.

14.1.2

- a. A Shareholder who is a trustee shall report the same to the Company, and the Company shall record him in the Shareholders' Register, while stating his trusteeship, and he shall be deemed as a Shareholder for purposes of the Companies Law. Without derogating from the aforesaid, the Company shall recognize the trustee, as aforesaid, as a Shareholder, for all intents and purposes, and shall not recognize any other Person, including the beneficiary, as holding any right in the share.
- b. The provisions of Article 14.1.2.a. above shall not apply to a shareholder within the meaning thereof in Section 177(1) of the Companies Law, unless he has a duty to report pursuant to any other provisions of law.

14.2 Without derogating from the aforesaid and subject to the provisions herein, other than the Company's Shareholders, as provided in Article 14.1 above, no Person shall be recognized by the Company as holding any right to a share and the Company shall not be bound by and shall not recognize any benefit at equity or by trust relations or any proper, future or partial right in any share or any benefit in a fraction of a share or any other right regarding a share, other than the right of a Shareholder as provided in Article 14.1 above, to an entire share, and all unless a competent court instructs otherwise.

Share Certificates

15. The certificates attesting to a proprietary right in shares shall bear the Company's stamp and the signatures of two directors, or of one director together with the Company's Chief Executive Officer or Secretary. The Board may resolve that the signatures be executed in a mechanical form of some sort, as determined by the Board.
16. Unless the terms of the share issuance prescribe otherwise:
 - 16.1 Each Registered Shareholder is entitled to receive from the Company, at his request, free of charge, within a period of two months after the allotment or registration of the transfer, as the case may, one certificate attesting to his entitlement to the shares registered in his name. The Company shall not refuse the demand of a Registered Shareholder to receive several certificates instead of one certificate, unless the demand is unreasonable, in the opinion of the Board. A Shareholder who sold

or transferred some of his shares, shall be entitled to receive, free of charge, a certificate in respect of his remaining shares.

- 16.2 A nominee company is entitled to receive from the Company, at its request, free of charge, within a period of two months after the allotment or registration of the transfer, a certificate attesting to the number and class of shares registered in its name in the Shareholders' Register
17. Subject to the provisions of the Companies Law, each certificate shall specify the number of shares for which it was issued, their par value and their serial numbers.
18. A certificate relating to a share registered in the name of two or more Persons shall be delivered to the Person named first in the Shareholders' Register with respect to that same share, unless all of the registered holders of that share instruct the Company in Writing to deliver it to another registered holder.
19. If a share certificate is destroyed, damaged, lost or impaired, the Board may issue a new certificate to replace it, provided that the share certificate is furnished to the Company and destroyed by it, or it is proven to the Board's satisfaction that the certificate was lost or destroyed and the Company receives guarantees, to the Board's satisfaction, for any possible damage.

Payments for Shares

20. Any and all shares in the Company's issued capital shall be shares that were paid for in full.

Forfeiture of Shares

21. Without derogating from the provisions of Article 20 above, the Board may forfeit a share allotted by the Company and sell it, if the consideration undertaken by the Shareholder, in whole or in part, was not paid to the Company, and the provisions of the Companies Law shall apply for such purpose.

Transfer and Endorsement of Shares

22. Any transfer of shares registered in the Shareholders' Register in the name of a Registered Shareholder, including a transfer by or to the nominee company, shall be made in writing, as specified in Article 23 below, provided that the letter of transfer is signed by hand only, by the transferor and the transferee, or

on their behalf, and will be delivered to the Registered Office or any other place determined by the Board for such purpose. Subject to the provisions of the Companies Law, a transfer of shares shall not be registered in the Shareholders' Register until a letter of transfer has been provided to the Company as aforesaid; the transferor shall continue to be deemed the holder of the transferred shares until the transferee's registration as the holder of the transferred shares in the Shareholders' Register.

23. A letter of transfer of share shall be made in writing, in the following form or in a form similar thereto, or in another form to be approved by the Board:

"I _____, of _____, I.D. No. _____ (the "**Transferor**") transfer to Mr. _____, I.D. No. _____ of _____ (the "**Transferee**") in consideration for the sum of NIS _____ he paid me, the shares of _____ class, of par value NIS _____ each marked by numbers from _____ to _____ (inclusive) of _____ Ltd., and they shall be held by the Transferee according to the terms and conditions by which I held the shares at the time of signing of this letter, and I, the Transferee agree to accept the above shares according to such terms and conditions.

In witness whereof, we have hereunto set our hands on the ___ day of _____, _____

Signature
Transferor

_____ of

Signature of Transferee

Witness to signature of Transferor

_____ Witness to signature of Transferee

24. The Company may close the Shareholders' Register for a period of time to be determined by the Board, provided that it does not exceed, in total, thirty days each year. A transfer of shares shall not be recorded in the Register whilst it is closed.

25. Subject to the provisions of these Articles of Association or the conditions of a certain class of shares, the shares may be transferred without requiring the Board's approval.

26. Each letter of transfer shall be submitted to the Office or any other place determined by the Board for registration, together with the share certificates that are poised to be transferred and any other proof required by the Board regarding the Transferor's proprietary right or his right to transfer the shares. The Company shall keep the letters of transfer to be registered, but any letter of transfer which the Board refuses to register shall be returned to the person who submitted it, upon his request.
27. If the Board refuses to approve a transfer of shares, it shall notify the Transferor thereof no later than one month from the date of receipt of the letter of transfer.
28. Each letter of transfer shall relate to one class of shares only, unless the Board determines otherwise.
29. The Company shall be entitled to collect payment for the registration of the transfer, in the amount determined by the Board, from time to time, which shall be reasonable considering the circumstances of the case.
30. Subject to the provisions of the Companies Law and these Articles of Association, if it is proven to the Company, to the Board's satisfaction and by methods determined thereby, that the legal conditions for the endorsement of the right to shares recorded in the Register have been fulfilled, the Company shall recognize the endorsee, and none other, as the holder of the right to said shares.
31.
 - 31.1 Subject to the provisions of these Articles of Association, the Company shall change the registration of ownership of the shares in the Shareholders' Register if a court order was delivered to the Company for amending the Register or if it was proven to the Company, to the Board's satisfaction and in ways determined thereby, that the legal conditions for the endorsement of the right to the shares were fulfilled and the Company shall not recognize any right of a Person to shares before his right has been proven as aforesaid.
 - 31.2 Without derogating from the aforesaid, the Board may refuse or delay the registration, as it would have been entitled to do had the registered holder transferred the share himself prior to the endorsement of the right.
32. Subject to the provisions of the Companies Law and the provisions of these Articles of Association, a Person who becomes entitled to a share as provided in Article 30 above shall be entitled to dividends and other rights due to the share as though he were the registered holder of the share, even if he has not yet been registered as such; however, prior to being registered as a Shareholder

in the Register with respect to the share, he shall not be entitled, by virtue of such share, to benefit from any right of a Shareholder with respect to the Company's meetings.

33. Notwithstanding the aforesaid, the Board may, at any time, demand that the Person entitled to the share as provided in Article 30 above, register himself in the Register or transfer the share to another. In the event that the said requirement is not fulfilled within 60 days from the date of delivery thereof, the Board may withhold dividends and other rights stemming from the share, until the demand is fulfilled. If a demand is made as aforesaid, such shall be deemed as the Board's approval to register the person entitled to the share as the holder thereof in the Company's Shareholders' Register; however, the directors reserve the right to refuse to approve the transfer of the share to another in accordance with the provisions of Article 31.2 above.
34. The Company may destroy letters of share transfers after six years have elapsed from the date of registration in the Register; the Company may also destroy share certificates which were cancelled, after three years have elapsed from the date of cancellation thereof, and there shall be a *prima facie* presumption that any and all letters of transfer and certificates destroyed as aforesaid were fully valid and that the transfers, cancellations and registrations, as the case may be, were duly made.
35. The Board may recognize a waiver of a share allotment by the recipient of the allotment in favor of another, on such terms as it shall determine.

Bearer Shares

36. A share deed issued by the Company grants the bearer the right to the shares included therein; these shares may be transferred by delivering the deed to the transferee and the provisions of these Articles of Association regarding the transfer of shares shall not apply to the shares included in the share deed. The Board may determine, by way of coupons or otherwise, the methods for payment of dividends or granting of other rights due to the shares included in the deed.
37. A Shareholder holding a share deed may return the deed to the Company for the cancellation thereof and the conversion thereof into a registered share. Upon the cancellation, the Shareholder's name shall be recorded in the Shareholders' Register, including the number of shares registered in his name, as required by the Companies Law.
38. A Shareholder holding a share deed may deposit the share deed at the Office or any other place determined therefor by the Board and after 48 hours from the deposit onwards, and so long as the share deed remains deposited as

aforesaid, the depositor shall have the right to sign a demand to convene a general meeting of the Company, to participate in any general meeting of the Company, to vote therein and use the other rights granted to a Shareholder at any general meeting that is convened, as though his name was recorded in the Shareholders' Register as the holder of the shares included in the deposited share deed. Only one Person shall be recognized as the depositor of a specific share deed. The Company shall return the share deed to the depositor within 48 hours from the receipt of a written demand from the depositor to return the share deed.

If the Company is provided with a bank confirmation of the deposit at the bank of a share deed in favor of the Shareholder, stating the name, identity and address of the depositor and the bank's undertaking to notify the Company of the cancellation of the deposit at least 48 hours prior to returning the share deed to the depositor, the share deed shall be deemed, for purposes of this article, as though deposited at the Company's Office from the date of receipt of the confirmation by the Company until the date on which the Company receives notice from the bank regarding the cancellation of the deposit, or until the date on which the Board learns that the deposit has been cancelled, whichever is earlier.

39. Unless specifically determined otherwise in these Articles of Association, a Person holding a share deed may not sign a demand to convene a general meeting of the Company or participate in a general meeting or vote therein and may not exercise other rights of a Shareholder at general meetings of the Company; however, the holder of the share deed shall be a Shareholder of the Company and shall have, in all other respects, any and all rights as though his name was recorded in the Shareholders' Register as the holder of the shares included in the share deed.
40. The Board may, if it deems fit, determine and modify, from time to time, the terms for issuing a new share deed or new voucher instead of a share deed or voucher previously issued by the Company; however, the Board shall not issue a share deed or voucher as aforesaid unless the previous voucher or share deed together with all of the vouchers issued therefor and not yet paid, are given to the Company for cancellation, or it is proven, to the Board's satisfaction, that they have been destroyed or if the Board agrees thereto at its absolute discretion, and the Company is given a guarantee or indemnification letter, to the Board's full satisfaction, to cover any damage that might be incurred as a result thereof

Changes in Capital

41. The Company may, in a resolution adopted at the general meeting by a Simple Majority, increase the Company's authorized capital, in such classes of shares, as it determines.

42. Subject to the provisions of the Companies Law, the Company may, in a resolution adopted at the general meeting, by a Simple Majority:

42.1 Consolidate its shares, in whole or in part, and divide them into shares of par value greater than the par value of its existing shares;

42.2 Split its shares, in whole or in part, into shares of a par value lower than the par value of its existing shares;

42.3 Reduce the Company's capital.

For the purpose of implementing any resolution as aforesaid, the Board may settle any difficulty arising in connection therewith, at its discretion

43. Without derogating from the generality of the Board's powers, as aforesaid, if as a result of the consolidation or split as aforesaid, the Shareholders are left with fractions of a share, the Board is entitled, at its discretion, to:

43.1 Allot each Shareholder who has been left with a fraction of a share, as a result of the consolidation or split, shares of the class of shares that existed in the Company's capital prior to the consolidation or split, in such number, whereby consolidation thereof with the fraction would create one whole share, and such an allotment shall be deemed as valid shortly before the consolidation or split, as the case may be;

43.2 Determine the manner in which the amounts due and payable for the shares allotted as provided in Article 43.1 above, shall be paid, including the manner in which amounts may be paid on account of stock dividends;

43.3 Determine that holders of fractions of shares shall not be entitled to receive a whole share for a fraction of a share;

43.4 Determine that Shareholders shall not be entitled to receive a whole share for a fraction of a whole share at a specific par value or lower and shall be entitled to receive a whole share for a fraction of a whole share whose par value is higher than the said par value;

43.5 Determine that fractions of shares which shall not entitle the holders thereof to a consolidated share, shall be sold by the Company and the

sale proceeds shall be paid to the Persons entitled thereto, on the terms and in the manner determined in the resolution.

44. The Company may, in a resolution adopted at the general meeting by a Simple Majority, cancel authorized capital not yet allotted, provided that the Company has no undertaking, including a contingent undertaking, to allot the shares.

Change of Rights

45. Any time in which the share capital is divided into various classes, the Company may, in a resolution adopted by the general meeting in a Super Majority, convert, expand, add to, reduce or otherwise modify the rights of a particular class of the Company's shares, provided that written consent of all of the holders of the shares of such class is received or that the resolution is approved at the general meeting of the holders of the shares of such class by a Super Majority or, where stipulated otherwise in the terms of issue of a specific class of the Company's shares, as stipulated in the terms of issue of such class.
46. The provisions set forth herein regarding general meetings shall apply *mutatis mutandis* to any class meeting, provided that a quorum at a class meeting of at least two Shareholders holding at least one half of the issued shares of such class shall be present, in person or by proxy, at the time of opening of the meeting. However, if no quorum is constituted as aforesaid, the class meeting shall be adjourned to another time and at the adjourned meeting a quorum shall be formed with any number of participants, regardless of the number of shares held by them.
47. The rights conferred on the Shareholders or the holders of a class of shares issued whether with ordinary, preferred or other special rights shall not be deemed as converted, reduced, impaired or otherwise modified by the creation or issue of additional shares of any class, whether on an equal, different or superior rank thereto, and shall not be deemed as converted, reduced, impaired or otherwise modified by the change of the rights attached to shares of any other class, and all unless expressly provided otherwise in the terms of issue of such shares.

The Issue of Shares and Other Securities

48. The Board may issue or allot shares and other securities either convertible into or exercisable for shares, up to the limit of the Company's authorized capital; for this purpose, convertible securities which are convertible into or exercisable for shares shall be deemed as converted or exercised on the issue date. Without derogating from the generality of the aforesaid, the Board may issue the shares and other securities, as aforesaid, grant optional rights for the purchase thereof including options or otherwise confer the same, and all to such Persons as

determined thereby, and at the dates, on prices and terms determined thereby, and determine any other instruction related thereto, including instructions regarding the methods of distribution of the shares and securities to be issued by the Company among the purchasers thereof, including in the case of oversubscription, and all at the Board's discretion.

49. Without derogating from the generality of the aforesaid, and subject to the provisions of the Companies Law and these Articles of Association, the Board may determine that the consideration for the shares shall be paid in cash or by assets in kind, including by way of securities or in any other way, at its discretion, or that the shares shall be allotted as a stock dividend or for a consideration equal to or higher than their par value, whether in units or in series, and all on the terms and dates determined by the Board, at its discretion.
50. The Board may resolve to pay commission or underwriting fees to any Person upon the underwriting or consent to underwrite or the procurement of underwriting or the securing of underwriting for shares or bonds or other securities of the Company. The Board may also resolve that brokerage fees shall be paid in any event of an issue of securities of the Company, in cash, in shares of the Company or in other securities issued by the Company, or in any other method, or partially by one method and partially by another, and all subject to the provisions of any law.

Redeemable Securities

51. Subject to the provisions of the Companies Law, the Company may issue redeemable securities on the terms and in the manner determined by the Board, at its discretion.

Additional Shareholders' Register

52. The Company may conduct an additional shareholders' register outside of Israel under the conditions stipulated for such purpose in the Companies Law.

General Meetings

53. The Company's resolutions on the following matters shall be adopted by the general meeting:
 - 53.1 Modifications to the Company's Articles of Association or its Memorandum of Association;

- 53.2 Exercising of the Board's powers by the general meeting, if the Board is unable to exercise its powers and the exercise of any of its powers is essential for the proper management of the Company, as stated in Section 52(a) of the Companies Law;
 - 53.3 Appointment of the Company's auditor and termination of his employment;
 - 53.4 Appointment and dismissal of the Company's directors;
 - 53.5 Approval of acts and transactions requiring the general meeting's approval pursuant to the provisions of Sections 255 and 268 through 275 of the Companies Law;
 - 53.6 Increase of and reduction in the authorized capital in accordance with the provisions of Sections 286 and 287 of the Companies Law and changes in the capital as provided in Article 42 above;
 - 53.7 Merger as provided in Section 320(a) of the Companies Law;
 - 53.8 Any resolution which, pursuant to these Articles, must be adopted by the general meeting.
54. The Company shall hold an annual general meeting each year by no later than the lapse of fifteen months from the last annual meeting, on the date and place determined by the Board.
55. The agenda of the annual general meeting may include the appointment of directors and determination of their terms of employment, as well as the following issues:
- 55.1 Discussion regarding the Company's financial statements and the board of directors' report on the state of the Company's affairs, which is submitted to the general meeting;
 - 55.2 Appointment of an auditor;
 - 55.3 Report of the Board on the auditor's fees for the audit and for other services, if any;

55.4 Further to the aforesaid, the agenda of the annual meeting may include any other issue determined on the agenda, as provided in Article 58 below.

A general meeting as aforesaid shall be referred to as an “annual meeting” and any other general meeting shall be referred to as a “special meeting”.

56. The Company’s Board shall convene a special meeting, at its decision, and upon the demand of any one of the following:

56.1 Two directors;

56.2 One or more Shareholder holding at least five percent of the issued capital and one percent of the voting rights in the Company, or one or more Shareholders holding at least five percent of the voting rights in the Company.

If the Board is required to call a special meeting, as aforesaid, it shall call it within twenty one days from the date on which the demand was made thereto, for the date set in the notice of a special meeting, as provided in Article 59 below, provided that the date of convening shall be no later than thirty five days from the date of publication of the notice, unless determined otherwise regarding a meeting, which is subject to Title G of Chapter Two of Part Three of the Companies Law, and all subject to the provisions of the Companies Law.

57. In the event that the Board does not call a special meeting that was required according to Article 56 above, the Person demanding, and in the case of Shareholders – also some of them, holding more than one half of their voting rights, may convene the meeting himself, provided that it shall not be held later than three months from the date of submission of such demand, and it shall be convened, insofar as possible, in the same manner in which meetings are convened by the Board.

58.

58.1 The agenda of a general meeting shall be determined by the Board and it shall also include the issues which require the convening of a special meeting according to Article 56 above and an issue required as provided in Article 58.2 below.

58.2 One or more Shareholders holding at least one percent of the voting rights at the general meeting may request from the Board to include an

issue on the agenda of a general meeting to be convened in the future, provided that the issue is suitable for discussion at a general meeting.

- 58.3 A request as stated in Article 58.2 above shall be submitted to the Company in Writing before giving of the notice of the convening of a general meeting, and the language of the resolution proposed by the Shareholder shall be attached thereto.

59.

- 59.1 Notice of a general meeting shall be published in at least two Hebrew language daily newspapers of wide circulation, or on the Company's website; the notice shall be published at least fourteen days prior to the convening of the meeting. Notwithstanding the aforesaid, a notice of a general meeting whose agenda includes any of the issues under Section 2(a) of the Companies Regulations (Written Ballot and Position Statements), 5766-2005, shall be published at least 35 days prior to the date of convening of the general meeting.

- 59.2 Other than a notice of a general meeting as provided in Article 59.1 above, the Company shall not give notice of a general meeting to both Registered and Unregistered Shareholders and to Shareholders holding a share deed.

60.

- 60.1 Notice of a general meeting shall specify the place, date and time at which the meeting will convene and shall include the agenda, a summary of the proposed resolutions and any other specification required by law.

- 60.2 In its resolution to convene a meeting, the Board may determine the method of specification of the issues on the meeting's agenda, which shall be sent to the Shareholders entitled to participate in the meeting, and all at the discretion of the Board and subject to the provisions of the Companies Law.

- 60.3 Without derogating from the powers of the Board as provided in this Article 60 above and without derogating from the generality of the provisions of these Articles of Association regarding the transfer of powers by the Board, the Board may transfer its powers as provided in this Article 60 above to a Board Committee or an Officer of the

Company, whether for the purpose of a specific general meeting or for a period of time.

61. A flaw, which was made in good faith, in the convening or conduct of the general meeting, including a flaw deriving from non-compliance with a provision or condition set forth in the law or these Articles of Association, including with respect to the method of convening or conduct of the general meeting, shall not invalidate any resolution adopted by the general meeting and shall not impair discussions held therein, subject to the provisions of any law.
62. The Board may change the place of convening and date of a general meeting, provided that doing so does not prejudice the provisions of these Articles of Association regarding the minimum periods of time which must elapse between the date of the notice and the date of the general meeting, and provided that the notice of the change, as aforesaid, is given in the same method in which was given the notice of the general meeting whose place or date was changed.
63. No discussion may be commenced at the general meeting unless a quorum is present at the time of opening of the meeting. A quorum shall be constituted upon the presence, in person or by proxy, of two Shareholders holding at least twenty five percent of the voting rights, within one half hour from the time set for the opening of the meeting, unless provided otherwise herein.
64. If no quorum is present at the general meeting one half hour from the time set for the opening of the meeting, the meeting shall be adjourned for one week, to the same day, time and place, without having to notify the Shareholders thereof, or shall be adjourned to a different date if such other date is stated in the notice of the meeting (the “**First Adjourned Meeting**”).
65. At the First Adjourned Meeting, a quorum shall be constituted, upon the presence at the time of opening of the meeting, in person or by proxy, of two Shareholders holding at least fifteen percent of the voting rights, within one half of an hour from the time set for the opening of the Adjourned Meeting. If no such quorum is present at the First Adjourned Meeting one half hour from the time set for its commencement, the meeting shall be adjourned for one week, to the same day, time and place, without having to notify the Shareholders thereof or shall be adjourned to a different date, if such other date is stated in the notice of the original meeting or in the notice of the First Adjourned Meeting, if given (the “**Second Adjourned Meeting**”). At the Second Adjourned Meeting a quorum shall be constituted upon the presence at the time of its opening, in person or by proxy, of any two Shareholders, be their share in the voting rights what it may.
66. Notwithstanding the provisions of Article 65 above, if the general meeting is convened by demand of Shareholders as provided in Article 56.2 above, the Second Adjourned Meeting shall be held only if attended by Shareholders in

the number required for the purpose of convening the meeting as provided in Article 56.2 above.

67. The chairman of the Board or any other Person appointed for such purpose by the Board shall preside over every general meeting of the Company. If there is no such chairman, or if he is not present at any meeting within fifteen minutes from the time set for commencement of the meeting or if he refuses to preside over the meeting, the directors present may, by a majority of votes among them, elect a chairman from among them, and if they do not do so – the Shareholders present, in person or by proxy, shall elect one of the directors present, to preside over the meeting. If no director is present or if all of the directors refuse to preside over the meeting, they shall elect one of the Shareholders or proxy of the aforesaid shareholder, to preside over the meeting.
68. The Company shall keep protocols of the proceedings at the general meeting, which shall include the following details:
 - 68.1 The names of the Shareholders participating in the general meeting and the number of shares held by them;
 - 68.2 The matters discussed at the general meeting and the resolutions adopted.
69. Protocols signed by the chairman of the meeting shall constitute *prima facie* evidence of the provisions thereof.

Voting and Adopting Resolutions at the General Meetings

70. A Shareholder wishing to vote at the general meeting shall prove to the Company that he owns the share, as required by the Companies Law. Without derogating from the aforesaid, the Board may determine regulations and procedures with respect to proof of ownership of the Company's shares.
71. A Shareholder may vote at a general meeting or at a class meeting in person or by proxy, all in accordance with the provisions herein and subject to the provisions of the Companies Law. A proxy is not required to be a Shareholder of the Company.
72. A proxy may participate in discussions at the general meeting and be elected as chairman of the meeting in the same way as the appointing shareholder would have been entitled, unless stated otherwise in the letter of appointment.

73. Subject to the provisions of any law, in the case of joint holders of a share, each one of them may vote at any meeting, whether in person or by proxy, with respect to such share, as though he were the sole Person entitled thereto. If more than one joint holder of the share attends a meeting, in person or by proxy, the vote shall be made by the Person named first in the Shareholders' Register with respect to the share, or in the confirmation by the stock exchange member of his ownership of the share (the "**Confirmation of Ownership**") or in another document determined by the Board for such purpose, as the case may be.
74. An Incompetent Shareholder may vote through his guardians or another Person appointed by the court, and any guardian or other person as aforesaid may vote through a proxy.
75. The document appointing a proxy (the "**Letter of Appointment**") and the power of attorney by virtue of which the Letter of Appointment was signed (if any), or a suitable copy thereof, to the Board's satisfaction, shall be deposited at the Registered Office or at any other place or places, in or out of Israel – as determined by the Board from time to time, in general or in relation to a specific case – at least forty eight hours prior to the commencement of the meeting at which the proxy intends to vote based on such Letter of Appointment. Notwithstanding the aforesaid, the chairman of the meeting may, at his discretion, accept a Letter of Appointment and a power of attorney, as aforesaid, also after the said time if, at his discretion, he deems it fit. If the Letter of Appointment and power of attorney are not received as provided in this article above, they shall not be valid at such meeting.

The Letter of Appointment shall be made in Writing and signed by the appointor or by the person duly authorized therefor in Writing, and by a witness to his signature, if so required by the Board. If the appointor is a Corporation, the Letter of Appointment shall be made in Writing and signed in the manner binding the Corporation. The Board may demand that the Company be given written confirmation, to the Board's satisfaction, regarding the signatories' authority to bind the Corporation

76.

76.1 A Letter of Appointment appointing a proxy for voting, shall be made in the following language, or, insofar as possible, in a form similar thereto:

"I, _____ of _____ as a shareholder in _____ Ltd., hereby appoint _____ of _____ or in his absence _____ of _____ as my proxy, to vote in my name and stead for

_____ * shares of _____ ** class which are held by me, at the (annual/special) general meeting of the Company to be held on the ____ day of _____, _____ and at any adjourned meeting thereof.

In witness whereof, I have hereunto set my hand on the ____ day of _____, _____

Signature”

* State the number of shares.

** State the class of shares.

- 76.2 The Letter of Appointment shall state the class and number of shares for which it is given. If the Letter of Appointment does not state the number of shares for which it is given, or states a number of shares higher than the number of shares registered in the name of the Shareholder or specified in the Confirmation of Ownership, as the case may be, the Letter of Appointment shall be deemed to have been given for all of the Shareholder’s shares.
- 76.3 If the Letter of Appointment is given in respect of a number of shares lower than the number of shares registered in the Shareholder’s name or specified in the Confirmation of Ownership, as the case may be, the Shareholder shall be deemed as though he refrained from being present at the vote for the balance of his shares and the Letter of Appointment shall be valid for the number of shares stated therein.
77. Without derogating from the provisions hereof regarding the appointment of a proxy, a Shareholder holding more than one share shall be entitled to appoint more than one proxy, subject to the following provisions:
- 77.1 Each Letter of Appointment shall state the class and number of shares for which it is given;
- 77.2 If the overall number of shares of any class specified in the Letters of Appointment given by one Shareholder exceeds the number of shares of such class registered in his name or specified in the Confirmation of Ownership, as the case may be, all of the Letters of Appointment given by such Shareholder shall be void.

78. A Shareholder or proxy may vote by virtue of some of the shares held by him or for which he serves as proxy and he may vote some of the shares one way and some of the shares another way.
79. A vote given by virtue of a Letter of Appointment shall be valid even if there is a defect in the Letter of Appointment and even if prior to the vote the appointor passed away or becomes Incompetent or the Letter of Appointment is revoked or the share for which the Letter of Appointment was given is transferred, unless written notice is received at the Office prior to the meeting regarding the defect, death, incompetency, revocation or transfer, as the case may be.
80. A Letter of Appointment shall also be valid in respect of any adjourned meeting of the meeting to which the Letter of Appointment relates, unless otherwise stated in the Letter of Appointment.
81. A Shareholder shall not be entitled to participate in or vote at any general meeting, himself or by proxy, other than by virtue of the shares with regard to which their full consideration was paid to the Company.
82. Each one of the ordinary shares entitles the owner thereof to the right to participate in the Company's general meeting and to one vote.
83. A resolution put to the vote at a general meeting shall be settled by a count of votes; the vote by a count of votes shall be carried out in the manner determined therefor by the chairman of the meeting.

In the event of disputes as to whether to accept or disqualify any vote, the chairman of the meeting shall determine the matter, and his decision, made in good faith, shall be final and conclusive.

84. The chairman's declaration that a resolution at the general meeting has been adopted or denied, whether unanimously or by any majority, shall constitute *prima facie* evidence thereof, and there shall be no need to prove the number (or proportion) of the votes cast for or against the proposed resolution.
85. Subject to the provisions of the Companies Law or these Articles of Association regarding a different majority, the resolutions of the general meeting shall be adopted by a Simple Majority.
86. The chairman of a general meeting may, with the consent of a meeting at which a quorum is present, adjourn the meeting or adjourn the discussion or the adoption of a resolution on a specific issue on the agenda to another date and

place determined by the meeting; the chairman of the general meeting shall be required to do so at the demand of the meeting; no issue shall be discussed at an adjourned meeting other than an issue that was on the agenda and on which no resolution was adopted at the meeting from which the adjournment was decided upon.

The Board of Directors

87. The number of directors shall be no less than seven and no more than fifteen, including the External Directors.
88. A director is not required to be a Shareholder of the Company.
89.
 - 89.1 The directors shall be appointed at the annual meeting, and their term of office, other than the External Directors, shall be until the conclusion of the third annual meeting held after the annual meeting in which their appointment was approved, or until an earlier date approved in this regard by the Supervisor of Banks.
 - 89.2 Notwithstanding the aforesaid, if no directors who were candidates for reappointment at any annual meeting (the “**Meeting for Appointment of Directors**”) are appointed, with immediate effect (i.e. the commencement of office of the said directors, who were appointed at the Meeting for Appointment of Directors, is contingent upon a certain condition which has yet to be fulfilled), said directors shall continue in office until the end of the third annual meeting held after the Meeting for Appointment of Directors, unless their term of office is terminated earlier, by law.
 - 89.3 Directors whose terms of office ended may be reappointed.
90. Other than someone who served as a director until the date of the annual meeting, a director shall not be appointed at the annual meeting unless the Board recommended his appointment, or if he, or a Shareholder of the Company seeking to nominate him, has submitted to the Office, by no later than fourteen days from the date of publication of the notice calling for the meeting, within the meaning thereof in Article 92A.1 below, a written document announcing his candidacy for office or of the intention of such shareholder to nominate him.
91. [**Cancelled**]

92. The Company may, at a special meeting, appoint an additional director or directors to the Company, whether to fill the office which has been vacated for any reason or as an additional director or directors, provided that the number of directors shall not exceed the maximum number determined in Article 87 above. Directors appointed as aforesaid, other than the External Directors, shall end their office at the end of the third annual meeting held after the special meeting at which their appointment was approved or until an earlier date approved in this regard by the Supervisor of Banks.
- 92A. The following provisions shall apply regarding the appointment of directors, their office and termination of office:
- 92A.1 No general meeting shall be called whose agenda includes the appointment or termination of office of directors, unless the Company has published advance notice thereof in the method by which the notice of the general meeting is published, at least 21 days prior to publication of the notice of the general meeting, and the advance notice is also delivered at the same time to the Supervisor;
- 92A.2 The Board may not appoint directors to the Company, and may not nominate candidates for the office of a director to the Committee for the Appointment of Directors in Banking Corporations appointed in accordance with Section 36A of the Banking (Licensing) Law;
- 92A.3 Notwithstanding the provisions of Article 92A.2 above, the Board may appoint directors to the Company, if a place becomes vacant on the Board after the previous annual meeting, or with the Supervisor's approval, provided that the term of office of a director appointed as aforesaid shall terminate no later than by the next annual meeting;
- 92A.4 Voting at the general meeting on the appointment of directors and termination of their office shall take place separately for each candidate for office or for each director, as the case may be;
- 92A.5 The general meeting's resolutions on the appointment of a director or termination of his office shall be adopted by a Simple Majority; abstaining votes shall not be taken into account in the count of participating votes;
- 92A.6 If the number of candidates for office as directors, gaining a majority of the participating votes at the general meeting, exceeds the number of vacant positions for office as aforesaid, the candidates who gained

the highest number of supporting votes at the general meeting, shall be elected.

93. The general meeting or the Board may determine that the office of a director appointed thereby, as the case may be, shall commence on a date later than his appointment.
94. Notwithstanding all of the aforesaid, the general meeting may at any time, in a resolution adopted by a Simple Majority, at a special meeting, remove any director from his office, other than an External Director, before the end of his term of office, provided that the director is given a reasonable opportunity to voice his position before the general meeting.
95. Without prejudice to the provisions of any law, the office of a director, other than an External Director, shall expire prior to the end of the term for which he was appointed, in any of the following instances:
 - 95.1 He passes away or is declared Incompetent by a competent court;
 - 95.2 He is declared bankrupt;
 - 95.3 He is convicted in a final judgment of an offense as provided in Section 232 of the Companies Law;
 - 95.4 A competent court ordered the expiration of his office, as provided in Section 233 of the Companies Law;
 - 95.5 He resigns by giving notice, as provided in Article 97 below;
 - 95.6 He is removed from office by the general meeting, as provided in Article 94 above;
 - 95.7 The Board resolves to terminate his office, as provided in Section 231 of the Companies Law;
 - 95.8 The Administrative Enforcement Committee decides to impose enforcement measures on him prohibiting him from serving as a director, in accordance with Section 232A of the Companies Law;
 - 95.9 He no longer meets a condition required by the Companies Law, for his office as a director, or he fulfills grounds for expiration of office as a director.
96. If the office of a director becomes vacant, the Board may continue to act in any matter so long as the number of directors does not fall below the minimum number of directors stipulated in Article 87 above. If the number of directors falls below such number, the Board shall not be entitled to act other than to convene a general meeting for the purpose of appointing additional directors, but for no other purpose.

97. A director may resign upon giving notice to the Board, the chairman of the Board or the Company, as required by the Companies Law, and the resignation shall enter into force on the date the notice is given, unless the notice specifies a later date. The director shall give reasons for his resignation.
98. Subject to the provisions of the Companies Law, the following provisions shall apply to the directors:
- 98.1 The Company may pay directors remuneration for the fulfillment of their office as directors;
- 98.2 The Company may reimburse directors for reasonable expenses for travel, board and lodging and other expenses associated with their participation in the Board meetings and the performance of their position as directors;
- 98.3 The Company may pay additional fees to a director who has been asked to provide the Company with special services or to make special efforts for the Company, including foreign travel or stay.
- 98A. Notwithstanding any other provision in these Articles of Association, if the Company becomes a Banking Corporation without a Controlling Block, the provisions of Sections 11D and 11E of the Banking Ordinance shall apply with respect thereto.

External Directors

99. There shall be at least two External Directors according to the Companies Law, as well as External Directors according to the Supervisor's Directives in accordance with the Proper Conduct of Banking Business Directives given by the Supervisor, regarding a board of directors.
- 99A. An External Director according to the Companies Law, shall be subject to the provisions of the Companies Law in such regard.
- 99B.
- 99B.1. The provisions of Sections 239(d), 241, 244, 245(a), 245(a3), 245(b), 246, 247 and 249 of the Companies Law shall apply to an External Director according to the Supervisor's Directives.
- 99B.2. The following provisions shall apply to External Directors according to the Supervisor's Directives, holding office in the Company on September 20, 2012:
- (a) The office of an External Director according to the Supervisor's Directives shall terminate upon the lapse of three years from the day on which he was first appointed as an External Director according to the Supervisor's Directives, and if more than three years have elapsed since he was first appointed, as aforesaid, his office shall terminate upon the lapse of three years from the date on which his first three years of office have ended.

- (b) The Company may appoint a director, as provided in Sub-article 99B.2.(a) above for additional terms of office of three years each, provided that the total term of office in the Company of each director as aforesaid shall not exceed nine consecutive years.

99B.3. Notwithstanding the provisions of Section 245(b) of the Companies Law

- (a) The Supervisor may terminate the office of an External Director according to the Supervisor's Directives, in accordance with Section 11A(e) of the Banking Ordinance;
- (b) The Supervisor may approve termination of office of an External Director according to the Supervisor's Directives, other than in accordance with the provisions of Section 245(b) of the Companies Law; in such case, the Company may, in a resolution of a Simple Majority, at a special meeting, terminate the said director's office, provided that the director is given a reasonable opportunity to voice his position before the general meeting.

The Powers and Duties of the Board

- 100. The Board shall have the authorities and powers granted thereto by these Articles of Association, the Companies Law and any other law. Without derogating from the provisions of these Articles of Association, the Board shall set out the Company's policy and supervise the performance of the CEO's duties and acts, including—
 - 100.1 Shall determine the Company's operating plans, principles for the financing thereof and the order of priority among them;
 - 100.2 Shall examine the Company's financial position, and determine the credit facility that the Company may take;
 - 100.3 Shall determine the organizational structure and the remuneration policy;
 - 100.4 May resolve to issue a series of Bonds;
 - 100.5 Shall be responsible for the preparation of the financial statements and approval thereof, as provided in Section 171 of the Companies Law;
 - 100.6 Shall report to the annual meeting on the state of the Company's affairs and on the business results, as provided in Section 173 of the Companies Law;
 - 100.7 Shall appoint and dismiss the CEO;
 - 100.8 Shall decide on acts and transactions requiring its approval pursuant to these Articles of Association or according to the provisions of Sections 255 and 268 through 275 of the Companies Law;

100.9 May allot shares and securities convertible into shares up to the limit of the Company's authorized share capital;

100.10 May decide on the distribution of a dividend or distribution of stock dividends;

100.11 May decide on an acquisition, within the meaning of such term in Section 1 of the Companies Law, from all or some of the Company's Shareholders, or any one of them, at the Board's discretion and on such terms to be determined thereby;

100.12 Shall give its opinion on a special tender offer, as provided in Section 329 of the Companies Law;

100.13 Shall determine the minimum required number of directors on the Board, who must have accounting and financial expertise within the meaning of such term in Section 240 of the Companies Law.

The Board's powers pursuant to this article may not be delegated to the CEO other than as specified in Section 288(b)(2) of the Companies Law.

101. Any power of the Company which is not conferred by law or these Articles of Association on another organ, may be exercised by the Board.

102.

102.1 The Board may resolve, whether by a specific resolution or as part of the Board's procedures, that powers granted to the CEO shall be transferred thereto, including any such power, the exercise of which by the Board, is required according to the Bank of Israel's directives, and all with respect to a specific matter, or for a specific period of time.

102.2 Without derogating from the aforesaid, the Board may instruct the CEO how to act in a specific matter. If the CEO does not comply with the instruction, the Board may exercise the power required to implement the instruction in his stead;

102.3 If the CEO is unable to exercise his powers, the Board may exercise them in his stead.

103. Subject to the provisions of the Companies Law, the Board may delegate any of its powers to the CEO, an Officer of the Company or another Person. The Board's power may be delegated for a specific matter or for a specific period of time, and all at the Board's discretion.

Receiving Credit and Granting Guarantees and Collateral

104. Without derogating from any power given to the Board pursuant to these Articles of Association, the Board may, from time to time, at its discretion, decide on:

- 104.1 The receipt of credit by the Company in any amount and securing the repayment thereof, in such manner as it deems fit;
 - 104.2 The grant of collateral to secure credit as provided in Article 104.1 above, of any kind whatsoever;
 - 104.3 The issuance of a series of bonds, including capital notes or letters of undertaking, including bonds, capital notes or letters of undertaking that are convertible or exercisable into shares, and determine the terms thereof, and to collateralize its property in whole or in part, whether in the present or in the future, by way of a floating or fixed charge. Bonds, capital notes, letters of undertaking or other collateral, as aforesaid, may be issued either at a discount, a premium or otherwise, whether with deferred rights, special rights, privileges or other rights, and all as determined by the Board, at its discretion.
105. The provisions of Article 104 above, do not preclude the power of the CEO or whoever he has authorized therefor, to decide on the receipt of credit by the Company, within the limits of the credit facility determined by the Board.

Board Committees

106.

- 106.1 Subject to the provisions of the Companies Law, the Board may, as it deems fit, establish committees, appoint members thereto from among the members of the Board (a “**Board Committee**”) and delegate its powers, in whole or in part, to a Board Committee. For the avoidance of doubt, anyone who is not a member of the Board shall not be a member of a Board Committee to which the Board has delegated powers.

Notwithstanding the aforesaid, the Board is not entitled to delegate its powers to a Board Committee on the following matters:

- 106.1.1 Determining the general policy of the Company;
- 106.1.2 Distribution, other than in the case of a purchase of the Company’s shares in accordance with a framework set out in advance by the Board;
- 106.1.3 Determining the Board’s position on a matter requiring the approval of the general meeting or providing an opinion on the advantageousness of a special tender offer, as provided in Section 329 of the Companies Law;
- 106.1.4 Appointment of directors;
- 106.1.5 An issue or allotment of shares or securities convertible into or exercisable for shares, or of a series of bonds, other than as specified in Section 288(b) of the Companies Law;
- 106.1.6 Approval of financial statements;

106.1.7 Board approval of transactions and acts requiring the approval of the Board according to the provisions of Sections 255 and 268 through 275 of the Companies Law.

106.2 The Board may establish committees also on issues referred to in Sub-articles 106.1.1 to 106.1.7 above, for recommendation only.

107. A resolution adopted or an act carried out by a Board Committee, in accordance with any of the Board's powers delegated thereto, shall be deemed as a resolution adopted or an act carried out by the Board, unless expressly provided otherwise by the Board with regard to a specific matter or committee. The Board may from time to time expand, decrease or nullify a delegation of powers to a Board Committee; however, no such decrease or nullification of powers shall impair the validity of a resolution of a committee on which the Company acted vis-à-vis another person, who was unaware of the nullification thereof.

108.

108.1 The provisions included herein regarding the acts of the Board, shall apply *mutatis mutandis* also to the Board Committees, so long as they are not replaced by instructions given by the Board on this matter, and all subject to the provisions of the Companies Law.

108.2 A Board Committee shall report to the Board on a regular basis regarding its resolutions or recommendations.

Resolutions or recommendations of a Board Committee which require the approval of the Board shall be brought to the directors' knowledge a reasonable time prior to the discussion at the Board.

109.

109.1 The Board shall appoint an audit committee from among its members. The number of members of the audit committee shall be no less than three, all of the External Directors according to the Companies Law shall be members thereof and the majority of its members shall be Independent Directors.

The following shall not be members of the audit committee: the chairman of the Board and any director employed by the Company or its controlling shareholder or by a corporation under the control of the controlling shareholder as aforesaid, a director who regularly provides services to the Company, its controlling shareholder or a corporation under the control of the controlling shareholder as aforesaid, a director whose main livelihood depends on the controlling shareholder, and the Company's controlling shareholder or his relative.

109.2 The audit committee's functions shall be as determined in the Companies Law, including any other function imposed thereon by the Board.

The Acts of the Board

110. Subject to the provisions of these Articles of Association, the Board may convene in order to perform its functions and adjourn its meetings and regulate its acts and discussions as it deems fit.
111. The Board shall appoint one of its members to serve as chairman of the Board, and it may remove him from his office and appoint another in his stead. The Board may also appoint one of its members to serve as acting chairman of the Board, who shall serve as his stand-in in his absence.
112. The chairman of the Board shall chair and conduct the Board's meetings. If the chairman of the Board is absent from a Board meeting, in accordance with a prior notice given by him, or does not appear at the Board meeting within 15 minutes from the time set therefor ("**Absence**"), the meeting shall be presided over by the acting chairman of the Board, if elected. In the Absence of both the chairman of the Board and the acting chairman from the meeting, the members of the Board present shall elect one of them to preside over the meeting.
113. The Board shall convene its meetings according to the Company's needs.
114. The chairman of the Board may convene the Board at any time, and determine the place and time for the Board's meeting.
115. Without derogating from the aforesaid, the chairman of the Board shall be required to convene the Board upon the occurrence of any one of the following:
 - 115.1 Receipt of a demand to convene the Board by one or more directors, to discuss a matter to be specified in his demand;
 - 115.2 Receipt of a notice or report from the CEO which requires action by the Board;
 - 115.3 Receipt of a notice from the auditor on material deficiencies in the Company's accounting audit.

Upon the receipt of a notice or report as aforesaid, the chairman of the Board shall convene the Board, with no delay, and by no later than the lapse of 14 days from the date of the demand, notice or report, as the case may be.

116.
 - 116.1 Prior notice on the convening of the Board shall be given to all of the Board members, a reasonable time prior to the date of the meeting.
 - 116.2 Notwithstanding the aforesaid, in urgent cases, the Board may, with the consent of a majority of the directors, convene a meeting without notice.
117. The agenda of the Board meetings shall be determined by the chairman of the Board and it shall include:
 - 117.1 Issues determined by the chairman of the Board;

117.2 Issues determined as provided in Article 115 above;

117.3 Any issue which a director or the CEO request the chairman of the Board to include on the agenda, a reasonable time prior to the convening of the Board meeting.

(the “**Agenda**”)

118. The notice of the Board meeting shall state the date and place of the meeting and reasonable details on the issues to be discussed at the meeting, according to the Agenda.

119. A notice of the Board meeting shall be sent to the address of the director provided to the Company in advance, unless the director has requested that the notice be delivered to him elsewhere.

120. The quorum for opening a Board meeting shall be a majority of the Board members holding office on the date of the meeting.

121.

121.1 Each director shall have one vote at a vote held by the Board. Resolutions of the Board shall be adopted by a majority of votes of the directors present at the meeting and voting therein, without taking into account abstaining votes. The chairman of the Board shall have no additional or casting vote.

121.2 In the event of a tie, the proposed resolution which was voted upon by the Board members shall be deemed voted down.

122. Subject to the provisions of the law, the Board may hold meetings through use of any means of communication, provided that all of the directors participating are able to hear one another simultaneously. The Board may arrange the method and ways of conducting a meeting through means of communication.

123. Without derogating from the provisions of Article 122:

123.1 The Board may adopt resolutions even without actually convening, provided that all of the directors entitled to participate in the discussion and vote on a matter presented for resolution, have agreed not to convene for a discussion on that matter. The provisions of Article 121 above shall apply to such resolution, *mutatis mutandis*, as the case may be.

123.2 If resolutions are adopted in accordance with Sub-article 123.1 above, protocols of the resolutions shall be drawn up, including the decision not to convene, and shall be signed by the chairman of the Board.

123.3 The provisions of Article 124 shall apply, *mutatis mutandis*, to a resolution adopted in accordance with Sub-article 123.1.

123.4 The chairman of the Board shall be responsible for the implementation of this Article 123.

Protocols

124. The Board shall ensure that protocols are taken of the proceedings at the Board meetings; the protocols shall be recorded in books prepared for such purpose and shall include, *inter alia*, the following details:

124.1 The names of the directors participating and the others present at any Board meeting;

124.2 The matters discussed at the Board meetings and the resolutions adopted.

Any and all protocols shall be approved and signed by the director who presides over such meeting, other than protocols pursuant to Article 123 above, that shall be approved and signed by the chairman of the Board; Protocols approved and signed as aforesaid shall constitute *prima facie* evidence of the provisions thereof.

125. The provisions of Article 124 above shall also apply to meetings of any Board Committee.

The Chief Executive Officer

126. The Board may, from time to time, appoint a Chief Executive Officer for the Company (the “CEO”) and it may dismiss or replace him at any time it deems fit, subject to the provisions of any contract between him and the Company.

127. The CEO is not required to be a director or Shareholder of the Company.

128. The CEO is responsible for the ongoing management of the Company’s affairs, within the framework of the policy determined by the Board and subject to its direction.

129. The CEO shall have any and all executive and managerial powers not conferred by or pursuant to these Articles of Association or the law on another organ of the Company, other than powers as aforesaid to be transferred from him to the Board, in accordance with the provisions of Article 102.1 above, if transferred; the CEO shall be subject to the supervision of the Board.

130. Subject to the provisions of the Companies Law and these Articles of Association, the Board may, from time to time, give and grant the CEO powers held by the Board according to these Articles of Association, as it deems fit, and it may grant any such powers for such period and purposes, on such terms and with such limitations as the Board deems fit, and the Board may grant such powers, either without waiving its powers in the matter or instead or in lieu thereof, in whole or in part, and it may from time to time nullify, revoke and modify such powers, in whole or in part.

131. The CEO may, with the Board’s approval, delegate any of his powers to another or others who report to him; such approval may be given either generally or for a specific matter, either on a specific decision or within the framework of the Board’s procedures.

132. Without derogating from the provisions of the Companies Law and any other law, the CEO shall submit reports to the Board on such matters, at such times and of such scope as the Board determines, either in a specific decision or within the framework of the Board's procedures.
133. The CEO's remuneration may be paid in the form of a salary or fees or participation in profits or by the grant of securities or a right to purchase the same, or otherwise.

Validity of Actions and Approval of Transactions

134. Any and all acts carried out by the Board or by a Board Committee or by any Person acting as a director or as a member of a Board Committee or by the CEO, as the case may be – shall be valid, notwithstanding a subsequent discovery of any defect in the appointment of the Board, the Board Committee, the director who is the committee member or the CEO, as applicable, or that any of the said Officers were not qualified to serve in their position.
135.
 - 135.1 Subject to the provisions of the Companies Law, the holding of shares in the Company and an Officer of the Company being an interested party or an Officer in any other Corporation, including a Corporation in which the Company is an interested party or which is a Shareholder of the Company, shall not disqualify the Officer from being an Officer of the Company. In addition, an Officer shall not be disqualified from being an Officer of the Company due to his engagement or the engagement of any Corporation as aforesaid, in a contract with the Company on any matter whatsoever and howsoever.
 - 135.2 Subject to the provisions of the Companies Law, the fact that a Person is an Officer of the Company shall not disqualify him or his relative or another Corporation in which he is an interested party, from engaging with the Company in transactions in which the Officer has any personal interest.
 - 135.3 Subject to the provisions of the Companies Law, an Officer may participate in and vote at discussions regarding the approval of transactions or acts in which he has a personal interest.
136. Subject to the provisions of the Companies Law, a transaction of the Company with an Officer therein or a transaction of the Company with another Person in which an Officer of the Company has a personal interest, which are not irregular transactions, shall be approved in the following manner:
 - 136.1 Subject to the provisions of the Companies Law, a general notice given to the Board by an Officer regarding his office or function in certain entities or regarding him being a provider of services to entities as aforesaid shall constitute disclosure by the Officer to the Company regarding his personal interest deriving from the aforesaid, for the

purpose of any engagement as aforesaid in a transaction that is not irregular.

136.2 Engagement as aforesaid in a transaction that is not irregular shall be approved by the Board or by the audit committee or by another entity authorized therefor by the Board, either by a specific resolution, or within the framework of the Board's procedures, or by a general authorization, whether authorization for a specific type of transaction or authorization for a specific transaction.

136.3 Approval of transactions which are not irregular, as aforesaid, may be carried out by granting a general approval for a specific type of transaction or by approving a specific transaction.

Signing on behalf of the Company

137. Subject to the provisions of the Companies Law and these Articles of Association, the Board may authorize any Person to act and sign on behalf of the Company, whether alone or together with another Person, whether in general or for specific matters.

138. Subject to the provisions of the Companies Law and these Articles of Association, the CEO may authorize any of the Company's employees as the authorized signatories, who are authorized to bind the Company by their signature.

139. The Company shall have a stamp bearing the Company's name. The signature on a document shall not bind the Company unless it bears the signature of those authorized to sign on behalf of the Company together with the Company's stamp or its printed name.

The Appointment of Representatives

140. Subject to the provisions of the Companies Law, the Board may at any time empower any person to be the Company's representative for such purposes, with such powers and discretion, for such period and subject to such terms as the Board deems fit. The Board may grant such person, *inter alia*, the power to transfer to another, in whole or in part, the powers, authorities and discretion given thereto.

Exemption, Indemnification and Insurance

141. Subject to the provisions of the Companies Law, the Company may exempt an Officer thereof from his liability, in whole or in part, for damage due to a breach of the duty of care thereto. Notwithstanding the foregoing, the Company may not exempt a director, in advance, from his liability thereto due to a breach of the duty of care in a distribution.

The aforesaid exemption shall not apply to damage incurred by the Company due to a breach of the duty of care of an Officer of the Company, as aforesaid,

that took place after December 23, 2015, upon adopting a resolution or approving a transaction in which the Controlling Shareholder of the Company or any Officer of the Company (including another Officer of the Company who is not the Officer who was granted with the exemption according to this Article 141 above), has a personal interest.

142. Subject to the provisions of the Companies Law, or any other law, the Company may enter into a contract to insure the liability of an Officer thereof, including an Officer within the meaning thereof in Sub-articles ~~142.5~~142.4a. through 142.9 below, as the case may be, for liability imposed on him due to an act carried out by him in his capacity as an Officer as aforesaid, in any one of the following cases:

142.1 A breach of the duty of care to the Company or to another Person;

142.2 A breach of a fiduciary duty to the Company, provided that the Officer acted in good faith and had reasonable cause to assume that the act would not harm the Company;

142.3 A financial liability imposed on him in favor of another Person;

142.4 A financial liability imposed on an officer, for payment to a party harmed by a breach, as provided in Section 52BBB(a)(1)(a) of the Securities Law or due to payment to a party harmed by a breach pursuant to the said section, in accordance with the provisions of the Advice Law;

142.4A A financial liability imposed on an officer for payment to a party harmed by a breach as provided in Section 52BBB(a)(1)(a) of the Securities Law, in accordance with the provisions of the Financial Information Services Law.

In this regard, “officer” – shall include a “senior officer” as defined in the Financial Information Services Law.

142.4B A financial liability imposed on an officer for payment to a party harmed by a breach as provided in Section 52BBB(a)(1)(a) of the Securities Law, in accordance with the provisions of the Regulation of Payment Services and Payment Initiation Law.

In this regard, “officer” – shall include a “senior officer” as defined in the Regulation of Payment Services and Payment Initiation Law.

142.5 A financial liability imposed on an officer, as defined in the Joint Investment Law, for payment to a party harmed by a breach according to Section 52BBB(a)(1)(a) of the Securities Law, in accordance with the provisions of the Joint Investment Law.

142.6 A financial liability imposed on an officer, as defined in the Control of Insurance Law, for payment to a party harmed by a breach, as provided in Section 92U of the Control of Insurance Law;

- 142.7 A financial liability imposed on an officer, as defined in the Control of Provident Funds Law, for payment to a party harmed by a breach, in accordance with Section 92U of the Control of Insurance Law, in accordance with the provisions of the Control of Provident Funds Law;
- 142.8 A financial liability imposed on an officer, for payment to a party harmed by a breach or payment of a similar type, pursuant to another law, which is not stated in Sub-articles 142.4 through 142.7 above (the “**Other Law**”), provided that the engagement in an insurance contract as aforesaid is not prohibited by law; for this purpose, “**officer**” – as defined in the Other Law;
- 142.9 Expenses incurred by an officer, including an officer as defined in Sub-articles ~~142.4A.142.5~~ through 142.8 above, as well as an officer within the meaning thereof in the Restrictive Trade Practices Law, in connection with an Administrative Proceeding, as defined in Sub-articles 142.9.1 through 142.9.~~97~~ below, conducted in his case, including a proceeding as provided in Sub-article 142.9.~~108~~ below, provided that the entrance into an insurance contract as aforesaid is not prohibited by law, including reasonable litigation expenses, including legal fees, in connection with the said proceedings.

In these Articles of Association, an “**Administrative Proceeding**” –

- 142.9.1 A proceeding pursuant to Chapter H3 (entitled Imposition of a Financial Penalty by the ISA), Chapter H4 (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or Chapter I1 (entitled Contingent Arrangement to Refrain from Institution of Proceedings or for the Termination of Proceedings) of the Securities Law, as amended from time to time; and
- 142.9.2 A proceeding pursuant to Chapter G1 (entitled Imposition of Financial Penalty by the ISA), Chapter G2 (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or Chapter H1 (entitled Contingent Arrangement to Refrain from Institution of Proceedings or for the Termination of Proceedings) of the Advice Law, as amended from time to time; and
- 142.9.3 A proceeding pursuant to Chapter J (entitled Imposition of Financial Penalty by the ISA), Chapter J1 (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or Chapter K1 (entitled Contingent Arrangement to Refrain from Institution of Proceedings or for the Termination of Proceedings) of the Joint Investment Law, as amended from time to time; and
- 142.9.4 A proceeding in connection with the imposition of a financial penalty, pursuant to Chapter I1 (entitled Financial Penalty) of

the Control of Insurance Law, as amended from time to time;
and

142.9.5 A proceeding in connection with the imposition of a financial penalty, pursuant to Chapter E (entitled Financial Penalty) of the Control of Provident Funds Law, as amended from time to time; and

142.9.6 A proceeding pursuant to Chapter G1 (entitled Financial Penalty) of the Restrictive Trade Practices Law, as amended from time to time; and

142.9.7 A proceeding in connection with the imposition of a financial penalty, pursuant to Title D of Chapter Four of Part Nine of the Companies Law, as amended from time to time; and

142.9.8 A proceeding pursuant to Chapter E (entitled Financial Penalty) or a proceeding pursuant to Chapter F (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Financial Information Services Law (or another proceeding under said law), as amended from time to time; and

142.9.9 A proceeding pursuant to Chapter G (entitled Financial Penalty) or a proceeding pursuant to Chapter H (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Regulation of Payment Services and Payment Initiation Law (or another proceeding under said law), as amended from time to time; and

142.9.10 A proceeding pursuant to any Other Law, which is not mentioned in Sub-articles 142.9.1 through 142.9.97 above, provided that the engagement in an insurance contract as aforesaid is not prohibited by law.

142.10 Any other event for which it is or shall be permitted to insure the liability of an Officer.

143. Subject to the provisions of the Companies Law or any Other Law –

143.1 The Company is entitled to provide an advance undertaking for indemnification (“**Indemnity Undertaking**”) of an Officer therein in any one of the following –:

143.1.1 Due to a liability or expense as specified in Article 144.1 below, imposed on him following an act carried out in his capacity as an Officer therein, provided that the Indemnity Undertaking is limited to events which, in the Board’s opinion, are foreseen in view of the actual activities of the Company, at the time the Indemnity Undertaking was granted, and to such amount or criteria as the Board has determined to be

reasonable under the circumstances and that the Indemnity Undertaking states the events, which in the opinion of the Board, are foreseen in view of the actual activities of the Company at the time the Indemnity Undertaking was granted and at such amount or criteria as the Board has determined to be reasonable under the circumstances of the case.

143.1.2 Due to a liability or expense as specified in Sub-articles 144.2 through 144.10 below.

143.2 Without derogating from the provisions of Article 143.1 above, the Company may retroactively indemnify an Officer therein, due to a liability or expense as specified in Article 144 below, imposed on him following an act carried out in his capacity as an Officer of the Company.

143.3 An Indemnity Undertaking or retroactive indemnification, as provided in Article 143 above, due to a liability or expense as provided in Sub-articles 144.~~4A.5~~ through 144.9 below, may also be granted to an Officer, within the meaning thereof in the said sub-articles, as the case may be.

144. An Indemnity Undertaking or retroactive indemnification, as provided in Article 143 above, may be given due to a liability or expense as specified in Sub-articles 144.1 through 144.10 below, imposed on the Officer, including an Officer within the meaning thereof in Sub-articles 144.~~4A.5~~ through 144.9 below, as the case may be, following an act carried out in his capacity as an Officer of the Company, as follows:

144.1 A financial liability imposed on him in favor of another Person pursuant to a judgment, including a judgment handed down as part of a settlement or an arbitration award approved by a court;

144.2 Reasonable litigation expenses, including legal fees, incurred by an Officer due to an investigation or proceeding conducted against him by an authority competent to conduct an investigation or proceeding, and which concluded without a criminal indictment being filed against him and without a financial liability being imposed on him in lieu of a criminal proceeding, or which concluded without a criminal indictment being filed against him but with a financial liability being imposed on him in lieu of a criminal proceeding in an offense that does not require proof of criminal intent (“Mens Rea”), or in connection with a financial penalty; in this sub-article – conclusion of a proceeding without a criminal indictment being filed in a matter in which a criminal investigation has been launched – shall mean the closing of the case according to Section 62 of the Criminal Procedure Law [Consolidated Version] 5742-1982 (in this sub-article – “**Criminal Procedure Law**”), or the stay of proceedings by the Attorney General in accordance with Section 231 of the Criminal Procedure Law.

“Financial liability in lieu of a criminal proceeding” – a financial liability that was imposed by law in lieu of a substitute for a criminal proceeding, including an administrative fine pursuant to the Administrative Offenses Law, 5746-1985, a fine for an offense that has been determined as a finable offense pursuant to the provisions of the Criminal Procedure Law, a financial penalty or sanction;

144.3 Reasonable litigation expenses, including legal fees, incurred by the Officer or charged therefor by a court in a proceeding filed against him by the Company or on its behalf or by another Person, or in a criminal indictment of which he is acquitted, or in a criminal indictment in which he was convicted of an offense that does not require proof of criminal intent;

144.4 A financial liability imposed on an officer, for payment to a party harmed by a breach, as provided in Section 52BBB(a)(1)(a) of the Securities Law or for payment to a party harmed by a breach pursuant to the said section, in accordance with the provisions of the Advice Law;

144.4A A financial liability imposed on an officer for payment to a party harmed by a breach as provided in Section 52BBB(a)(1)(a) of the Securities Law, in accordance with the provisions of the Financial Information Services Law.

In this regard, “officer” – shall include a “senior officer” as defined in the Financial Information Services Law.

144.4B A financial liability imposed on an officer for payment to a party harmed by a breach as provided in Section 52BBB(a)(1)(a) of the Securities Law, in accordance with the provisions of the Regulation of Payment Services and Payment Initiation Law.

In this regard, “officer” – shall include a “senior officer” as defined in the Regulation of Payment Services and Payment Initiation Law.

144.5 A financial liability imposed on an officer, as defined in the Joint Investment Law, for payment to a party harmed by a breach, according to Section 52BBB(a)(1)(a) of the Securities Law in accordance with the provisions of the Joint Investment Law;

144.6 A financial liability imposed on an officer, as defined in the Control of Insurance Law, for payment to a party harmed by a breach, in accordance with Section 92U of the Control of Insurance Law;

144.7 A financial liability imposed on an officer, as defined in the Control of Provident Funds Law, for payment to a party harmed by a breach, pursuant to Section 92U of the Control of Insurance Law, in accordance with the provisions of the Control of Provident Funds Law;

144.8 A financial liability imposed on an officer, due to payment to a party impaired by a breach or payment of a similar kind, according to another

law, which is not mentioned in Sub-articles 144.4 through 144.7 above (the “**Other Law**”), provided that such indemnification is not prohibited by law; for this purpose – “**officer**” – as defined in the Other Law;

144.9 Expenses incurred by an Officer, including an officer as defined in Sub-articles 144.~~4A5~~ through 144.8 above, and an officer within the meaning thereof in the Restrictive Trade Practices Law, in connection with an Administrative Proceeding as defined in Sub-articles 142.9.1 through 142.9.~~97~~ above, conducted in his case, including a proceeding as stated in Sub-article 142.9.~~8-10~~ above, provided that such indemnification is not prohibited by law, including reasonable litigation expenses, including legal fees in connection with the said proceedings;

144.10 Any other liability or expense for which it is or shall be permitted to indemnify an Officer.

145. Subject to the provisions of the Companies Law or any Other Law –

145.1 The Company may give an undertaking to a person who holds or has held office on behalf of the Company or at its request, as a director in another company which the Company controls, or to an employee of the Company, including to an Officer of the Company who is not a director thereof, who holds or held office on behalf of the Company or at its request as a director in another company in which the Company holds shares, directly or indirectly (“**Director in the Other Company**”) to indemnify him for a liability or expense as specified in Article 144 above, imposed on him for an act he carried out in his capacity as a Director in the Other Company, and all in accordance with the provisions of Sub-article 143.1 above, *mutatis mutandis*.

145.2 Without derogating from the provisions of Article 145.1 above, the Company may retroactively indemnify a Director in the Other Company, due to a liability or expense as specified in Article 144 above, imposed on him due to an act carried out in his capacity as a Director in the Other Company.

145.3 In addition to the aforesaid, the Company may give an Indemnity Undertaking or retroactive indemnification to an Officer of a company controlled by the Company, as specified in Article 144 above, in accordance with the provisions of Article 143 above, as well as to an officer within the meaning thereof in Sub-articles 144.~~4A.5~~ through 144.9 above, in a company controlled by the Company, as specified in the said sub-articles, as applicable.

146. The provisions of these Articles of Association shall not limit the Company in any way, with respect to its entrance into an insurance contract or with respect to the granting of an exemption or indemnification:

146.1 In connection with anyone who is not an Officer of the Company or a Director in the Other Company, including, but without derogating from the generality of the aforesaid, employees, contractors or consultants;

146.2 In connection with an Officer of the Company or a Director in the Other Company, insofar as the insurance, exemption or indemnification are not prohibited pursuant to any law.

146A.

146A.1 Subject to the provisions of Article 146A.2. below –

146A.1.1. The maximum indemnity amount to be paid by the Company (in addition to amounts received under insurance policies, whether paid to the Company or a Held Company thereof, as defined below, or whether paid to an Officer or employee), in the aggregate, to all of the Officers or employees of the Company or of Held Companies thereof, according to all of the indemnification undertakings under the letters of indemnification given to them thereby, shall not exceed 25% (twenty five percent) of the Company's equity, according to its latest financial statements released shortly before the date of actual payment of the indemnification amount (the "**Maximum Indemnity Amount**").

146A.1.2. Notwithstanding the provisions of Article 146A.1.1 above, if the Total Indemnity Amount is higher than the Maximum Indemnity Amount, the maximum amount paid by the Company, in the aggregate, to all of those entitled to indemnification, as provided in Article 146A.1.1 above, shall not exceed the Total Indemnity Amount. However, the Difference Amount shall only be used for the purpose of indemnification for acts carried out prior to November 9, 2011, on which the Company's general meeting approved an amendment to these Articles of Association.

For this purpose: the "**Total Indemnity Amount**", shall mean 25% (twenty five percent) of the Company's equity, according to its financial statements for 2000 being adjusted, from time to time, to the rate of increase in the Consumer Price Index (the "**Index**"), compared with the Index for December 2000, which was published in January 2001;

The "**Difference Amount**" means the difference between the Total Indemnity Amount and the Maximum Indemnity Amount.

"**Held Company**" means another company, in which the Company directly or indirectly holds any percentage of shares.

146A.2 The provisions of Article 146A.1 above shall apply to any Indemnity Undertaking given by the Company after the entry into force of the Companies Law (i.e. after February 1, 2000) other than an Indemnity Undertaking approved by the Company's general meeting of April 18, 2000 and other than Undertakings for Indemnification given by Tefahot Israel Mortgage Bank Ltd. or companies under its control or by Adanim Mortgage Bank Ltd., which were merged into the Company and in this context the Company assumed the said undertakings.

Dividends, Funds and Capitalization of Funds and Profits

147. The Board may, prior to deciding on the distribution of a dividend, as provided in Article 150 below, set aside any amounts from the profits, as it deems fit, to a general fund or reserve fund for any requirements or purposes, as determined by the Board at its discretion.

148. Until said funds are used, the Board may invest the amounts set aside as aforesaid and the funds' monies in any investment whatsoever, as it deems fit, and attend to, change or otherwise use these investments, and it may divide the reserve fund into special funds and use any fund or part thereof for the Company's business, without keeping it separate from the other assets of the Company, all at the Board's discretion and on such terms determined thereby.

149. Subject to the provisions of any law, the Board may, from time to time, revalue the Company's assets and property, in whole or in part, and if the new value exceeds the value determined in the Company's last balance sheet preceding the valuation – the Board may credit the difference, in whole or in part, to a revaluation fund.

150. Subject to the provisions of the Companies Law, the Board may adopt a resolution to distribute a dividend. The Board resolving to distribute a dividend may resolve that the dividend shall be paid, in whole or in part, in cash or by way of a distribution in kind, including in securities or in any other manner, at the Board's discretion.

151.

151.1

(a) Subject to the provisions of the Companies Law, the Board may resolve to allot stock dividends and to convert part of the Company's profits, within the meaning thereof in Section 302(b) of the Companies Law, into share capital, from premium on shares or from any other source included in its equity, as provided in its last financial statements, in an amount to be determined by the Board, which shall be no less than the par value of the stock dividends.

(b) Stock dividends allotted according to this article shall be deemed paid for in full.

151.2 The Board resolving to allot stock dividends may decide that the Company transfer to a special fund designated for the distribution of stock dividends in the future, such amount which conversion into share capital shall suffice to allot to any person who at such time for any reason, holds a right to purchase shares in the Company (including a right which may only be exercised at a later date), stock dividends which would have been due to him had he exercised the right to purchase the shares prior to the record date for the right to receive the stock dividends (in this article – the “**Record Date**”). If after the Record Date the said rightholder exercises his right to purchase the shares or part thereof, the Company shall allot to him stock dividends of such par value as would have been due to him had he exercised the right to purchase the shares he actually purchased prior to the Record Date, by converting an appropriate part of the said special fund into share capital.

The stock dividends shall entitle the holders thereof to participate in the distribution of the dividends in cash or stock dividends commencing from such date as shall be determined by the Board. With regard to the determination of the amount to be transferred to the said special fund, any amount transferred to such fund for previous distributions of stock dividends shall be deemed as having already being capitalized and as though shares entitling the holders of the right to purchase shares to stock dividends, had already been allotted therefrom.

152. Subject to the rights attached to the classes of the shares issued by the Company and the provisions of these Articles of Association, dividends or stock dividends shall be distributed to the Shareholders pro rata to the par value of each share, without taking into account any premium paid thereon.
153. For the purpose of implementing a resolution regarding the distribution of a dividend or an allotment of stock dividends, the Board may:
- 153.1 Settle any difficulty arising in connection therewith as it deems fit and take any and all steps it deems fit to overcome such difficulty;
 - 153.2 Resolve that fractions or fractions in an amount lower than a specific amount to be determined by the Board, shall not be taken into account for the purpose of adjusting the right of the Shareholders or to sell fractions of shares and pay the consideration (net) to the persons entitled thereto;
 - 153.3 Authorize the signing on behalf of the Shareholders, of any contract or other document required to give effect to an allotment or distribution and in particular to authorize the signing and filing for registration, of a written document as provided in Section 291 of the Companies Law.
 - 153.4 Make any other arrangement which in the Board’s opinion is required in order to enable the allotment.
154. Dividends or other benefits for shares shall not bear interest.

155. Without derogating from the provisions hereof, the Board may withhold any dividend or stock dividend or other benefit deriving from a share, in the event that the consideration set for it, in whole or in part, was not paid to the Company, and may collect any such amount or proceeds received from the sale of any stock dividend or other benefit, on account of the debts or liabilities for the said share.
156. The Board is entitled, but is not obligated, as it deems fit and beneficial, to appoint trustees or nominees for the holders of share deeds who for such period, as determined by the Board, have not contacted the Company to receive dividends, shares or other securities or benefits, and for those Registered Shareholders who did not fulfill their duty to notify the Company of a change in their address and who have not contacted the Company to receive dividends, shares, other securities or benefits during the aforesaid period. Such nominees or trustees shall be appointed in order to realize, collect or receive dividends, shares, other securities or benefits, or to subscribe for unissued shares that are offered to the Shareholders, but shall not be entitled to transfer the original shares in respect of which they were appointed, nor vote pursuant thereto. In the conditions of any trust or nominee appointment, the Company shall stipulate that upon the first demand of the Shareholder in respect of which the trustees or nominees hold office, the trustees or nominees shall be required to return to such Shareholder the said share or all of the rights held by them for him, as the case may be. Any act and arrangement made by such nominees or trustees and any agreement between the Board and such nominees or trustees shall be valid and bind all of the relevant parties.
157. The Board may, from time to time, determine the method of payment of dividends or allotment of the stock dividends or their transfer to those entitled thereto, and may determine provisions, procedures and arrangements in connection thereto, with respect to the Registered Shareholders, the Unregistered Shareholders and the Shareholders holding a share deed. Without derogating from the generality of the aforesaid, the Board may determine as follows:

157.1

- (a) Subject to the provisions of Sub-article (b) below, dividends or monies distributed to Registered Shareholders shall be paid to a Registered Shareholder by sending a check in the mail to his address as recorded in the Shareholders' Register. Any sending of a check as aforesaid shall be carried out at the risk of the Registered Shareholder.

Without derogating from the aforesaid, the Board may determine that a dividend amount which is lower than a certain amount to be determined by the Board shall not be sent by check as aforesaid, and the provisions of Sub-article (b) below shall apply in respect thereof.

- (b) The Board may determine that the payment of dividends or monies distributed to Registered Shareholders shall be made at the Office or any other place determined by the Board.

157.2 A dividend distributed to Unregistered Shareholders shall be transferred to the said Shareholders through the nominee company or in any other way determined by the Board.

- 158. In such cases where the Board determines the payment of a dividend, the allotment of shares or securities or the grant of a right to subscribe for securities which have not yet been issued and are offered to Shareholders, against the delivery of an appropriate voucher which is attached to any share deed, such payment, allotment or grant of a right of subscription against an appropriate voucher to the holder of the voucher, shall constitute a debt discharge for the Company regarding such act vis-à-vis any Person claiming a right to such payment, allotment or grant of right of subscription, as the case may be.
- 159. If two or more Persons are recorded in the Register as the joint holders of a share, each one of them may give a valid receipt for any dividend, share or other security or other monies or benefits due in respect of the share, and the check or payment order may be made out to the order of one of them and the check may be sent by registered mail to his address as recorded in the Register.

Company Documents

160.

160.1 The Shareholders shall have a right to inspect the Company's documents specified in Section 184 of the Companies Law, upon the fulfillment of the conditions determined therefor.

160.2 Without derogating from the provisions of Article 160.1 above, the Board may, at its discretion, resolve to grant a right to inspect the Company's documents, or any part thereof, including to all or any of the Shareholders, as it deems fit.

160.3 The Shareholders shall have no right to inspect the Company's documents or any part thereof unless they are granted a right as aforesaid by act of legislation or these Articles of Association or if they are so authorized by the Board, as provided in Article 160.2 above.

- 161. Subject to the provisions of any law, any book or register which the Company is required to keep by law or according to these Articles of Association, shall be kept by technical, mechanical or other means, as the Board shall resolve.

The Auditor

- 162. An auditor shall be appointed at every annual meeting, and shall hold office until the end of the following annual meeting.

163.

- 163.1 Upon an auditor being appointed for the Company as provided in Article 162 above, the Board shall determine his remuneration for the audit, at the Board's discretion.
- 163.2 The auditor's remuneration for additional services to the Company which are not part of the audit shall be determined by the Board, at its discretion.
164. An auditor may be present at any general meeting of the Company and express his opinion on any matter related to his position as the Company's auditor.
165. Subject to the provisions of the Companies Law, any act carried out by the Company's auditor shall be valid vis-à-vis any Person dealing with the Company in good faith, notwithstanding any defect in the auditor's appointment or qualification.

Notices

166. The giving of notices or the delivery of documents to Shareholders and to the nominee company according to the provisions of the Law or these Articles of Association shall be made in one of the methods stated in this chapter below.
167. Notice of a general meeting shall be published as provided in Article 59 above.
- 168.
- 168.1 Without derogating from the aforesaid, the Company may deliver a notice or document to a Shareholder, by hand delivery, or by facsimile, or by postage or by e-mail; postage shall be made according to the Shareholder's address as recorded in the Register, or if there is no such registered address, according to the address provided by him to the Company for the purpose of delivery of notices to him. A notice given by facsimile transmission, shall be sent to the Shareholder according to the facsimile number provided by him to the Company. A notice delivered by e-mail, shall be sent to the Shareholder according to the e-mail address provided by him to the Company.
- 168.2
- (a) A notice or document personally delivered to a Shareholder shall be deemed to have been delivered on the date of delivery to him.
 - (b) A notice or document sent by post shall be deemed to have been duly delivered if handed over for dispatch at a post office bearing the correct address and duly stamped. Delivery shall be deemed to have taken place at the time the letter would have ordinarily been delivered by the postal service and no later than two days from the date on which the letter containing the notice as aforesaid was handed over at the post office.
 - (c) A notice sent by facsimile or e-mail shall be deemed as delivered twenty-four hours after the dispatch thereof.

169. Without derogating from the aforesaid, the Company may send notice to the Registered Shareholders, Unregistered Shareholders and Shareholders holding a share deed by publishing the notice one time in two Hebrew-language daily newspapers published in Israel, either in addition to or instead of delivery of the notice by hand, by mail or by facsimile. The date of the newspaper's publication shall be deemed the date on which the notice was received by the Shareholders.
170. The Company may give notice of the delivery of a document at the Office or at any other place determined by the Board or in any other manner, including over the Internet.
171. The Company may deliver a notice or document to joint holders of a share, by sending the same to the Shareholder named first in the Shareholders' Register with respect to such share.
172. The delivery of a notice or document to any family member residing with the person for whom it is intended shall be deemed as delivery to such Person.
173. Any document or notice delivered to a Shareholder of the Company in accordance with the provisions of these Articles of Association shall be deemed as duly delivered notwithstanding the death, bankruptcy or winding up of such Shareholder or the endorsement of the right to the shares by law (whether or not the Company was aware thereof), so long as nobody else is recorded as the holder of the shares in his stead, and dispatch or delivery as aforesaid shall be deemed, for all intents and purposes, as sufficient with respect to any Person interested in such shares or entitled thereto by virtue of the endorsement of the right, by law, whether together with such Shareholder or on his behalf or in his stead.
174. Subject to the provisions of any law, a Shareholder, director or any other Person who is entitled to receive notice pursuant to these Articles of Association or pursuant to the Law, may waive the receipt thereof, in advance or retroactively, for a particular case or in general, and having done so, the notice shall be deemed as duly given, and any proceeding or act for which the notice was required to have been given shall be deemed effective and valid.
175. Written confirmation signed by a director or by the Company's Secretary regarding the dispatch of a document or the giving of notice in any of the methods specified herein shall be deemed as conclusive proof of any detail included therein.
176. Whenever prior notice of several days or notice which is valid for a specific period, is required to be given, the date of delivery shall be taken into account in the count of the days or period, unless determined otherwise. If notice is given in more than one of the methods specified above, it shall be deemed to have been received on the earliest date on which it is deemed to be delivered, as provided above.

Merger

177. The majority required for a resolution by a general meeting on a merger as provided in Chapter One, Part Eight of the Companies Law insofar as such merger requires the approval of the general meeting or a class meeting by law, is a Simple Majority.

Re-organization

178. Subject to the provisions of any law, in any event that the Company wishes to sell its enterprise, in whole or in part (the “**Enterprise**”) to another company (the “**Other Company**”), the Board or the liquidators – if the Company is in liquidation – may, with the approval of the Company’s general meeting, in a resolution adopted by a Super Majority, receive in consideration for the Enterprise shares which have been fully or partially paid-up or other securities or collateral of the Other Company, whether the Other Company exists at such time or is incorporated for the purpose of purchasing the Enterprise as aforesaid, and the Board or the liquidators – in the event of liquidation – may, subject to the provisions of any law, distribute among the Shareholders (or deposit for them with trustees) such shares, securities or collateral or any other property of the Company without disposition thereof.

Capitalization

179. Subject to the provisions of any law, if the Enterprise is transferred in whole or in part to the Oother Company as provided in Article 178 above, the Company may, with the approval of the Company’s general meeting, by a Super Majority, distribute or allocate the shares, securities, collateral, cash, benefits or other property of the Company in a manner different to that in which they would have been required to be distributed or allocated in accordance with the precise legal rights of the Company’s Shareholders. However, where shares of the Company, in whole or in part, are bearer shares or shares listed for trade on a stock exchange, the distribution or allocation shall be carried out in accordance with the legal rights of the Shareholders, as precisely as possible.
180. In order to implement the provisions of Articles 178 and 179 above, the general meeting may, in a resolution adopted by a Super Majority, instruct that the shares, other securities, collateral, benefits and other property of the Company be evaluated in such manner and price as the Company shall decide.

Winding Up

181. Without derogating from the liquidator’s authority under Section 334 of the Ordinance and subject to the rights attached to the classes of shares issued in the Company, if the Company is wound up, voluntarily or otherwise, the Company’s assets after payment of all of its liabilities, shall be distributed among the Shareholders pro rata to the par value of their shares regardless of any premium paid thereon.
182. For purposes of Article 181 above, anyone who submitted an application for shares and the shares were not yet been allotted to him, shall be deemed to have been allotted, prior to the winding up, the shares included in his application, paid up in the amount paid on account of the par value of such shares.

Subject to the provisions of any law, the liquidator may, according to a resolution of the general meeting adopted by a Super Majority, distribute in kind the surplus assets in whole or in part, between the Shareholders, and the liquidator may, according to a resolution of the general meeting adopted by a Super Majority, deposit any part of the surplus assets with trustees who shall hold them in trust in favor of the Shareholders, as the liquidator deems fit. For the purpose of distributing the surplus assets in kind, the liquidator may determine the proper value of the assets available for distribution and decide how the distribution between the Shareholders shall take place, considering the rights attached to the various classes of shares in the Company held by them.

Exclusive Jurisdiction

183.

183.1 In this Article 183, the following expressions shall have the meaning ascribed next to them:

The “**Held Corporation**”:

A corporation held by the Company, whether incorporated under the laws of the State of Israel or incorporated under the laws of a foreign country.

A “**Derivative Claim**”:

As the term is defined in the Companies Law, including any other legal proceeding of similar principles, including applications to approve submission thereof and other related applications.

“**Class Action**”:

As the term is defined in the Class Action Law, 5766-2006, including any other legal proceeding of similar principles, including applications to approve submission thereof and other related applications.

“**Other Claim**”:

A claim which is neither a Derivative Claim nor a Class Action.

The “**Respondents and/or the Defendants**”:

The Company and/or the Held Corporation and/or shareholders, officers, employees, auditors, legal advisors, including proxies, consultants and other service providers of the Company and/or the Held Corporation.

“Cause of Action”:

A claim relating to an act and/or omission and/or action of the Respondents and/or the Defendants (directly or indirectly) associated with the manner of management of the Company and/or the Held Corporation and/or the breach of a duty imposed by virtue of and in accordance with the provisions of any law on the Officers, employees or shareholders of the Company or of a corporation held by the Company and/or the breach of duty imposed on consultants, service providers or proxies of the Company or of a corporation held by the Company, whose domicile is in Israel.

183.2 The competent courts in Israel and none other shall have sole and exclusive jurisdiction to hear, according to the laws of the State of Israel excluding the rules of choice of law, any legal proceeding as follows:

- a. A Derivative Claim (on behalf of the Company and/or the Held Corporation) based on a Cause of Action against the Respondents and/or the Defendants or against any one of them.
- b. A Class Action based on a Cause of Action against the Respondents and/or the Defendants or against any one of them.
- c. Another Claim based on a Cause of Action against the Respondents and/or the Defendants or against any one of them, and all unless the Company has agreed in advance, explicitly and in Writing for a particular matter, to the filing of legal proceedings outside the jurisdiction of the courts in Israel, due to considerations of the Company’s best interest. For the avoidance of doubt, the competent courts in Israel shall have sole and exclusive jurisdiction to also hear legal proceedings that shall be instituted (if any) regarding the above agreement, as provided in this paragraph

Mizrahi Tefahot Bank Ltd.

Voting paper according to the Companies Regulations (Voting in Writing and Position Papers), 5766-2005 (the: "Regulations")

Part One

1. Name of the company: **Mizrahi Tefahot Bank Ltd.** (the “**Company**” or the “**Bank**”).
2. Type, date and location of the General Meeting: A special general meeting of all of the Company’s shareholders (the “**General Meeting**”). The General Meeting will convene on Tuesday, 5 September 2023, at 14:00, at the Bank’s offices at 7 Jabotinsky St., Floor 13, Ramat Gan. In the absence of legal counting, the meeting shall stand adjourned until Tuesday, 12 September 2023 at the same time and place (the “**First Deferred Meeting**”). With respect to legal counting at the General Meeting and at the First Deferred Meeting, as aforesaid (insofar as held), and with respect to the date and legal counting at the second deferred meeting (insofar as held), see Section 3.2 of the amending immediate report released by the Bank on July 24, 2023July 27, 2023, to which this voting paper is attached (the “**Immediate Report**”).
3. Specification of the items on the agenda, as specified in the Immediate Report, for which voting by voting paper is available:

3.1. **Amendment of the Bank’s articles of association – the item specified in Section 1.1 of the Immediate Report**

3.1.1. Description of the nature of the item and the main facts required to understand the matter:

It is proposed to amend Articles 1.1, 142, 143, 144 and 145 of the Bank’s articles of association on the issue of insurance and indemnity, in order to allow insurance and indemnity due to payment to a party injured by a breach and due to expenses in connection with an administrative proceeding, including reasonable litigation expenses, including legal fees, pursuant to the provisions of the Financial Information Service Law, 5782-2021 (the “**Financial Information Service Law**”) and the Regulation of Payment Services and Payment Initiation Law, 5783-2023 (the “**Regulation of Payment Services and Payment Initiation Law**”), all as specified in the amendment that is hereby proposed to the Bank’s articles of association.

3.1.2. Proposed resolution:

To approve the amendments to Articles 1.1, 142 (the preface of 142 as well as Sub-articles 142.4A, 142.4B, the preface of 142.9, 142.9.8, 142.9.9 and 142.9.10), 143.3, 144 (the preface of 144 as well as Sub-articles 144.4A, 144.4B and 144.9) and 145.3 of the Bank’s articles of association, in accordance with the amended and marked text of the said articles, as specified in the Bank’s articles of association in their amended and marked text, attached to the Immediate Report as **Appendix A** (the said amendments to the current text of the articles of association are marked in **Appendix A** by underlines and strikethroughs).

3.2. Amendment of the Bank’s letter of exemption and indemnity undertaking – the item specified in Section 1.2 of the Immediate Report

3.2.1. Description of the nature of the item:

Approval of the Bank’s letter of exemption and indemnity undertaking, in amended text (the “**Amended Undertaking Letter**” or the “**Undertaking Letter**”).

3.2.2. Proposed resolution:

- a. Subject to approval of the amendments to the Bank’s articles of association by the General Meeting, as stated in Section 3.1.2 above, to approve the Bank’s letter of exemption and indemnity undertaking for directors and other officers, including the Bank’s CEO and controlling shareholders of the Bank and their relatives, and for employees who hold office, from time to time, including former or future office holders, all in accordance with the Amended Undertaking Letter, attached to the Immediate Report as **Appendix C**. The proposed amendments to the current text of the Bank’s Undertaking Letter are marked in Appendix C by underlines and strikethroughs.
- b. The resolution for approval of the Amended Undertaking Letter, regarding its applicability to controlling shareholders of the Bank and their relatives, shall be presented for reapproval up to three (3) years after the date on which the said resolution is approved by the Bank’s General Meeting (according to the Immediate Report), insofar as shall be required by law.
- c. To approve the resolution for approval of the Amended Undertaking Letter, regarding its applicability to the other persons entitled thereunder who are not controlling shareholders of the Bank and their relatives, for a period of nine (9) years from the date on which the said resolution is approved by the Bank’s General Meeting (according to the Immediate Report), further to the resolution of the Bank’s audit committee, at its meeting of 17 July 2023 (as specified in Section 1.2.7.c of the Immediate Report).

(the “**Resolution for Approval of the Amended Undertaking Letter**”)

Below are details according to the Controlling Shareholders Regulations regarding the Resolution for Approval of the Amended Undertaking Letter.

3.2.3. Background

With respect to the background to the approval of the Amended Undertaking Letter, see Section 1.2.4.a of the Immediate Report.

3.2.4. The highlights of the transaction

It is proposed to amend the current Undertaking Letter, as specified in the Amended Undertaking Letter, including as specified below:

- (a) It is proposed to explicitly determine that the indemnity undertaking shall also apply due to the following:
 - (1) A monetary liability that is imposed due to payment to a party injured by a breach, as stated in Section 52BBB(a)(1)(a) of the Securities Law, pursuant to the provisions of the Financial Information Service Law and pursuant to the provisions of the Regulation of Payment Services and Payment Initiation Law;
 - (2) Expenses, including reasonable litigation expenses, including legal fees, in connection with a proceeding under Chapter E (which is entitled Administrative Fine) or a proceeding under Chapter F (which is entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Financial Information Service Law (or any other proceeding under the said law), as shall be amended from time to time.
 - (3) Expenses, including reasonable litigation expenses, including legal fees, in connection with a proceeding under Chapter G (which is entitled Administrative Fine) or a proceeding under Chapter H (which is entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Regulation of Payment Services and Payment Initiation Law (or any other proceeding under the said law), as shall be amended from time to time.

(b) List of events included in the addendum to the Undertaking Letter

It is proposed to include in the Amended Undertaking Letter, several clarifications, specifications and expansions for the list of events specified in the addendum to the current Undertaking Letter, including in relation to the Financial Information Service Law and the Regulation of Payment Services and Payment Initiation Law, as specified in the Immediate Report.

3.2.5. All of the Bank's directors are deemed to have a personal interest in the Resolution for Approval of the Amended Undertaking Letter by virtue of their being officers of the Bank.

3.2.6. For further details, see Section 1.2 of the Immediate Report, including as specified below:

- a. For details regarding the controlling shareholders who have a personal interest in approval of the Amended Undertaking Letter, see Section 1.2.5 of the Immediate Report.
- b. For details regarding the method of determination of the consideration, the required approvals or conditions determined for

performance of the transaction, and a specification of transactions of the transaction's type or similar transactions thereto between the Bank and the controlling shareholders, see Sections 1.2.6 through 1.2.8 of the Immediate Report.

- c. For the Remuneration Committee and the Board of Directors' reasons for approving the transaction, the value of the consideration and the method of determination thereof, see Section 1.2.9 of the Immediate Report.

3.2.7. For details regarding the names of the directors who participated in discussions of the Remuneration Committee and the Board of Directors regarding the Resolution for Approval of the Amended Undertaking Letter, see Section 2 of the Immediate Report.

4. The majority required for adoption of the resolutions at the General Meeting on the items on the agenda, for which voting by voting paper is available:

4.1 The majority required for approval of the resolution for amendment of the Bank's articles of association

For purposes of the majority required at the General Meeting and at a deferred general meeting for approval of the resolution for amendment of the Bank's articles of association, as stated in Section 1.1.2 of the Immediate Report (i.e., according to Section 3.1.2 of this voting paper), and even though no controlling shareholders of the Bank currently serve as officers of the Bank, the Bank has determined, for the sake of caution (and *ex gratia*), that the majority required for approval of the said resolution is the majority required pursuant to Section 262(b) of the Companies Law, 5759-1999 (the "**Companies Law**").

Accordingly, the majority required at the General Meeting and at the deferred general meeting for approval of the resolution for amendment of the Bank's articles of association is an ordinary majority of all of the votes of the shareholders present at the General Meeting who are entitled to vote and voted at the meeting, provided that one of the following is fulfilled:

- (a) The majority vote count at the General Meeting includes a majority of all of the votes of the shareholders who do not have a personal interest in approval of the resolution, who participate in the vote. The count of all the votes of the said shareholders shall exclude the abstaining votes;
- (b) The total dissenting votes among the shareholders stated in Subsection (a) above does not exceed two percent (2%) of all of the voting rights at the Bank.

A shareholder who participates in the vote on the resolution for amendment of the Bank's articles of association shall notify the Bank prior to his vote, and if the vote is via voting paper, shall mark the relevant box in Part Two of the voting paper, as to whether or not he is deemed as having a personal interest in approval of the resolution, and shall describe the relevant link, if any. If a shareholder does not give notice or mark the box as aforesaid, or marks the box but does not provide a description as aforesaid, his vote will not be counted.

In this voting paper, "**personal interest**" – a personal interest of a person in an action or transaction of a company, including a personal interest of his relative

or of another corporation of which he or his relative are interested parties, with the exception of a personal interest deriving from the mere holding of shares of a company, including a personal interest of a person who votes according to a power of attorney given to him by another person, even if the other person does not have a personal interest, and a vote by a person who received a power of attorney to vote on behalf of a person who has a personal interest shall be deemed as a vote by the person who has the personal interest, all regardless of whether or not the voter has discretion on the vote.

4.2 The majority required for approval of the resolution for approval of the Amended Undertaking Letter

The majority required at the General Meeting and at a deferred general meeting for approval of the Amended Undertaking Letter, as stated in Section 1.2.2 of the Immediate Report (i.e., according to Section 3.2.2 of this voting paper), is an ordinary majority of all of the votes of the shareholders present at the General Meeting who are entitled to vote and voted at the meeting, provided that one of the following is fulfilled:

- (a) The majority vote count at the General Meeting includes a majority of all of the votes of the shareholders who do not have a personal interest in approval of the resolution, who participate in the vote. The count of all the votes of the said shareholders shall exclude the abstaining votes;
- (b) The total dissenting votes among the shareholders stated in Subsection a. above does not exceed two percent (2%) of all of the voting rights at the Bank.

A shareholder who participates in the vote on the Resolution for Approval of the Amended Undertaking Letter shall notify the Bank prior to his vote, and if the vote is via voting paper, shall mark the relevant box in Part Two of the voting paper, as to whether or not he is deemed as a controlling shareholder of the Bank or another on his behalf, or as having a personal interest in approval of the resolution, and shall describe the relevant link, if any. If a shareholder does not give notice or mark the box as aforesaid, or marks the box but does not provide a description as aforesaid, his vote will not be counted.

In this voting paper, “**personal interest**” – as defined in Section 4.1 above.

5. Location and times for inspection of the full text of the proposed resolutions

The Immediate Report released by the Company regarding the convening of the General Meeting and the full text of the proposed resolutions may be inspected at the Bank’s offices, 7 Jabotinsky St., Ramat Gan, tel.: 03-7559720, during regular working hours, after prior coordination, until the date of the meeting.

6. A shareholder may approach the Bank directly and receive therefrom, by registered post, a copy of the Immediate Report. A shareholder may also approach the Bank directly and receive therefrom the text of the voting paper and the position papers.

7.

- 7.1 A voting paper will be valid with respect to an unregistered shareholder (i.e., a person to whose credit shares are registered with a member of the Tel Aviv Stock Exchange (TASE) and such shares are included in the shares registered

in the shareholders' register in the name of a registration company ("**Unregistered Shareholder**") only if a certificate of ownership was attached thereto or if a certificate of ownership was sent to the Bank via the Electronic Voting System.

- 7.2 A voting paper will be valid with respect to a shareholder pursuant to Section 177(2) of the Companies Law (i.e. a person registered as a shareholder in the shareholders' register ("**Registered Shareholder**") only if a photocopy of an identity paper, passport or certificate of incorporation was attached thereto.
8. The voting paper and the documents to be attached thereto (the "**Attached Documents**"), as specified in the voting paper, must be delivered to the Bank's offices, as follows:
 - 8.1 An Unregistered Shareholder - up to 4 hours before the time of the meeting;
 - 8.2 A Registered Shareholder - up to 6 hours before the time of the meeting.

For this purpose, the "delivery date" is the date on which the voting paper and the Attached Documents arrived at the Bank's offices.
9. An Unregistered Shareholder may also vote by means of an electronic voting paper to be transmitted to the Bank via the electronic voting system (the "**Electronic Voting System**") up to 6 hours before the time of the meeting, at which time the Electronic Voting System will be closed.
10. The Bank's address for delivery of the voting papers and the position papers: the Bank's offices at 7 Jabotinsky St., Ramat Gan.
 - 10.1 The deadline for the delivery of position papers to the Bank: up to 10 days before the date of the meeting.
 - 10.2 The deadline for the delivery of the Board of Directors' response to the position papers: up to 5 days before the date of the meeting.
11. The distribution address of the website of the Israel Securities Authority and the website of the Tel Aviv Stock Exchange Ltd., where the voting papers and the position papers are posted, are:
 - 11.1 The distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>.
 - 11.2 The website of the Tel Aviv Stock Exchange Ltd.: <http://maya.tase.co.il/>.
12.
 - 12.1 A shareholder whose shares are registered with a TASE member may obtain a certificate of ownership at a branch of the TASE member or by post, if he so requests. A request in this regard shall be made in advance for a specific securities account.
 - 12.2 An Unregistered Shareholder may instruct that his certificate of ownership be delivered to the Bank via the Electronic Voting System.

13. An Unregistered Shareholder may receive, by e-mail, free of charge, a link to the text of the voting paper and the position papers on the distribution website, from the TASE member through which he holds his shares, unless he shall have notified the TASE member that he is not interested in receiving a link as aforesaid or wishes to receive voting papers by post for payment. Notices regarding voting papers shall also apply regarding receipt of position papers.
14. One shareholder or more, holding shares that constitute five percent or more of the total voting rights in the Bank, as well as a person who holds such percentage of the total voting rights which are not held by a controlling shareholder of the Bank, as defined in Section 268 of the Companies Law, may inspect the voting papers and the voting records via the Electronic Voting System which were received by the Bank, as specified in Section 10 of the Regulations.

The number of shares which constitute 5% of the total voting rights in the Bank, is: 12,869,452.

The number of shares which constitute 5% of the total voting rights in the Bank which are not held by the controlling shareholders, is: 7,522,976.

15. Any holder of securities of the Bank who votes on the resolutions on the General Meeting's agenda, who is an interested party of the Bank (as defined in Section 1 of the Securities Law, 5728-1968), a senior officer of the Bank (as defined in Section 37(d) of the Securities Law, 5728-1968), an institutional body (as defined in the Control of Financial Services (Insurance) Law, 5741-1981), or a fund manager (within the meaning thereof in the Joint Investment Trust Law, 5721-1961), is required to notify the Bank, prior to the vote at the meeting, of the following details regarding his vote at the meeting:
 - 15.1 The voter's identity; for an individual – surname and first name, for a corporation – corporation name and number;
 - 15.2 The number of securities voted;
 - 15.3 The vote;
 - 15.4 Whether the voter has a personal interest or has another characteristic as set forth in the table in the schedule to the Companies Regulations (Voting in Writing and Position Papers), 5766-2005;
 - 15.5 Other ties between the voter and the Company, the controlling shareholder or a senior officer thereof, specifying the nature of the ties;
 - 15.6 If the vote is according to a power of attorney, the said details shall be provided for both the principal and the proxy.
16. Addition of an item to the agenda: After the release of this voting paper, there may be changes to the agenda, including the addition of an item to the agenda, and position papers may be published. The up-to-date agenda and position papers that were published will be available for inspection in the Bank's reports on the distribution website.

One shareholder or more, holding shares that constitute at least 1% of the voting rights at the Bank's General Meeting, may request, up to 7 days after the summoning of the

meeting, that the Board of Directors include an item on the meeting's agenda, provided that the item is suitable to be discussed at the General Meeting.

Where the Board of Directors finds that an item requested to be included on the agenda is suitable to be discussed at the General Meeting, the Bank shall prepare an updated agenda and amended voting paper, insofar as required, and shall release them no later than 7 days after the deadline for submitting requests to include an additional item on the agenda as aforesaid. It is clarified that the release of the updated agenda as aforesaid does not change the record date as determined in the Immediate Report.

17. A shareholder shall state his vote on the items on the agenda on the form in Part Two of this voting paper, and in a case where the shareholder is voting according to a power of attorney (i.e., by proxy), the said details will be provided for both the principal and the proxy.

Voting Paper – Part Two

Company Name: **Mizrahi Tefahot Bank Ltd** (hereinafter: “**Company**” or “**Bank**”)

Company Address (for delivery of voting papers): Mr. Hanan Kikozashvili, Bank Secretary and Head of the Bank’s Headquarters, Mizrahi Tefahot Bank Ltd., at 7 Jabotinsky Street, 13th floor, Ramat-Gan 52520.

Company No.: 520000522

Meeting Date: September 5 2023 at 14:00

Meeting Type: Special

Effective Date: August 6 2023

(Hereunto to be filled by the Company)

Shareholder details:

Shareholder name:

Identity number:

If the shareholder does not have an Israeli identification card:

Passport number:

Issuing country:

Valid until:

If the shareholder is a corporation:

Corporation number:

Country of incorporation:

Manner of voting

Number of issue on the agenda, as detailed in the immediate report regarding the convening of the meeting	Manner of voting ¹			In regard to changing the Articles of Association with respect to an exemption, indemnity or insurance (Article 262(b) of the Companies Law) – do you hold a personal interest in the resolution's approval ² ?		In regard to approving a transaction pursuant to Articles 255 and 272 through 275 to the Companies Law that the majority required for its approval is not an ordinary majority, or a remuneration policy according to Article 267a - are you a controlling shareholder or hold a personal interest in the resolution's approval ² ?	
	For	Against	Abstain	Yes*	No	Yes*	No
1.1							
1.2							

Are you an interested party³, a senior officer⁴, a financial institution⁵ or a fund manager⁶?

YES _____ NO _____

Date

Signature

* Please detail.

¹ Failure to mark will be considered as abstaining from a vote on that issue;

² A shareholder who will not fill in this column or mark “Yes” without an explanation will not be counted in the counting;

³ “Interested party” per this term’s definition in Article 1 of the Securities Law 5728-1968;

⁴ “Senior officer” per this term’s definition in Article 37(d) of the Securities Law 5728-1968;

⁵ “Financial institution” per this term’s definition in the Control of Financial Services (Insurance) Law 5741-1981);

⁶ “Fund manager” per this term’s definition the Joint Investment Trust Law, 5721-1961.

For shareholders who hold shares through a TASE member according to Section 177(1) of the Companies Law – this voting paper shall be valid only if accompanied by an ownership conformation, except for events in which the voting is done through the electronic voting system.

For shareholders that are registered in the Company's shareholders registry – this voting paper shall be valid if accompanied with a photocopy of an identity card/a passport/an incorporation certificate.

Details

Below are details in connection with my having a personal interest in the resolution to approve the amendment to the Bank's Articles of Association (as detailed in Section 1.1 of the immediate report and Section 3.1 of the voting paper):

Below are details in connection with my having a personal interest in the resolution to approve the Amended Undertaking Letter (as detailed in Section 1.2 of the immediate report and Section 3.2 of the voting paper):

Letter of Exemption and Indemnity Undertaking

In this undertaking, the following terms shall be given the meanings next to them:

“Excellence”	Excellence Investments Ltd and other companies or corporation held thereby at some rate.
“Adanim Bank”	Adanim Mortgage Bank Ltd.
“law”	Per its meaning in the Interpretation Law 5741-1981, including administrative direction per its meaning in the aforesaid law, and including foreign laws and directives of a similar nature issued abroad; and likewise any law that may amend or replace either of them, per their validity from time to time.
“the Bank”	Mizrahi Tefahot Bank Ltd
“controlled company”	A company controlled by the Bank, excluding Adanim Bank and Netivot.
“held company”	A company in which the Bank holds shares, directly or indirectly, at some rate, excluding Adanim Bank, Netivot and Excellence.
“Banking (Licensing) Law”	The Banking (Licensing) Law 5741-1981.
“Economic Competition Law”	The Economic Competition Law 5748-1988.
“Companies Law”	The Companies Law 5759-1999.
“Advising Law”	The Regulation of Investment Advising, Investment Marketing and Investment Portfolio Management Law 5755-1995
“Pension Counseling Law”	The Control Of Financial Services (Pension Counseling And Pension Marketing) Law 5765-2002.
<u>“Regulation of Payment Services and Payment Initiation Law”</u>	<u>The Regulation of Payment Services and Payment Initiation Law 5783-2023</u>
“Insurance Control Law”	The Control of Financial Services (Insurance) Law 5741 – 1981.
“Provident Fund Control Law”	The Control of Financial Services (Provident Funds) Law 5765 – 2005.
“Joint Investment Law”	The Joint Investment Trust Law 5754-1994.
“Securities Law”	The Securities Law, 5728-1968.

“Financial Information Services Law”

The Financial Information Services Law 5781-2021

“Undertaking Letter”

This letter of exemption and indemnity undertaking. The Consumer Price Index (the general index) as it is published from time to time by the Central Bureau of Statistics next to the Prime Minister’s Office.

“index”

November 27th, 2001.

“Effective Date”

“supplement”

The supplement to this Undertaking Letter, entitled “Supplement: List of Events”.

“officer at the Bank”

Whoever serves as an officer at the Bank, from time to time, per its meaning in the Companies Law, including the Bank’s Internal Auditor, from the Effective Date and thereafter.

“officer at another company”

Any of the following:

- a. An employee of the Bank, including an officer at the Bank who is not a director at the Bank, who at the Bank’s request serves, from time to time, as the director of a held company, from the Effective Date and thereafter.
- b. Whoever serves as the director of a controlled company, at the Bank’s request, from time to time, from the Effective Date and thereafter.
- c. An employee of the Bank, who is not an officer at the Bank or a controlling shareholder at the Bank, who at the Bank’s request serves, from time to time, as an officer at a held company, per its meaning in the Companies Law, from the Effective Date and thereafter.
- d. One who is not an employee of the Bank, an officer at the Bank or a controlling shareholder at the Bank, who serves from time to time as an officer, per its meaning in the Companies Law, at a company which is fully owned by the Bank and is not a banking corporation, from the Effective Date and thereafter.

“officer”	One who serves from time to time as an officer at the Bank or as an officer at another company, from the Effective Date and thereafter
“employee”	An employee of the Bank or an employee of a company which is fully owned by the Bank and is not a banking corporation, excluding an officer at the Bank or an officer at another company.
“personal interest”	Per its definition in Article 1 of the Companies Law.
“transaction”	Per its definition in Article 1 of the Companies Law, including an extraordinary transaction per its meaning in the aforesaid article.
“Netivot”	Netivot Management Company Ltd.
“Officers’ Insurance Policy”	A policy insuring the liability of directors and officers, acquired or to be acquired by the Bank or by a held company, whether it is a single policy or several, whether it is independent or a chapter within a Banking insurance policy or a chapter within another policy.
“action” or “actions” or any derivative thereof	Including a resolution, act or omission, including any action prior to the Effective Date; it is clarified that “action” will be interpreted as referring, <i>inter alia</i> , to the non-performance or refrainment from the performance of that action; and an action in connection with “Law” will be interpreted as referring, <i>inter alia</i> , to compliance with the instructions of any law or the violation thereof, unless the context is not consistent with such an interpretation.
“control”	Per its definition in the Securities Law.
“banking corporation”	Per its definition in the Banking (Licensing) Law 5741-1981.

Any law defined above shall be interpreted as including any law that may amend or replace it, per their validity from time to time.

WHEREAS the Bank and held corporations have acquired officers’ insurance policies;

- AND WHEREAS** the coverage, financial scope or conditions of the officers' insurance policies might not fully insure the officers (as defined above) in any claim that may be filed (insofar as one may be filed) against the officers;
- AND WHEREAS** the Bank wishes to grant the officers an independent undertaking to indemnify, in addition to the insurance;
- AND WHEREAS** the Bank wishes to exempt officers at the Bank from liability towards it, as detailed below;
- AND WHEREAS** this Undertaking Letter extends the entitlement of officers (as defined above) to exemption and indemnity, rather than reduces it, and therefore it must be widely interpreted according to the limitations of the law. Pursuant to this, in the event of conflict between some instruction in this Undertaking Letter and an instruction of the law that cannot be conditioned, changed or added upon, the aforesaid instruction of the law shall prevail, but this shall not impair or diminish the validity of other instructions in this Undertaking Letter;
- AND WHEREAS** the Bank wishes to grant Bank employees, as well as the employees of subsidiaries fully held by the Bank which are not banking corporations, an undertaking to indemnify as detailed in Section 2a below.

Therefore, with the authorization and by power of the Bank's general meeting's resolution dated December 20th, 2001 (having received the approval of the Board of Directors and the Bank's Audit Committee), including the resolutions to amend this Undertaking Letter, which were approved at the Bank's general meetings dated October 28th, 2004; May 14th, 2006; November 9th, 2011; September 20th, 2012; December 23rd, 2015; ~~and~~ October 15, 2020; and _____² (hereinafter: "**amendment resolutions**"), the Bank hereby undertakes to grant exemption to officers at the Bank and likewise to grant indemnity to the officers and the employees, as detailed in this Undertaking Letter.

1. **Grant of exemption**

Subject to the instructions of the Companies Law, the Bank exempts officers at the Bank in advance from any liability towards it due to damages caused to the Bank over a violation of the officer's duty of prudence towards the Bank in the officer's actions, in view of his capacity as an officer at the Bank.

² After receiving the approval of the general meeting for the amendments marked in this undertaking letter, the date of the general meeting will be completed.

The above exemption shall not apply due to damages that may be caused to the Bank following a violation of the duty of prudence by an officer at the Bank, as aforesaid, occurring after December 23rd, 2015, in the making of a decision or the approval of a transaction in which a controlling shareholder at the Bank or any officer at the Bank (including another officer at the Bank, who is not the officer to whom the exemption was granted under this Section 1) has a personal interest.

2. **Undertaking to indemnify an officer**

Subject to the conditions detailed in this Undertaking Letter and the instructions of the Companies Law:

2.1 Subject to the instructions of the law, the Bank hereby undertakes:

2.1.1 To indemnify any officer at the Bank for any liability or expense as detailed in Section 2.2 below, imposed on the officer due to his actions in his capacity as an officer at the Bank;

2.1.2 To indemnify an officer at another company for any liability or expense as detailed in Section 2.2 below, imposed on the officer due to his actions in his capacity as an officer at another company;

Provided that with respect to indemnification due to liability, as stated below in Section 2.2.1, the actions regarding which the indemnity is granted, as specified in Sections 2.1.1 and 2.1.2 above, will be connected - directly or indirectly - to one of the events specified in the supplement to this Undertaking Letter, or any part thereof;

2.2 Subject to the contents of Section 2b below, the undertaking to indemnify, as aforesaid in Section 2.1, shall apply due to financial liability and reasonable expenses, which are indemnifiable under law, as follows :

2.2.1 Financial liability, if and to the extent it may be imposed upon the officer, pursuant to a court verdict for the benefit of another person - including a verdict granted in a settlement or a court-approved arbitral verdict.

2.2.2 Reasonable litigation expenses, including attorney's fees, incurred by the officer over an investigation or a proceeding conducted against him by an authority certified to conduct an investigation or a proceeding, which terminated without an indictment against the officer and without financial liability imposed thereupon in lieu of criminal proceedings; or which has terminated without an indictment against him, but with the imposition of a financial liability in lieu of criminal proceedings, for an

offense that does not require proof of *mens rea*, or in connection with a financial sanction;

In this subsection:

“termination of proceedings without an indictment, regarding a matter in which a criminal investigation was conducted” shall mean that the case was closed under Article 62 of the Criminal Procedure Law (Consolidated Version) 5742-1982 (hereinafter: **“criminal procedure law”**); or a stay of proceedings by the Attorney General under Article 231 of the criminal procedure law;

“financial liability in lieu of criminal proceedings”: a liability legally imposed in lieu of criminal proceedings, including an administrative fine pursuant to the Administrative offenses Law 5745-1985, a penalty due to an offense established as a penalty offense under the criminal procedure law’s instructions, a financial sanction or a forfeit;

- 2.2.3 Reasonable litigation expenses, including attorney’s fees, incurred by the officer or imposed thereupon by a court, in a proceeding filed against him by the Bank or by the controlling company or the held company, as the case may be, or on their behalf (including under a derivative action) or by another person, or a criminal charge from which he shall be exonerated, or a criminal charge in which he shall be convicted of an offense that does not require proof of *mens rea*;
- 2.2.4 A financial liability imposed on an officer due to payment to a party injured by a violation, as stated in Article 52BBB(a)(1)(a) of the Securities Law or due to payment to a party injured by a violation under the aforesaid article according to the instructions of the Advising Law or the Joint Investment Law or the Financial Information Services Law or the Regulation of Payment Services and Payment Initiation Law, or due to payment to a party injured by a violation as stated in Article 92KA of the Insurance Control Law or due to payment to a party injured by a violation according to the aforesaid article under the instructions of the Provident Fund Control Law;
- 2.2.5 A financial liability imposed on an officer due to payment to a party injured by a violation or payment of a similar nature according to a different law, which is not mentioned in Section 2.2.4 above, provided that the indemnity, as aforesaid, is not prohibited by law;

2.2.6 Expenses incurred by the officer in connection with an administrative proceeding conducted in his matter, including reasonable litigation expenses, including attorney's fees.

In this Undertaking Letter, "**administrative proceeding**":

- 2.2.6.1 A proceeding according to Chapter 8-C (entitled "Imposition of Financial Sanctions by the ISA"), Chapter 8-D (entitled "The Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee") or Chapter 9-A (entitled "Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions") of the Securities Law, as it may be amended from time to time; and
- 2.2.6.2 A proceeding according to Chapter G-1 (entitled "Imposition of Financial Sanctions by the ISA"), Chapter G-2 (entitled "The Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee") or Chapter H-1 (entitled "Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions") of the Advising Law, as it may be amended from time to time; and
- 2.2.6.3 A proceeding according to Chapter 10 (entitled "Imposition of Financial Sanctions by the ISA"), Chapter 10-a (entitled "The Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee") or Chapter 11-A (entitled "Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions") of the Joint Investment Law, as it may be amended from time to time; and
- 2.2.6.4 A proceeding in connection with the imposition of a financial sanction, under Chapter Nine "A" (entitled "Financial Sanction and Civil Fines") of the Insurance Control law, as it may be amended from time to time; and
- 2.2.6.5 A proceeding in connection with the imposition of a financial sanction, under Chapter Five (entitled "Financial Sanction and Civil Fine") of the Provident Fund Control law, as it may be amended from time to time; and

- 2.2.6.6 A proceeding according to Chapter VIII (entitled “Monetary Penalties”) of the Economic Competition Law, as it may be amended from time to time; and
- 2.2.6.7 A proceeding relating to the imposing a financial sanction, per Article D of Chapter 4 of Part IX of the Companies Law, as amended from time to time; and
- 2.2.6.8 A proceeding pursuant to Chapter E (entitled Financial Penalty) or a proceeding pursuant to Chapter F (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Financial Information Services Law (or another proceeding under said law), as amended from time to time; and
- 2.2.6.9 A proceeding pursuant to Chapter G (entitled Financial Penalty) or a proceeding pursuant to Chapter H (entitled Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) of the Regulation of Payment Services and Payment Initiation Law (or another proceeding under said law), as amended from time to time; and
- 2.2.6.~~10~~ A proceeding under another law, which is not mentioned in Section 2.2.6.1 until 2.2.6.~~97~~ above, provided that the aforesaid indemnity is not prohibited by law.

2a. **Undertaking to indemnify an employee**

Subject to the conditions detailed in this Undertaking Letter and the instructions of any law, the Bank hereby undertakes to indemnify any employee for any liability imposed upon him, as aforesaid in Sections 2.2.4 and 2.2.5, or due to expenses incurred thereby as detailed in Section 2.2.6 above, due to his actions in his capacity as an employee of the Bank or the employee of a subsidiary fully owned by the Bank which is not a banking corporation, as the case may be.

2b. **Maximum indemnity sum**

2b.1. The maximum sum of the indemnity to be paid by the Bank (in addition to sums that shall be received under insurance policies, whether they shall be paid to the Bank or a held company or whether they shall be paid to an officer or an employee), in aggregate and for all those entitled for indemnity under this Undertaking Letter, shall not exceed 25% (twenty-five per cents) of the Bank’s equity according to the latest

financial reports published thereby close to the indemnity sum's *de facto* payment date (hereinafter: "**maximum indemnity sum**").

- 2b.2. Notwithstanding the aforesaid in Section 2.1.b, if the total indemnity sum is higher than the maximum indemnity sum, then the maximum sum to be paid by the Bank, in aggregate and for all those entitled for indemnity under this Undertaking Letter, as aforesaid in Section 2.1.b, shall not exceed the total indemnity sum. However, the difference sum will only be used for indemnity due to actions performed prior to November 9th, 2011, the date on which the Bank's general meeting approved an amendment to this Undertaking Letter.

In this matter, "**total indemnity sum**" shall mean 25% (twenty-five per cents) of the of the Bank's equity according to the financial reports published in the year 2000, adjusted from time to time according to the increase rate of the Consumer Price Index (hereinafter: "**index**") compared with the index for December 2000, which was published in January 2001.

"**Difference sum**" shall mean the difference between the total indemnity sum and the maximum indemnity sum.

- 2b.3. If and to the extent that the total of all sums that the Bank shall have to pay to all those entitled to indemnity under this Undertaking Letter in one of the matters subject of the indemnity exceeds the sum established in Section 2.1.b or 2.2.b, as the case may be, the sum to be paid by the Bank shall be divided among those entitled to indemnity, in such a manner that the indemnity sum to be received by each of them *de facto* shall be calculated by the ratio between the sum that must be paid to each of those entitled to indemnity, as the case may be, and total of all sums that must be paid to all those entitled to indemnity due to that matter.

3. **Indemnification by an insurer or a third party**

In the event that the officer or employee shall receive indemnity from the insurer of the Officers' Insurance Policy or another policy in which the Bank may become engaged, insofar as it may become engaged (hereinafter: "**other policy**") or an insurance policy in which a third party may become engaged, or by some third party which has indemnified the officer or the employee due to the subject of the indemnification, the indemnity shall be granted as detailed in this Undertaking Letter, with respect to the difference between the sum of the liability imposed on the officer or employee and/or

the legal expenses incurred by or charged to the officer or employee, and the sum received from the insurer or from the third party due to that matter; however, if the liability imposed on the officer or employee and/or the legal expenses incurred by or charged to the officer or employee are not covered *de facto* on time by the insurer or the third party, as aforesaid, the Bank shall indemnify the officer or the employee as detailed in this Undertaking Letter due to the aforesaid liability and/or legal expenses, provided that the officer or the employee will assign his right towards the insurer or the third party to the Bank, and do all that is required so that this assignment is valid and the Bank may realize it, and the Bank will replace him with respect to the insurer or the third party in view of that matter, all under the condition that the maximum sum to be paid by the Bank, in aggregate and for all those entitled for indemnity under this Undertaking Letter, shall not exceed the sum established in Section 2.1.b or 2.2.b above, as the case may be.

4. **Handling the claim**

In any event due to which an officer or employee may be entitled to indemnity as aforesaid, the officer or employee, as well as the Bank, will act as follows:

- 4.1 The officer or employee shall notify the Bank in writing of any judicial or administrative proceeding, as defined above in Section 2.2.6, or another proceeding (each of those hereinafter shall be called: “**proceeding**”) commenced against him, as well as any concerns or threats that a proceeding may be filed against him, as well as the circumstances brought to his attention that may lead to a proceeding being filed against him, as soon as possible after he first learns of this; and he will deliver a copy of each document given to him in connection with such a proceeding, without delay, to the Bank, or any other person prescribed by the Bank in a written notice delivered to the officer or employee.
- 4.2 The officer or employee shall cooperate fully with the Bank and any person prescribed by the Bank - including the insurer of the Officers’ Insurance Policy or the other policy - and deliver all information required in connection with the proceeding and likewise fulfill the rest of the policy instructions connected with defense against the proceeding.
- 4.3 The Bank shall be entitled to take it upon itself to handle the officer’s or employee’s legal defense against the proceeding, and to transfer the defense to be handled by an attorney whose identity shall be determined by the Bank according to its discretion, while taking into account the Bank’s duties under the

Officers' Insurance Policy or the other policy, and the possibility of appointing an attorney on behalf of the insurer (hereinafter: "**Bank attorney**").

- 4.4 Notwithstanding the aforesaid in Section 4.3, the officer or employee shall be entitled to object to his representation by the Bank attorney on reasonable grounds, or in circumstances in which the officer or employee is of the opinion that a conflict of interest exists between his defense and the Bank's defense.
- 4.5 If, within fourteen days of receiving a notice as specified above in Section 4.1, the Bank (or the insurer) has not taken it upon itself to handle the officer's or employee's defense against the proceeding, or if the officer or employee has objected to his representation by the Bank attorney under the circumstances described above in Section 4.4, the officer or employee shall be entitled to transfer the handling of his defense to an attorney he has chosen himself (hereinafter: "**other attorney**"), provided that the fees to be paid to the other attorney are subject to the approval of the Bank's Audit Committee, which will review their reasonableness. The officer or employee shall be given the opportunity to appear and argue before the Audit Committee, and the Audit Committee will explain its resolution. The officer or employee shall be entitled to appeal its resolution before the Board of Directors, and the officer or employee shall be given the opportunity to appear and argue before the Board of Directors. If the full sum of the attorney's fees has not been approved, and the officer or employee has decided not to relinquish the services of the other attorney, the officer or employee shall be entitled – if he so desires – to receive the reasonable approved attorney's fee sum from the Bank, while the rest shall be paid by the officer or employee at his own expense.
- 4.6 Notwithstanding Sections 4.4 and 4.5 above, if the Officers' Insurance Policy or the other policy applies to the matter, the Bank will act according to the policy's instructions in all matters pertaining to disputes with the insurer regarding the identity of the representing attorney, if the policy's instructions demand it in a manner such that transferring the handling to the other attorney will allow the insurer to be released from his liability according to the policy, or to reduce it; moreover, the policy's instructions shall prevail in this matter over any agreement between the officer or employee with the Bank. However, the Bank will make every reasonable effort within the framework of its possibilities under the policy to respect the wishes of the officer or employee.
- 4.7 If the Bank has decided to take upon itself the handling of defense against the proceeding and the officer or employee has not objected to this under the

circumstances aforesaid in Section 4.4, the officer or employee will, at the Bank's request, sign an authorization letter authorizing the Bank, as well as the Bank attorney, to handle defense against the procedure on his behalf and to represent him in all that is connected to this defense; and the Bank and the Bank attorney shall be allowed to exclusively handle this (but with regular reports to the officer or employee and in consultation with him and his legal advisors) and will be entitled to bring the proceedings to an end as they see fit, subject to the contents of Section 4.15 below.

- 4.8 The officer or employee shall cooperate with the Bank and the Bank attorney in any reasonable way required by either of them during their handling of the proceeding, including signing applications, depositions and any other document.
- 4.9 If the Bank has decided to take upon itself the handling of defense against the proceeding and the officer or employee has not objected to this under the circumstances aforesaid in Section 4.4, the Bank shall bear all expenses and payments involved therein, in such a manner that the officer or employee shall not be required to pay or fund them himself, and the Bank shall not be liable to the officer or employee under this Undertaking Letter for any legal expenses, including attorney's fees, that the officer or employee may incur later in defense of his affairs.
- 4.10 At the request of the officer or employee, the Bank shall pay him an advance sum (or sums) required to cover reasonable expenses incurred by the officer or employee, including attorney's fees, and for which the officer or employee is entitled to indemnification pursuant to this Undertaking Letter. The advance sums will be agreed upon between the officer or employee and the Bank. In lack of an agreement, they will be determined by an arbitrator on whom the parties will agree.
- 4.11 If the Bank paid the officer or employee some sum by power of the undertaking to indemnify, whether in advance or otherwise, and later it transpires that the officer or employee must return it, in full or in part, because he was not entitled to indemnification due to the instructions of Article 263 of the Companies Law or due to any other instruction of the law, the returned sum shall bear index-linkage differences and an interest at the Bank's usual rates for index-linked loans, as of the day on which the sum was paid and until the day on which it is returned.
- 4.12 If the Bank pays the officer or employee some sum by power of the undertaking to indemnify, after which the charge for which the sum was paid is cancelled or

has its sum reduced for any reason, the officer or employee shall assign the full extent of his rights to receive a restitution from the proceeding's plaintiff and do all that is required so that this assignment is valid and the Bank may realize it. Having done so, he shall be exempt from the restitution of the sum for which the restitution rights have been assigned. Having failed to do so, the officer or employee shall be required to reconstitute the sum or a part thereof, as the case may be, including linkage differences and an interest at rates and for a period according to which he is entitled for restitution by the plaintiff.

- 4.13 If the Bank attorney represents both the Bank and the officer or employee during the proceeding, after which it transpires that the officer or employee was not entitled to indemnification due to the instructions of Article 263 of the Companies Law or due to any other instruction of the law, and a dispute arises regarding the duty of the officer or employee to reconstitute legal expenses or concerning the sums of the restitution, the dispute shall be settled by an arbitrator on whom the parties will agree.
- 4.14 The officer or employee shall not consent to making a settlement or referring the proceeding to be decided by arbitration, except if the Bank has consented to this in advance and in writing, and with the consent of the insurer if required, in which case the consent of the insurer of the Officers' Insurance Policy or the other policy has also been received, as the case may be.
- 4.15 The Bank, as well as the Bank attorney, shall not consent to making a settlement in a sum exceeding the indemnity sum to which the officer or employee will be entitled, except if the officer or employee has consented to this in advance and in writing, and with the consent of the insurer if required – in which case, the insurer's advance consent.

5. **Validity of the undertaking to indemnify**

- 5.1 The undertaking to indemnify shall be valid both in relation to proceedings taken against the officer or employee during his work or service, and the proceedings that may be taken against him after the termination date of his employment or the termination date of his service, provided that they relate to the actions subject of the indemnification, as stated in this Undertaking Letter. The undertaking to indemnify shall also be available to the heirs of the officer or employee and his other successors by law.
- 5.2 5.2.1 To prevent doubts, it is hereby established that this undertaking does not cancel or diminish or waive any other indemnity to which the officer or employee are entitled from any other source under the instructions of

any law or according to a previous undertaking of the Bank, provided that the Bank is not required to indemnify the officer or employee for the same event under both the previous undertaking (if and insofar as it is valid) and this Undertaking Letter. It is hereby clarified that in the event where the officer or employee may be lawfully indemnified both under the previous undertaking and this Undertaking Letter, the Bank's Audit Committee will decide, subject to the instructions of any law, under which undertaking the officer or employee is to be indemnified.

5.2.2 To remove doubt, it is hereby clarified that the Bank's undertaking to indemnify under this Undertaking Letter (as approved by the general meeting on December 20th, 2001 and as amended according to the amendment resolutions) constitutes a single undertaking to indemnify, applying in its amended version only insofar as detailed in this Undertaking Letter, as approved on ~~October 15, 2020~~ _____³.

6. **Execution of the payment**

6.1 Value-added tax shall be added to every payment paid under this Undertaking Letter, where applicable.

6.2 Each payment that the Bank must pay per this Undertaking Letter shall be paid thereby within 7 days of the date on which it is asked.

7. **General**

7.1 The introduction and the supplement to this Undertaking Letter constitute an integral part thereof.

7.2 This Undertaking Letter and all related thereto, including its interpretation and execution, will be subject to the laws of the state of Israel and these alone; the exclusive jurisdiction in any matter related to this Undertaking Letter, its interpretation and the manner of its execution, shall lie solely with the Tel-Aviv Jaffa District Court, unless the parties have appointed an arbitrator according to this Undertaking Letter.

³ After receiving the approval of the general meeting for the amendments marked in this undertaking letter, the date of the general meeting will be completed.

Supplement – List of Events

1. An action within the framework of a Bank or a mortgage Bank's fields of activity, with or in connection with its clients or other parties, including, without derogating from the generality of the above, any action under Articles 10 and 14 of the Banking (Licensing) Law, as well as an action in connection with investment portfolio management, an action in connection with underwriting, an action in connection with the management of mutual trust funds, an action in connection with the management of provident funds, an action in connection with trusteeship for others, and an action in connection with borrowers' life insurance or the insurance of dwellings, including but without derogating from the generality of the above:
 - 1.1 An action or a transaction in connection with receiving deposits of any kind, including an investment in a provident fund or in a savings program, their management and payment, establishing fees and collecting them; and also calculation, payment or collection of interest and expenses; and also the Bank making deposits with others, including foreign banks;
 - 1.2 Credit policy, as well as an action in connection with credit (including in the field of leasing) or some other liability, per its meaning in the Proper Conduct of Banking Business Directives (including syndications), including the grant of credit, its freezing or a deferment of its redemption, its renewal, its cancellation, a change in the credit terms, including a waiver of terms, collateral or changes therein, credit recycling, receiving collaterals including guarantees and handling them, including in the field of foreign trade and with financial institutes in Israel and abroad, extending credit for immediate payment, taking proceedings (or avoiding these) to collect debts and realize collaterals and guarantees, including by way of self-realization as well as under legal proceedings, including through a liquidator or another professional, as well as handling problematic debts, including debt waiver and drawing arrangements with debtors, all whether in accordance with the policy of the Bank and its procedures or not;
 - 1.3 An action or transaction in connection with payment systems or in connection with the Payment Services Law 5779-2019 (hereinafter: the **"Payment Services Law"**), or the Regulation of Payment Services and Payment Initiation Law, including, but without derogating from the generality of the aforesaid, in connection with "means of payment", a "payment service contract", a "payment action", a "payment order", a "freeze of use" on payment means (or non-freezing as aforesaid), cancellation of a means of payment or any other obligation under said law; as well as an action or transaction in connection with the Debit Cards

Law 5746-1986, including in connection with the issuance of debit cards by the Bank or another corporation and the clearing of debit card transactions, including engaging with a customer through a debit card usage contract, charging a customer and reimbursing charge sums according to a debit card contract, cancelling a deferred payment transaction and delivering documents, reports, information and explanation materials to the customer;

- 1.4 An action or transaction in the capital market, including in connection with the management of customer assets and also in connection with securities, financial assets, including derivatives, including in the derivatives market, and any action or transaction in connection with foreign currency (including virtual currencies) and digital assets; and all including sales, purchases, borrowing, exercise, conversions, hedging, transfers, deposits, safekeeping and management, including through the dealing room and with or through financial institutions in Israel and abroad, or in connection therewith, and all both for the customer and for the Bank (Nostro), both under the framework of trade on the stock exchange and outside of it, including “over the counter”; in addition, but without derogating from the generality of the aforesaid, an action concerning a duty imposed by any law in connection with the aforesaid above in this Section 1.4, including in connection with securities laws, including the Advising Law, or Banking laws and regulations, orders, instructions and rules established by power thereof, including directives issued by the Bank of Israel (including Proper Conduct of Banking Business Directives);
- 1.5 An action that is a part of Bank-customer relations, including but without derogating from the generality of the aforesaid, an action in connection with opening an account, managing it, closing it, depositing funds in the account, transferring them and withdrawing them, including actions in connection with checks, including uncovered checks, execution of payment services, collection of fees and collection or payment of interest and its calculation, delivery of documents to the customer, receiving documents or information from the customer (including in connection with a third party), signing the customer unto contracts, documents and forms, the duty of confidentiality under any law and also duties under the Protection of Privacy Law 5741-1981 (including the duty of confidentiality) and the Consumer Protection Law 5741-1981, deductions including withholding tax and offsets in the relationship with the customer (including a waiver of rights), and including the provision of information or a

report to the customer or to a third party, including a regulatory body, in connection with the account or the customer;

- 1.6 An action in connection with full disclosure to the customer or to the guarantor (hereinafter, jointly: the “customer”), or in connection with providing information to the customer according to the law, including with respect to fees and interest as well as actions under the Banking (Service to Customer) Law 5741-1981 and the rules established by power thereof as well as the Consumer Protection Law 5741-1981, including an action in connection with the collection of fees and interest and their calculation, as well as actions in connection with full disclosure or in connection with providing information to the customer or to a third party under the Guarantee Law 5727-1967; and under the Advising Law, the Pension Counselling Law, the Credit Data Law 5776-2016 (hereinafter: the “**Credit Data Law**”). The Payment Services Law and the Fair Lending Law 5753-1993 (hereinafter: the “**Fair Lending Law**”) and including due disclosure, provision of information and any action in connection with the Financial Information Services Law or the Regulation of Payment Services and Payment Initiation Law;
- 1.7 An action regarding identification, reporting, management and preservation of records, by law, including: the Prohibition on Money Laundering Law 5760-2000 (hereinafter: the “**Prohibition on Money Laundering Law**”), including the Prohibition on Money Laundering Order 5761-2001 (hereinafter: “**Prohibition on Money Laundering Order**”), the Prohibition of Financing Terrorism Law 5765-2005 (hereinafter: the “**Prohibition of Financing Terrorism Law**”), the Combating Terrorism Law 5776-2016 (hereinafter: the “**Combating Terrorism Law**”), the Law on the Struggle Against Iran’s Nuclear Program 5772-2012 and international sanction plans, Banking laws including directives issued by the Bank of Israel (including Proper Conduct of Banking Business Directives), securities laws including the Advising Law, tax laws, and regulations, orders, instructions and rules established by power of the aforesaid laws; including, without derogating from the generality of the above, an action in connection with the registration and verification of identifying details during the opening of an account, and receiving documents and declarations when opening an account, “face-to-face” identification of an account owner and an authorized signatory, verification of signatures, the “Know Your Customer” procedure and reporting to the competent authorities as required;

- 1.8 An action in connection with the establishment, registration, management and usage of registries and databases, as defined in the Protection of Privacy Law 5741-1981, including a computerized database of account numbers and identifying information (including additional details) of the account owners, authorized signatories, beneficiaries and controlling shareholders, in accordance with the Prohibition on Money Laundering Order; and an action in connection with the due transfer of data and information under any law, including under the Protection of Privacy Law 5741-1981, including in connection with the transfer of credit data, providing financial information services, providing payment services and providing access to a customer's financial information, due to any law, including the Credit Data Law, the Financial Information Services Law, the Regulation of Payment Services and Payment Initiation Law and the Proper Conduct of Banking Business directives; and including in connection with the implementation of the Open Banking Standard, as well as an action in connection with a cooperation of any kind, with a third party (including a "third party provider", a provider of financial information services or an information source or a payment services provider of any kind whatsoever).
- 1.9 An action or transaction in connection with trusteeship to others, including as a trustee in joint trust funds, as a trustee for holders of bonds issued under the Securities Law, including private issuing and as trustee in a Bank account for insurance agencies, according to regulatory requirements, as a trustee in hedge funds, as a trustee for private customers and as a trustee in employee stock option plans, as well as holding and managing in trust of collaterals given under financing agreements, actions under supervising escrow transactions and holding securities for the purpose of complying with capping terms;
- 1.10 An action in connection with providing banking services, as well as operating and information services in connection with the management of provident funds and pension funds; as well as providing such services to TASE members, capital market corporations, and the managers of joint trust funds, including for the purposes of reviewing and monitoring the activities of the aforesaid funds, according to the law's instructions;
- 1.11 An action in connection with the management and control of Bank risks (including risks insurance), including according to the instructions of the Bank of Israel, as they may be from time to time, and including an action in connection with establishing policy as well as management and control procedures in connection with exposures to financial risks in general, and risks arising from

derivative activities with a counterparty in particular, and also business risks and strategic risks, reputational risks, credit risks, market risks and interest rate risks in the portfolio available for sale and the banking portfolio (including loss risks in balance sheet and off-balance sheet positions due to a change in the fair value of a financial instrument due to a change in market conditions), liquidity risks, risks in connection with business continuity management, environmental risks and also operational and legal risks, including data processing methods, actions using electronic communication, money laundering and terror financing prohibition risks, information security risks and cyber risks, privacy breach risks, risks inherent in the implementation of the Open Banking Standard, including in the provision of financial information services, provision of payment services, provision of payment initiation services, providing of money transfer services between individuals, or providing access to a customer's financial information, model risk, outsourcing risks, human error risks, risks arising from external natural events, pandemics (such as the Covid-19 pandemic), wars and other external events, including events over which the Bank has no control, risks arising from human resource management, inspection procedures and internal audit processes, technology risks, clearing risks, embezzlement and fraud risks, cross-border risks, regulatory compliance and violation of laws;

- 1.12 An action in connection with establishing policy or procedures, as well as the implementation of laws and other regulatory instructions among employees of the Bank, and any defect, failure or deficiency (hereinafter together: “**fault**”) in connection with inspection, audit or control, including with respect to job descriptions, limiting powers or not taking measures to prevent a fault;
- 1.13 An action in connection with drawing and conducting an audit (including an internal audit) of the Bank's activity, including the Bank's subsidiaries, employees and officers, treatment of exceptional cases (e.g. ethical violations, embezzlement and corruption), defects and complaints from customers, employees or other third parties, monitoring the implementation of in audit reports' recommendations and repairing defects, preparation and authorization of audit work plans and supervision of audit work (including internal audit work);
- 1.14 An action in connection with issuing or receiving licenses, certificates of approval, permits or exemptions (hereinafter together: “**certificates of approval**”) required for conducting the businesses of the Bank or the Bank's subsidiaries, including exemptions and certificates of approval according to the Banking laws and economic competition (restrictive trade) laws, and including

business licenses or construction permits and an action in connection with terms established by power of the certificates of approval, including the reporting and provision of information;

- 1.15 An action in connection with employer-employee relations, including with respect to protective labor laws, as well as an action in connection with employment policies, employer-employee relations and employee remuneration, as well as in connection with hiring, managing negotiations and labor agreements, determining working conditions and changes therein, including fixed and variable remuneration (including bonuses and capital remuneration), ~~and~~ retirement conditions, ~~and~~ social rights, all including in connection with the Remuneration for Officers in Financial Corporations (Special Approval and Non-Deductibility of Expense for Tax Purposes Due to Special Remuneration) Law 5776-2016; as well as an action in connection with the appointment of an official, rotation, employee complaints, transfer of an employee from his position, inquiry or disciplinary proceedings against employees, termination of employee-employer relations, work safety issues, employee health, establishing work practices, supervision of employees and maintaining workplace and its security, including in connection with a strike or a protective strike. In this matter, **“employee”**: any employee, including an officer, an external service provider (including those employed thereby), a contingent employee, an employment agency, and an authorized party;
- 1.16 An action or transaction in connection with advertising or marketing Bank activities and its businesses (including Banking services, fees, interest, savings plans, credit extension, investment in financial assets, issuing and management of debit cards, loyalty program promotions and bonuses, etc.), as well as in connection with the manner of advertisement, the correctness and non-deception of the advertisement, the content of the advertisement and intellectual property rights relating thereto;
- 1.17 A statement, utterance and expression of opinion or position, whether in writing, orally or by any other means, including at a meeting or an assembly or another forum, at the Bank or elsewhere, or through the distribution or publication of a document, message, comment or notice, including under or in connection with a conference call with the Bank’s shareholders or various persons in the capital market;
- 1.18 An event or action in connection with the issue of Bank security, information technology, computer crimes, information security and cyber events, including in

connection with the implementation of the Open Banking Standard, and sharing information with a “third party provider”, including a provider of financial information services or an information source or a payment service provider of any kind whatsoever, in particular, and including any event or action in connection with the Financial Information Services Law or the Regulation of Payment Services and Payment Initiation Law; as well as an event or action in connection with cash center and cash transportation;

- 1.19 An action in connection with legal or administrative proceedings of any kind, that the Bank or a subsidiary of the Bank, including an employee or officer, are party thereto (including avoiding a proceeding as aforesaid, objection or consent thereto, and including in connection with a settlement agreement or a waiver of rights, under or in lieu of such proceeding), as well as an action pursuant to a judicial order or at the request of a government ministry, including bodies over which the ministry is in charge or for which it is responsible, including a competent authority or a regulatory body; and likewise an action in connection with an agreement with an enforcing, supervisory or regulating agency, including under administrative proceedings of any kind or criminal proceedings;
- 1.20 An action in connection with payment or payment requirements applicable to the Bank by law, including, without derogating from the above, taxes and mandatory payments.
- 1.21 An action or transaction in connection with cooperation with other entities, including financial institutions and authorities of any kind.
2. Offering or issuing securities (in Israel or abroad), including but without derogating from the generality of the above, an action or transaction in connection with an offer of securities to the public pursuant to a prospectus (including a shelf prospectus, a complementary notice or a shelf prospectus reports) or an outline to the employees a private offer or an offer of securities in any other way, registration for trade or removal from trade of securities, a tender offer, a repurchase of securities or any other action with respect to securities, all whether by the Bank or by a corporation in which the Bank holds shares or other means of controls, directly or indirectly at any proportion, including an action connected with the performance of a due diligence inspection, delivery of information whether in writing or orally, documents, opinions and reports, including in connection with a prospectus or a draft prospectus or any other document according to which the actions detailed above were performed.
3. An action including the purchase, sale, lending, transfer, lease or rental (including renting) of services, goods, real estate or other properties, securities, obligations or

rights, as well as an investment or granting or obtaining a right in any of them, including an action in this regard, as well as business relations, including engagements with suppliers and service providers for the Bank, including through outsourcing.

4. An action in connection with the preparation, drawing, approval or signing of financial reports, interim financial reports, annual financial reports, periodic and quarterly reports, information accompanying the financial reports, including risk reports and other supervisory disclosures released to the public, and the like, including providing an evaluation in connection with the effectiveness of the internal audit (SOX), an action in connection with the activation and application of accounting principles and Bank of Israel directives, including Proper Conduct of Banking Business Directives, reliance on assessments and accounting estimates as well as work plans, business plans or outlooks, including forward-looking information, as well as restated financial reports.
5. An action in connection with “distribution”, per its meaning in Article 1 of the Companies Law (hereinafter: “**distribution**”), including the distribution of dividends to shareholders of the Bank.
6. An action, report, notice, delivery, transfer, sharing, provision of access or publication (hereinafter, jointly, in this section: “**action**”) in connection with information, data, details, representations, opinions and documents, including immediate reports and reports as specified in Section 4 of this Supplement, as well as environment, social and governance reports~~a corporate responsibility report~~ (hereinafter jointly: “**information**”), which are made or submitted, including under any law or in connection therewith, and including, without derogating from the generality of the above, an action in connection with that which is specified below: the Bank of Israel Law 5770-2010; the Banking Ordinance 1941; the Banking (Licensing) Law; directives issued by the Bank of Israel (including Proper Conduct of Banking Business Directives, the public reporting directives and the directives on reporting to the Supervision of Banks) as well as instructions in connection with the implementation of the Open Banking Standard, providing financial information services and providing access to a customer’s financial information, including in connection with the Financial Information Services Law or the Regulation of Payment Services and Payment Initiation Law or due to any other law in this context, including an action in connection with the Credit Data Law, the Law to Promote Competition and Reduce Concentration, 5774-2013; the Banking (Service to Customer) Law 5741-1981; the Credit Information Service Law 5762-2002; the Companies Law; the Companies Ordinance (New Version) 5743-1983; the Pledge Law 5727-1967; the Guarantee Law 5727-1967; the Agency Law 5725-1965; the Securities Law; the Joint Investment Law; the Advising Law; the Provident Fund Control Law; the

Pension Counseling Law; the Prohibition on Money Laundering Law; the Protection of Privacy Law 5741-1981; the Prohibition of Financing Terrorism Law; the Combating Terrorism Law; the Economic Competition Law; and the Income Tax Ordinance (New Version), 5721-1961; the Value Added Tax Law 5736-1975; as well as regulations, orders, instructions and rules prescribed under said legislation, including rules and guidelines prevailing at the stock exchange or at a clearing house or a payment system, in Israel or abroad, including an action in connection with international sanction programs, as well as an action, including the publication or delivery of a report, a notice or information as aforesaid, to a Bank organ, to the public, to customers, to some third party, including to a competent authority, which includes the Israel Securities Authority, the Stock Exchange, a clearing house or a payment system, the Registrar of Companies, the Bank of Israel (including the database, the Credit Bureau or any other entity in accordance with the Credit Data Law), the Supervisor of Banks, the Commissioner of the Capital Markets, Insurance and Savings at the Finance Ministry, the Competition Commissioner, a government ministry including the Finance Ministry and tax authorities.

7. An action in connection with any of the laws referenced in Section 6 of this Supplement, including on corporate governance issues, as well as transactions with related individuals or interested parties at the Bank, and including in connection with the instructions or requirements of a competent authority or another body indicated in Section 6 in connection with such an action or transaction.
8. An action in connection with the Economic Competition Law, including an action that creates or allows for the creation of a cartel or another business restriction, and including the transfer of information between competitors and any other coordination, including with regard to price, interest rate or other terms of service provided by the Bank or any other matter.
9. A transaction or action with or in connection with a corporation in which the Bank purchases or holds shares or other means of control (including the right to receive these), directly or indirectly, at any proportion, including non-financial corporations, or a corporation which the Bank has an interest, as well as a shareholders agreement and any action or transaction in connection thereto, purchase or sale of means of a corporation's means of control as aforesaid, or any change thereto, including exercise or conversion of rights or securities in the corporation as aforesaid; in addition, without derogating from the generality of the above, a transaction or action in connection with group policies, receiving information and reports from corporations as aforesaid, as well as submission of information and reports to regulatory authorities on a group basis,

voting rights at a general meeting of a corporation as aforesaid, and the appointment of officers, as well as an action during tenure as an officer at a corporation as aforesaid.

10. An action or transaction in connection with insurance arrangements, including failure or the non-drawing of appropriate insurance arrangements, including in connection with an engagement with an insurer and the activation of an insurance policy.
11. An action in connection with bodily harm, property damage, hindrance of rights or damage to any other asset, which is attributed to the Bank or anyone on its behalf.
12. **Notwithstanding the aforesaid in this Supplement, the following events shall not be included in this Supplement:**
 - 12.1 The sale offer of Bank securities to the public by the state, according to the prospectus published by the Bank in 1998 and any other event included as part of the causes for indemnification, as set out in Section 2 of the undertaking to indemnify approved by the general meeting of the Bank's shareholders on May 12th, 1998.
 - 12.2 Any event included as part of the causes for indemnification, pursuant to Section 5.1 of the undertaking to indemnify approved by the general meeting of the Bank's shareholders on April 18th, 2000.
13. Merger, per its definition in Section 1 of the Companies Law, and any action in connection with a restructuring of the Bank or a corporation in which the Bank holds shares or other means of control, directly or indirectly, at any proportion, a reorganization of the Bank or a corporation as aforesaid, including splitting, dissolution, liquidation, deletion, sale, assignment or "division", including dividends as well as a change in the equity of the Bank or a corporation as aforesaid, and a purchase of shares or other means of control in another corporation, whether directly or indirectly, including by way of purchase offer or an exchange purchase offer, any such changes in a corporation in which the Bank holds an interest; including, without derogating from the generality of the above, an action, agreement or report to any authority regarding the merger, purchase, restructuring or an action as aforesaid, including a report under the instructions of the Companies Law, the Securities Law, the Economic Competition Law and the Income Tax Ordinance (New Version) 5721-1961, as well as regulations, orders and instructions prescribed under said legislation, including a purchase offer or an exchange purchase offer, and any action or transaction (including any action or transaction per the aforesaid in this Section 13), in connection with the ~~planned~~ merger of Union Bank of Israel Ltd with and into the Bank.
14. An action in connection with the transfer of information required by law to interested parties.

15. An action in connection with accessibility, proper representation, non-discrimination and fulfilling the rights of persons with disabilities, and any discrimination on other grounds.
16. An action that may cause, contribute, create, increase, maintain or allow or which cannot prevent or reduce, whether directly or indirectly, damage or harm to the environment, including air quality, water, food, soil, flora and fauna, or which exposes humans, animals or plants to injury, damage, nuisance or disease.
17. An action or transaction in connection with intellectual property or any right thereto, including secret information, patents, copyright, design rights, trademarks, trade secrets *et cetera*.
18. An action or transaction in connection with any other activity, including activities accompanying the Bank's business.
19. An event specified above in this Supplement (with the necessary changes) shall be interpreted as also referring to any corporation in which the Bank holds shares or other means of controls, directly or indirectly at any proportion; likewise, an event specified above in this Supplement shall be interpreted (with the necessary changes) as also referring to a tenure as an officer at another company (per this term's definition in the introduction to this Undertaking Letter), all based on the context and circumstances.
20. In this Supplement, "**security**": per its meaning in Article 52 of the Securities Law, including "financial instrument" per its definition in Article 44L of the aforesaid law and financial assets; "**financial assets**": per their meaning in the Advising Law; "**credit**": per its meaning in the Banking (Licensing) Law and per its meaning in any other relevant law.

The following is hereby clarified:

- (a) Without derogating from the aforesaid, Aan event specified above in this Supplement shall be interpreted as referring to events both in Israel and abroad;
- (b) Without derogating from the generality of the aforesaid:
 - (1) An event specified above in this Supplement shall be interpreted as referring to a corporation, both in Israel and abroad, in which the Bank holds shares or other means of control, directly or indirectly, at any proportion, as well as an officer at another company (per this term's definition in the introduction to this Undertaking Letter) both in Israel and abroad;
 - (2) An event specified above in this Supplement shall be interpreted as referring to foreign law and to instructions issued abroad, which are of a similar nature to the laws and to instructions issued in Israel which are

specified above in this Supplement, as well as to any competent authority or other body abroad that are of a nature similar to the Israeli authorities and bodies specified above in this Supplement.

All based on context and circumstances.