

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

No. with the Registrar of Companies: 520000522

To	<u>Israel Securities Authority</u>	To	<u>Tel-Aviv Stock Exchange Ltd</u>	T460 (Public)	Date of transmission: July 15, 2019
	www.isa.gov.il		www.tase.co.il		Ref: 2019-01-072511

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 for corporations that are not registered in Israel.

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), choose "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: *Regular shares of NIS 0.1 N.V.*

The number of the security on the Tel-Aviv Stock Exchange entitling the holder thereof to participate at the meeting: *695437*

The effective date for entitlement to attend the meeting and vote thereat: *July 21st, 2019*.

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

2. On *July 15th, 2019*

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

to be held on *Tuesday, August 20th, 2019, at 15:00*

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/resolutions which will be raised at the meeting:

1

The issue/resolution and its details:

Appointment of an outside director.

The proposed resolution:

To appoint Mr. Joseph Fellus as an outside director at Mizrahi Tefahot Bank Ltd (hereinafter: the "Bank" or the "Company"), per the meaning of this term in the Companies Law, 5759-1999 (who also meets the qualifications of an outside director under the Proper Conduct of Banking Business Directive No. 301), for a service period of three (3) years.

Mr. Joseph Fellus will begin his tenure at the Bank upon the date on which the general meeting will approve his appointment as aforesaid.

Additional details:

For additional details, see Section 1 of the immediate report on the convening of the special general meeting regarding this matter, as well as Mr. Joseph Fellus' statement, which is attached as an appendix to the aforesaid immediate report.

Appointment/Tenure extension of an outside director per Articles 239(b) or 245 of the Companies Law.

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

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 fit any field in the law articles table, the fields “Declaration: No appropriate classification field exists” and “Yes” transaction with controlling shareholder should be selected. 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”.

It was decided to require additional information from the holders:

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 amendment or one that only benefits the company compared with the text of a resolution detailed in a last report.
- Off 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 effective date due to a technical error, as specified:

Explanation: After the effective date, a resolution cannot be amended except 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 effective 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 a deferred meeting is an ordinary majority of the shareholders present at the general meeting, who are entitled to vote and voting thereat, provided that one of the following takes place:

1) The counting of the majority votes at the general meeting will include a majority among the votes of shareholders who are not controlling shareholders at the Company or have personal interest in the approval of the appointment, except for a personal interest not deriving from his connections with the controlling shareholder, who are participating in the vote; in the counting of the total votes of the aforesaid shareholders, abstaining votes will not be taken into account;

2) The total opposing votes of the shareholders referred to in paragraph 1 above 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 to accept the proposed resolution in this matter *No*

Attachment of the report on the convening of the meeting: *conveningreport_isa.pdf*

4. Attached:
Yes a voting paper
No position paper

1

On _____

The company received a position paper, per its meaning in Article 88 of the companies Law 5759-1999 from _____

in connection with an issue which will be raised for discussion at the convened general meeting.

See page ____ for the position paper file.

votingpaper_isa.pdf

No statement of candidate to serve as corporate director

No statement of an independent director

Yes statement of an outside director

_____ statement of a representative's appointment to representation

_____ amended deed of trust

_____ an application to approve a creditors' arrangement under Article 350

_____ other _____

Statement_isa.pdf

Explanation: If a voting paper and/or a position notice are attached, it must be verified that they have been prepared in accordance with the provisions of the Companies Regulations (Written Votes and Position Papers), 5766-2005.

Link to the voting system website where voting may take place: The voting system

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

5. The legal counting for holding the meeting:

The legal counting for holding the general 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 postponed meeting will be held on *August 27th, 2019 at 15:00*, at the following address: *7 Jabotinsky Street, Ramat-Gan*

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, 7 Jabotinsky Street, Ramat-Gan, during the bank's standard business hours, until the time set for the meeting.

Meeting identifier: __

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

The above report was signed by Ms. Maya Feller, Bank Secretary.

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

2019-01-059923

Securities of a Corporation Listed for Trading on
the Tel Aviv Stock Exchange

Form structure revision date: June 25, 2019

Abbreviated Name: Mizrahi Tefahot

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

E-mail: mangment@umtb.co.il Company website:
<https://www.mizrahi-tefahot.co.il>

Previous name of the reporting entity: United Mizrahi Bank Ltd

Name of the person reporting electronically:
Feller Maya

Position:
Bank Secretary

Name of Employing
Company:

Address: 7 Jabotinsky Street, Ramat Gan,
52520

Tel:
03-7559720

Fax:
03-7559923

E-mail:
mangment@umtb.co.il

Mizrahi Tefahot Bank Ltd

Re: Immediate Report on the Convening of a Special General Meeting

Pursuant to the Companies Law, 5759-1999 (hereinafter: “**the Companies Law**”); pursuant to 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; and pursuant to the Securities Regulations (Periodic and Immediate Reports) 5730-1970 (hereinafter: “**the Periodic And Immediate Report Regulations**”), Mizrahi Tefahot Bank Ltd. (hereinafter: “**the Bank**” or “**the Company**”) hereby announces the convening of a special general meeting (hereinafter: “**the general meeting**”) on Tuesday, August 20th, 2019, at 15:00, at the Bank’s offices, 7 Jabotinsky Street, Ramat-Gan, 13th floor.

1. **The issue on the agenda of the general meeting and a summary of the proposed resolution**

Appointment of Mr. Joseph Fellus as an outside director, under the Companies Law

1.1 Description of the nature of the issue

Appointment of an outside director at the Bank, per this term’s meaning under the Companies Law (hereinafter: “**outside director under the Companies Law**”).

1.2 The principle facts required to understand the matter

- a. It is proposed to appoint Mr. Joseph Fellus (hereinafter: “**the Candidate**”) as an outside director under the Companies Law (who also meets the qualifications of an outside director under Proper Conduct of Banking Business Directive No. 301 (hereinafter: “**Directive 301**”) for a service period of three (3) years. The Candidate will begin his tenure at the Bank upon the date on which the general meeting will approve his appointment as stated in section 1.4 below.

In this matter, it shall be noted that on July 2nd, 2019, the Bank received the approval of the Supervisor of Banks, according to which she has no objection to this appointment.

- b. Below, to the best of the Bank’s knowledge, are details about the Candidate, per Regulation 26 of the Periodic and Immediate Report Regulations:

- (1) **Name:** Mr. Joseph Fellus
(2) **I.D. no.:** 051641025

- (3) **Date of birth:** February 15, 1953
- (4) **Address for service of court documents:** 11 Yehuda Halevi,
Raanana
- (5) **Nationality:** Israeli
- (6) **Membership of Board Committee(s):** Not yet appointed
- (7) **Is he an independent director:** Yes (subject to the approval of his appointment, as detailed in Section 1.4 below).
- (8) **Is he an outside director, per this term's definition in the Companies Law:** Yes (subject to the approval of his appointment, as detailed in Section 1.4 below).
- (9) **Does he have accounting and financial expertise or professional qualifications, per these terms' definitions in the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications) 5766-2005:** Yes – has accounting and financial expertise and has professional qualifications.
- (10) **Is he an expert outside director, per this term's definition in the Companies Regulation (Rules Regarding the Remuneration and Expenses of an Outside Director) 5760-2000:** Yes.
- (11) **Is he an employee of the Company, its subsidiary, its affiliate or an interested party therein:** No.
- (12) **The date on which he will begin his tenure as a director at the Company:** The Candidate will begin his tenure as a director at the bank on the date on which the General Meeting will approve his appointment, as specified below in Section 1.4.
- (13) **Education:**
BA in Accounting (Tel-Aviv University); BA in Economics (Tel-Aviv University) and Practical Electronic Engineering (Yad Singalovski Technical School).
- (14) **His current occupations (including details of the corporations in which he currently serves as a director):**
Serves as a member (public representative) and Chairman of the Sports Betting Board (this tenure is to end prior to his appointment as a director at the Bank); director at Masa Caytz Ltd; director at

Haide Yafo Ltd; director at Kaitz Beyafo Ltd; chairman of the Board of Directors and chief executive officer at Joseph Fellus Accountants; director at Meitav Hatene Holdings (1997) Ltd; director at Meitav Hatene Real Estate Holdings Ltd; director at Finity X Ltd; director at Bar Pal Foreign Investments Ltd; provision of consultancy and CFO services to a private company and its two subsidiaries.

(15) **His occupations in the last five years, including details of the corporations in which he has served as a director (except for occupations detailed in subsection (14) above):** Partner at the Kesselman & Kesselman Accountancy Firm until March 31st, 2019 (the Candidate had served as a managing partner at the aforesaid accountancy firm from 2014).

(16) **Is he a family member of another interested party at the corporation:** No.

(17) **Does the Bank consider him as having accounting and financial expertise for the purpose of meeting the minimum number established by the Board of Directors per Article 92(a)(12) of the Companies Law:** Yes.

- c. On July 15th, 2019, the Candidate was evaluated by the Bank as having accounting and financial expertise and as having professional qualifications, per these terms' definitions in the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications) 5766-2005
- d. The Candidate gave a statement to the Bank, per Articles 224b. and 241 of the Companies Law. A copy of the Candidate's statement is attached as **Appendix A** to this immediate report.
- e. It is hereby clarified that the remuneration that shall be paid to the Candidate as an outside director under the Companies Law shall be per the resolution on directors' remuneration, as detailed in the immediate report submitted by the Bank on June 19th, 2017 (reference no. 2017-01-051271); this mention constitutes inclusion by way of reference to all information included in this matter in the aforesaid immediate report.

It is further clarified that the Candidate shall be entitled to the exemption, indemnification and insurance of officers, as approved by the Bank's general meeting, as detailed in Section 1.4 of the amended immediate

report published by the Bank on December 7th, 2015 (ref. no. 2015-01-175365); Section 1.2 of the amended immediate report published by the Bank on July 24th, 2018 (ref. no. 2018-01-069970); and in the immediate report published by the Bank on September 6th, 2018 (ref. no. 2018-01-083194).

- 1.3 a. The Audit Committee has examined the existence of an “affinity” to the Bank, per Article 240 of the Companies Law, as detailed below:
- (1) As the Bank was informed, the Candidate serves as a member (public representative) and chairman at a statutory corporation (hereinafter: “**the Statutory Corporation**”), and his aforesaid tenure is expected to end before he begins his tenure as a director at the Bank. The Candidate does not receive a wage for the aforesaid service (except for reimbursement of on-duty international travel expenses). The Statutory Corporation has banking relations with the Bank, under the ordinary course of business.
 - (2) As the Bank was informed, the Candidate was a partner at a registered partnership, which includes dozens of partners, from 1990 and until the end of March 2019. As of the date of his retirement from the partnership, the Candidate is entitled to receive a share of the partnership’s profits, for a number of years.
 - (a) The Bank receives various consultancy services from the aforesaid partnership and/or from a consultancy firm owned thereby (hereinafter, jointly: “**the Partnership**”).
 - (b) As the Bank was informed, a controlling shareholder at the Bank received consultancy services from the Partnership in 2017 and 2018. In addition, a company controlled by controlling shareholders at the Bank and the company’s subsidiaries received various services from the Partnership between 2015 and 2019.
 - (c) As the Bank was informed, another company controlled by controlling shareholders at the Bank has been receiving services from the Partnership for over 20 years.
 - (3) A trust company has been managing a trust account at the Bank since 1996. The shareholders at the trust company are (voluntarily liquidated) companies owned by the Partnership. The director at the trust company, the authorized signatories of the trust account and

those listed at the Bank as partners in the trust account and as controlling shareholders, among whom is the Candidate, were partners in the Partnership.

- (4) The Candidate's relatives are customers and account holders at the Bank.
- (5) A private company in which the Candidate's relatives have holdings, and the Candidate's relative serves as director, is a customer managing an account at the Bank and receiving services from the Bank; under the aforesaid account, the company has, *inter alia*, received credit from the Bank.

The Candidate informed the Bank that a transaction has been signed, under which the holdings of the Candidate's relatives at the private company have been sold to a third party, and that this transaction is to be completed in the near future; and upon its completion, the Candidate's relative is expected to resign from his position as a director at the private company.

- (6) The Candidate provides consultancy and CFO services to a private start-up company (hereinafter: "**the Parent Company**") and two of its subsidiaries (hereinafter, jointly: "**the Group**"). One of the subsidiaries is a customer managing an account at the Bank and receiving services from the Bank (hereinafter: "**the Subsidiary**"), and the Parent Company is in the process of opening an account at the Bank (not yet completed).

In exchange for the services, the Parent Company has, at this stage, allocated shares at a rate of 1% of the company's capital to the Candidate. The Candidate does not receive a wage for providing the services for a certain scope of hours (and for overtime shall be entitled to payment as agreed between the parties). Furthermore, the Candidate is entitled to a reimbursement of on-duty actual expenses. The Candidate informed the Bank that it is probable that he may be appointed as a member of an advisory committee or as a director at the Group's companies or in either of these.

- b. The Audit Committee approved the following based on the facts presented to it and on the Candidate's statements:

In the matter of the connections specified in sections 1.3a.(1) and 1.3a.(3) through 1.3a.(6), "affinity" to the Bank per its meaning in Article 240 of

the Companies Law is not to be attributed to the Candidate (neither currently nor in the past two years); alternatively, even if these connections may constitute an “affinity” as aforesaid, these would merely be negligible connections, in the Bank’s view and in the Candidate’s view; as such, they do not constitute an “affinity” under Regulation 5(a) of the Companies Regulations (Matters Which Do Not Constitute Affinity) 5766-2006 (hereinafter: “**the Regulations Regarding An Absence of Affinity**”).

In the matter of the connections specified in section 1.3a.(2) above: these are merely negligible connections, in the Bank’s view and in the Candidate’s view; and as such, they do not constitute an “affinity” under Regulation 5(a) of the Regulations Regarding An Absence of Affinity.

This, *inter alia*, with attention to the details below:

- (1) In the matter the connections specified above in section 1.3a.(1): the specified connections are negligible, in the view of the Bank, the Statutory Corporation, and certainly in the Candidate’s view; This, *inter alia*, due to the nature of the banking relations between the Bank and the Statutory Corporation, which, as aforesaid, are conducted appropriately and during the regular course of business. Moreover, the Candidate serves at the Statutory Corporation as a public representative who does not receive a wage for his service. Furthermore, as the Candidate informed the Bank, he is not involved (nor has he been involved) in the banking relations between the Bank and the Statutory Corporation; and that he is expected to end his tenure at the Statutory Corporation before beginning his tenure as a director at the Bank.
- (2) In the matter the connections specified above in section 1.3a.(2)(a):
 - (a) The specified connections are negligible, in the view of the Bank, *inter alia* due to the scope of the aforesaid services and the sums paid for them, as well as the fact that the Bank does not depend on the Partnership to receive the services and can receive them during the regular course of business, under similar conditions, from other entities;
 - (b) As the Bank was informed, the specified connections are also negligible in the view of the Partnership, and certainly in the Candidate’s view; This, *inter alia*, due to the Partnership’s status, financial stability, large number of customers, and the

negligible share of revenues from the Bank out of the Partnership's total revenue, and certainly from the Candidate's total income from the Partnership; and in view of the Partnership's non-dependence upon the Bank, and certainly the non-dependence of the Candidate; and in view of the Candidate's absence of involvement in the provision of services to the Bank.

- (3) In the matter the connections specified above in section 1.3a.(2)(b): the specified connections are negligible in the view of the controlling shareholders at the Bank (including companies controlled thereby); this, *inter alia*, due to the scope of the services and the total remuneration paid for them, as well as the notice on behalf of the aforesaid entities, according to which, the sums which they paid were negligible in their view. Furthermore, the aforesaid connections are also negligible in the Partnership's view, and certainly in the Candidate's view, considering the reasoning detailed in subsection (2)(b) above, *mutatis mutandis*, as the case may be.
- (4) In the matter the connections specified above in section 1.3a.(2)(c): the specified connections are negligible in the Partnership's view, and certainly in the Candidate's view, considering the reasoning detailed in subsection (2)(b) above, *mutatis mutandis*, as the case may be. In light of this, and considering, *inter alia*, the Candidate's view of these connections as negligible and unable to affect the independence of the Candidate's judgment, the Bank's view mirrors that of the Candidate in viewing these connections as negligible; this is assuming even that the connections between the Partnership and the company controlled by controlling shareholders at the Bank are not negligible in the view of said company.
- (5) In the matter the connections specified above in section 1.3a.(3): the specified connections are negligible in the Bank's view, *inter alia* due to the liability sums and the lack of debits in the account. Furthermore, the aforesaid connections are also negligible in the Partnership's view, and certainly in the Candidate's view, since the Partnership manages accounts at other banks, and since these are only liability balances, which may be also deposited during the ordinary course of business at other banks; in addition, the

Candidate is not (nor has he been in the last two years) actively involved in the management of the trust account at the Bank.

- (6) In the matter the connections specified above in section 1.3a.(4): the specified connections are negligible in the Bank's view, *inter alia* due to the debit and liability sums in the aforesaid accounts, which are run properly and during the ordinary course of business.

Furthermore, the aforesaid connections are also negligible in the view of the Candidate's relatives, and certainly in the Candidate's view, since these balances are principally liabilities and may also be deposited at other banks.

- (7) In the matter the connections specified above in section 1.3a.(5): the specified connections are negligible in the Bank's view, *inter alia* due to the credit balances in the account, the fact that the account is run properly and during the ordinary course of business, and the collaterals given to secure the credit, which is regularly paid.

Furthermore, the aforesaid connections are also negligible in the private company's view, in the view of the Candidate's relatives; and certainly in the Candidate's view, *inter alia* due to the balances of the regularly-paid credit and the collaterals given to its payment, in view of the banking relations that the private company has with other banks, in view of the lack of guarantees or personal undertakings on the part of the Candidate's relatives or the Candidate to pay the credit, and in view of their non-involvement in the relations between the Bank and the private company, in connection with the management of the account.

The Audit Committee further noted, beyond necessity, that upon the completion of the transaction mentioned above in section 1.3a.(5) (insofar as it may be completed), the Candidate's relatives will no longer have any holdings in the private company, and the Candidate's relative will cease to serve as a director therein.

- (8) In the matter the connections specified above in section 1.3a.(6): the specified connections are negligible in the Bank's view, in the Group's view, and certainly in the Candidate's view, *inter alia* due to the nature of the (existing and anticipated) banking relations between the Bank and the Group, and in view of the fact that the Subsidiary's account is run properly and during the ordinary course

of business. Furthermore, as the Candidate informed the Bank, his livelihood does not depend on the remuneration for the services he provides to the Group; and that he is not involved (nor has he been involved) in the relations between the Bank and the Group, in all that is related to the management and/or opening of accounts at the Bank, as the case may be.

Furthermore, the Audit Committee noted that its decision regarding the absence of affinity, as aforesaid, would remain valid even if the Candidate were to be appointed as a member of an advisory committee or as a director at the Group's companies or in either of these, since such an appointment would not change the reasoning detailed above (*mutatis mutandis*), regarding the absence of an affinity.

1.4 Text of the proposed resolution

To appoint Mr. Joseph Fellus as an outside director at the Bank under the Companies Law (who also meets the qualifications of an outside director under Directive 301) for a service period of three (3) years.

The Candidate will begin his tenure at the Bank upon the date on which the general meeting will approve his appointment as aforesaid.

1.5 The majority required to approve the Candidate's appointment as an outside director under the Companies Law

The majority required at the general meeting and at a deferred meeting to approve the Candidate's appointment as an outside director under the Companies Law, as stated in Section 1.4 above, is an ordinary majority of the shareholders present at the meeting, who are entitled to vote and voting thereat, provided that one of the following takes place:

- a. The counting of the majority votes at the general meeting will include a majority among the votes of shareholders who are not controlling shareholders at the Bank or have personal interest in the approval of the appointment, except for a personal interest not deriving from his connections with the controlling shareholder, who are participating in the vote; in the counting of the total votes of the aforesaid shareholders, abstaining votes will not be taken into account;
- b. The total opposing votes of the shareholders referred to in Subsection a. above does not exceed two percent (2%) of the total voting rights in the Bank.

A shareholder participating in the vote shall notify the Company prior to voting at the meeting; and if the vote is through a voting paper – shall mark in the designated place in the second part of the voting paper attached to this immediate report whether he is considered a controlling shareholder at the Bank or any party on behalf thereof, or whether he has a personal interest in the approval of the appointment, or whether he does not, and also describe the relevant affinity, if any. Should a shareholder fail to notify or mark as aforesaid, or if he has marked and not described as aforesaid, his vote shall not be counted.

In this report – “**personal interest**” – an individual’s personal interest in any activity or transaction of a company, including the personal interest of his relative and another corporation wherein he or his relative are interested parties, excluding personal interest arising from holding shares at the company, including the personal interest of an individual voting by power of attorney granted to him by another individual even if the other has no personal interest; likewise, the vote of an individual who has been granted power of attorney to vote on behalf of an individual who has personal interest will be considered as a vote by the holder of the personal interest, and all whether the judgment in the vote is that of the voter or not

2. **Location and Time of the Meeting’s Convening**

2.1 The general meeting will convene on Tuesday, August 20th, 2019, at 15:00, at the Bank’s offices, 7 Jabotinsky St., Ramat-Gan, 13th floor (hereinafter: “**Bank’s Offices**”). If the meeting is deferred, it will be held on August 27th, 2019, at the same time and place.

The date for determining the entitlement of shareholders to vote at the general meeting, as stated in Article 182 of the Companies Law, shall be July 21st, 2019 (hereinafter: “**Effective Date**”).

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

2.3 The Bank’s controlling shareholders’ holdings of the Bank’s issued and outstanding capital shall not grant the Bank’s controlling shareholders the majority required to approve the resolutions on the agenda of the general meeting.

- 2.4 A shareholder is entitled to vote at the general meeting, in person or through an agent granted power of attorney to vote. In addition, a shareholder is entitled to vote at the general meeting at the vote to approve the resolution upon the agenda via voting paper, as detailed below (hereinafter: “**Written Vote**” or “**Voting Paper**”).
- 2.5 a. In addition, an unregistered shareholder (i.e. a person to whom shares are registered with a TASE member, and those shares are also included in the Shareholder Registry under a registration company’s name) (hereinafter: “**Unregistered Shareholder**”) is also entitled to vote through an electronic Voting Paper, which shall be transferred to the Bank through the electronic voting system (hereinafter: “**Electronic Voting System**”) up to 6 hours prior to the meeting.
- b. An Unregistered Shareholder may, at any time, announce by writing to the TASE member through which he holds shares that he is not interested in being included on the list of those entitled to vote through the Electronic Voting System (as it was set at the Effective Date). If he has done so, then the TASE member shall not deliver information about him according to the Companies Regulations (Written Votes and Position Papers) 5766-2005, as long as no other instruction has arrived from the Unregistered Shareholder. Such instructions from shareholders, as stated above, shall be delivered to the TASE member no later than 12:00 noon on the Effective Date, with regard to the securities account and not particular securities held in the account.
- 2.6 A Written Vote will be made through the second part of the Voting Paper, attached to this immediate report as **Appendix B**. The Voting Paper and the documents which must be attached thereto (hereinafter: “**Attached Documents**”), as provided in the Voting Paper, should be delivered to the Bank’s Offices up to 4 hours prior to the convening of the meeting (with respect to an Unregistered Shareholder) and up to 6 hours prior to the convening of the meeting (with respect to a registered shareholder). In this regard, the “time of delivery” shall be the time at which the Voting Paper and the Attached Documents arrive at the Bank’s Offices.
- 2.7 The document appointing an agent to vote (hereinafter: “**Letter of Appointment**”) and the power of attorney under which the Letter of Appointment was signed (if any) or a copy thereof, certified to the Bank’s satisfaction, is to be prepared and signed by the appointer or by an agent

authorized therefor in writing; and if the appointer is a corporation, will be signed in a manner such that binds the corporation. The Letter of Appointment will be deposited at the Bank's Offices no later than 48 hours prior to the time scheduled for the beginning of the meeting.

- 2.8 The address of the Israel Securities Authority's distribution site and the website of the Tel-Aviv Stock Exchange Ltd, on which the voting papers and position papers are posted:
- a. The distribution site of the Israel Securities Authority:
<http://www.magna.isa.gov.il/>
 - b. The website of the Tel-Aviv Stock Exchange Ltd: <http://maya.tase.co.il/>
- 2.9 A shareholder is entitled to approach the Bank directly to receive the text of the Voting Paper and position papers therefrom.
- 2.10 An Unregistered Shareholder is entitled to receive a link to the text of the Voting Paper and position papers on the distribution site via e-mail from the TASE member through which he holds his shares, free of charge, unless he has notified the TASE member that he does not wish to receive such a link, or that he wishes to receive voting papers by regular mail in return for payment; a notice regarding voting papers shall also apply to receiving position papers.
- 2.11 A shareholder whose shares are registered with a TASE member may receive the ownership confirmation at a branch of the TASE member or by mail, if he has requested it. A request in this matter shall be given in advance regarding a particular securities account.
- An Unregistered Shareholder may instruct that his ownership confirmation be transferred to the Bank through the Electronic Voting System.
- 2.12 a. A Voting Paper shall be valid with respect to an Unregistered Shareholder only if an ownership confirmation has been attached thereto, or if such a confirmation has been transferred to the Bank through the Electronic Voting System.
- b. The Voting Paper shall be valid with respect to a shareholder according to Article 177(2) of the Companies Law (i.e. those registered as a shareholder in the Shareholder Registry) only if a photocopy of one's identification card, passport or incorporation certificate is attached thereto.
- 2.13 The Bank's address for the delivery of voting papers and position papers: The Bank's Offices at 7 Jabotinsky Street, Ramat-Gan
- a. The deadline for the delivery of position papers to the Bank: Up to 10 days before the meeting.

- 3.5 Additional connections between the voter and the Company, a controlling shareholder or a senior officer therein, with specifications regarding the nature of the connections;
- 3.6 If the voting is by proxy, such details shall be given with respect to both the grantor of the power of attorney and the proxy.
4. **Adding an Issue to the Agenda**
- After the publication of this report, there may be changes to the agenda, including the addition of an issue thereto, and position papers may be published; it will be possible to review the current agenda and published position papers in the Bank's reports on the distribution site.
- One or more shareholder(s) who hold(s) shares representing at least 1% of the voting rights at the general meeting of the Bank may request the Board of Directors to include an issue on the agenda of the meeting up to 7 days after the notice regarding the convening of the meeting, provided that the issue is appropriate for a discussion at the annual general meeting.
- Should the Board of Directors find that the issue requested to be included on the agenda is appropriate for a discussion at the annual general meeting, the Bank shall prepare an updated agenda and an amended Voting Paper, insofar as this may be required, which will be published no later than 7 days after the final date to produce a request to include another issue on the agenda, as stated above. It is clarified that the publication of an updated agenda, as stated above, shall not change the Effective Date as set forth in this report.
5. **Details regarding the Bank's representative in respect of the handling of this report**
- Racheli Friedman, Adv., Chief Legal Advisor, Mizrahi Tefahot Bank Ltd, 7 Jabotinsky St., Ramat-Gan, Tel: 03-7559500, Fax: 03-7559655
6. **Perusal of Documents**
- This immediate report and the full text of the proposed resolutions may be perused at the Bank's offices, Tel: 03-7559720, during standard business hours, until the time scheduled for the meeting.

**Sincerely,
Maya Feller
Bank Secretary**

Mizrahi Tefahot Bank Ltd

**VOTING PAPER PURSUANT TO THE COMPANIES REGULATIONS (WRITTEN
VOTES AND POSITION PAPERS) 5766-2005
("THE REGULATIONS")**

Part One

1. **Name of Company:** **Mizrahi Tefahot Bank Ltd.** (hereinafter: "**the Company**" or "**the Bank**")
2. **The type of general meeting and the time and place thereof:** A special general meeting of all of the Bank's shareholders (hereinafter: "**the General Meeting**"). The General Meeting shall convene on Tuesday, August 20th, 2019, at 15:00, at the Bank's offices at 7 Jabotinsky Street, 13th floor, Ramat-Gan. Should the meeting be deferred, it shall take place on Tuesday, August 27th, 2019, at the same time and place.
3. **Details of the issue on the agenda, as detailed in the immediate report published by the Bank on July 15th, 2019 (hereinafter: "the Immediate Report"):**

The appointment of Mr. Joseph Fellus as an outside director at the Bank, per this term's meaning in the Companies Law 5759-1999 (hereinafter, respectively: "the Companies Law" and "outside director under the Companies Law") – the issue detailed in Section 1 of the Immediate Report

3.1 **Text of the proposed resolution:**

It is proposed to appoint Mr. Joseph Fellus (hereinafter: "**the Candidate**") as an outside director under the Companies Law (who also meets the qualifications of an outside director under Proper Conduct of Banking Business Directive No. 301 (hereinafter: "**Directive 301**") for a service period of three (3) years. The Candidate will begin his tenure at the Bank upon the date on which the general meeting will approve his appointment, as aforesaid.

In this matter, it shall be noted that on July 2nd, 2019, the Bank received the approval of the Supervisor of Banks, according to which she has no objection to this appointment.

3.2 **Description of the nature of the issue and the principle facts required to understand the issue:**

Below, to the best of the Bank's knowledge, are details about the Candidate, per Regulation 26 of the Securities Regulations (Periodic and Immediate Reports) 5730-1970 (hereinafter: "**the Periodic and Immediate Report Regulations**"):

- (1) **Name:** Mr. Joseph Fellus
- (2) **I.D. no.:** 051641025

- (3) **Date of birth:** February 15, 1953
- (4) **Address for service of court documents:** 11 Yehuda Halevi, Raanana
- (5) **Nationality:** Israeli
- (6) **Membership of Board Committee(s):** Not yet appointed
- (7) **Is he an independent director:** Yes (subject to the approval of his appointment, as detailed in Section 3.1 above).
- (8) **Is he an outside director, per this term's definition in the Companies Law:** Yes (subject to the approval of his appointment, as detailed in Section 3.1 above).
- (9) **Does he have accounting and financial expertise or professional qualifications, per these terms' definitions in the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications) 5766-2005:** Yes – has accounting and financial expertise and has professional qualifications.
- (10) **Is he an expert outside director, per this term's definition in the Companies Regulation (Rules Regarding the Remuneration and Expenses of an Outside Director) 5760-2000:** Yes.
- (11) **Is he an employee of the Company, its subsidiary, its affiliate or an interested party therein:** No.
- (12) **The date on which he will begin his tenure as a director at the Company:** The Candidate will begin his tenure as a director at the bank on the date on which the General Meeting will approve his appointment, as specified below in Section 3.1.
- (13) **Education:**
BA in Accounting (Tel-Aviv University); BA in Economics (Tel-Aviv University) and Practical Electronic Engineering (Yad Singalovski Technical School).
- (14) **His current occupations (including details of the corporations in which he currently serves as a director):**
Serves as a member (public representative) and Chairman of the Sports Betting Board (this tenure is to end prior to his appointment as a director at the Bank); director at Masa Caytz Ltd; director at Haide Yafo Ltd; director at Kaitz Beyafo Ltd; chairman of the Board of Directors and chief executive officer at Joseph Fellus Accountants; director at Meitav Hatene Holdings (1997) Ltd; director at Meitav

Hatene Real Estate Holdings Ltd; director at Finity X Ltd; director at Bar Pal Foreign Investments Ltd; provision of consultancy and CFO services to a private company and its two subsidiaries.

- (15) **His occupations in the last five years, including details of the corporations in which he has served as a director (except for occupations detailed in subsection (14) above):** Partner at the Kesselman & Kesselman Accountancy Firm until March 31st, 2019 (the Candidate had served as a managing partner at the aforesaid accountancy firm from 2014).
- (16) **Is he a family member of another interested party at the corporation:** No.
- (17) **Does the Bank consider him as having accounting and financial expertise for the purpose of meeting the minimum number established by the Board of Directors per Article 92(a)(12) of the Companies Law:** Yes.

- 3.3 The Candidate gave a statement to the Bank, per Articles 224b. and 241 of the Companies Law. A copy of Mr. Joseph Fellus' statement is attached to the Immediate Report as Appendix A.
- 3.4 On July 15th, 2019, the Candidate was evaluated by the Bank's Board of Directors as having accounting and financial expertise and as having professional qualifications, per these terms' definitions in the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications) 5766-2005.
- 3.5 For details regarding the consideration to be paid to the Candidate as an outside director under the Companies Law and details regarding his entitlement to the exemption, indemnification and insurance of officers, see Section 1.2e. of the Immediate Report.
- 3.6 The Audit Committee has examined the existence of an "affinity" to the Bank, per Article 240 of the Companies Law and approved: with respect to some of the reviewed connections, the Candidate is not to be attributed "affinity" to the Bank, and alternatively, these are merely negligible connections, and as such they do not constitute an "affinity" under Regulation 5(a) of the Regulations Regarding An Absence of Affinity; with respect to the rest of the reviewed connections, these are merely negligible connections, and as such they do not constitute an "affinity" under the aforesaid Regulation 5(a).

For further details, see Section 1.3 of the Immediate Report.

- 3.7 Attention is directed to the instructions of Article 34(a1) of the Banking (Licensing) Law, 5741-1981, according to which:

“A person shall not make an agreement with another in regard to their vote for the appointment of a director in a banking corporation or in a bank holding corporation, including in regard to their vote for his dismissal, except under a permit issued by the Governor, after consulting with the Licensing Committee; this provision shall not apply to ... or to a holder of means of control who agrees with another that the other will vote in his name and on his behalf without any discretion, as the said holder of means of control instructs him, provided that if the other holds, on his own behalf, means of control in the banking corporation or in the bank holding corporation, as the case may be, he shall not vote in the name and on behalf of more than one other holder”.

Inter alia, it arises from the aforesaid instructions that in the matter of the Candidate’s appointment as a director, as detailed above in Section 3.1, a voting agent who is also a shareholder at the Bank may only vote in the name of and on behalf of a single other shareholder, as detailed in the aforesaid instructions.

4. The majority required to pass the resolution at the special General Meeting upon the issue on the agenda:

The majority required at the General Meeting and at a deferred meeting to approve Mr. Joseph Fellus’ appointment as an outside director under the Companies Law, as stated in Section 3.1 above, is an ordinary majority of the shareholders present at the meeting, who are entitled to vote and voting thereat, provided that one of the following takes place:

- a. The counting of the majority votes at the General Meeting will include a majority among the votes of shareholders who are not controlling shareholders at the Company or have personal interest in the approval of the appointment, except for a personal interest not deriving from his connections with the controlling shareholder, who are participating in the vote; in the counting of the total votes of the aforesaid shareholders, abstaining votes will not be taken into account;
- b. The total opposing votes of the shareholders referred to in Section a above does not exceed two percent (2%) of the total voting rights in the Company.

A shareholder participating in the vote shall notify the Bank prior to voting at the meeting; and if the vote is through a voting paper – shall mark in the designated place

in the second part of the voting paper attached to the Immediate Report whether he is considered a controlling shareholder at the Bank or any party on behalf thereof, or whether he has a personal interest in the approval of the appointment, or whether he does not, and also describe the relevant affinity, if any. Should a shareholder fail to notify or mark as aforesaid, or if he has marked and not described as aforesaid, his vote shall not be counted.

In this voting paper – “**personal interest**” – an individual’s personal interest in any activity or transaction of a company, including the personal interest of his relative and another corporation wherein he or his relative are interested parties, excluding personal interest arising from holding shares at the company, including the personal interest of an individual voting by power of attorney granted to him by another individual even if the other has no personal interest; likewise, the vote of an individual who has been granted power of attorney to vote on behalf of an individual who has personal interest will be considered as a vote by the holder of the personal interest, and all whether the judgment in the vote is that of the voter or not.

5. Any holder of securities at the Bank voting at the meeting on the resolution on the agenda, who is an interested party at the Bank (per its definition in Article 1 of the Securities Law 5728-1968), a senior officer at the Bank (per its definition in Article 37(d) of the Securities Law 5728-1968), institutional body (per its definition in the Supervision of Financial Services (Insurance) Law 5741-1981) or fund manager (per its definition in the Joint Investment Trust Law 5721-1961) is required to notify the Bank, prior to voting at the meeting, with the following details regarding the manner of his vote at the meeting:
 - 5.1 The identity of the voter: For an individual, first name and last name; for a corporation, the name of the corporation and its number;
 - 5.2 The amount of securities by which power the vote was made;
 - 5.3 The voting manner;
 - 5.4 Whether the voter has a personal interest or another characteristic, as determined in the table in the addition to the Companies Regulations (Written Votes and Position Papers) 5766-2005;
 - 5.5 Additional connections between the voter and the Company, a controlling shareholder or a senior officer therein, with specifications regarding the nature of the connections;
 - 5.6 If the voting is by proxy, such details shall be given with respect to both the grantor of the power of attorney and the proxy.

6. Place and time during which the full text of the proposed resolutions can be perused:
The Immediate Report released by the Company regarding the convening of the 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 standard business hours, until the time scheduled for the meeting.
7. Details to the best of the Company's knowledge regarding the candidate for directorial service: As specified in Section 3 above and in Section 1 to the Immediate Report.
8. A shareholder may contact the Bank directly to receive the text of the voting paper and position papers from it.
9. 9.1 The voting paper shall be valid for an unregistered shareholder (i.e. a person to whom shares are registered with a TASE member, that are also included in the shareholders' register at the registration company) (hereinafter: "**Unregistered Shareholder**") only if an ownership confirmation is attached thereto, or if such a confirmation has been transferred to the Bank through the electronic voting system.
- 9.2 The voting paper shall be valid with respect to a shareholder according to Article 177(2) of the Companies Law (i.e. those registered as a shareholder in the Shareholder Registry (hereinafter: "**Registered Shareholder**") only if a photocopy of one's identity card, passport or incorporation certificate is attached thereto.
10. The voting paper and the documents which must be attached thereto (hereinafter: "**Attached Documents**"), as provided in the voting paper, should be delivered to the Bank's Offices as follows:
 - 10.1 Unregistered Shareholder: Up to 4 hours prior to the scheduled convening of the meeting;
 - 10.2 Registered Shareholder: Up to 6 hours prior to the scheduled convening of the meeting.In this regard, the "time of delivery" shall be the time at which the voting paper and the Attached Documents arrive at the Bank's Offices.
11. An Unregistered Shareholder is also entitled to vote through an electronic voting paper, which will be transferred to the Bank through the electronic voting system (hereinafter: "**Electronic Voting System**") up to 6 hours prior to the meeting.
12. The Bank's address for the delivery of voting papers and position papers: The Bank's Offices at 7 Jabotinsky Street, Ramat-Gan.
 - 12.1 The deadline for the delivery of position papers to the Bank: Up to 10 days before the meeting.

- 12.2 The deadline for the delivery of the Board of Directors' response to the position papers: Up to 5 days before the meeting.
13. The distribution address of the Israel Securities Authority's site and the website of the Tel-Aviv Stock Exchange Ltd, on which the voting papers and position papers are located:
- 13.1 The distribution site of the Israel Securities Authority:
<http://www.magna.isa.gov.il/>;
- 13.2 The Internet site of the Tel-Aviv Stock Exchange Ltd: <http://maya.tase.co.il/>
14. 14.1 A shareholder whose shares are registered with a TASE member may receive the ownership confirmation at a branch of the TASE member or by mail, if he has requested it. A request in this matter shall be given in advance regarding a particular securities account.
- 14.2 An Unregistered Shareholder may instruct that his ownership confirmation be transferred to the Bank through the Electronic Voting System.
15. An Unregistered Shareholder is entitled to receive by e-mail a link to the voting paper and position papers on the distribution site from the TASE member through which he holds his shares, free of charge, unless he has notified the TASE member that he does not wish to receive such a link, or that he wishes to receive voting papers by regular mail in return for payment; a notice regarding voting papers shall also apply to receiving position papers.
16. One or more shareholder(s) holding shares at a rate which constitutes five percent or more of the total voting rights at the Bank; and likewise, anyone holding such a percentage of the total voting rights that are not held by the Bank's controlling shareholder, as defined in Article 268 of the Companies Law, may peruse the voting papers and voting records through the Electronic Voting System that have arrived at the Bank, as detailed in Regulation 10 of the Regulations.
The quantity of shares constituting 5% of the total voting rights at the Bank is:
11,721,600
The quantity of shares constituting 5% of the total voting rights at the Bank, which are not held by the controlling shareholder, is: 6,573,358
17. Adding an issue to the agenda: After the publication of this report, there may be changes to the agenda, including the addition of an issue thereto, and position papers may be published; it will be possible to review the current agenda and published position papers in the Bank's reports on the distribution site.
One or more shareholder(s) who hold(s) shares representing at least 1% of the voting rights at the general meeting of the Bank may request the Board of Directors to include

an issue on the agenda of the meeting up to 7 days after the notice regarding the convening of the meeting, provided that the issue is appropriate for a discussion at the General Meeting.

Should the Board of Directors find that the issue requested to be included on the agenda is appropriate for a discussion at the General Meeting, the Bank shall prepare an updated agenda and an amended voting paper, insofar as this may be required, which will be published no later than 7 days after the final date to produce a request to include another issue on the agenda, as stated above. It is clarified that the publication of an updated agenda, as stated above, shall not change the effective date as set forth in the Immediate Report.

18. A shareholder shall indicate his voting manner regarding the issues on the agenda on the form which is the second part of this voting paper; and in the event that the shareholder is voting by power of attorney (i.e. through an agent), the above details shall be given both regarding the grantor of the power of attorney and the agent.

Voting Paper - Part Two

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

Company Address (for delivery of voting papers): Ms. Maya Feller, Company Secretary,
Mizrahi Tefahot Bank Ltd., 7 Jabotinsky Street, 13th floor, Ramat-Gan 52520.

Company No.: 520000522

Meeting Date: August 20, 2019

Meeting Type: Special

Effective Date: July 21, 2019

(Hereunto to be filled by the Company).

Shareholder Details

Shareholder's name: _____

Identity no.: _____

If the shareholder does not have an Israeli identification card:

Passport no.: _____

Issuing country: _____

Valid until: _____

If the shareholder is a corporation:

Corporation no.: _____

Country of incorporation: _____

Voting manner

Number of issue on the agenda, as detailed in the immediate report regarding the convening of the meeting	Manner of voting ¹			In the matter of Article 239(b) to the Companies Law: Are you a controlling shareholder or have a personal interest in the approval of the appointment of Mr. Joseph Fellus as an outside director under the Companies Law (except for a personal interest not resulting from your connections with the controlling shareholder) ² ?	
1					

Are you an interested party³, a senior officer⁴, an institutional body⁵ 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 "Institutional body", per this term's definition in the Supervision of Financial Services (Insurance) Law 5741-1981;

⁶ "Fund manager", per its meaning in the Joint Investment Trust Law 5721-1961;

For shareholders who are holding shares through a TASE member (according to Section 177(1) of the Companies Law) – this voting paper shall be valid only if accompanied with an ownership conformation, except in cases where the voting is 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 approval of Mr. Joseph Fellus’ appointment as an outside director under the Companies Law (as detailed in Section 1 of the immediate report and Section 3 of the voting paper):

To

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

Statement of a Candidate for Service as an Outside Director

Pursuant to Section 224B and 241 of the Companies Law, 5759-1999 (“**the Companies Law**”)

I, the undersigned, **Joseph Fellus**, bearer of ID No. **051641025**, hereby state in writing as follows:

1. I am a resident of Israel.
2. 2.1 I am not a relative of the controlling shareholder and I and/or my relatives and/or my partners and/or my employers and/or any person to whom I am directly or indirectly subordinate and/or any corporation in which I am a controlling shareholder, do not have at the date of the appointment and have not had, over the two years prior to the date of appointment as a director, any affinity to the Company, the Company’s controlling shareholder, a relative of the controlling shareholder or any other corporation.
- 2.2 I and/or my relatives and/or my partners and/or my employers and/or any person to whom I am directly or indirectly subordinate and/or any corporation in which I am a controlling shareholder, do not have, business or professional ties with the company, the company’s controlling shareholder, any relative of the controlling shareholder or any other corporation, even if such ties are not on a regular basis.

In this matter,

“**affinity**”: the existence of work relations, the existence of regular business or professional relations or control, as well as service as an officer, except for the service of a director appointed to serve as an outside director (per its meaning in the Companies Law) at a company about to offer shares to the public for the first time.

“**other corporation**”: a corporation in which the controlling shareholder, at the date of the appointment or in the two years prior to the appointment, is the Company or its controlling shareholder.

“**relative**”: a spouse, sibling, parent, grandparents, child; as well as a child, sibling, or parent of the spouse, or the spouse of any of these.

- 2.3 The aforesaid in Section 2 of my statement excludes:

- (1) Connections which the Audit Committee has confirmed do not attribute an “affinity” to the Bank (per its meaning in Article 240 of the Companies Law) to myself; and alternatively, that these are negligible connections, and as such they do not constitute an “affinity” under Regulation 5(a) of the Companies Regulations (Matters Which Do Not Constitute Affinity) 5766-2006 (hereinafter: “**Negligible Connections**”).
 - (2) Connections which the Audit Committee has confirmed are Negligible Connections.
3. I have not received any direct or indirect consideration for my service as a director at the Bank.
4. My position and/or other occupations do not and may not create conflict of interest with my position as a director at the Company and they do not impair my ability to serve as a director at the Company.
5. To the best of my knowledge, none of the Company’s directors serve as outside directors, per its meaning in the Companies Law, in companies in which I am a director.
6. I am not an employee of the Israel Securities Authority nor of an Israeli stock exchange.
7. I hereby declare that I comply with the requirements for my appointment as an outside director, per its meaning in the Companies Law (“**Outside Director According to the Companies Law**”), which are established in Article 240(a) through (f) of the Companies Law, as well as requirements for my appointment as an outside director, per its meaning in Proper Conduct of Banking Directive no. 301 Regarding the Board of Directors, issued by the Supervisor of Banks (“**Outside Director According to the Supervisor’s Directives**”) and I have not served as a director at the Bank for over nine consecutive years (and in this regard, discontinuance of service which does not exceed two years will not be considered as discontinuing the sequence of service).
8. I have the required qualifications and ability to dedicate the appropriate amount of time, to the performance of my duties as an Outside Director According to the Companies Law and as an Outside Director According to the Supervisor’s Directives considering, *inter alia*, the Bank’s special needs and size.

Considering the aforesaid, below are details regarding my qualifications, including my education, my experience, and my knowledge:

8.1 **Education:**

BA in Accounting (Tel-Aviv University); BA in Economics (Tel-Aviv University) and Practical Electronic Engineering (Yad Singalovski Technical School).

My current occupations (including details of the corporations in which I currently serve as a director):

Serves as a member (public representative) and Chairman of the Sports Betting Board (this tenure is to end prior to his appointment as a director at the Bank); director at Masa Caytz Ltd; director at Haide Yafo Ltd; director at Kaitz Beyafo Ltd; chairman of the Board of Directors and chief executive officer at Joseph Fellus Accountants; director at Meitav Hatene Holdings (1997) Ltd; director at Meitav Hatene Real Estate Holdings Ltd; director at Finity X Ltd; director at Bar Pal Foreign Investments Ltd; provision of consultancy and CFO services to a private company and its two subsidiaries.

My occupations in the last five years (including details of the corporations in which I have served as a director (except for occupations detailed in Section 8.2 above): Partner at the Kesselman & Kesselman Accountancy Firm until March 31st, 2019 (I had served as a managing partner at the aforesaid accountancy firm from 2014).

9. In view of the aforesaid in Section 8, I evaluate myself as having “accounting and financial expertise” and having “professional qualifications”, per these terms’ definitions in the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and for a Director with Professional Qualifications) 5766-2005.
10. I have read Articles 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these articles do not apply to me. The instructions of these articles, in their wording at the time of my statement’s signing, are detailed in the appendix attached to this statement which constitutes an inseparable part thereof.
11. I am aware that my statement will be attached to the immediate report that the Bank will publish on the matter of convening a general meeting, upon the agenda of which, *inter alia*, shall be my appointment as a director at the Bank.

In witness whereof I have hereunto set my hand:

Date: July 15th, 2019

Signature: [**Joseph Fellus**]

Articles 226 and 227 of the Companies Law 5759-1999

Article 226 of the Companies Law

- (a) A person convicted by a conclusive judgment of one of the following offenses shall not hold office as a director at a public company or a private company which has issued corporate bonds, unless five years have passed from the date on which the judgment by which he was convicted was passed:
- (1) offenses under articles 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 5737-1977, and under articles 52C, 52D, 53(a) and 54 of the Securities Law.
 - (2) conviction by a court outside Israel of the offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of inside information.
- (a1) A person convicted by a conclusive judgment of an offense which is not listed in sub-article (a) shall not hold office as a director at a public company or a private company which has issued corporate bonds, if the court has determined that due to its nature, severity or circumstances, he is not fit to serve as a director at a public company or a private company which has issued corporate bonds, for the period determined by the court, which shall not exceed five years from the date on which the judgment was passed.
- (b) A court may determine, at the date of the conviction or thereafter, at the request of a person seeking to be appointed as a director, that despite his conviction of offenses specified in sub-article (a) - and taking into account, *inter alia*, the circumstances in which the offense took place – he is not precluded from holding office as director of a public company or a private company which has issued corporate bonds; or that the period during which he is precluded from holding office as director of a public company or a private company which has issued corporate bonds is shorter than five years.
- (c) The Minister may prescribe additional offenses to those specified in sub-article (a)(1).
- (d) A court – and if an appeal was filed, an appeals court – may order a stay of execution on appointment limitations or tenure expiration, per this article, to a date that will be determined and under the conditions it sees fit.

Article 227 of the Companies Law

- (a) No person who is a minor; incompetent; declared bankrupt so long as he is not discharged; nor a corporation that has resolved to enter into voluntary liquidation or in respect of a liquidation order has been issued shall be appointed director.
- (b) A candidate to hold office as director to whom the aforesaid in sub-article (a) applies shall disclose this to the appointer.