

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 24, 2018
	www.isa.gov.il		www.tase.co.il		Ref: 2018-01-069973

Amending report to an impaired report sent on July 23, 2018 the reference no. of which is 2018-01-069643

The impairment:	<i>An error in the names list of directors who had participated in the Board of Directors' discussion of the issue detailed in Section 1.2 of the report on the convening of the general meeting, which is attached to this form ("convening report").</i>
Reason for the impairment:	<i>Clerical error</i>
Primary amendments made:	<i>In Section 1.2.12 b. of the convening report, Ms. Liora Ofer's name will be struck out from the list of directors who had participated in the Board of Directors' discussion of the resolution to reapprove the letter of undertaking, as she did not participate in the Board of Directors' discussion of this issue.</i>

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 2018-01-069643. It was called for August 30, 2018.

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 0.1*

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 31, 2018*.

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 23, 2018*

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

to be held on *Thursday, August 30, 2018, at 14:00*

at the following address: *7 Jabotinsky Street, Ramat-Gan, 13th Floor*

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 Ms. Hannah Feuer as an outside director at the bank, per the meaning of this term in the Companies Law, 5759-1999 (who also meets the qualifications of an outside director under Proper Conduct of Banking Business Directive No. 301) for a

service period of three (3) years, subject to the Supervisor of Banks not announcing her objection to the appointment or announcing her consent thereto.

Ms. Hannah Feuer will begin her tenure at the bank at the later of these dates: the date on which the general meeting will approve her appointment, as aforesaid; or the date on which the Supervisor of Banks will announce that she has no objection to the appointment or that she consents to it.

Additional details:

For additional details, see Section 1.1 of the immediate report on the convening of the special meeting regarding this matter, as well as Ms. Hannah Feuer's statement, which is attached as Appendix A 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 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 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;

(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 in the bank

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*

2

The issue/resolution and its details:

Description of the nature of the issue:

Re-approval of the bank's letter of exemption and indemnity undertaking, which are attached as Appendix B to the immediate report on the convening of the special meeting ("letter of undertaking"), in the matter of its applicability to the bank's controlling shareholders and their relatives, who serve from time to time, including those who have served in the past or may be appointed in the future.

The proposed resolution:

To reapprove the letter of undertaking, in the matter of its applicability to the bank's controlling shareholders and their relatives, who serve from time to time, including those who have served in the past or may be appointed in the future.

Further details:

It should be noted that the letter of undertaking applies to directors and other officers, including the bank's Chief Executive Officer, the bank's controlling shareholders and their relatives, as well as employees, as specified in the text of the letter of undertaking.

For further details, see Section 1.2 of the immediate report on the convening of the special meeting, on this matter.

Statement: No appropriate classification field exists

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):

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): [2018-01-069970](#)

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 request additional information from the holders:

Details of the additional information requested 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 request 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: Following 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 *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 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 bank or have personal interest in the approval of the resolution, 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 in the bank.

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:
reportandattachments_immediate_amending_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.

Voting_amendedpaper_isa.pdf

No statement of the 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_hannah_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 *September 6, 2018 at 14:00, at the following address: 7 Jabotinsky Street, Ramat-Gan, Israel, 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, 7 Jabotinsky Street, Ramat-Gan, during standard business hours, until the time set for the meeting.

Meeting identifier: *2018-01-069643*

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):

2018-01-069970

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:

Company website:

mangment@umtb.co.il

<https://www.mizrahi-tefahot.co.il>

Previous name of the reporting entity: United Mizrahi Bank Ltd

Name of the person reporting electronically:

Position:

Name of Employing

Feller Maya

Bank Secretary

Company:

Address: 7 Jabotinsky Street, Ramat Gan,
52520

Tel:

03-7559720

Fax:

03-7559923

E-mail:

mangment@umtb.co.il

Mizrahi Tefahot Bank Ltd

Date: July 24, 2018

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

Pursuant to the Companies Law, 5759-1999 (hereinafter: “**the Companies Law**”); 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 Securities Regulations (Transaction Between A Company and A Controlling Shareholder Therein) 5761-2001 (hereinafter: “**the Controlling Shareholder Regulations**”); 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 Thursday, August 30th, 2018, at 14:00, at the Bank’s offices, 7 Jabotinsky Street, Ramat-Gan, 13th floor.

1. **The issues on the agenda of the General Meeting and a summary of the proposed resolutions**

1.1 **Appointment of Ms. Hannah Feuer as an outside director at the Bank under the Companies Law**

1.1.1 **Description of the nature of the issue:** Appointment of an outside director at the Bank, per this term’s meaning under the Companies Law.

1.1.2 **The principle facts required to understand the matter:**

- a. It is proposed to appoint Ms. Hannah Feuer (hereinafter: “**the Candidate**”) as an outside director at the Bank 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, subject to the Supervisor of Banks not announcing her objection to the appointment or announcing her consent thereto.

The Candidate will begin her tenure at the bank at the later of these dates: the date on which the General Meeting will approve her appointment, as aforesaid; or the date on which the Supervisor of Banks will announce that she has no objection to the appointment or that she consents to it.

- 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:** Ms. Hannah Feuer
- (2) **I.D. no.:** 053549523
- (3) **Date of birth:** August 9th, 1955
- (4) **Address for service of court documents:** HaHermesh 13, Savyon
- (5) **Nationality:** Israeli
- (6) **Membership of Board Committee(s):** Not yet appointed
- (7) **Is she an independent director:** Yes (subject to the approval of her appointment, as detailed in Section 1.1.4 below).
- (8) **Is she an outside director, per this term's definition in the Companies Law:** Yes (subject to the approval of her appointment, as detailed in Section 1.1.4 below).
- (9) **Does she 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 she 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 she an employee of the Company, its subsidiary, its affiliate or an interested party therein:** No.
- (12) **The date on which she will begin her tenure as a director at the Company:** The Candidate will begin her tenure at the bank at the later of these dates: the date on which the General Meeting will approve her appointment, as specified below in Section 1.1.4; or the date on which the Supervisor of Banks will announce that she has no objection to the appointment or that she consents to it.
- (13) **Education:**

- Bachelor of Arts in Sociology, Tel Aviv University.
- Accounting and Financial Services, California State University Northridge (CSUN).

(14) **Her current occupations (including details of the corporations in which she currently serves as a director):**

- Outside director at Discount Capital Ltd (since December 21st, 2017).
- Director at Poalim Real Estate Fund (Israel) Ltd (since January 19th, 2010).
- Director at Poalim Real Estate Fund (Cyprus) (since March 18th, 2014).
- Outside director at OWC Pharmaceutical Research Corp (since October 30th, 2017)

The Candidate has noted in the statement she gave to the Bank that upon the approval of her appointment as an outside director at the Bank, she would resign immediately from her positions detailed above in this Subsection (14).

(15) **Her occupations in the last five years (including details of the corporations in which she currently serves as a director):** Chief Financial Officer at Poalim Capital Markets Ltd (September 2003 until September 2017).

For details regarding her current occupations, see Section 1.1.2b.(14) above.

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

(17) **Does the Bank consider her 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 23rd, 2018, 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 Ms. Hannah Feuer'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) and in the immediate report published by the Bank on March 6th, 2017 (ref. no. 2017-01-019141).

1.1.3 The Audit Committee has examined the existence of an "affinity" to the Bank, per Article 240 of the Companies Law, as detailed below:

- a. (1) A relative of the Candidate (hereinafter: "**the Relative**") is a 5% partner in a registered partnership (hereinafter: "**the Partnership**"); as the Bank was told, the Partnership includes more than 90 partners. In 2014, the Bank gave the Partnership a loan to acquire real estate. The loan was granted without a right of recourse to the partners, but rather only to the Partnership's assets. The loan (per its current balance) is fully guaranteed in a bank guarantee (hereinafter: "**the Real Estate Acquisition Loan**").
- (2) Furthermore, the Bank and its subsidiaries hire various consultancy services from a consulting company (hereinafter: "**the Consulting Company**") owned by the Partnership.
- b. A private company of which the Relative holds 9.6% (hereinafter: "**the Private Company**") is a customer of the Bank and has

accounts at the Bank under the ordinary course of business. The Private Company's shareholders, including the Relative, guarantee the repayment of credit received by the Private Company to the Bank, via sum-limited personal guarantees in accordance with their share in the Private Company's capital. The Private Company's accounts are run properly and under the ordinary course of business at the Bank.

- c. The Candidate and her relatives are customers of the Bank and have accounts at the Bank.
- d. The Audit Committee, in its meeting on July 2nd, 2018, approved the following, based on facts presented to it and based on the Candidate's statements:

In the matter of the connections specified above in Sections 1.1.3a.(1), 1.1.3b. and 1.1.3c. – an “affinity” to the Bank, per its meaning in Article 240 of the Companies Law, is not to be attributed to the Candidate (currently or in the last 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, 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: “**the Regulations Regarding A Lack of Affinity**”).

In the matter the connections specified above in Section 1.1.3a.(2) - 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 A Lack of Affinity.

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

- (1) In the matter the connections specified above in Section 1.1.3a.(1) – in light of the Partnership's status, its financial stability and its high ranking as a borrower, and particularly in view of the bank guarantee for the full sum of the Real Estate Acquisition Loan (per its current balance) made to the Bank. Furthermore, the aforesaid connections are negligible in terms of the Partnership and its partners, including the

Relative, also due to the fact that the Bank has no right of recourse to the partners, but rather only to the Partnership's assets.

Furthermore, as a general rule, a real estate acquisition loan fully backed by a bank guarantee, as specified above, could be received under the ordinary course of business at another bank.

- (2) In the matter the connections specified above in Section 1.1.3b. – In light of the Relative's guarantee to the Bank, which is sum-limited and which constitutes a negligible percentage of the total liability balances of the Bank's customers, and also in light of the fact that the Private Company's accounts at the Bank are run in an orderly manner and under the regular course of business, and also ensured by personal guarantees from the rest of its shareholders. Furthermore, as a general rule, such accounts (in light of the liability balances and the personal guarantees given to ensure them) could be run, under the ordinary course of business, at another commercial bank. It should further be noted that neither the Relative nor the Candidate depend upon the Private Company for livelihood.
- (3) In the matter the connections specified above in Section 1.1.3c. – Since these accounts have no liabilities, they merely hold asset balances, which constitute a negligible percentage of the total asset balances of the Bank's customers, and the accounts are run under the ordinary course of business.
- (4) In the matter the connections specified above in Section 1.1.3a.(2) – In light of the sums paid for the services and in light of the fact that the Bank does not depend on the Partnership and/or the Consulting Company for receiving the services. Likewise, as the Bank was told, these connections are also negligible in the view of the Consulting Company and the Partnership, considering, *inter alia*, the Partnership's status and stability, the large number of its customers and the low share of revenues from the Bank out

of the total revenues of the Consulting Company and the Partnership.

1.1.4 Text of the proposed resolution

To appoint Ms. Hannah Feuer 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, subject to the Supervisor of Banks not announcing her objection to the appointment or announcing her consent thereto.

The Candidate will begin her tenure at the bank at the later of these dates: the date on which the General Meeting will approve her appointment, as aforesaid; or the date on which the Supervisor of Banks will announce that she has no objection to the appointment or that she consents to it

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

The majority required at the general meeting and at a deferred meeting to approve Ms. Hannah Feuer's appointment as an outside director at the Bank under the Companies Law, as stated in Section 1.1.4 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 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 Subsection 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 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.

1.2 **Periodic approval of the letter of exemption and indemnity undertaking, in the matter of its applicability to the Bank’s controlling shareholders and their relatives**

1.2.1 **Description of the nature of the issue**

Re-approval of the Bank’s letter of exemption and indemnity undertaking, in the matter of its applicability to the Bank’s controlling shareholders and their relatives, who serve from time to time, including those who have served in the past or may be appointed in the future (hereinafter, jointly: “**Controlling Shareholders and Their Relatives**”).

1.2.2 **Background**

- a. On December 20th, 2001, having received the approval of the Bank’s Audit Committee and Board of Directors, the Bank’s general meeting approved a letter of exemption and indemnity undertaking (hereinafter: “**the Original Undertaking Letter**”); the principles of the aforesaid resolution were described in the report published by the Bank on November 28th, 2001, in accordance with the controlling shareholder regulations.
- b. On October 28th, 2004; on May 14th, 2006; on November 9th, 2011; on September 20th, 2012; and on December 23rd, 2015, the Bank’s

general meeting approved amended texts of the Original Undertaking Letter, after each such amended text was approved by the Bank's Audit Committee and/or Remuneration Committee (insofar as such an approval was required by law) as well as the Bank's Board of Directors. A summary of the details concerning 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 published by the Bank on October 3rd, 2011 (Reference No. 2011-01-290787); in Section 1.6.5 of the report published by the Bank on August 15th, 2012 (Reference No. 2012-01-211839); and in Section 1.4 of the (amended) report published by the Bank on December 7th, 2015 (Reference No. 2015-01-175365), in accordance with the controlling shareholder regulations.

The letter of exemption and indemnity undertaking, which was last approved on December 23rd, 2015, as aforesaid (in its full and updated text), by the Bank's general meeting (hereinafter: "**the Current Undertaking Letter**" or "**the Undertaking Letter**") is attached as **Appendix B** to this immediate report.

- c. In Article 275(a1) of the Companies Law it is established, *inter alia*, that a transaction between a public company and its controlling shareholder or his relative, who is also an officer therein, regarding the terms of his tenure and employment (as stated in Article 270(4) of the Companies Law) for a period exceeding three years must be approved, as provided in Article 275(a) of the Companies Law, once every three years.

Below are details per the Controlling Shareholder Regulations, with respect to the resolution to re-approve the Letter of Undertaking, in the matter of its applicability to the Bank's controlling shareholders and their relatives:

1.2.3 Description of the transaction's principles

- a. According to the aforesaid, since the Current Undertaking Letter was last approved on December 23rd, 2015 (in effect since September 20th, 2015, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives), it is hereby proposed to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders

and Their Relatives, as required by law.

The Undertaking Letter applies to directors and other officers, including the bank's Chief Executive Officer, the Bank's Controlling Shareholders and Their Relatives, as well as employees, as specified in the text of the Undertaking Letter.

- b. It should be noted that according to the Audit Committee's decision on September 21st, 2011; August 12th, 2012; and December 7th, 2015; and pursuant to the instructions of Article 275(a1)(2) of the Companies Law, the Bank's letter of exemption and indemnity undertaking, in the matter of its applicability to others entitled to indemnity thereby (who are not Controlling Shareholders and Their Relatives), shall be brought to re-approval once nine (9) years have passed from November 9th, 2011, insofar as such an approval shall be required by law. This is since this transaction is one in which the Bank's controlling shareholders have a personal interest, as noted above.

1.2.4 Text of the proposed resolution

To re-approve the Undertaking Letter, attached as Appendix B, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, who serve from time to time (including those who have served in the past or may be appointed in the future).

- 1.2.5 The resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, was approved by the Bank's Board of Directors on July 23rd, 2018, having received the approval of the Remuneration Committee on July 2nd, 2018.

- 1.2.6 It should be noted that the resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, is in accordance with the Bank's remuneration policy, as approved by the Bank's general meeting on February 14th, 2017 (reference no. 2017-01-013930).

- 1.2.7 The names of the controlling shareholders, per this term's meaning in Article 268 of the Companies Law, who have a personal interest in the transaction and the essence of the personal interest; details of the rights granting them control of the Bank, including their holdings at the Bank and voting agreements

- a. The names of the controlling shareholders, per this term's meaning in Article 268 of the Companies Law, who have a personal interest in the resolution to approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives (hereinafter in this section: **"the Resolution to Re-Approve the Undertaking Letter"**), are the controlling shareholders whose names are specified in the notes on holders 1 through 5 to the immediate report on the holdings status of interested parties and senior officers, published by the Bank on July 5th, 2018 (reference no.: 2018-01-064300) (hereinafter: **"Status Report"**), including:
- (1) Ms. Liora Ofer, as the Resolution to Re-Approve the Undertaking Letter would also apply to her, by virtue of her service as director at the Bank. Likewise, to the late Mr. Yuli Ofer, Ms. Liora Ofer's father, who served as a director at the Bank until December 24th, 2008. In addition, Mr. Doron Ofer may be considered as having a personal interest in the Resolution to Re-Approve the Undertaking Letter, due to the interest of his late father, Mr. Yuli Ofer, and the interest of his sister, Ms. Liora Ofer, as stated above. Mr. Eyal Ofer may also be considered as having a personal interest in the Resolution to Re-Approve the Undertaking Letter, due to the agreements between "Ofer Group individuals", as detailed in Section 1.2.7b below and likewise due to the interest of his brother, Mr. Idan Ofer. Mr. Idan Ofer may be considered as having a personal interest in the Resolution to Re-Approve the Undertaking Letter, in view of his past service as a director at the Bank, as well as the interest of his brother, Mr. Eyal Ofer, in the aforesaid resolution.
 - (2) The Resolution to Re-Approve the Undertaking Letter would also apply to the late Mr. Moshe Wertheim, who served as a director at the Bank until September 15th, 2014. The esteemed Ms. Drorit Wertheim and Mr. David Wertheim may be considered as having a personal interest in the aforesaid resolution, due to the interest of their late

father, Mr. Moshe Wertheim, as stated above.

It is hereby clarified that the Resolution to Re-Approve the Undertaking Letter would also apply to the Bank's controlling shareholders or their relatives, who may be appointed in the future (even if their names are not specified above), and therefore these controlling shareholders and their relatives would have a personal interest in the aforesaid resolution.

- b. Details of the rights conferring control of the Bank to the aforesaid controlling shareholders, including a description of their holdings of voting rights and the Bank's issued and outstanding capital and voting agreements regarding the aforesaid voting rights, to which the controlling shareholders are party, are described in the notes regarding holders 1 through 5 in the Status Report.

This mention of the Status Report constitutes inclusion by way of reference to all information listed in the notes regarding holders 1 through 5 in the Status Report.

1.2.8 The manner in which the remuneration was established

As detailed above, no change has been made to the text of the Undertaking Letter (which is hereby brought to the approval of the general meeting, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives) compared to the text of the undertaking letter last approved on December 23rd, 2015, which applied to directors and other officers, including the Bank's Chief Executive Officer and employees (as aforesaid in Section 1.2.3a.). The reasoning of the Remuneration Committee and the Board of Directors as to the re-approval of the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, is specified in Section 1.2.11 below.

1.2.9 Approvals required or conditions established to perform the transaction

The resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, was approved by the Bank's Remuneration Committee and Board of Directors; and it is subject to the approval of the Bank's general meeting, pursuant to the instructions of Article 275 of the

Companies Law. This approval is to be granted on August 30th, 2018.

1.2.10 Details of transactions of the same type as this transaction or transactions similar thereto between the Bank and the controlling shareholders

- a. In the periodic report published by the Bank on February 27th, 2018 (Reference No. 2018-01-019303) for 2017, in Section C.4), 5), 6), 7), 8) and 9) of Note 26 of the 2017 financial reports (hereinafter: “**Section C**”), undertakings to indemnify officers and employees, granted by the Bank, as well as undertakings to indemnify officers and employees granted by Tefahot Mortgage Bank and a consolidated company which it fully owned and controlled; and by the Adanim Mortgage Bank Ltd, which were the Bank’s subsidiaries and were merged into the Bank, in the framework of which the Bank took the aforesaid undertakings upon itself, are described. This mention constitutes inclusion by way of reference to all information listed in Section C in this matter, as aforesaid.
- b. Additionally, on May 12th, 1998, the Bank’s general meeting approved the granting of an undertaking to indemnify officers at the Bank (hereinafter in this section: “**1998 Undertaking**”) under which the Bank undertook to indemnify the officers under the conditions detailed in the 1998 Undertaking, due to a sale offer of the Bank’s securities to the public by the State of Israel, according to a prospectus published in 1998 and in connection with it, provided that the indemnity sum to be paid by the Bank to all officers, cumulatively, according to the 1998 Undertaking, did not exceed CPI-linked ILS 1000 M, as detailed in the immediate report published by the Bank in this matter of May 13th, 1998.
- c. On April 18th, 2000, the Bank’s general meeting approved the granting of an undertaking to indemnify officers at the Bank (hereinafter in this section: “**2000 Undertaking**”) according to which the Bank undertook to indemnify the officers under the conditions detailed in the 2000 Undertaking, due to a sale offer of the Bank’s securities to the public by the State of Israel, according to a prospectus which was to be published in the year

2000 (hereinafter: “**2000 Prospectus**”) and in connection with it, provided that the indemnity sum to be paid by the Bank to all officers, cumulatively, according to the 2000 Undertaking, did not exceed CPI-linked ILS 1000 M, as detailed in the immediate report published by the Bank in this matter of March 23rd, 2000. However, the 2000 Prospectus was not published by the Bank and only a draft thereof was submitted to the Securities Authority.

In the event that the 2000 Prospectus is not published, the 2000 Undertaking established as follows:

“5.1 The undertaking to indemnify shall enter into force upon the publication of the prospectus and the completion of the securities offer thereby, and likewise if the prospectus is published but the securities offer is not completed due to its cancellation for any reason; however, if the prospectus is not published, the undertaking to indemnify shall apply to financial liabilities and legal expenses as aforesaid in Section 1 above, which were incurred or shall be incurred to the officer due to criminal or civil proceedings served by a member of the public in connection with or as a result of a draft of the prospectus served to the Securities Authority, and anything connected to or deriving therefrom, whether directly or indirectly”.

1.2.11 The Remuneration Committee and Board of Directors’ reasoning for approving the transaction, the value of the consideration and the manner in which it was established

In the Remuneration Committee and the Board of Directors’ reasoning for the resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank’s Controlling Shareholders and Their Relatives, it was noted that the re-approval of the Undertaking Letter would contribute to the Controlling Shareholders and Their Relatives, as they may be from time to time, fulfilling their duties properly, while considering the exposures and risks involved, as with the rest of the entitled per the Undertaking Letter.

1.2.12 The names of the directors who attended the discussions held by the Remuneration Committee and the Board of Directors regarding the resolution to re-approve the Undertaking Letter

- a. The Remuneration Committee's discussion on July 2nd, 2018, was attended by the following directors: Abraham Neyman (chairman) (out. dir.), Gideon Siterman (out. dir.) and Sabina Biran.
- b. The Board of Directors' discussion on July 23rd, 2018, was attended by the following directors: Moshe Vidman (chairman), Zvi Ephrat, Avraham Zeldman, Mordechai Meir, Joseph Shachak, Jonathan Kaplan, Sabina Biran, Abraham Neyman (out. dir.).

1.2.13 The name of each director who has a personal interest in the resolution to re-approve the Undertaking Letter

The director Ms. Liora Ofer shall be considered as having a personal interest in the resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, since the resolution would also apply to her, by virtue of her being one of the Bank's controlling shareholders.

1.2.14 The power of the Securities Authority

Pursuant to the controlling shareholder regulations, within twenty-one days of the report's submission, the Securities Authority or an employee so designated thereby (hereinafter: "**the Authority**") may instruct the Bank to provide an explanation, details, information and documents regarding the resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, within a timeframe it shall establish; and likewise to instruct the Bank to amend the report in the manner and within the timeframe it shall establish. Once such an instruction to amend the report has been given, the Authority may instruct the deferral of the general meeting, as stated in the controlling shareholder regulations. The Bank will submit an amendment and likewise publish a notice regarding this matter, per the aforesaid instruction in the manner established by the controlling shareholder regulations, unless instructed otherwise by the Authority.

If an instruction has been given to defer the date of the general meeting's convening, the Bank will announce it via an immediate report.

1.2.15 The majority required to re-approve the Undertaking Letter, in the

matter of its applicability to the Bank's Controlling Shareholders and Their Relatives

The majority required at the general meeting and at a deferred meeting to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, as stated in Section 1.2.4 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 do not have personal interest in the approval of the resolution, 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 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 this immediate report whether he is considered to have a personal interest in the approval of the resolution or 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.

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

- 2.1 The general meeting will convene on Thursday, August 30th, 2018, at 14:00, 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 September 6th, 2018, 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 31st, 2018 (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 resolutions on the agenda via voting paper, as detailed below (hereinafter: "**Written Vote**" or "**Voting Paper**").
- 2.5 2.5.1 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.
- 2.5.2 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 C**. 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. 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:

2.8.1 The distribution site of the Israel Securities Authority:

<http://www.magna.isa.gov.il/>

2.8.2 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 2.12.1 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.

2.12.2 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) 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
- 2.13.1 The deadline for the delivery of position papers to the Bank: Up to 10 days before the meeting.
- 2.13.2 The deadline for the delivery of the Board of Directors' response to the position papers: Up to 5 days before the meeting.
- 2.14 2.14.1 Attention is directed to 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 [...] 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”.***
- 2.14.2 From the aforesaid instructions it arises, *inter alia*, that where concerns the appointment of the director, Ms. Hannah Feuer, as detailed in Section 1.1 above, a voting proxy who is also a shareholder at the Bank may only vote in the name of and on behalf of one other shareholder, as detailed in the aforesaid instructions.
- In the matter of additional issue on the general meeting's agenda (as detailed in Section 1.2 above), there is nothing preventing a proxy vote represented more than one shareholder.
3. 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:

- 3.1 The identity of the voter: For an individual, first name and last name; for a corporation, the name of the corporation and its number;
 - 3.2 The amount of securities by which power the vote was made;
 - 3.3 The voting manner;
 - 3.4 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;
 - 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.

Respectfully,
Maya Feller
Bank Secretary

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, 240 and 241 of the Companies Law, 5759-1999 (“**the Companies Law**”)

I, the undersigned, **Hannah Feuer**, bearer of ID No. **0-5354952-3**, 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 and have not had, over the two years prior to the date on which I am due to begin my tenure 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, in addition to the remuneration and reimbursement of expenses to which I am entitled, 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:

- Between September 2003 and September 2017, I served as Chief Financial Officer and a member of management at Poalim Capital Markets Ltd, a subsidiary fully owned by Bank Hapoalim Ltd
- Between 1993 and 2002, I served as Chief Financial Officer at the Shrem Fudim Kelner Group Ltd (formerly Dovrat Shrem & Co.), a public company that was traded on the Tel Aviv Stock Exchange

- Between 1989 and 1993 – Brightman-Almagor & Co. Accounting Firm (formerly Almagor-Besh & Co.)
 - Between 1985 and 1988 – Baker Tilly Accounting Firm (formerly Eliezer Oren & Co.)
 - In November 1982, I passed the examinations of the Board of Accountancy in the state of California, USA
 - In 1980-1981 I completed the Accounting and Financial Services courses at California State University Northridge (CSUN) that are required to take accountancy examinations.
 - Below are the details of the corporations in which I currently serve as a director:
 Outside director at Discount Capital Ltd (since December 21st, 2017)
 Director at Poalim Real Estate Fund (Israel) Ltd (since January 19th, 2010)
 Director at Poalim Real Estate Fund (Cyprus) (since March 18th, 2014)
 Outside director at OWC Pharmaceutical Research Corp (since October 30th, 2017)
 Subject to the expected approval of the appointment, I intend to resign immediately from all of the directorial boards specified above.
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 23rd, 2018

Signature: [**Hannah Feuer**]

Approved on December 23rd, 2015, by the general meeting

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.
“Restrictive Trade Practices Law”	The Restrictive Trade Practices 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.
“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.
“Undertaking Letter”	This letter of exemption and indemnity undertaking.
“index”	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.
“Effective Date”	November 27 th , 2001.
“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: <ul style="list-style-type: none"> 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; and December 23rd, 2015 (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.

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 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 Restrictive Trade Practices Law, as it may be amended from time to time; and
- 2.2.6.7 A proceeding under another law, which is not mentioned in Section 2.2.6.1 until 2.2.6.6 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 (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 December 23rd, 2015.

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**

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

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 or some other liability, per its meaning in the Proper Conduct of Banking Business Directives (including syndications), including the grant of credit, its renewal, its cancellation, 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 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 and drawing arrangements with debtors;
 - 1.3 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; and all including sales,

purchases, 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, 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, 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 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 under the Guarantee Law 5727-1967 and under the Advising Law and the Pension Counselling Law;
- 1.7 An action regarding identification, reporting, management and preservation of records, by law, including: the Prohibition on Money Laundering Law 5760-

2000, including the Prohibition on Money Laundering Order 5761-2001 (hereinafter: “**Prohibition on Money Laundering Order**”), the Prohibition of Financing Terrorism Law 5765-2005, the Law on the Struggle Against Iran’s Nuclear Program 5772-2012, 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;
- 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, to 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 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, information security risks and cyber risks, model risk, outsourcing risks, human error risks, risks arising from external natural events, 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 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 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 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 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, social rights, rotation, employee complaints, transfer of an employee from his position, termination of employee-employer relations, work safety issues, employee health, establishing work practices, supervision of employees and maintaining workplace and its security. In this matter, “**employee**”: any employee, including an officer, 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, as well as an event or action in connection with cash center and cash transportation;
 - 1.19 An action under the framework of legal or administrative proceedings, that the Bank or a subsidiary of the Bank, including an employee or officer, are party thereto, 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;
 - 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.
2. Offering or issuing securities, including but without derogating from the generality of the above, an offer of securities to the public pursuant to a prospectus 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, transfer, lease or rental of services, goods, real estate, securities, 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 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 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”, including the distribution of dividends to shareholders of the Bank.
6. An action, report, notice, delivery or publication of information, data, details, representations, opinions and documents, including immediate reports and reports as specified in Section 4 of this Supplement (hereinafter together: “**information**”), which are made or submitted under any law or in connection therewith, including, without derogating from the generality of the above: 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 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 Securities Law; the Joint Investment Law; the Advising Law; the Provident Fund Control Law; the Pension Counseling Law; the Prohibition on Money Laundering Law 5760-2000; the Restrictive Trade Practices Law; and the Income Tax Ordinance (New Version), 5721-1961, as well as regulations, orders, instructions and rules prescribed under said legislation, including rules and guidelines prevailing at the stock exchange in Israel or abroad, as well as 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, the Registrar of Companies, the Supervisor of Banks, the Commissioner of the Capital Markets, Insurance and Savings at the Finance Ministry, the Antitrust 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 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.
8. An action in connection with the Restrictive Trade Practices 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 holds shares or other means of control, directly or indirectly, at any proportion, including non-financial corporations, or a corporation which the Bank has an interest; 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. Notwithstanding the aforesaid in this Supplement, the following events shall not be included in this Supplement:
 - 10.1 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.
 - 10.2 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.
11. 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 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, restructuring or an action as aforesaid, including a report under the instructions of the Companies Law, the Securities Law and the Income Tax Ordinance (New Version) 5721-1961, as well as regulations, orders and instructions prescribed under said legislation.

12. An action in connection with the transfer of information required by law to interested parties.
13. An action in connection with accessibility, proper representation, non-discrimination and fulfilling the rights of persons with disabilities, and any discrimination on other grounds.
14. 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.
15. 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.
16. 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.

The following is hereby clarified:

- (a) An 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.

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 Thursday, August 30th, 2018, at 14:00, at the Bank's offices at 7 Jabotinsky Street, 13th floor, Ramat-Gan. Should the meeting be deferred, it shall take place on September 6th, 2018, at the same time and place.
3. Details of the issue on the agenda, as detailed in the amended immediate report published by the Bank on July 24th, 2018 (hereinafter: "**the Immediate Report**"):
 - 3.1 The appointment of Ms. Hannah Feuer as an outside director at the Bank, per this term's meaning in the Companies Law 5759-1999 (hereinafter: "**the Companies Law**") – issue no. 1.1 on the agenda, as detailed in the Immediate Report
 - 3.1.1 **Text of the proposed resolution**: To appoint Ms. Hannah Feuer (hereinafter: "**the Candidate**") as an outside director at the Bank 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, subject to the Supervisor of Banks not announcing her objection to the appointment or announcing her consent thereto.

The Candidate will begin her tenure at the Bank at the later of these dates: the date on which the General Meeting will approve her appointment, as aforesaid; or the date on which the Supervisor of Banks will announce that she has no objection to the appointment or that she consents to it.
 - 3.1.2 **Description of the nature of the issue and the principle facts required to understand the issue**:
 - a. 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 Regulations²⁷):

- (1) **Name:** Ms. Hannah Feuer.
- (2) **I.D. no.:** 053549523
- (3) **Date of birth:** August 9th, 1955
- (4) **Address for service of court documents:** HaHermesh 13,
Savyon
- (5) **Nationality:** Israeli
- (6) **Membership of Board Committee(s):** Not yet appointed
- (7) **Is she an independent director:** Yes (subject to the approval of her appointment, as detailed in Section 3.1.1 above).
- (8) **Is she an outside director, per this term's definition in the Companies Law:** Yes (subject to the approval of her appointment, as detailed in Section 3.1.1 above).
- (9) **Does she 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 she 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 she an employee of the Company, its subsidiary, its affiliate or an interested party therein:** No.
- (12) **The date on which she will begin her tenure as a director at the Company:** As detailed in Section 3.1.1 above.
- (13) **Education:**
 - Bachelor of Arts in Sociology, Tel Aviv University.
 - Accounting and Financial Services, California State University Northridge (CSUN).
- (14) **Her current occupations (including details of the corporations in which she currently serves as a director):**
 - Outside director at Discount Capital Ltd (since

December 21st, 2017).

- Director at Poalim Real Estate Fund (Israel) Ltd (since January 19th, 2010).
- Director at Poalim Real Estate Fund (Cyprus) (since March 18th, 2014).
- Outside director at OWC Pharmaceutical Research Corp (since October 30th, 2017).

The Candidate has noted in the statement she gave to the Bank that upon the approval of her appointment as an outside director at the Bank, she would resign immediately from her positions detailed above in this Subsection (14).

(15) **Her occupations in the last five years (including details of the corporations in which she currently serves as a director):** Chief Financial Officer at Poalim Capital Markets Ltd (September 2003 until September 2017).

For details regarding her current occupations, see Section 3.1.2a.(14) above.

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

(17) **Does the Bank consider her 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.

- b. The Candidate gave a statement to the Bank, per Articles 224b. and 241 of the Companies Law. A copy of Ms. Hannah Feuer's statement is attached to the Immediate Report as Appendix A.
- c. 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"; with respect to the rest of the reviewed connections, these are merely negligible connections, and as such they do not constitute an "affinity".

For further details, see Section 1.1.3 of the Immediate Report.

3.1.3 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 Ms. Hannah Feuer’s appointment as a director, as detailed above in this 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.

3.1.4 For further details, see Section 1.1 of the Immediate Report.

3.2 Periodic approval of the letter of exemption and indemnity undertaking, in the matter of its applicability to the Bank’s controlling shareholders and their relatives – issue no. 1.2 on the agenda, as detailed in the Immediate Report

3.2.1 **Description of the nature of the issue:** Re-approval of the Bank’s letter of exemption and indemnity undertaking, in the matter of its applicability to the Bank’s controlling shareholders and their relatives, who serve from time to time, including those who have served in the past or may be appointed in the future (hereinafter, jointly:

“Controlling Shareholders and Their Relatives”).

3.2.2 **The principle facts required to understand the issue:**

a. On December 20th, 2001, having received the approval of the Bank’s Audit Committee and Board of Directors, the Bank’s general meeting approved a letter of exemption and indemnity undertaking (hereinafter: **“the Original Undertaking Letter”**); the principles of the aforesaid resolution were described in the report published by the Bank on November 28th, 2001, in accordance with the controlling shareholder regulations.

- b. On October 28th, 2004; on May 14th, 2006; on November 9th, 2011; on September 20th, 2012; and on December 23rd, 2015, the Bank's general meeting approved amended texts of the Original Undertaking Letter.

The letter of exemption and indemnity undertaking, which was last approved on December 23rd, 2015, as aforesaid (in its full and updated text), by the Bank's general meeting (hereinafter: "**the Current Undertaking Letter**" or "**the Undertaking Letter**") is attached as Appendix B to the Immediate Report

- c. In Article 275(a1) of the Companies Law it is established, *inter alia*, that a transaction between a public company and its controlling shareholder or his relative, who is also an officer therein, regarding the terms of his tenure and employment (as stated in Article 270(4) of the Companies Law) for a period exceeding three years must be approved, as provided in Article 275(a) of the Companies Law, once every three years.

Below are details per the Controlling Shareholder Regulations, with respect to the resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's controlling shareholders and their relatives

3.2.3 **Description of the transaction's principles**

- a. According to the aforesaid, since the Current Undertaking Letter was last approved on December 23rd, 2015 (in effect since September 20th, 2015, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives), it is hereby proposed to re-approve the Undertaking Letter, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, as required by law.
- b. The Undertaking Letter applies to directors and other officers, including the bank's Chief Executive Officer, the Bank's Controlling Shareholders and Their Relatives, as well as employees, as specified in the text of the Undertaking Letter.

3.2.4 **Text of the proposed resolution:** To re-approve the Undertaking Letter, attached as Appendix B to the Immediate Report, in the matter of its applicability to the Bank's Controlling Shareholders and Their Relatives, who serve from time to time, including those who have

served in the past or may be appointed in the future (hereinafter: “**the resolution to re-approve the Undertaking Letter**”).

- 3.2.5 It should be noted that the resolution to re-approve the Undertaking Letter, in the matter of its applicability to the Bank’s Controlling Shareholders and Their Relatives, is in accordance with the Bank’s remuneration policy, as approved by the Bank’s general meeting on February 14th, 2017 (reference no. 2017-01-013930).
- 3.2.6 The director Ms. Liora Ofer shall be considered as having a personal interest in the resolution to re-approve the Undertaking Letter, since the resolution would also apply to her, by virtue of her being one of the Bank’s controlling shareholders.
- 3.2.7 For details on the controlling shareholders, per this term’s meaning in Article 268 of the Companies Law, who have a personal interest in the resolution to re-approve the Undertaking Letter and the nature of their personal interest, as well as details of the rights granting the controlling shareholders control of the Bank, including their holdings at the Bank and voting agreements, see Section 1.2.7 of the Immediate Report.
- 3.2.8 For details of transactions of the same type as this transaction or transactions similar thereto between the Bank and the controlling shareholders, see Section 1.2.10 of the Immediate Report.
- 3.2.9 For the reasoning of the Remuneration Committee and Board of Directors’ as to approving the transaction, the value of the consideration and the manner in which it was established, see Section 1.2.11 of the Immediate Report.
- 3.2.10 For further details, see Section 1.2 of the Immediate Report.

4. The majority required to pass the resolutions at the special General Meeting, for each of the issues on the agenda:

4.1 The majority required to approve appointment of Ms. Hannah Feuer as an outside director at the Bank under the Companies Law:

The majority required at the General Meeting and at a deferred meeting to approve Ms. Hannah Feuer’s appointment as an outside director at the Bank 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:

- 4.1.1 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;

4.1.2 The total opposing votes of the shareholders referred to in Section 4.1.1 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.

4.2 The majority required to re-approve the Undertaking Letter, in the matter of its applicability to the Bank’s Controlling Shareholders and Their Relatives

The majority required at the General Meeting and at a deferred meeting to re-approve the Undertaking Letter, in the matter of its applicability to the Bank’s Controlling Shareholders and Their Relatives, as stated in Section 3.2 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:

4.2.1 The counting of the majority votes at the General Meeting will include a majority among the votes of shareholders who do not have personal

interest in the approval of the resolution, 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;

4.2.2 The total opposing votes of the shareholders referred to in Section 4.2.1 above does not exceed two percent (2%) of the total voting rights in the Company.

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 3.1 above and in Section 1.1 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: 11,655,548.

The quantity of shares constituting 5% of the total voting rights at the Bank, which are not held by the controlling shareholder, is: 6,507,306.

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 30, 2018

Meeting Type: Special

Effective Date: July 31, 2018

(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: _____

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 Ms. Hannah Feuer’s appointment as an outside director under the Companies Law (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 re-approval of the Undertaking Letter, in the matter of its applicability to the Bank’s controlling shareholders and their relatives (as detailed in Section 1.2 of the immediate report and Section 3.2 of the voting paper):
