

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

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To	<b><u>Israel Securities Authority</u></b>	To	<b><u>Tel Aviv Stock Exchange Ltd</u></b>	T121 (Public)	Date of transmission: December 28, 2016
	<b>www.isa.gov.il</b>		<b>www.tase.co.il</b>		Ref: 2016-01-092391

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**Immediate Report**

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

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

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

**Nature of the Event: Holding of the Bank's Means of Control**

*Attached is a notice received today from the attorney of M.W.Z. (Holdings) Ltd and F&W General Partnership, titled "Notice regarding the holdings of David Wertheim and Drorit Wertheim in Mizrahi Tefahot Bank Ltd".*

Attached file [letter281216\\_isa.pdf](#)

☐ The company is a shell company, as defined in the TASE Rules and Regulations.

Date on which the corporation first learned of the event: *December 28, 2016 at 10:00.*

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

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

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Securities of a Corporation Listed for Trading  
on the Tel Aviv Stock Exchange  
Abbreviated Name: Mizrahi Tefahot  
Address: 7 Jabotinsky Street  
Ramat Gan, 52520, Israel  
E-mail: [mangment@umtb.co.il](mailto:mangment@umtb.co.il)

Form structure revision date: December 26, 2016

Tel: 03-7559207 Fax: 03-7559913  
03-7559720

Previous name of the reporting entity: United Mizrahi Bank Ltd.

Name of the person reporting electronically: Feller Maya Position: Bank Secretary Name of Employing Company:

Address: 7 Jabotinsky Street, Ramat Gan, 52520, Israel Tel: 03-7559720 Fax: 03-7559923 E-mail: [mangment@umtb.co.il](mailto:mangment@umtb.co.il)

December 28, 2016  
Our number: 5546729

To:  
Mizrahi Tefahot Bank Ltd  
7 Jabotinsky  
**Ramat Gan**

c/o: Ms. Maya Feller, Bank Secretary

Dear Madam,

**Re: Notice regarding the holdings of David Wertheim and Drorit Wertheim  
in Mizrahi Tefahot Bank Ltd ("Bank")**

On behalf of my clients, M.W.Z. (Holdings) Ltd and F&W General Partnership, I am contacting you regarding the following:

1. **Today, December 27<sup>th</sup>, 2016, Dr. Karnit Flug, Governor of the Bank of Israel, notified ("Governor's Notice") Messr. David Wertheim and Mme. Drorit Wertheim (together: "Messr. and Mme. Wertheim") that they are permitted to exercise their means of control at the Bank.**

The background for the Governor's Notice and its principles are detailed below:

2. On February 17th, 2013, Mr. Moshe Wertheim OBM notified you that he gave, as a present to his children, Messr. and Mme. Wertheim, the entirety of his shares and holdings in the corporations under his ownership and full control, M.W.Z. (Holdings) Ltd and F&W General Partnership ("**M.W.Z.**", "**Partnership**" and together: "**Holding Corporations**", which hold the Bank's shares and which are part of its control core, at a rate of 63% to David Wertheim and 37% to Drorit Wertheim.
3. On August 31<sup>st</sup>, 2016, Mr. Moshe Wertheim OBM passed away.
4. As aforesaid, today, on December 27<sup>th</sup>, 2016, the Governor's Notice was delivered and its essence is as follows:  
The control permit at the Bank granted to Mr. Moshe Wertheim OBM is void. The instructions of this control permit shall apply to Messr. and Mme. Wertheim, as of the date of the Governor's Notice, as though they have held the Bank's means of control lawfully according to the control permit; and they shall be seen, with the necessary changes, as Mr. Moshe Wertheim OBM's replacements in all matters related to the agreement dated October 6<sup>th</sup>, 1994, which is specified in Article 6 of the control permit of the Bank.
5. The Governor's Notice is effective immediately. However, the Bank of Israel reserves the right to continue reviewing the answers of Messr. and Mme. Wertheim to the "Banking Corporation Control Permit Applicant Questionnaire", including documents, information and data requested by the Bank of Israel; and to void the Governor's Notice, insofar as Messr. and Mme. Wertheim fail to produce answers, documents, information and data as requested by the Bank of Israel upon the date determined thereby.
6. On June 25<sup>th</sup>, 2015, Messr. and Mme. Wertheim became engaged in a shareholders' agreement regarding their holdings at the Bank. The agreement establishes a series of arrangements regarding the internal relations of Messr. and Mme. Wertheim among themselves, at the Holding Corporations, and within that, mechanisms for the appointment of directors at M.W.Z. and at the Bank, as well as decision-making mechanisms at the Holding Corporations.

7. The Governor's Notice is valid until December 10<sup>th</sup>, 2019, or until another date to be established by law (together: "**Effective Date**"). Insofar as the prevention (according to which, in view of legal reasons, Messr. and Mme. Wertheim are allegedly prevented from receiving a control permit of the Bank) is removed prior to the Effective Date, the Bank of Israel, under specific conditions detailed in the Governor's Notice, shall grant a control permit at the Bank to Messr. and Mme. Wertheim as of the date on which the prevention is removed.

Respectfully,  
Benjamin Rotenberg, Adv.  
Ron Gazit, Rotenberg & Co.