

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

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<b>To</b>	<b><u>Israel Securities Authority</u></b>	<b>To</b>	<b><u>Tel-Aviv Stock Exchange Ltd</u></b>	T460 (Public)	Date of transmission: August 10, 2016
	<b>www.isa.gov.il</b>		<b>www.tase.co.il</b>		Ref: 2016-01-100855

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**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.*

The corporation announces: *The convening of a meeting*

The reference number of the last meeting notice is \_\_\_\_\_. It was called for \_\_\_\_\_.  
Reason of postponement or cancellation: \_\_\_\_\_

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

1. Type of security: *Share*

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

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: *August 29, 2016.*

*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 *August 10, 2016*

it was resolved to *convene a meeting special meeting* \_\_\_\_\_

to be held on *Wednesday, September 28, 2016, at 14:00*

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

3. On the agenda:

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

Issues/resolutions which will be raised at the meeting:

The issue/resolution and its details:

*To appoint Ms. Osnat Ronen as an outside director at the bank, per the meaning of this term in the Companies Law 5759-1999 (which also complies with the eligibility conditions of an outside director, according to Proper Conduct of Banking Directive no. 301), for an additional tenure of three (3) years (a second tenure), which shall begin on October 23, 2016, subject to the Supervisor of Banks not announcing her objection to the aforesaid appointment or notifying of her consent thereto.*

*Appointment/extension of an outside director's tenure, as stated in 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 of 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 of 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 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

**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 *is not ordinary*.

*The proposed resolution is subject to the approval of the general meeting of the bank, in accordance with the provisions of Articles 245(a1)(2) and 239(b) of the Companies Law.*

*The majority required at the general meeting and at a deferred meeting is an ordinary majority of the shareholders present at the general meeting, who are entitled to vote and voting thereat, provided that one of the following takes place:*

*(1) The counting of the majority votes at the general meeting will include a majority of the total votes of shareholders who are neither controlling shareholders at the bank, nor have a personal interest in the approval of the resolution, except for personal interest not resulting from its relations 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 did 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 majority required to accept the proposed resolution upon the shareholder

No.

Attachment of the report on the convening of the meeting:  
*conveningreportandappendices\_100816\_isa.pdf*

4. Attached:  
Yes a voting paper  
No position paper

*votingpaper\_100816\_isa.pdf*

Yes declaration of the candidate to serve as corporate director  
No declaration of an independent director  
Yes declaration of an outside director

\_\_\_\_\_ declaration of a representative's appointment to representation  
\_\_\_\_\_ amended deed of trust  
\_\_\_\_\_ an application to approve a creditors' arrangement under Article 350  
\_\_\_\_\_ other \_\_\_\_\_  
*declaration\_100816\_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: Voting system  
**Explanation: Those who are entitled to vote through the system will receive access information from stock exchange members.**

5. The legal quorum for holding the meeting:

*The legal quorum 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 quorum, the deferred meeting will be held on *October 5, 2016 at 14:00*, at the following address: *7 Jabotinsky Street, Ramat-Gan, Israel, 13<sup>th</sup> floor*
- No meeting shall be held in the absence of a legal quorum.

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

*At the bank's offices (Tel: 03-7559720), 7 Jabotinsky Street (13<sup>th</sup> Floor), Ramat-Gan, during standard business hours, until the time set for the meeting.*

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

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

**2016-01-080560**

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Securities of a Corporation Listed for Trading on the Tel-Aviv Stock Exchange      Form structure revision date: July 26, 2016

Abbreviated Name: Mizrahi Tefahot

Address: 7 Jabotinsky Street, Ramat-Gan, 52520      Tel: 03-7559207; 03-7559720

Fax: 03-7559913

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E-mail: MANGMENT@UMTB.CO.IL

Previous names of reporting entity: United Mizrahi Bank Ltd.

Name of person reporting  
electronically: Feller Maya

His position: Bank  
Secretary

Name of employing company:

Address: 7 Jabotinsky  
Street, Ramat-Gan, 52520

Tel: 03-7559720

Fax: 03-7559923

E-mail:  
mangment@umtb.co.il

## Mizrahi Tefahot Bank Ltd

**Re: Immediate Report on the Convening of a Special General Meeting of the Bank's shareholders, Pursuant to the Securities Regulations (Periodic and Immediate Reports) 5730-1970 (hereinafter: "Periodic And Immediate Report Regulations"), the Companies Regulations (Notice and Announcement of General Meeting and Class Meeting in Public Company) 5760-2000 (hereinafter: "Companies Regulations") and the Companies Law, 5759-1999 (hereinafter: "Companies Law")**

Pursuant to the Periodic and Immediate Report regulations, the Companies Regulations and the Companies Law, Mizrahi Tefahot Bank Ltd. (hereinafter: "**Bank**") hereby announces the convening of a special general meeting (hereinafter: "**General Meeting**") on Wednesday, September 28, 2016, at 14:00, at the Bank's offices, 7 Jabotinsky Street, Ramat-Gan, 13<sup>th</sup> floor.

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

**Appointment of Ms. Osnat Ronen as an outside director, according to the Companies Law**

- 1.1. Description of the nature of the issue: Appointment of an outside director at the Bank, per the meaning of this term in the Companies Law (hereinafter: "**Outside Director according to the Companies Law**").
- 1.2. Wording of the proposed resolution: To appoint Ms. Osnat Ronen as an Outside Director according to the Companies Law (who also complies with the eligibility conditions of an outside director, according to Proper Conduct of Banking Directive no. 301 (hereinafter: "**Directive 301**")), for an additional tenure of three (3) years (a second tenure), which shall begin on October 23, 2016, subject to the Supervisor of Banks not announcing her objection to the aforesaid appointment or notifying of her consent thereto.
- 1.3. The main facts required to understand the issue:
  - 1.3.1. Ms. Osnat Ronen was first appointed as an Outside Director according to the Companies Law on October 23, 2013, for a tenure of three (3) years (and also served as an outside director according to Directive 301); Ms. Ronen was evaluated by the Board of Directors as a director with accounting and financial expertise, per the meaning of this term in the Companies Regulations (Conditions and Criteria for Directors with Accounting and Financial Expertise and Directors with Financial Expertise) 5766-2005 (hereinafter: "**Regulations**").

**Regarding Expertise**"). Furthermore, on February 19, 2015, Ms. Ronen was also evaluated by the Board of Directors as having professional expertise, per the Regulations Regarding Expertise.

On August 10, 2016, the Board of Directors once again reevaluated (for the sake of good order) that Ms. Ronen has accounting and financial expertise and professional expertise, per the aforesaid regulations.

1.3.2. It is proposed that Ms. Osnat Ronen be appointed as an Outside Director according to the Companies Law (who also complies with the eligibility conditions of an outside director, according to Directive 301) for an additional tenure of three (3) years (a second tenure), which shall begin on October 23, 2016, subject to the Supervisor of Banks not announcing her objection to the aforesaid appointment or notifying of her consent thereto. Ms. Ronen's candidacy for an additional tenure of three (3) years was proposed by the Bank's Board of Directors, in accordance with Article 245(a1)(2) to the Companies Law.

1.3.3. The Bank hereby refers to the details required by Regulation 26 of the Periodic and Immediate Report Regulations regarding Ms. Osnat Ronen, as included in the periodic report for 2015 that was published by the Bank on February 25, 2016 (Ref. No. 2016-01-034402) (hereinafter: "**Periodic Report**"), subject to the updates detailed below; this mention constitutes inclusion by way of reference to all information listed in this matter in the aforesaid Periodic Report. The changes which have occurred in the details noted with respect to Ms. Ronen in the Periodic Report on the matter of Regulation 26 of the Periodic and Immediate Report Regulations are as follows:

- a. The special Board of Directors committee to examine the past provision of credit to certain borrowers completed its work on November 18, 2015; accordingly, Ms. Ronen and the rest of the directors who were members of the committee have ended their membership thereof;
- b. Ms. Ronen's tenure as a director at AudioCodes Ltd. should be removed from the list of occupations over the past five years, as more than five years have passed from the end of Ms. Ronen's tenure as a director at the aforesaid company.

1.3.4. Ms. Ronen has delivered a declaration to the Bank, per Articles 224b. and 241 of the Companies Law, attached as **Appendix A** to this immediate report.

1.3.5. Ms. Osnat Ronen is a limited partner at an Israeli partnership (hereinafter: "**Israeli Partnership**") and also has a right to participate in future profits of the Israeli Partnership, at a (small) percentage of shareholders' right in the general managing partner of the Israeli Partnership. In this matter, the Bank's Audit Committee has examined the relations between the Israeli Partnership -

including the shareholders in the general managing partner of this partnership - and the Bank and corporations controlled by controlling shareholders of the Bank or their relatives.

Furthermore, the Bank's Audit Committee has examined the relations between the Bank and Ms. Osnat Ronen, paying attention to the fact that Ms. Ronen, her spouse and companies under her control, as well as their relatives, are Bank customers and have accounts at the Bank.

Accordingly, on August 7, 2016, the Bank's Audit Committee confirmed that the relations detailed above do not constitute "connection" to the Bank, per its meaning in Article 240 of the Companies Law, including according to Regulation 5(a) of the Companies Regulations (Matters that Do Not Constitute a Connection) 5767-2006 (hereinafter: "**Regulations Regarding Matters that Do Not Constitute a Connection**").

In this context, the Audit Committee confirmed that the aforesaid relations are only "negligible connections" according to Regulation 5(a) of the Regulations Regarding Matters that Do Not Constitute a Connection, for both Ms. Osnat Ronen and the Bank.

1.3.6. It is hereby clarified that the remuneration to be paid to Ms. Osnat Ronen as an outside director with accounting and financial expertise and with professional expertise shall be according to the resolution on director remuneration, as detailed in the immediate report published by the Bank on September 15, 2014 (Ref. No. 2014-01-157959). This mention constitutes inclusion by way of reference to all information listed in this matter in the aforesaid immediate report.

1.3.7. It is further clarified that Ms. Ronen is eligible for the officers' exemption, indemnification and insurance, as approved by the general meeting of the Bank, as detailed in Article 1.4 of the amended immediate report published by the Bank on December 7, 2015 (Ref. No. 2015-01-175365); and Article 2 of the immediate report published by the Bank on August 3, 2015 (Ref. No. 2015-01-088308).

**1.4. The Majority Required for the Resolution to Approve Ms. Osnat Ronen's Appointment as an Outside Director according to the Companies Law**

The majority required at the general meeting and at a deferred meeting to approve the resolution to appoint Ms. Osnat Ronen as an Outside Director according to the Companies Law, as stated above in Article 1.2, is an ordinary majority of all shareholders present at the meeting, who are entitled to vote and have voted thereat, provided that one of the following takes place:

- (1) The counting of the majority votes at the general meeting shall include a majority of the total votes of shareholders who are neither controlling shareholders at the



Bank, nor have a personal interest in the approval of the appointment, except for personal interest not resulting from its relations with the controlling shareholder, who are participating in the vote; in the counting of the votes of the aforesaid shareholders, abstaining votes shall not be taken into account; those who have a personal interest shall be subject to the instructions of Article 276, with the required changes.

- (2) The total opposing votes of the shareholders referred to in Paragraph (1) above did not exceed two percent (2%) of the total voting rights in the Bank.

A shareholder participating in the vote with respect to the resolution specified above in this Article 1 shall notify the Bank prior to voting; and if voting through a voting paper – shall mark in Part B of the voting paper attached to this immediate report, in the designated place, whether he is considered a controlling shareholder at the Bank or a representative thereof, or has a personal interest in the approval of the issue on the agenda, as the matter may be; and he shall also describe the relevant connection, insofar as it exists. Should a shareholder fail to notify or mark as aforesaid, or if he has marked and not described as stated above, his vote shall not be counted.

In this report, "**personal interest**": an individual's personal interest in the 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 of 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 shall be considered as a vote by the holder of the personal interest, and all whether the judgment in the vote is that of the voter or not.

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

- 2.1. The general meeting will convene on Wednesday, September 28, 2016, 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 October 5, 2016, 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 August 29, 2016 (hereinafter: "**Effective Date**").

- 2.2. The legal quorum 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 redeemed capital shall not grant the Bank's controlling shareholders the majority required to

approve the resolution on the agenda of the special general meeting, assuming all other shareholders participate in the voting and vote against.

- 2.4. A shareholder is entitled to vote at the general meeting, in person or through an agent granted power of attorney to vote. In addition, a shareholder is entitled to vote at the general meeting at the vote to approve the resolution on the agenda through a 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 PM on the Effective Date, with regard to the securities account and not particular securities held in the account.
- 2.6. A Written Vote can be made through the second part of the Voting Paper, attached as **Appendix B** to this immediate report. 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 voting paper and the position paper therefrom.
- 2.10. 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.
- 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.

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 a group of holders as per section 11d(a)(3)(b) of the Ordinance, in regard to a vote for the appointment of a director proposed by them under that section, or to a holder of means of control who agrees with another that the other will vote in his name and on***

*his behalf without any discretion, as the said holder of means of control instructs him, provided that if the other holds, on his own behalf, means of control in the banking corporation or in the bank holding corporation, as the case may be, he shall not vote in the name and on behalf of more than one other holder".*

*Inter alia*, it arises from the aforesaid instructions that in the matter of the resolution in the agenda detailed in Article 1 above, a voting agent who is also a shareholder at the Bank may only vote in the name of and on behalf of a single other shareholder, as detailed in the aforesaid instructions.

4. Any holder of securities at the Bank voting at the meeting on the resolution on the agenda, who is a party with interest in the Bank (as defined in Article 1 of the Securities Law, 5728-1968); a senior officer at the Bank (as defined in Article 37(d) of the Securities Law, 5728-1968); an institutional investor (as defined in the Control of Financial Services (Insurance) Law, 5741-1981); or a fund manager (as meant in the Joint Investment Trusts Law, 5721-1961) is required to notify the Bank, prior to voting at the meeting, of the following details in the matter of his voting manner at the meeting:
  - 4.1. The identity of the voter: first name and last name for an individual; corporation name and number for a corporation;
  - 4.2. The amount of securities by power of which the vote was made;
  - 4.3. The voting manner;
  - 4.4. Whether the voter has a personal interest or another characteristic as set forth in the table that is in the addendum to the Companies Regulations (Written Votes and Position Papers), 5766-2005;
  - 4.5. Additional relations between the voter and the company, the controlling shareholder or a senior officer therein, including details on the nature of the relations;
  - 4.6. If the vote is by power of attorney, the above details shall be given both to the grantor of the power of attorney grantor and the agent.
5. **Changes to the Agenda, Adding an Issue to the Agenda and Position Papers**

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 meeting's convening, 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 this report.

6. **Details regarding the Bank's representative in respect of the treatment of this report**

Maya Feller, Bank Secretary, Mizrahi Tefahot Bank Ltd, 7 Jabotinsky St., Ramat-Gan,  
Tel: 03-7559720, Fax: 03-7559923

7. **Perusal of Documents**

The 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  
Secretary  
Mizrahi Tefahot  
Bank Ltd.

To

Mizrahi Tefahot Bank Ltd. (hereinafter: "**Bank**" or "**Company**")

**Declaration**

I, the undersigned, **Osnat Ronen**, bearer of identification card no. **057972077**, hereby declare in writing as follows:

1. I am a resident of Israel.
2. 2.1 I am not a relative of the controlling shareholder and neither I, nor my relatives, nor my partners, nor my employers, nor anyone to whom I am directly or indirectly subordinated; nor a corporation in which I am a controlling shareholder have or had in the two years prior to the date on which I am to be appointed director any connection to the Company, the controlling shareholder of the Company, a relative of the controlling shareholder or another corporation; and  
2.2 neither I, nor my relatives, nor my partners, nor my employers, nor anyone to whom I am directly or indirectly subordinated; nor a corporation in which I am a controlling shareholder have business or professional relations with the Company, the controlling shareholder of the Company, a relative of the controlling shareholder or another corporation, even if the aforesaid relations are not general.  
This excludes negligible relations, confirmed as such by the Audit Committee of the Bank and regarding which the conditions established in this matter under Article 5(a) of the Companies Regulations (Matters that Do Not Constitute a Connection) 5767-2006 exist.
3. I did not receive any direct or indirect consideration due to my tenure as a director at the Bank, in addition to the remuneration and reimbursement of expenses to which I am entitled.
4. My position and/or other occupations do not and are not liable to create a conflict of interests with my position as a director at the Company and will not harm my ability to serve as a director at the Company.
5. To the best of my knowledge, none of the directors serving at the Company serves as an outside director, per the meaning of this term in the Companies Law 5759-1999 ("**Companies Law**"), at the companies in which I serve as a director.
6. I am not an employee of a securities authority and likewise I am not an employee of a stock exchange in Israel.
7. I hereby declare that the eligibility conditions for my appointment as an outside director per its meaning in the Companies Law ("**Outside Director according to the Companies Law**"); and as an outside director per its meaning in the Proper Conduct of Banking Business

directive on the Board of Directors given by the Supervisor of Banks ("**Outside Director according to the Supervisor's Directives**"), apply to me, as established in Articles 240(a) through (f) to the Companies Law; and that I have not served as a director at the Bank for over nine consecutive years. In this matter, a tenure cessation of less than two years shall not be seen as breaking the tenure's continuity.

8. I have the required skills and the ability to devote the appropriate time for the performance of my position as an Outside Director according to the Companies Law and an Outside Director according to the Supervisor's Directives, paying attention, *inter alia*, to the Bank's special needs and its size.

Taking note of the above, here are the details of my skills, including my education, experience and knowledge:

**Education:** a Bachelor of Sciences in Mathematics and Computer Science and a Master of Business Administration with a specialty in Financing, both from the Tel-Aviv University.

**Employment:**

Current: A founding partner at FIREWIND PE

In addition to Mizrahi Tefahot Bank Ltd, I serve as a director at the following companies: Partner Communications Ltd, Fox Wixel Ltd, Perion Networks Ltd, as well as the College of Management Academic Studies and Yissum, the Hebrew University's Research and Development Company – at both of which I am a volunteer director.

**Former occupation:**

Representation of LIQUIDNET, INC in Israel.

General partner at the VIOLA PE Fund, director on behalf of the fund at the following companies: Amiad Filtration Systems Ltd, Aeronautics Ltd, Orad Hi-Tec Ltd, Matomy Media Group, Degania Silicone Ltd, and also a director at D-Pharm Ltd.

Prior to that - Deputy CEO at Leumi and Co. (now Leumi Partners).

In view of the aforesaid, I assess that I have accounting and financial expertise.

9. I have read Articles 226 and 227 of the Companies Law and I hereby declare that the limitations established in these articles do not apply to me.

In witness whereof, I affix my signature

Date: \_\_\_\_\_

Name + Signature: \_\_\_\_\_

**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: "**Company**" or "**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: "**General Meeting**"). The general meeting shall convene on Wednesday, September 28, 2016, at 14:00, at the Bank's offices at 7 Jabotinsky Street, 13<sup>th</sup> floor, Ramat-Gan. Should the meeting be deferred, it shall take place on October 5, 2016, at the same time and place.
3. Details of the issue on the agenda, as detailed in the immediate report published by the Bank on August 10, 2016 (hereinafter: "**Immediate Report**"):

**The Appointment of Ms. Osnat Ronen as an Outside Director according to the Companies Law, 5759-1999 (hereinafter, respectively: "Outside Director according to the Companies Law" and "Companies Law") – the issue detailed in Article 1 of the Immediate Report**

- 3.1 **Text of the Proposed Resolution**: To appoint Ms. Osnat Ronen as an Outside Director according to the Companies Law (who also complies with the eligibility conditions of an outside director, according to Proper Conduct of Banking Directive no. 301 (hereinafter: "**Directive 301**")), for an additional tenure of three (3) years (a second tenure), which shall begin on October 23, 2016, subject to the Supervisor of Banks not announcing her objection to the aforesaid appointment or notifying of her consent thereto.
- 3.2 **Description of the Nature of the Issue and the Main Facts Required to Understand the Matter**:
  - 3.2.1 Ms. Osnat Ronen was first appointed as an Outside Director according to the Companies Law on October 23, 2013, for a tenure of three (3) years (and also served as an outside director according to Directive 301); Ms. Ronen was evaluated by the Board of Directors as a director with accounting and financial expertise, per the meaning of this term in the Companies Regulations (Conditions and Criteria for Directors with Accounting and Financial Expertise and Directors with Financial Expertise) 5766-2005 (hereinafter: "**Regulations Regarding Expertise**"). Furthermore, on February 19, 2015, Ms. Ronen was also evaluated by the Board of Directors as having professional expertise, per the Regulations Regarding Expertise.



On August 10, 2016, the Board of Directors once again reevaluated (for the sake of good order) that Ms. Ronen has accounting and financial expertise and professional expertise, per the aforesaid regulations.

3.2.2 It is proposed that Ms. Osnat Ronen be appointed as an Outside Director according to the Companies Law (who also complies with the eligibility conditions of an outside director, according to Directive 301) for an additional tenure of three (3) years (a second tenure), which shall begin on October 23, 2016, subject to the Supervisor of Banks not announcing her objection to the aforesaid appointment or notifying of her consent thereto. Ms. Ronen's candidacy for an additional tenure of three (3) years was proposed by the Bank's Board of Directors, in accordance with Article 245(a1)(2) to the Companies Law.

3.2.3 Ms. Osnat Ronen currently serves on the Remuneration Committee, the Credit Committee, and the Bank's Board of Directors' Audit Committee.

3.2.4 The Bank hereby refers to the details required by Regulation 26 of the Periodic and Immediate Report Regulations regarding Ms. Osnat Ronen, as included in the periodic report for 2015 that was published by the Bank on February 25, 2016 (Ref. No. 2016-01-034402) (hereinafter: "Periodic Report"), subject to the updates detailed in Article 1.3.3 of the Immediate Report. This mention constitutes inclusion by way of reference to all information listed in this matter in the aforesaid periodic report.

3.2.5 Ms. Ronen has delivered a declaration to the Bank, per Articles 224b. and 241 of the Companies Law, attached as **Appendix A** to the Immediate Report.

3.2.6 Ms. Osnat Ronen is a limited partner at an Israeli partnership (hereinafter: "**Israeli Partnership**") and also has a right to participate in future profits of the Israeli Partnership, at a (small) percentage of shareholders' right in the general managing partner of the Israeli Partnership. In this matter, the Bank's Audit Committee has examined the relations between the Israeli Partnership - including the shareholders in the general managing partner of this partnership - and the Bank and corporations controlled by controlling shareholders of the Bank or their relatives.

Furthermore, the Bank's Audit Committee has examined the relations between the Bank and Ms. Osnat Ronen, paying attention to the fact that Ms. Ronen, her spouse and companies under her control, as well as their relatives, are Bank customers and have accounts at the Bank.

Accordingly, on August 7, 2016, the Bank's Audit Committee confirmed that the relations detailed above do not constitute "connection" to the Bank, per its meaning in Article 240 of the Companies Law, including according to Regulation 5(a) of the Companies Regulations (Matters that Do Not Constitute a Connection) 5767-2006 (hereinafter: "**Regulations Regarding Matters that Do Not Constitute a Connection**").

In this context, the Audit Committee confirmed that the aforesaid relations are only "negligible connections" according to Regulation 5(a) of the Regulations Regarding Matters that Do Not Constitute a Connection, for both Ms. Osnat Ronen and the Bank.

3.2.7 For details regarding the remuneration to be paid to Ms. Osnat Ronen as an Outside Director, with accounting and financial expertise and professional expertise, and for details regarding her eligibility for the officers' exemption, indemnification and insurance, see Article 1.3.6 of the Immediate Report.

### 3.3 **The Majority Required For the Resolution to Approve the Appointment of Ms. Osnat Ronen as an Outside Director according to the Companies Law:**

The majority required at the general meeting and at a deferred meeting to approve the appointment of Ms. Osnat Ronen as an Outside Director according to the Companies Law, as stated in Article 1 to the Immediate Report (i.e., Article 3 above) is an ordinary majority of all shareholders present at the general meeting, who are entitled to vote and voting thereat, provided that one of the following takes place:

- (1) The counting of the majority votes at the meeting will include a majority of the total votes of shareholders who are neither controlling shareholders at the Bank, nor have a personal interest in the approval of the appointment, except for personal interest not resulting from its relations with the controlling shareholder, who are participating in the vote; in the counting of the 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.

A shareholder participating in the vote with respect to the resolution specified in the immediate report and in this voting paper shall notify the Bank prior to voting; and if voting through a voting paper – shall mark in Part B of the voting paper, in the designated place, whether he is considered a controlling shareholder at the Bank or a representative thereof, or has a personal interest in the approval of the issue on the agenda, as the matter may be; and he shall also describe the relevant connection, insofar as it exists. Should a shareholder fail to notify or mark as aforesaid, or if he has marked and not described as stated above, his vote shall not be counted.

On this voting paper, "**personal interest**": an individual's personal interest in the 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 of 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 shall 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. Attention is directed to the instructions of Article 34(a1) of the Banking (Licensing) Law, 5741-1981, according to which:

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

*Inter alia*, it arises from the aforesaid instructions that in the matter of the resolution in the agenda detailed in Article 3 above, 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.

5. Any holder of securities at the Bank voting at the meeting on the resolution on the agenda, who is a party with interest in the Bank (as defined in Article 1 of the Securities Law, 5728-1968); a senior officer at the Bank (as defined in Article 37(d) of the Securities Law, 5728-1968); an institutional investor (as defined in the Control of Financial Services (Insurance) Law, 5741-1981); or a fund manager (as meant in the Joint Investment Trusts Law, 5721-1961) is required to notify the Bank, prior to voting at the meeting, of the following details in the matter of his voting manner at the meeting:
  - 5.1 The identity of the voter: first name and last name for an individual; corporation name and number for a corporation;
  - 5.2 The amount of securities by power of which the vote was made;
  - 5.3 The voting manner;
  - 5.4 Whether the voter has a personal interest or another characteristic as set forth in the table that is in the addendum to the Companies Regulations (Written Votes and Position Papers), 5766-2005;
  - 5.5 Additional relations between the voter and the company, the controlling shareholder or a senior officer therein, including details on the nature of the relations;
  - 5.6 If the vote is by power of attorney, the above details shall be given both to the grantor of the power of attorney grantor and the agent
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 resolution may be inspected at the Bank's Offices, 7 Jabotinsky

St., 13<sup>th</sup> floor, 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 a candidate for a directorial tenure:  
As detailed in Article 3 above.
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) only if a photocopy of one's identity card, passport or incorporation letter 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 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.
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:  
No later than 5 days prior to the date of 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 shareholders 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: 11,597,824 ordinary shares of ILS 0.1 par value each.

The quantity of shares constituting 5% of the total voting rights at the Bank, which are not held by the controlling shareholder, is: 6,449,582 ordinary shares of ILS 0.1 par value each

17. Adding an Issue to the Agenda: After the publication of this voting paper, 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 meeting's summoning, 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 to the grantor of the power of attorney grantor 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, 13<sup>th</sup> floor, Ramat-Gan 52520.

Company No.: 520000522

Meeting Date: September 28, 2016

Meeting Type: Special

Effective date: August 29, 2016

(Hereunto to be filled by the Company).

**Shareholder Details**

Shareholder's name: \_\_\_\_\_

Identity no.: \_\_\_\_\_

If the shareholder does not have an Israeli identification card:

Passport no.: \_\_\_\_\_

Issuing country: \_\_\_\_\_

Valid until: \_\_\_\_\_

If the shareholder is a corporation:

Corporation no.: \_\_\_\_\_

Country of incorporation: \_\_\_\_\_

## Voting Manner

Number of issue on the agenda, as detailed in the immediate report regarding the convening of the meeting	Voting manner <sup>1</sup>			In the matter of Article 245(a1) of the Companies Law – are you a controlling shareholder or do you have a personal interest in the approval of Ms. Osnat Ronen's appointment as an outside director according to the Companies Law (except for a personal interest which is not the result of your relations with the controlling shareholder) <sup>2</sup> ?	
	For	Against	Abstain	Yes*	No
1					

**Are you an interested party<sup>3</sup>, a senior officer<sup>4</sup>, an institutional investor<sup>5</sup> or a fund manager<sup>6</sup>?**

**YES \_\_\_\_\_ NO \_\_\_\_\_**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

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For shareholders holding shares through a TASE member according to Article 177(1) of the Companies Law: This voting paper shall only be valid if accompanied with an ownership confirmation, except where voting through the Electronic Voting System.

For shareholders registered on the Company's Shareholder Registry: This voting paper shall be valid if accompanied by a photocopy of one's identity card/passport/incorporation letter.

\* Please detail

<sup>1</sup> Failure to mark will be considered as abstaining from a vote on that issue.

<sup>2</sup> The vote of a shareholder who fails to fill this column, or who marks "Yes" without explaining, will not be counted.

<sup>3</sup> "Interested party" per this term's definition in Article 1 of the Securities Law 5728-1968

<sup>4</sup> "Senior officer" per this term's definition in Article 37(d) of the Securities Law 5728-1968

<sup>5</sup> "Institutional investor" per this term's definition in the Control of Financial Services (Insurance) Law 5741-1981

<sup>6</sup> "Fund manager" per its meaning in the Joint Investment Trusts Law 5721-1961

**Details**

The following are details regarding my having a personal interest in the approval of Ms. Osnat Ronen's appointment as an outside director according to the Companies Law (as detailed in Article 1 of the immediate report and Article 3 of the voting paper):

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