

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.

T460

public

MIZRAHI TEFAHOT BANK LTD

No. with the Registrar of Companies: 520000522

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

Abbreviated name: Mizrahi Tefahot

7 Jabotinsky Street, Ramat Gan 52520, Israel

Telephone: 972-3-7559207, 972-3-7559720; Fax: 972-3-7559913

e-mail: mangment@umtb.co.il

Date of transmission: December 7, 2015

Reference: 2015-01-175365

To

Israel Securities Authority

www.isa.gov.il

To

Tel Aviv Stock Exchange Ltd

www.tase.co.il

Amending report to an impaired report sent on November 16, 2015, the reference number of which is: 2015-01-156348

The impairment:

(a) Following comments received from Entropy Financial Research Services Ltd, it has been decided to amend Section 1 to the current version of the Bank's

deed of exemption and undertaking to indemnify ("current deed of undertaking"), and to establish that the liability exemption granted to officers at the Bank (including controlling shareholders and their relatives) will be reduced, as detailed in Section 1 of the amended deed of undertaking;

(b) Further to the resolution of the Audit Committee dated September 21, 2011 and August 12, 2012, on December 7, 2015, the Audit Committee decided to once again approve, for the sake of prudence, the date on which the amended deed of undertaking will be brought to re-approval, concerning its application on those entitled thereby who are not controlling shareholders and their relatives, as this date was detailed in Section 1.4.7b of the original convening report. Likewise, the additional date on which the Audit Committee made a resolution in this matter – August 12, 2012 – was noted in Section 1.4.7b of the amended convening report.

Reason for impairment:

Comments received from Entropy Financial Research Services, as well as an additional approval by the Audit Committee, for the sake of prudence, as aforesaid.

Main principals of the amendment:

As detailed above; in this matter, see the attachments to this form: an amended immediate report regarding the convening of a general annual meeting ("amended convening report"), the Bank's deed of exemption and undertaking to indemnify (Appendix B) and a voting paper (Appendix C).

The amendments marked with an underline in the amended convening report and Appendix C, and the amendments marked in Appendix B in yellow and with an underline are changes regarding the original immediate report regarding convening the annual meeting (and its attachments), which was published by the Bank on November 16, 2015 (Reference No. 2015-01-156348).

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 offer, Form T133 or T138 should 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 2015-01-156348. It was called for December 23, 2015.

Reason of postponement or cancellation: _____

Explanation: the reference number of the previous meeting convening or postponement must be referenced.

1. Type of security: *share*

Name of the entitling security: Mizrahi Tefahot (MZTF)

Explanation: if a meeting is required for more than one security number, a separate T460 should be filed for any additional security. Reports listing additional security numbers would require the filing of an amending form.

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 and vote at the meeting: *November 24, 2015.*

2. On *November 16, 2015*

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

to be held on *Wednesday, December 23, 2015, at 11:30*

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 convening report, if it is attached as a file.

Issues/resolutions which will be raised at the meeting:

The issue/resolution and its details:

Description of the nature of the issue:

Discussion of the Bank's financial reports as of December 31, 2014 and the Board of Directors' report on the Bank's 2014 state of affairs.

Proposed resolution: This issue will not be resolved.

Declaration: No appropriate classification field exists

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, for the approval of the resolution:

Article 60 (b) of the Companies Law

Explanation: in a transaction with a controlling shareholder that does not fit any field in the law articles table, the field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this is not a transaction with a

controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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 order of a court
- 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 *report only*

Type of majority required for approval _____

2

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Moshe Vidman as a director at the Bank, subject to the Supervisor of Banks not announcing his objection

to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Moshe Vidman's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the

relevant articles of the law by power of which the resolution is required must be detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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.

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

Type of majority required for approval *is ordinary*.

3

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Zvi Ephrat as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Zvi Ephrat's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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.

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

Type of majority required for approval *is ordinary*.

4

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Ron Gazit as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Ron Gazit's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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): _____

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

Type of majority required for approval *is ordinary*.

5

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Ms. Liora Ofer as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Ms. Liora Ofer's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

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Does the issue require disclosure of interest 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 a possibility 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): _____

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

Type of majority required for approval *is ordinary*.

6

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Mordechai Meir as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Mordechai Meir's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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.

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

Type of majority required for approval *is ordinary*.

7

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Jonathan Kaplan as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Jonathan Kaplan's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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): _____

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

Type of majority required for approval *is ordinary*.

8

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Joav-Asher Nachshon as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Joav-Asher Nachshon's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

detailed and explained.

Does the issue require disclosure of interest 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 a possibility to add details if the answer is "Yes".

It was decided to request additional information from the holders: _____

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

Type of majority required for approval *is ordinary*.

9

The issue/resolution and its details:

Description of the nature of the issue:

Reappointment of a director

Proposed resolution: To approve the reappointment of Mr. Avraham Zeldman as a director at the Bank, subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

Further details:

For further details, see Article 1.2 of the immediate report regarding the convening of the annual meeting in this matter, as well as Mr. Avraham Zeldman's declaration which is attached as an appendix to the aforesaid immediate report.

Appointment or dismissal of a director as stated in Articles 59 and 230 of the Companies Law.

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be

detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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 order of a court
- 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 ordinary*.

10

The issue/resolution and its details:

Description of the nature of the issue:

The reappointment of Brightman Almagor Zohar and Co. as the Bank's auditing accountants and a report on the auditing accountants' wages for 2014.

Proposed resolution: To reappoint Brightman Almagor Zohar and Co. as the Bank's auditing accountants.

Declaration: No appropriate classification field exists

Notice: a value in this table sets the text of the shareholder's declaration in the internet 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, for the approval of the resolution:

Article 154(b) of the Companies Law

Explanation: in a transaction with a controlling shareholder that does not fit any field in the law articles table, the field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be detailed and explained.

Does the issue require disclosure of interest or another characteristic of the voting shareholder: *No*

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 a possibility 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 order of a court
- 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 ordinary.

11

The issue/resolution and its details:

The Bank's Deed of Exemption and an Undertaking to Indemnify (hereinafter: "Deed of Undertaking")

Description of the nature of the issue:

Approval of the amended text of the Bank's Deed of Undertaking(hereinafter: "amended Deed of Undertaking")

Proposed resolution: To approve the Bank's amended Deed of Undertaking for the directors and other officers, including the CEO of the Bank and the Bank's controlling shareholders and their relatives, as well as employees, in the version attached as Appendix B to the report for the convening of the annual meeting, published by the Bank on December 7, 2015 (hereinafter: "amended convening report"); the proposed amendments to the present version of the Bank's Deed of Undertaking (which was approved by the Bank's general meeting on September 20, 2012) are indicated by underline in Appendix B to the amended convening report. Note the amendments marked in yellow in Appendix B are changes with regard to the

version of Appendix B as attached to the original immediate report regarding convening the annual meeting, which was published by the Bank on November 16, 2015 (Reference No. 2015-01-156348) (hereinafter: "original convening report").

Furthermore, to confirm that the resolution to approve the amended Deed of Undertaking, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015.

(Hereinafter together: "the resolution to approve the amended Deed of Undertaking")

Further details:

It should be noted that the amended Deed of Undertaking will apply to directors and officers, including the Bank's CEO and the Bank's controlling shareholders and their relatives, as well as the employees, all per that which is established in the amended Deed of Undertaking.

It is further noted that the resolution to approve the amended Deed of Undertaking is consistent with the Bank's remuneration policy. However, the provision in the matter of reducing the exemption granted to the officers 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 detailed in Section 1 of the amended Deed of Undertaking, may be considered a provision which is not consistent with the Bank's remuneration policy, although it only credits the Bank.

Therefore and for the sake of prudence, the majority required to approve the amended Deed of Undertaking is a special majority, as detailed in Section 2.2 of the amended convening report; this is also pursuant to that which is required by the Companies Law in the matter of approving tenure and employment terms not according to the remuneration policy.

The proposed resolution is subject to the approval of the general meeting of the Bank, in accordance with the provisions of Articles 272 (c), 272 (c1) (1) and (2) (regarding the CEO) and in accordance with Articles 273 and 275 of the Companies Law.

Therefore, you must also answer the question of whether you are a controlling shareholder or have a personal interest with regard to the approval of the transaction under Article 272 (1c) (1) of the Companies Law.

For further information, see Section 1.4 of the amended convening report regarding this issue.

Transaction with a CEO regarding the terms of his tenure and employment according to Article 272 (c1) (1) of the Companies Law

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

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

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

Reference of the last report on the subject (T133): *2015-01-175353*

Explanation of the article in the Companies 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 field "Declaration: No appropriate classification field exists" should be selected, and "Yes" transaction with controlling shareholder. Only in the event of a bonds meeting or that this this is not a transaction with a controlling shareholder and no appropriate field can be found in the table, the relevant articles of the law by power of which the resolution is required must be detailed and explained.

Does the issue require disclosure of interest 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 a possibility 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 order of a court
- 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 272 (c), 272(c1) (1) and (2) (regarding the CEO) and in accordance with Articles 273 and 275 of the Companies Law. Therefore, you must also answer the question of whether you are a controlling shareholder or have a personal interest with regard to the approval of the transaction under Article 272 (1c) (1) of the Companies Law.

The majority required at the annual meeting and at the deferred annual meeting in the resolution to approve the amended Deed of Undertaking is an ordinary majority of the shareholders present at the general meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes, provided that one of the following takes place:

(1) The quorum 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 resolution, who are participating in the vote; in the quorum 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 Section (1) above, does not exceed two percent (2%) of the total voting rights in the Bank.*

Attached is the report on the convening of the meeting. *convening_report_isa.pdf*

4. Attached:

Yes a voting paper

No position notice

voting_paper_isa.pdf

Yes declaration of the candidate to serve as corporate director

No declaration of an independent director

No declaration of an External Director

_____ *declaration of a representative's appoint to representation*

_____ *amended deed of trust*

_____ *an application to approve a Creditors Arrangement under Article 350*

_____ *other declarations_isa.pdf*

Explanation: if a voting paper and/or a position notice are attached, they should be prepared in accordance with the provisions of the Companies Regulations (Voting in Writing and Position Notices), 5766-2005.

Address of the voting website: 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 adjourned meeting will be held on *December 30, 2015 at 11:30*, at the following address: *7 Jabotinsky Street, Ramat Gan, Israel, 13th floor*

○ No meeting shall be held in the absence of a legal quorum.

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

at the Bank's offices, 7 Jabotinsky Street (13th Floor), Ramat Gan, Tel: 03-7559720, during standard business hours, until the time set for the meeting.

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):

2015-01-115620

2015-01-156348

2015-01-175353

Previous names of reporting entity: United Mizrahi Bank Ltd

Form updated on: November 4, 2015

Name of the person reporting electronically: Feller Maya, Position held: Bank Secretary,

Name of employing company:

7 Jabotinsky Street, Ramat Gan, 52520, Israel, Tel: 972-3-7559500, Fax: 972-3-7559655,

Email: mangment@umtb.co.il

Re: **Amended Immediate Report on the Convening of an Annual General Meeting, Pursuant to the Securities Regulations (Transaction between A Company and A Controlling Shareholder Therein) 5761-2001 and Pursuant to the Securities Regulations (Periodic and Immediate Reports) 5730-1970**

Pursuant to the Securities Regulations (Transaction between a Company and a Controlling Shareholder therein) 5761-2001 (hereinafter: "**controlling shareholder regulations**") and pursuant to the Securities Regulations (Periodic and Immediate Reports) 5730-1970 (hereinafter: "**periodic and immediate report regulations**"), Mizrahi Tefahot Bank Ltd (hereinafter: "**Bank**") hereby announces the convening of an annual general meeting (hereinafter: "**annual meeting**") on Wednesday, December 23, 2015, at 11:30, at the Bank's offices, 7 Jabotinsky Street, Ramat Gan, 13th floor.

1. **The issues on the agenda of the annual meeting and the summary of the proposed resolution:**

1.1 **A discussion of the Bank's financial reports as of December 31, 2014 and the Board of Directors' report on the Bank's state of affairs for 2014**

1.2 **Reappointment of directors**

1.2.1 It is hereby proposed that the following Board of Directors members be reappointed as directors at the Bank: (a) Moshe Vidman; (b) Zvi Ephrat; (c) Ron Gazit; (d) Liora Ofer; (e) Mordechai Meir; (f) Jonathan Kaplan; (g) Joav-Asher Nachshon; (h) Avraham Zeldman. Voting on each candidate for tenure as a director, as detailed above, will be done separately.

1.2.2 The reappointment of the aforesaid directors is subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

1.2.3 The candidates nominated to be reappointed as directors, as detailed above, have delivered declarations to the Bank pursuant to Article 224B(a) of the Companies Law 5759-1999 (hereinafter: "**Companies Law**"), which are attached to the immediate report as **Appendix A**.

1.3 **Reappointment of the auditing accountants and a report on their wage**

It is proposed that Brightman Almagor Zohar and Co. be reappointed as the Bank's auditing accountants.

1.4 **The Bank's Deed of Exemption and an Undertaking to Indemnify (hereinafter: "Deed of Undertaking")**

1.4.1 It is proposed that the Deed of Undertaking be approved for the directors and other officers, including the CEO of the Bank and the Bank's controlling shareholders and their relatives, as well as employees, in the amended version attached to the immediate report as **Appendix B** (hereinafter: "**amended Deed of Undertaking**"); the proposed amendments to the present text of the Bank's Deed of Undertaking are indicated as underlined in Appendix B. [Note that the amendments marked in yellow in Appendix B are changes with regard to the version of Appendix B as attached to the original immediate report regarding convening the annual meeting, which was published by the Bank on November 16, 2015 \(Reference No. 2015-01-156348\) \(hereinafter: "original convening report"\).](#)

Furthermore, it is proposed to confirm that the decision to approve the amended Deed of Undertaking, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015.

(Hereinafter together: "**the resolution to approve the amended Deed of Undertaking**").

1.4.2 [Note that](#) the resolution to approve the amended Deed of Undertaking is consistent with the Bank's remuneration policy. [However, the provision in the matter of reducing the exemption 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 detailed in Section 1 of the amended Deed of Undertaking, may be considered a provision which is not consistent with the Bank's remuneration policy, although it only credits the Bank.](#)
[For further information, see Section 1.4.4 of this immediate report.](#)

1.4.3 The amended Deed of Undertaking shall also apply to whosoever shall serve, from time to time, as the Bank's CEO.

2. **Below are details pursuant to the controlling shareholder regulations regarding the resolution to approve the amended Deed of Undertaking**

2.1 **A brief description of the transaction and its main conditions**

2.1.1 **Approval of the amended Deed of Undertaking**

It is proposed that the current text of the Bank's Deed of Undertaking (which was last approved on September 20, 2015) (hereinafter: "**current Deed of Undertaking**" or "**Deed of Undertaking**") be amended, as detailed in the amended text attached to the immediate report, including as detailed below:

a. [Reducing the exemption to officers at the Bank](#)

[It is proposed to amend Section 1 of the current Deed of Undertaking, and establish that the liability exemption granted to officers at the Bank, as detailed in Section 1 of the current Deed of Undertaking,](#)

shall not apply due to a violation of the duty of prudence that occurs after the date on which the amended Deed of Undertaking shall be approved by the general meeting, 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 the aforesaid Section 1) has a personal interest therein.

b. The list of events included in the addendum to the Deed of Undertaking

It is proposed that clarifications, details and elaborations be added to the list of events specified in the addendum to the Deed of Undertaking, in order to clarify and adjust the list of events in accordance with the events that, in the Board of Directors' opinion, are to be anticipated in view of the Bank's *de facto* activities when providing an undertaking to indemnify.

The amendments to the current Deed of Undertaking in this matter are underlined in the amended Deed of Undertaking, which is attached to the immediate report as Appendix B.

For further details, see Section 1.4.6b.(2) of the immediate report.

c. Amendment of Article 3 of the current Deed of Undertaking regarding indemnification by an insurer or a third party

It is proposed that Article 3 of the current Deed of Undertaking be amended, and that it be established that the aforesaid in Article 3 shall also apply in the matter of receiving indemnity from a policy insurance's insurer of which a third party may become engaged, or from any third party which has given indemnity to the officer or an employee for the matter subject of the indemnification. In addition, it is proposed that provisions are established concerning the payment of indemnity by the Bank, in the event that the liability and/or legal expenses are not covered *de facto* on time by the insurer or the third party. In this matter, it is proposed to establish, *inter alia*, 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.

The amendments to the current Deed of Undertaking in this matter are underlined in Article 3 of the amended Deed of Undertaking, attached to the immediate report as Appendix B.

For further details, see Section 1.4.6b(3) of the immediate report.

2.1.2 **Periodic approval of the amended Deed of Undertaking, in the matter of its application to controlling shareholders and their relatives**

a. **Background**

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.

b. **Description of the transaction's principal points**

Pursuant to the above, and since the current Deed of Undertaking was last approved on September 20, 2012, it is hereby proposed to approve that the resolution to approve the amended Deed of Undertaking, as detailed in this immediate report, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015.

2.2 **Names of the controlling shareholders who have a personal interest in the transaction and the essence of the personal interest**

2.2.1 The names of the controlling shareholders, as defined in Article 268 of the Companies Law, who have a personal interest in the resolution to approve the amended Deed of Undertaking, are as follows: Ms. Liora Ofer, as the resolution to approve the amended Deed of Undertaking would apply to her by virtue of her tenure as director at the Bank. Furthermore, the resolution would apply to the late Mr. Yuli Ofer, Ms. Liora Ofer's father, who served as a director at the Bank until December 24, 2008 and Mr. Moshe Wertheim, who served as a director at the Bank until September 15, 2014. In addition, Mr. Doron Ofer may be considered as having a personal interest in the resolution to approve the amended Deed of Undertaking, 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 approve the amended Deed of Undertaking, due to the agreements between Ofer Group individuals, as detailed in Section 2.2.2 below. Furthermore, Mr. Idan Ofer, Mr. Eyal Ofer's brother, may be considered as having a personal interest in the resolution to approve the amended Deed of Undertaking, in view of his past tenure as a director at the Bank and the interest of his brother, Mr. Eyal Ofer, in the aforesaid resolution.

2.2.2 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 contributed capital and voting agreements regarding the aforesaid voting rights – to which the controlling shareholders are party, are described in the explanations regarding holders 1 to 4 in the immediate report regarding the holdings status of interested parties and senior officers, published by the Bank on November 5, 2015 (Reference No. 2015-01-149784) (hereinafter: "**status report**"). This mention constitutes inclusion by way of reference to all information listed in the aforesaid explanations in the status report.

2.3 **The name of each director who has a personal interest in the resolution to approve the amended Deed of Undertaking**

All directors at the Bank are considered as having a personal interest in the resolution to approve the amended Deed of Undertaking, by virtue of being officers at the Bank.

3. **The majority required for the resolutions**

- 3.1 The majority required at the annual meeting and at a deferred annual meeting to approve the reappointment of each of the directors, as aforesaid in Section 1.2 above, and to approve the appointment of the Bank's auditing accountants, as aforesaid in Section 1.3 above, is an ordinary majority of all shareholders present at the annual meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes.
- 3.2 The majority required at the annual meeting and at the deferred annual meeting in the resolution to approve the amended Deed of Undertaking, as aforesaid in Section 1.4 above, is an ordinary majority of the shareholders present at the general meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes, provided that one of the following takes place:
- 3.2.1 The quorum 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 resolution, who are participating in the vote; in the quorum of the votes of the aforesaid shareholders, abstaining votes will not be taken into account.
- 3.2.2 The total opposing votes of the shareholders referred to in Section 3.2.1 above, does not exceed two percent (2%) of the total voting rights in the Bank.

In the immediate report – "**personal interest**" – an individual's personal interest in any activity or transaction of a company, including the personal interest of a 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. **Location and time of the meeting's convening and the date to determine entitlement**

4.1 The annual meeting will convene on Wednesday, December 23, 2015, at 11:30, 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 December 30, 2015, at the same time and place.

4.2 The date for determining the entitlement of the shareholders to vote at the annual meeting, as stated in Section 182 of the Companies Law, will be November 24, 2015 (hereinafter: "**Effective Date**").

5. **Details regarding the Bank's representative in respect of the handling of the immediate 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**

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
Bank Secretary**

Mizrahi Tefahot Bank Ltd

Re: Amended Immediate Report on the Convening of an Annual General Meeting

Pursuant to the Securities Regulations (Transaction between A Company and A Controlling Shareholder Therein) 5761-2001 (hereinafter: "**controlling shareholder regulations**") and pursuant to the Securities Regulations (Periodic and Immediate Reports) 5730-1970 (hereinafter: "**periodic and immediate report regulations**"), Mizrahi Tefahot Bank Ltd (hereinafter: "**Bank**") hereby announces the convening of an annual general meeting (hereinafter: "**annual meeting**") on Wednesday, December 23, 2015, at 11:30, at the Bank's offices, 7 Jabotinsky Street, Ramat Gan, 13th floor.

1. The issues on the agenda of the annual meeting and the summary of the proposed resolution:

1.1 Financial reports

1.1.1 Description of the issue's nature and the main facts required to understand it: A discussion of the Bank's financial reports as of December 31, 2014 and the Board of Directors' report on the Bank's state of affairs for 2014.

1.1.2 Text of the proposed resolution: This issue will not be resolved.

1.2 Reappointment of directors

1.2.1 Description of the issue's nature: Reappointment of directors.

1.2.2 The main facts required to understand the issue: in accordance with the Bank's articles of association, it is proposed that the members of the Board of Directors whose names are listed in Section 1.2.3 below be reappointed.

The external directors, in accordance with the Companies Law 5759-1999 (hereinafter: "**Companies Law**"), Osnat Ronen, Avi Zigelman, Gideon Siterman and Abraham Neyman will complete their tenure as directors at the Bank in accordance with the law. The external directors, in accordance with the Proper Conduct of Banking Business Directive No. 301, concerning "Board of Directors", published by the Supervisor of Banks (hereinafter: "**Supervisor of Banks' directives**"), Mr. Joseph Shachak and Ms. Sabina Biran will complete their current tenure as directors at the Bank according to Supervisor of Banks' directives and the provisions of the Bank's articles of association.

1.2.3 Text of the proposed resolutions:

To reappoint the following Board of Directors members as directors at the Bank:

- a. Moshe Vidman;
- b. Zvi Ephrat;
- c. Ron Gazit;
- d. Liora Ofer
- e. Mordechai Meir
- f. Jonathan Kaplan
- g. Joav-Asher Nachshon;
- h. Avraham Zeldman.

1.2.4 Voting on each candidate for tenure as a director, as detailed above, will be done separately.

1.2.5 The reappointment of the aforesaid directors is subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

1.2.6 The candidates nominated to be reappointed as directors, as detailed above, have delivered declarations to the Bank pursuant to Article 224B(a) of the Companies Law, which are attached to the immediate report as **Appendix A**.

1.2.7 The Bank hereby refers to the details required by Regulation 26 of the Periodic and Immediate Reports Regulations regarding the aforesaid directors, as included in the periodic report for 2014, published by the Bank on October 3, 2015 (Reference No. 2015-01-047593) subject to the changes outlined below. These mentions constitute inclusion by way of reference to all information included in this matter in aforesaid report, which are as follows:

- a. Mr. Ron Gazit: ceased to serve as the head of the Ron Gazit Rotenberg & Co. Law Offices in August 2014.
- b. Ms. Liora Ofer: ceased to serve as a director at Ofer Brothers (Ra'anana) Ltd in June 2015 (voluntarily terminated).
- c. Mr. Jonathan Kaplan: ceased to serve as a director at Villar International Ltd in August 2015, and started serving on the Special Committee to Examine Granting Credit in the Past to Specific Borrowers in September 2015.
- d. Mr. Joav-Asher Nachshon: ceased to serve as a director at the Central Bottling Company Ltd in November 2015;

ceased to serve as a director at Me Galil Ltd in August 2014 (Me Galil Ltd was terminated at this time due to a merger); and ceased to serve as a director at Meshek Zuriel Distribution Ltd in July 2012 (due to the company's voluntary liquidation procedure).

- e. Mr. Avraham Zeldman: started serving as a member of the Bank's Board of Directors' Risk Management Committee in March 2015; and started serving on the Special Committee to Examine Granting Credit in the Past to Specific Borrowers in September 2015.
- f. Mr. Mordechai Meir: started serving on the Special Committee to Examine Granting Credit in the Past to Specific Borrowers in September 2015.

1.2.8 It should be noted that aside from the external directors serving at the Bank in accordance with the Companies Law, who are also independent directors, two external directors, according to the Supervisor of Banks' directives, serve at the Bank and have been classified by the Audit Committee as independent directors.

1.2.9 It is further noted that directors Moshe Vidman; Mordechai Meir; Gideon Siterman; Joseph Shachak; Osnat Ronen; Abraham Neyman; Sabina Biran; Avi Zigelman; Jonathan Kaplan; Joav-Asher Nachshon and Avraham Zeldman were evaluated by the Board of Directors as having accounting and financial expertise, in accordance with the Companies Regulations (Conditions And Criteria For Directors With Accounting And Financial Expertise And Directors With Professional Expertise) 5766-2005 (hereinafter: "**regulations concerning criteria of expertise and eligibility**").

In addition, directors Moshe Vidman, Zvi Ephrat, Ron Gazit, Liora Ofer, Avi Zigelman, Mordechai Meir, Gideon Siterman, Joseph Shachak, Jonathan Kaplan, Sabina Biran, Joav-Asher Nachshon, Abraham Neyman, Osnat Ronen and Avraham Zeldman were evaluated by the Board of Directors as having professional eligibility in accordance with the regulations concerning criteria of expertise and eligibility.

1.2.10 Concerning the compensation paid to directors serving on the Board of Directors (excluding the Chairman of the Board of Directors), including external directors and including

directors who are controlling shareholders at the Bank, see the immediate report published by the Bank on September 15, 2014 (Reference No. 2014-01-157959). This mention constitutes inclusion by way of reference to all information included in this matter in the aforesaid immediate report.

1.3 **Reappointment of the auditing accountants and a report on their wage**

1.3.1 Description of the issue's nature and the main facts required to understand it: The reappointment of Brightman Almagor Zohar and Co. as the Bank's auditing accountants and a report on the auditing accountants' wages for 2014.

1.3.2 Text of the proposed resolution: To reappoint Brightman Almagor Zohar and Co. as the Bank's auditing accountants

1.4 **A Deed of Exemption and an Undertaking to Indemnify the Bank (hereinafter: "Deed of Undertaking")**

1.4.1 Description of the nature of the issue: Approval of the amended text of the Bank's Deed of Undertaking (hereinafter: "**amended Deed of Undertaking**").

1.4.2 Text of the proposed resolution: to approve the Bank's amended Deed of Undertaking for the directors and other officers, including the CEO of the Bank and the Bank's controlling shareholders and their relatives, as well as employees, in the version attached as **Appendix B** to this immediate report; the proposed amendments to the present text of the Bank's Deed of Undertaking are indicated as underlined in Appendix B. [Note that the amendments marked in yellow in Appendix B are changes with regard to the version of Appendix B as attached to the original immediate report regarding convening the annual meeting, which was published by the Bank on November 16, 2015 \(Reference No. 2015-01-156348\) \(hereinafter: "**original convening report**"\).](#)

Furthermore, to confirm that the resolution to approve the amended Deed of Undertaking, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015.

(Hereinafter together: "**the resolution to approve the amended Deed of Undertaking**").

1.4.3 The resolution to approve the amended Deed of Undertaking was approved by the Bank's Board of Directors on November 16, 2015 [and on December 7, 2015](#), having received the Remuneration

Committee's approval thereof on November 9, 2015 [and on December 7, 2015](#).

In addition, the Audit Committee has recommended to the Remuneration Committee and the Board of Directors that the amended Deed of Undertaking apply to whosoever shall serve, from time to time, as the Bank's Chief Internal Auditor.

1.4.4 The resolution to approve the amended Deed of Undertaking is consistent with the Bank's remuneration policy. [However, the provision in the matter of reducing the exemption 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 detailed in Section 1 of the amended Deed of Undertaking, may be considered a provision which is not consistent with the Bank's remuneration policy¹, although it only credits the Bank. According to the aforesaid provision, the liability exemption granted to officers at the Bank shall not apply due to a violation of the duty of prudence that occurs after the date on which the amended Deed of Undertaking shall be approved by the general meeting, 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 \(including another officer at the Bank, who is not the officer to whom the exemption was granted under the aforesaid Section 1\) has a personal interest therein. Therefore and for the sake of prudence, the majority required to approve the amended Deed of Undertaking is a special majority, as detailed in Section 2.2 below; this is also pursuant to that which is required by the Companies Law in the matter of approving tenure and employment terms not according to the remuneration policy.](#)

1.4.5 It is further noted that the amended Deed of Undertaking shall also apply to whosoever shall serve, from time to time, as the Bank's CEO.

Below are details pursuant to the controlling shareholder regulations regarding the resolution to approve the amended Deed of Undertaking.

1.4.6 Approval of the amended Deed of Undertaking:

a. **Background:**

¹ [In the Bank's remuneration policy \(published by the Bank on May 4, 2014 \(Reference No. 2014-01-056838\)\) it was established that officers are entitled to indemnity, exemption and officers' insurance, as usual at the Bank, from time to time. Note that the provision concerning the reduction of the exemption, as detailed in Section 1 of the amended Deed of Undertaking, was not usual at the Bank so far.](#)

- (1) On December 20, 2001, having received the approval of the Bank's Audit Committee and Board of Directors, the Bank's general meeting approved a Deed Of Exemption and an Undertaking To Indemnify (hereinafter: "**original Deed of Undertaking**"). The principles of the aforesaid resolution were described in the report published by the Bank on November 28, 2001, in accordance with the controlling shareholder regulations.
- (2) On October 28, 2004; on May 14, 2006; on November 9, 2011; and on September 20, 2012, the Bank's general meeting approved amended texts of the original Deed of Undertaking, after each such amended text was approved by the Bank's Audit Committee and Board of Directors. Essential details concerning the original Deed of Undertaking 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 3, 2011 (Reference No. 2011-01-290787) and in Section 1.6.5 of the report published by the Bank on August 15, 2012 (Reference No. 2012-01-211839) in accordance with the controlling shareholder regulations.

(The aforesaid Deed of Undertaking, as last approved on September 20, 2012, shall be called hereinafter: "**current Deed of Undertaking**" or "**Deed of Undertaking**").

b. **Description of the transaction's principles:**

It is proposed that the current Deed of Undertaking be amended, as detailed in the amended text attached as Appendix B, including as detailed below:

- (1) [Reducing the exemption to officers at the Bank](#)
[It is proposed to amend Section 1 of the current Deed of Undertaking, and establish that the liability exemption granted to officers at the Bank, as detailed in Section 1 of the current Deed of Undertaking, shall not apply due to a violation of the duty of prudence that occurs after the date on which the amended Deed](#)

of Undertaking shall be approved by the general meeting, 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 the aforesaid Section 1) has a personal interest therein.

Note that the Bank intends to submit a proposal to amend the Bank's articles of association for the approval of the Bank's certified organs, pursuant to the general meeting's approval of the amendment of Section 1 of the Deed of Undertaking, as aforesaid. The amendments of the current Deed of Undertaking in this matter are marked with an underline and in yellow. The aforesaid amendments are marked with regard to the version of Appendix B as attached to the original convening report.

- (2) The list of events included in the addendum to the Deed of Undertaking
- (a) Article 260 of the Companies Law provides, *inter alia*, that a company may indemnify an officer therein due to a financial liability imposed thereupon in favor of another individual according to a judgment, including such that is granted in a settlement or a court-approved arbitral verdict, if a provision has been set in its articles of association permitting the company to undertake the indemnification of an officer therein in advance, provided that the undertaking to indemnify is limited to events that in the Board of Directors' opinion are to be anticipated in view of the company's *de facto* activities when providing an undertaking to indemnify; and likewise to a sum or benchmark that the Board of Directors has determined to be reasonable under the circumstances; and that the undertaking to indemnify lists the events that, in the

directors' opinions, are to be anticipated in view of the company's *de facto* activities when providing an undertaking to indemnify and likewise the sum or benchmark that the Board of Directors has determined to be reasonable under the circumstances.

- (b) Accordingly, It is proposed that clarifications, details and elaborations be added to the list of events specified in the addendum to the Deed of Undertaking (hereinafter: "**addendum**"), in order to clarify and adjust the list of events in accordance with the events that, in the Board of Directors' opinion, are to be anticipated in view of the Bank's *de facto* activities when providing an undertaking to indemnify. The amendments to the current Deed of Undertaking in this matter are underlined in the amended Deed of Undertaking, which is attached below as Appendix B.

(3) Amendment of Article 3 of the current Deed of Undertaking, regarding indemnification by an insurer or a third party

It is proposed that Article 3 of the current Deed of Undertaking be amended, establishing as detailed below:

- (a) The first part of the current Deed of Undertaking provides that in the event the officer or employee receive indemnity from the insurer of the Officers' Insurance Policy or any other policy in which the Bank may become engaged, insofar as it may become engaged, in view of the matter subject of the indemnity, the indemnity will be granted as detailed in the Deed of Undertaking with respect to the difference between the liability sum imposed upon the officer or the

employee and/or the legal expenses he has expended or has been charged thereof, and the sum that shall be received from the insurer.

It is proposed to amend the aforesaid section and establish that the aforesaid section shall also apply in the event that the officer or the employee receives indemnity from the insurer of an insurance policy in which a third party will become engaged, or from some third party which has indemnified the officer or the employee with respect to the matter subject of the indemnification.

- (b) It is further proposed to establish that if the liability imposed on the officer or employee and/or the legal expenses he has expended or has been charged thereof are not covered *de facto* on time by the insurer or the third party, the Bank shall indemnify the officer or the employee as detailed in the amended Deed of Undertaking 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 provisions established in the amended Deed of Undertaking.

The aforesaid amendments are underlined in Article 3 of the amended Deed of Undertaking, attached to the immediate report as Appendix B.

1.4.7 Periodic approval of the amended Deed of Undertaking, in the matter of its application to controlling shareholders and their relatives

- a. **Background:**

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.

b. **Description of the transaction's principal points:**

Pursuant to the above, and since the current Deed of Undertaking was last approved on September 20, 2012, it is hereby proposed to approve that the resolution to approve the amended Deed of Undertaking, as detailed in this immediate report, it is proposed to confirm that the decision to approve the amended Deed of Undertaking, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015.

It should be noted that according to the Audit Committee's decision on September 21, 2011, [August 12, 2012 and December 7, 2015](#), and pursuant to the provisions of Article 275(a1)(2) of the Companies Law, the amended Deed of Undertaking, will be brought for reapproval (in addition to the approval according to this report) with regard to its application to others entitled thereby (who are not controlling shareholders and their relatives) once nine (9) years have passed from November 9, 2011, insofar as such an approval is required by law. This is since this transaction is one in which the Bank's controlling shareholders have a personal interest, as noted above. In this matter, the Audit Committee has approved that the nine (9) year period as aforesaid is reasonable under the circumstances. This, *inter alia*, considering that it is appropriate to grant officers and other employees the necessary certainty regarding the ongoing validity of the Bank's undertakings, as aforesaid, for the duration of their tenure and employment over time.

1.4.8 The names of the controlling shareholders, as defined in Article 268 of the Companies Law 5759-1999 (hereinafter: "**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, as defined in Article 268 of the Companies Law, who have a personal interest in the resolution to approve the amended Deed of Undertaking, are as follows: Ms. Liora Ofer, as the resolution to approve the amended Deed of Undertaking would apply to her by virtue of her tenure as director at the Bank. Furthermore, the resolution would apply to the late Mr. Yuli Ofer, Ms. Liora Ofer's father, who served as a director at the Bank until December 24, 2008 and Mr. Moshe Wertheim, who served as a director at the Bank until September 15, 2014. In addition, Mr. Doron Ofer may be considered as having a personal interest in the resolution to approve the amended Deed of Undertaking, 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 approve the amended Deed of Undertaking, due to the agreements between Ofer Group individuals, as detailed in Section 1.4.8b below. Furthermore, Mr. Idan Ofer, Mr. Eyal Ofer's brother, may be considered as having a personal interest in the resolution to approve the amended Deed of Undertaking, in view of his past tenure as a director at the Bank and the interest of his brother, Mr. Eyal Ofer, 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 contributed capital and voting agreements regarding the aforesaid voting rights – to which the controlling shareholders are party, are described in the explanations regarding holders 1 to 4 in the immediate report regarding the holdings status of interested parties and senior officers, published by the Bank on November 5, 2015 (Reference No. 2015-01-149784) (hereinafter: "**status report**"). This mention constitutes inclusion by way of reference to all information listed in the aforesaid explanations in the status report.

1.4.9 The manner in which the remuneration was established:

The amending of the Deed of Undertaking, as aforesaid in Section 1.4.6 above, was made *inter alia* in order to:

- a. [Amend the exemption granted to officers at the Bank, as detailed in Section 1 of the amended Deed of Undertaking; note that this amendment may only credit the Bank.](#)
- b. Add clarifications, details and elaborations to the list of events specified in the addendum in accordance with the events that, in the Board of Directors' opinion, are to be anticipated in view of the Bank's *de facto* activities from time to time;
- c. To establish provisions in the matter of the Bank's indemnity payment, in the event that the liability and/or legal expenses are not covered *de facto* on time by the insurer or the third party, as detailed in Section 1.4.6b(2) above.

1.4.10 Approvals required or conditions established to perform the transaction:

The resolution to approve the amended Deed of Undertaking was approved by the Remuneration Committee and the Bank's Board of Directors (having accepted the recommendation of the Audit Committee that the amended Deed of Undertaking apply to whosoever shall serve, from time to time, as the Bank's Chief Internal Auditor) and it is subject to the approval of the Bank's general meeting, pursuant to the provisions of Articles [272c](#), 272(c1), 273 and 275 of the Companies Law. This approval is to be granted on December 23, 2015.

1.4.11 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 March 10, 2015 (Reference No. 2015-01-047593) for 2014, 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 was owned and controlled fully by it 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 in Section D4), 5), 6), 7), 8) and 9) of Explanation 19 of 2014's financial reports (hereinafter:

"Section D"). This mention constitutes inclusion by way of reference to all information listed in Section D in this matter, as aforesaid.

- b. Additionally, on May 12, 1998, the Bank's general meeting approved the grant 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 1,000 M, as detailed in the immediate report published by the Bank in this matter of May 13, 1998.
- c. On April 18, 2000, the general meeting of the Bank approved the grant 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 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 1,000 M, as detailed in the immediate report published by the Bank in this matter of March 23, 2000. However, the 2000 prospectus was not published by the Bank and only a draft thereof was served 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

I 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."

1.4.12 The Remuneration Committee and Board of Directors' reasons for approving the transaction, the value of compensation and the manner in which it was established:

The Remuneration Committee and the Board of Directors' reasons for approving amended deed of indemnity mention as follows:

- a. [The amendment of the Deed of Undertaking, as aforesaid in Section 1.4.6b\(1\) above, is made following comments from Entropy Financial Research Services Ltd. Under this framework it was decided to reduce the exemption 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 detailed in Section 1 of the amended Deed of Undertaking. Note, the amendment may only credit the Bank.](#)
- b. As aforesaid in Section 1.4.6b(2) above, the Deed of Undertaking was amended in order to add clarifications, details and elaborations to the list of events specified in the addendum to the Deed of Undertaking, in order to clarify and adjust the list of events in accordance with the events that, in the Board of Directors' opinion, are to be anticipated in view of the Bank's *de facto* activities when providing an undertaking to indemnify.
- c. The amendment of the Deed of Undertaking, as aforesaid in Section 1.4.6b(3) above, is mainly intended to establish provisions concerning the payment of indemnity by the Bank, in the event that the liability or legal expenses are not covered *de facto* on time by the insurer or the third party. In this matter, it is proposed to establish, *inter alia*, 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.
- d. The approval of the amended Deed of Undertaking will contribute to those entitled under the amended Deed of

Undertaking fulfilling their duties properly, considering the exposures and risks involved.

1.4.13 The names of the directors who attended the discussions held by the Remuneration Committee and the Board of Directors regarding the resolution to approve the amended Deed of Undertaking:

- a. The Remuneration Committee's discussions regarding the resolution to approve the amended Deed of Undertaking were attended by the following directors:

The meeting on November 9, 2015 was attended by Avi Zigelman (chairman) (ext. dir.), Gideon Siterman (ext. dir.), Sabina Biran, Abraham Neyman (ext. dir.), Osnat Ronen (ext. dir.) and Joseph Shachak.

The meeting on December 7, 2015 was attended by Avi Zigelman (chairman) (ext. dir.), Gideon Siterman (ext. dir.), Sabina Biran, Abraham Neyman (ext. dir.), Osnat Ronen (ext. dir.) and Joseph Shachak

- b. The Board of Directors' discussions regarding the resolution to approve the amended Deed of Undertaking were attended by the following directors:

The meeting on November 16, 2015 was attended by Moshe Vidman (chairman), Zvi Ephrat, Avi Zigelman (ext. dir.), Mordechai Meir, Gideon Siterman (ext. dir.), Joseph Shachak, Jonathan Kaplan, Sabina Biran, Joav-Asher Nachshon, Abraham Neyman (ext. dir.), Osnat Ronen (ext. dir.) and Avraham Zeldman.

The meeting on December 7, 2015 was attended by Moshe Vidman (chairman), Zvi Ephrat, Avi Zigelman (ext. dir.), Mordechai Meir, Gideon Siterman (ext. dir.), Joseph Shachak, Jonathan Kaplan, Sabina Biran, Joav-Asher Nachshon, Abraham Neyman (ext. dir.), Osnat Ronen (ext. dir.), Ron Gazit and Liora Ofer.

1.4.14 The name of each director who has a personal interest in the resolution to approve the amended Deed of Undertaking:

All directors at the Bank are considered as having a personal interest in the resolution to approve the amended Deed of Undertaking, in view of being officers at the Bank.

1.4.15 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 order the Bank to provide an explanation, detailing, information and documents regarding the resolution to approve the amended Deed of Undertaking, within a timeframe it shall establish; and likewise to order the Bank to amend the report in the manner and within the timeframe it shall establish. Once such an order to amend the report has been given, the authority may order 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 order in the manner established by the controlling shareholder regulations, unless ordered otherwise by the authority.

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

2 **The majority required for the approval of the resolutions**

2.1 The majority required at the annual meeting and at a deferred annual meeting to approve the reappointment of each of the directors, as aforesaid in Section 1.2 above, and to approve the appointment of the Bank's auditing accountants, as aforesaid in Section 1.3 above, is an ordinary majority of all shareholders present at the annual meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes.

2.2 The majority required at the annual meeting and at the deferred annual meeting in the resolution to approve the amended Deed of Undertaking, as aforesaid in Section 1.4 above, is an ordinary majority of the shareholders present at the general meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes, provided that one of the following takes place:

2.2.1 The quorum 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 resolution, who are participating in the vote; in the quorum of the votes of the aforesaid shareholders, abstaining votes will not be taken into account.

2.2.2 The total opposing votes of the shareholders referred to in Section 2.2.1 above, does not exceed two percent (2%) of the total voting rights in the Bank.

In this immediate report – "**personal interest**" – an individual's personal interest in any activity or transaction of a company, including the personal interest of a 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

3 **Location and time of the meeting's convening**

3.1 The annual meeting will convene on Wednesday, December 23, 2015, at 11:30, 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 December 30, 2015, at the same time and place.

The date for determining the entitlement of the shareholders to vote at the annual meeting, as stated in Section 182 of the Companies Law, will be November 24, 2015 (hereinafter: "**Effective Date**").

3.2 The legal quorum for holding the annual meeting will be constituted upon the presence, in person or by a 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.

3.3 A shareholder will be entitled to vote at the annual meeting, in person or by a proxy. In addition, a shareholder will be entitled to vote at the annual meeting to approve the resolutions as stated in Sections 1.2.3a through h and 1.4.2 above, through a voting paper, as detailed below (hereinafter: "**Written Vote**" or "**Voting Paper**").

3.4 3.4.1 In addition, 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**") 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**") no later than 6 hours prior to the meeting.

3.4.2 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 in the list of those entitled to vote through the Electronic Voting System (as 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. Shareholders' instructions, as aforesaid, shall be transferred to the TASE member no later than 12:00 at the noon of the Effective Date, and this regarding the securities account and not particular securities held in the account.

- 3.5 Voting in writing will be performed on the second part of the voting paper, which is attached as **Appendix C** to this immediate report. The voting paper and the documents which are required to be attached thereto (the "**Attached Documents**"), as provided in the voting paper, should be delivered to the Bank's Offices by no later than 4 hours prior to the convening of the meeting. In this regard, the "time of delivery" will be the time on which voting paper and the Attached Documents will arrive at the Bank's Offices.
- 3.6 The document appointing a proxy to vote (the "**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, will be prepared and signed by the appointer or by his proxy who will be authorized therefor in writing, and if the appointer is a corporation, will be signed in such manner which will bind the corporation. The Letter of Appointment will be deposited in the Bank's Offices by no later than 48 hours prior to the time scheduled for the beginning of the meeting.
- 3.7 3.7.1 Attention is directed to Article 34(a1) of the Banking (Licensing) Law 5741-1981: *"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"*.
- 3.7.2 From the aforesaid provisions it arises, *inter alia*, that where concerns the appointment of directors, as detailed in Section 1.2 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 provisions.
- In the matter of additional issues on the annual meeting's agenda (as detailed in Sections 1.3 and 1.4 above), there is nothing preventing a proxy vote represented more than one shareholder.
- 3.8 The address of the Israel Securities Authority's distribution site and the Internet site of the Tel Aviv Stock Exchange Ltd, on which the voting papers and position notices are posted:
- 3.8.1 The distribution site of the Israel Securities Authority:
<http://www.magna.isa.gov.il/>;
- 3.8.2 The Internet site of the Tel Aviv Stock Exchange Ltd: <http://maya.tase.co.il/>

- 3.9 A shareholder is entitled to approach the Bank directly to receive the voting paper and the position notice therefrom.
- 3.10 An Unregistered Shareholder will be entitled to receive by e-mail, free of charge, a link to the voting paper and position notices on the distribution site from the TASE member through which he holds his shares, unless he has notified the TASE member that he does not wish to receive such link or that he wishes to receive voting papers by mail in consideration for payment; notice regarding voting papers shall also apply with regard to position notices.
- 3.11 A shareholder whose shares are registered with a TASE member may receive the ownership confirmation at a branch of the TASE member or via 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.
- 3.12 3.12.1 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.
- 3.11.2 The Voting Paper shall be valid with respect to an Unregistered Shareholder according to Section 177(2) of the Companies Law (i.e. those registered as a shareholder in the Shareholder Registry) only if a photocopy of an identity card, a passport or an incorporation letter is attached thereto.
- 3.13 The Bank's address for the delivery of voting papers and position notices: the Bank's Offices on 7 Jabotinsky Street, Ramat Gan.
- 3.13.1 The deadline for delivery of position notices to the Bank: up to 10 days before the date of the meeting.
- 3.13.2 The deadline for delivery of the Board of Directors' response to the position notices: no later than 5 days before the date of the meeting.
- 4 Furthermore, attention is directed to the Securities Authority guideline published on November 30, 2011, entitled "Guideline Regarding Disclosure Of The Voting Manner Of Interested Parties, Senior Officers And Institutional Investors At Meetings" (hereinafter: the "**Guideline**"), whereby:
- An "Interested Party" (as defined in the Securities Law 5728-1968), a "Senior Officer" (As defined in Article 37(d) of the Securities Law, 5728-1968) and an "Institutional Investor" (as defined in Article 1 of the Control Regulations of Financial Services and Provident Funds) (Participation of a Managing Company in a General Meeting) 5769-2009, as well as the Joint Investment Trust Law 5754-1994) (together: the "Voter" or "Voters") voting at a meeting, in the resolution suggested in Section 1.4 of the agenda (appointment of an external director) will notify the Bank prior to voting at the meeting of the derails required according to**

Article 2(b) of the Guideline, and in the event that the voter has voted by proxy (i.e. through an empowered representative), the above details shall be provided in connection with the empowering party and the empowered party.

5 **Adding an Issue to the Agenda**

After the publication of this report, there may be changes in 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 position papers published in the Bank's reports on the distribution site.

One or more shareholders who hold shares representing at least 1% of voting rights at the general meeting of the Bank may request the Board of Directors to include a issue on the agenda of the meeting up to 7 days after the notice of the meeting's convening, provided that the issue is appropriate for a discussion at the general meeting.

If the board finds that the issue requested to be included on the agenda is appropriate for a discussion at the general meeting, the Bank will 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 aforesaid. It is clarified that the publication of an updated agenda, as aforesaid, 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**

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

7 **Perusal of documents**

This immediate report and the full text of the proposed resolution may be inspected at the Bank's Offices, Tel: 03-7559720, during standard business hours, until the time scheduled for the meeting.

Respectfully,

Maya Feller

Bank Secretary

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Moshe Vidman**, bearer of ID No. **690875**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

Education:

Bachelor's degree in Economics from the Hebrew University in Jerusalem
Master's degree in Business Administration, specializing in financing, from the
Hebrew University in Jerusalem

Professional Experience and Board of Directors Membership:

I have 40 years' worth of experience in managing companies; I have served as a
director at leading businesses in the market for over 25 years. I have served as Bank
director for over 10 years.

2010 and onwards: director at Mizrahi Tefahot Bank Ltd

As of December 1, 2012: serving as the Chairman of the Board of Directors at
Mizrahi Tefahot Bank Ltd

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: October 27, 2015

Signature: [**Moshe Vidman**]

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Zvi Ephrat**, bearer of ID No. **7189434**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

Education:

Academic degree – L.L.B. from the Hebrew University in Jerusalem

Professional Experience and Board of Directors Membership:

I have served as a director at the Bank for many years. Previously, I served as a director at Hapoalim Bank (Switzerland) for approx. 5 years, as well as at two other Banks (which no longer exist): Haroshet Bank and Ampal Bank. Furthermore, I served as a director at Hapoalim Bank (Cayman) Ltd I have a degree in Law and a license to practice law, and I have worked in Business and Financing for many years.

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: October 13, 2015

Signature: [**Zvi Ephrat**]

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Gazit Ron**, bearer of ID No. **050688605**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

A graduate (L.L.B.) of Tel Aviv University

Certified attorney and mediator

A graduate of the courses Advanced Financial Accounting A + B at the Faculty of Management, Tel Aviv University

Founder of the Ron Gazit, Rotenberg & Co. Law Offices

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: November 9, 2015

Signature: [**Gazit Ron**]

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Liora Ofer**, bearer of ID No. **51983401**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

Education:

High-School – The Hebrew Reali School in Haifa

Professional Experience and Board of Directors Membership:

2006 and onwards: director at Mizrahi Tefahot Bank Ltd

2007 and onwards: chairwoman of the Board of Directors at the Melisron Company.

2012 and onwards: chairwoman of the Board of Directors at the Ofer Investments Company.

I have been serving for years as a director at companies in the Ofer Investments Group, as detailed below: Ofer investments Ltd, Helidor Enterprises Ltd, Oro Investments Ltd, Oro Consultation and Management Ltd, Melisron Ltd, Ramat Aviv Mall Ltd, Ofer Brothers Holdings (1989) Ltd, Ofer Brothers Property Holding Ltd, A.A.B.M Ltd, Ofarim Buildings Ltd, Ofer Development and Investments Ltd, Ofer Sachaf Ltd, Ofer Industry Assets (Nazereth) Ltd, Coral Beach Eilat Ltd, C.I.D The Israeli Investment and Development Co. Ltd, Ofer Commercial Centers Ltd, Carmeli Yuliad Ltd, Neot Coral Beach (1990) Ltd, 10 Herbert Samuel (Management) Ltd, Ofer Investments Energy Enterprises (Management) Ltd, Ofer Investments Energy Sources Ltd

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: October 14, 2015

Signature: **Liora Ofer**

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Mordechai Meir**, bearer of ID No. **050087006**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

A graduate of Tel Aviv University Accounting and Economics – CPA

Formerly of the Somech, Haikin Zitron & Co. Accounting Offices, including experience in Bank auditing and preparing financial reports for financial institutes

Former CEO of three public companies (Sahar Holdings Ltd, Sahar Development and Investments and Africa Israel Investments Ltd)

I have served as a director at many companies, including Africa Israel Investments Ltd; Packer Steel Ltd; Negev Ceramics Ltd (chairman); Tefahot Bank, Igud Capital Markets, Leumi & Co. and other companies

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: October 19, 2015

Signature: **[Mordechai Meir]**

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Yoni Kaplan**, bearer of ID No. **055251391**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

Education:

B.A. in Economics and Accounting, CPA

M.A. in Political Sciences and National Security, Haifa University

Professional Experience:

1982-1999 – various positions in the Income Tax Department - the Ministry of Finance

1999-2001 – Income Tax Commissioner

2002- Financial consulting and membership in boards of directors

For over 10 years I have served as a lecturer at Tel Aviv University and Bar Ilan University.

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: November 8, 2015

Signature: [**Yoni Kaplan**]

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Joav Nachshon**, bearer of ID No. **57081630**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

Education:

M.B.A with a major in Strategy, The Hebrew University in Jerusalem

B.A. – graduate of Economics and Accounting, Tel Aviv University

Occupation and Professional Experience:

2002-2015 - The Central Bottling Company Group – Vice President, Finance, Business Development and Strategy.

1998-2002 - The Central Bottling Company Group – CFO and CIO

1995-1998 - Partner at the Almagor Accounting Offices.

Serves as a director in the following companies:

Neviot Teva Hagalil Ltd

Tavor Winery (2005) Ltd

Mira Trading Co. Ltd

Keshet Broadcasting Ltd

Türk Tuborg Bira ve Malt Sanayii A.Ş

Tuborg Pazarlama A.Ş

United Albanian Breweries SH.P.K

International Dairies Corporation B.V.

AL Breweries B.V.

Association of Milk Producers and Dairy Products Ltd. (in voluntary liquidation)

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: November 9, 2015

Signature: **Joav Nachshon**

Supplement

To

Mizrahi Tefahot Bank Ltd (the "**Bank**" or the "**Company**")

Declaration of a Director or Candidate for a Director's Position

Pursuant to Section 224B of the Companies Law, 5759-1999 (the "**Companies Law**")

I, the undersigned, **Avraham (Avi) Zeldman**, bearer of ID No. **0579591-9**, hereby declare in writing as follows:

1. I have the required qualifications and the ability to dedicate the appropriate amount of time to performing my duties as a director at the Bank, considering, *inter alia*, the Bank's special needs and size.

Noting the above, below are details regarding my qualifications, including my education, experience and knowledge:

A great deal of experience at the highest level of management at the Leumi Bank Group, both as a member of the Bank's management and as the CEO of a subsidiary and in the field of mortgages.

My experience is based on a number of layers:

For 13 years, from 1987 and until the end of 1999, as a member of Leumi Bank's management in the position of senior private and commercial Banking manager and head of the Banking division in charge of all Leumi Bank branches in Israel upon all of their activities. As part of this position, in charge of the Bank's deposits, chairman of the Central Credit Committee for commercial clients (mid business) and a member of the Bank's Higher Credit Committee.

For 23 years, from 1987 until December 2010, I served as the chairman of Leumi Mortgage Bank Ltd.

For 11 years, from early 2000 and until December 2010, I served as the CEO of Leumi Partners Ltd's Real Investments Arm, Investment Banking Arm and the Underwriting Arm of Leumi Bank.

I represented the Leumi Bank Group on the boards of companies in which Leumi Bank/Leumi Partners were invested, in the framework of the real investment policy of the group, the most prominent of which were: Paz, Partner, Electra Consumer Products, Super Pharm, Avgol, Keshet Broadcasting, Technorov and investment funds. In various boards of directors, I was a member of board committees, such as the Executive Committee, Financial and Balance Sheet Committee and Audit Committee.

Currently, I serve as the chairman of Fox Wize's board of directors, a company traded on the Tel Aviv 100 Index. Likewise, I serve as a financial and intergenerational transfer advisor at Polyurethane Ltd, a private industrial company.

As a volunteer seeking to contribute to the community, I am a director in two companies that operate as community projects, and a board member in two NGOs: one in the field of community investments and the other in youth care. Likewise, I am a member of the administrative board of the Entrepreneurship Development Center in Raanana, where I reside.

2. I have read Sections 226 and 227 of the Companies Law, and I hereby declare that the limitations provided in these sections do not apply to me.

In witness whereof I have hereunto set my hand:

Date: October 7, 2015

Signature: [**Avraham (Avi) Zeldman**]

Deed of Exemption and Undertaking to Indemnify

In this undertaking, the following terms will have the meanings next to them:

"Excellence"	Excellence Investments Ltd and other companies or corporation held thereby at any proportion.
"Adanim Bank"	Adanim Mortgage Bank Ltd
<u>"law"</u>	<u>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 any of them, per their validity from time to time.</u>
"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 any proportion, 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
<u>"Pension Counseling Law"</u>	<u>The Control Of Financial Services (Pension Counseling And Pension Marketing) Law 5765-2002</u>
"Insurance Control Law"	The Control of Financial Services (Insurance) Law, 5741 – 1981
"Provident Fund Control Law"	The Control of Financial Services (Provident Funds) Law, 5765 – 2005
"Joint Investment Law"	The Joint Investment Trust Law, 5754-1994
"Securities Law"	The Securities Law, 5728-1968
"Deed of Undertaking"	This deed of exemption and undertaking to indemnify.
"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, 2001.
"supplement"	The supplement to this Deed of Undertaking, 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, as of 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, as of the Effective Date and thereafter. b. Whoever serves as the director of a controlled company, at the Bank's request, from time to time, as of 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, as of 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 , as of 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, as of 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.
<u>"personal interest"</u>	<u>Per its definition in Article 1 of the Companies Law.</u>
<u>"transaction"</u>	<u>Per its definition in Article 1 of the Companies Law, including an extraordinary transaction per its meaning in the aforesaid article.</u>
"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, <u>act</u> or omission, including any action prior to the Effective Date; <u>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</u>

[provisions 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 officer insurance policies;
- AND WHEREAS the coverages, 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 will be filed) against the officers;
- AND WHEREAS the Bank wishes to grant the officers an independent undertaking to indemnify, in addition to insurance;
- AND WHEREAS the Bank wishes to exempt the officers at the Bank from liability thereto, as detailed below;
- AND WHEREAS this Deed of Undertaking broadens the entitlement of officers (as defined above) to indemnity, rather than reduces it, and therefore must be widely interpreted according to the limitations of the law. Pursuant to this, in the event of conflict between some provision in this Deed of Undertaking and a law provision that cannot be conditioned, changed or added upon, the aforesaid law provision shall prevail, but this shall not impair or diminish the validity of other provisions in this Deed of Undertaking;
- 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 20, 2001 (having received the approval of the Board of Directors and the Bank's Audit Committee), including the resolutions to amend this Deed of Undertaking, which were approved at the Bank's general meetings dated October 28, 2004; May 14, 2006; November 9, 2011; September 20, 2012; and _____¹ (hereinafter: "**amendment resolutions**"), the Bank hereby undertakes to exempt officers at the Bank and likewise to grant indemnity to the officers and the employees, as detailed in this Deed of Undertaking.

¹ [The date of the general meeting which will approve the amendments marked in this Deed of Undertaking shall be added here once approval is granted.](#)

1. **Grant of exemption**

Subject to the provision 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 ² 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 the aforesaid Section 1) has a personal interest therein.

2. **Undertaking to indemnify an officer**

Subject to the conditions detailed in this Deed of Undertaking and the provisions of the Companies Law:

2.1 Subject to the provisions 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;

All provided that regarding indemnity due to liability as detailed in Section 2.1.1 and 2.1.2 above, the actions regarding which the indemnity is granted are connected directly or indirectly to one of the events detailed in the supplement to this Deed of Undertaking, or any part thereof;

2.2 Subject to that which is stated in Section 2b below, the undertaking to indemnify, as aforesaid in Section 2.1 above, 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, for the benefit of another person pursuant to a court verdict, 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 competent to conduct an investigation or a

² The date of the general meeting which will approve the amendments marked in this Deed of Undertaking shall be added here once approval is granted.

proceeding, and 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 provisions, 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 provisions 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 provisions 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 Deed of Undertaking, "**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 2.6.6.6 above, provided that the aforesaid indemnity is not prohibited by law.

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

Subject to the conditions detailed in this Deed of Undertaking and the provisions of any law, the Bank hereby undertakes to indemnify any employee for a financial liability imposed upon him, as aforesaid in Sections 2.2.4 and 2.2.5 above, 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 sum of the indemnity**

2.1.b 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 Deed of Undertaking, 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**").

2.2.b Notwithstanding the aforesaid in Section 2.1.b above, 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 Deed of Undertaking as aforesaid in Section 2.1.b above, shall not exceed the total indemnity sum. However, the difference sum will only be used for indemnity due to actions performed prior to November 9, 2011, the date on which the Bank's general meeting approved an amendment to this Deed of Undertaking.

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.

2.3.b 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 Deed of Undertaking in one of the matters subject of the indemnity exceeds the sum established in Section 2.1.b or 2.2.b above, 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 should be paid to each of those entitled to indemnity, as the case may be, and total of all sums that should 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 Deed of Undertaking regarding 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 Deed of Undertaking 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 Deed of Undertaking 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 above, 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 in Section 2.2.6 above (each of those hereinafter: "**proceeding**") commenced against him and any concerns or threats that a proceeding may be filed against him and 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 provisions 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 above, 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 provided in Section 4.1 above, the Bank (or insurer) has not taken it upon itself to handle the officer 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 in Section 4.4 above, 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 provisions in all matters pertaining to disputes with the insurer

regarding the identity of the representing attorney, if the policy's provisions 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; and the policy's provisions 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 above, the officer or employee will, at the Bank's request, sign a deed of authorization 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 aforesaid in 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 above, 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 Deed of Undertaking 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 Deed of Undertaking. 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 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 provisions of Article 263 of the Companies Law or due to any other provision 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 retribute 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 provisions of Article 263 of the Companies Law or due to any other provision of the law, and a dispute arises regarding the duty of the officer or employee to retribute legal expenses or concerning the sums of the restitution, the dispute shall be settled by an arbitrator on whom the parties 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 tenure, and the proceedings that may be taken against him after the termination date of his work or the termination date of his tenure, provided that they relate to the actions subject of the indemnification, as stated in this Deed of Undertaking..

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 provisions 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 Deed of Undertaking. It is hereby clarified that in the event where the officer or employee may be lawfully indemnified both under the previous undertaking and this Deed of Undertaking, the Bank's Audit Committee will decide, subject to the provisions 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 Deed of Undertaking](#) (as approved by the general meeting on December 20, 2001 and as amended according to the amendment resolutions) constitutes a single undertaking [to indemnify, applying in](#) its amended version [only as detailed in this Deed of Undertaking, as approved on](#)

[_____](#)³

6. **Execution of the payment**

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

6.2 Each payment that the Bank must pay under this Deed of Undertaking shall be paid thereby within 7 days of its required date.

7. **General**

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

³ [The date of the general meeting which will approve the amendments marked in this Deed of Undertaking shall be added here once approval is granted.](#)

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, provisions 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, provisions 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 provisions;
- 1.11 An action in connection with the management and control of Bank risks (including risks insurance), including according to the provisions 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 provisions 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](#), provisions 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 provisions 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 12, 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 18, 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 provisions of the Companies Law, the Securities Law and the Income Tax Ordinance (New Version), 5721-1961, as well as regulations, orders and provisions 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 Deed of Undertaking), 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.

It is hereby clarified as follows:

- (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 Deed of Undertaking) both in Israel and abroad;
- (2) An event specified above in this Supplement shall be interpreted as referring to foreign law and to provisions issued abroad, which are of a similar nature to the laws and to provisions 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.

And all based on the context and circumstances.

Mizrahi Tefahot Bank Ltd.

VOTING PAPER PURSUANT TO THE COMPANIES REGULATIONS (WRITTEN
VOTING AND POSITION NOTICES), 5766-2005
(THE "REGULATIONS")

Part One

1. Name of Company: **Mizrahi Tefahot Bank Ltd.** (the "**Company**" or the "**Bank**")
2. The type of general meeting and the time and place thereof: an annual general meeting of all of the Bank's shareholders (hereinafter: "**annual meeting**"). The annual meeting shall be held on Wednesday, December 23, 2015, at 11:30, at the Bank's offices at 7 Jabotinsky Street, 13th floor, Ramat Gan. Should the meeting be postponed, it shall take place on December 30, 2015, at the same time and place.
3. Details of the matters on the agenda which can be voted on through a voting paper, as detailed in the [amended](#) immediate report published by the Bank on [December 7, 2015](#) (hereinafter: "**immediate report**"). The aforesaid immediate report was published following the original immediate report regarding convening the annual meeting, published by the Bank on November 16, 2015 (hereinafter: "**original convening report**"):
 - 3.1 Reappointment of directors – the issue detailed in Section 1.2 of the immediate report
 - 3.1.1 Text of the proposed resolution: to reappoint the directors whose names are listed below:

Number of issue on the meeting's agenda, as detailed in Section 1.2 of the immediate report	Name of director	Membership in a committee or a Board of Directors committee	Year in which tenure as a director at the Bank began	Changes compared to the details appearing in the periodic report for 2014 published by the Bank on March 10, 2015,
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				Reference No. 2015-01- 047593 (hereinafter: "periodic report") (pursuant to Regulation 26 of the Periodic and Immediate Report Regulations
1.2.3a	Moshe Vidman	Credit Committee; Risk Management Committee	2010 ¹	--
1.2.3b	Zvi Ephrat	Credit Committee	1995	--
1.2.3c	Ron Gazit	Risk Management Committee	2003	Ceased to serve as the head of the Ron Gazit Rotenberg & Co. Law Offices in August 2014
1.2.3d	Liora Ofer	Credit Committee	1998 ²	Ceased to serve as a director at Ofer Brothers (Ra'anana) Ltd (voluntarily terminated) in

¹ Serving as Chairman of the Board of Directors as of December 1, 2012.

² In June 2005, Ms. Liora Ofer quit her tenure and was reappointed in January 2006.

				June 2015
1.2.3e	Mordechai Meir	Audit Committee; Special Committee to Examine Granting Credit in the Past to Specific Borrowers ³	2008	Started serving on the Special Committee to Examine Granting Credit in the Past to Specific Borrowers in September 2015
1.2.3f	Jonathan Kaplan	Risk Management Committee; Special Committee to Examine Granting Credit in the Past to Specific Borrowers	2011	Ceased to serve as a director at Villar International Ltd in August 2015, and started serving on the Special Committee to Examine Granting Credit in the Past to Specific Borrowers in September 2015.
1.2.3g	Joav-Asher Nachshon	Credit Committee	2012	Ceased to serve as a director at the Central Bottling Company Ltd

³ On September 7, 2015, the Board of Directors resolved to establish a Special Board of Directors Committee to Examine Granting Credit in the Past to Specific Borrowers.

				<p>in November 2015; ceased to serve as a director at Me Galil Ltd in August 2014 (Me Galil Ltd was terminated at this time due to a merger); and ceased to serve as a director at Meshek Zuriel Distribution Ltd in July 2012 (due to the company's voluntary liquidation procedure).</p>
1.2.3h	Avraham Zeldman	Risk Management Committee; Special Committee to Examine Granting Credit in the Past to Specific Borrowers	2015	<p>Started serving as a member of the Bank's Board of Directors' Risk Management Committee in March 2015; and started serving on the Special Committee to Examine Granting Credit in the Past to</p>

				Specific Borrowers in September 2015.
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3.1.2 The reappointment of the aforesaid directors is subject to the Supervisor of Banks not announcing his objection to the aforesaid appointment or announcing his agreement thereto.

3.1.3 (a) Attention is directed to Article 34(a1) of the Banking (Licensing) Law 5741-1981: *"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"*.

(b) From the aforesaid provisions it arises, inter alia, that where concerns the appointment of directors, as detailed in Section 3.1 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 provisions.

In the matter of additional issues on the annual meeting's agenda (as detailed in Sections 1.3 and 1.4 to the immediate report), there is nothing preventing a proxy vote represented more than one shareholder.

3.2 **The Bank's Deed of Exemption and an Undertaking to Indemnify (hereinafter: "Deed of Undertaking") - the issue detailed in Section 1.4 of the immediate report**

3.2.1 Description of the nature of the issue: Approval of the amended text of the Bank's Deed of Undertaking (hereinafter: "**amended Deed of Undertaking**").

3.2.2 Text of the proposed resolution: to approve the Bank's amended Deed of Undertaking for the directors and other officers, including the CEO of the Bank and the Bank's controlling shareholders and their relatives, as well as employees, in the version attached as **Appendix B** to this immediate report; the proposed amendments to the present text of the Bank's Deed of Undertaking are indicated as underlined in Appendix B. [Note that the amendments marked in yellow in Appendix B are changes with regard to the](#)

[version of Appendix B as attached to the original immediate report regarding convening the annual meeting.](#)

Furthermore, to confirm that the resolution to approve the amended Deed of Undertaking, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015.

(Hereinafter together: "**the resolution to approve the amended Deed of Undertaking**").

3.2.3 The resolution to approve the amended Deed of Undertaking was approved by the Bank's Board of Directors on November 16, 2015 [and on December 7, 2015](#), having received the Remuneration Committee's approval thereof on November 9, 2015 [and on December 7, 2015](#).

In addition, the Audit Committee has recommended to the Remuneration Committee and the Board of Directors that the amended Deed of Undertaking apply to whosoever shall serve, from time to time, as the Bank's Chief Internal Auditor.

3.2.4 Note that the resolution to approve the amended Deed of Undertaking is consistent with the Bank's remuneration policy. [However, the provision in the matter of reducing the exemption \(as detailed in Section 3.2.6b\(1\) below\) may be considered a provision which is not consistent with the Bank's remuneration policy, although it only credits the Bank. For further details, see Section 1.4.4 of the immediate report.](#)

3.2.5 It is further noted that the amended Deed of Undertaking shall also apply to whosoever shall serve, from time to time, as the Bank's CEO.

The principle facts which are required for the understanding of the issue and details pursuant to the controlling shareholder regulations, regarding the resolution to approve the amended Deed of Undertaking:

3.2.6 Approval of the amended Deed of Undertaking:

a. On December 20, 2001, having received the approval of the Bank's Audit Committee and Board of Directors, the Bank's general meeting approved a Deed Of Exemption and an Undertaking To Indemnify (hereinafter: "**original Deed of Undertaking**"). On October 28, 2004; on May 14, 2006; on November 9, 2011; and on September 20, 2012, the Bank's general meeting approved amended texts of the original Deed of Undertaking, all as detailed in Section 1.4.6a of the immediate report.

(The aforesaid Deed of Undertaking, as last approved on September 20, 2012, shall be called hereinafter: "**current Deed of Undertaking**" or "**Deed of Undertaking**")

- b. It is proposed that the current Deed of Undertaking be amended, as detailed in the amended text attached as Appendix B, including as detailed below:

(1) Reducing the exemption to officers at the Bank

It is proposed to amend Section 1 of the current Deed of Undertaking, and establish that the liability exemption granted to officers at the Bank, as detailed in Section 1 of the current Deed of Undertaking, shall not apply due to a violation of the duty of prudence that occurs after the date on which the amended Deed of Undertaking shall be approved by the general meeting, 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 the aforesaid Section 1) has a personal interest therein.

Note that the Bank intends to submit a proposal to amend the Bank's articles of association for the approval of the Bank's certified organs, pursuant to the general meeting's approval of the amendment of Section 1 of the Deed of Undertaking, as aforesaid.

(2) The list of events included in the addendum to the Deed of Undertaking

It is proposed that clarifications, details and elaborations be added to the list of events specified in the Supplement to the Deed of Undertaking, in order to clarify and adjust the list of events in accordance with the events that, in the Board of Directors' opinion, are to be anticipated in view of the Bank's *de facto* activities when providing an undertaking to indemnify.

The amendments to the current Deed of Undertaking in this matter are underlined in the amended Deed of Undertaking, which is attached below as Appendix B.

For further details, see Section 1.4.6b(2) of the immediate report.

(3) Amendment of Article 3 of the current Deed of Undertaking, regarding indemnification by an insurer or a third party

It is proposed that Article 3 of the current Deed of Undertaking be amended, and that it be established that the

aforesaid in Article 3 shall also apply in the matter of receiving indemnity from a policy insurance's insurer of which a third party may become engaged, or from any third party which has given indemnity to the officer or an employee for the matter subject of the indemnification. In addition, it is proposed that provisions are established concerning the payment of indemnity by the Bank, in the event that the liability and/or legal expenses are not covered *de facto* on time by the insurer or the third party. In this matter, it is proposed to establish, *inter alia*, 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.

The amendments to the current Deed of Undertaking in this matter are underlined in Article 3 of the amended Deed of Undertaking, attached to the immediate report as Appendix B.

For further details, see Section 1.4.6b(3) of the immediate report.

3.2.7 Periodic approval of the amended Deed of Undertaking, in the matter of its application to controlling shareholders and their relatives

As the current Deed of Undertaking was last approved on September 20, 2012, and pursuant to Article 275(a1) of the Companies Law, it is proposed to approve that the resolution to approve the amended Deed of Undertaking, as detailed in this voting paper above, in the matter of its application to the controlling shareholders and their relatives (that the amended Deed of Undertaking applies to), is in effect as of September 20, 2015

For further details, see Section 1.4.7a of the immediate report.

In the matter of the amended Deed of Undertaking's application to those entitled thereby who are not controlling shareholders and their relatives, see Section 1.4.7b of the immediate report

4. **The majority required for the approval of resolutions at the annual meeting, in each of the issues on the agenda, which can be voted on through the voting paper:**

4.1 The majority required at the annual meeting and at a deferred annual meeting to approve the reappointment of each of the directors, as detailed in Sections 1.2.3(a) through 1.2.3(h) to the immediate report (that is to say, Section 3.1.1 of this voting paper) is an ordinary majority of all shareholders present at the annual meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes.

4.2 The majority required at the annual meeting and at the deferred annual meeting in the resolution to approve the amended Deed of Undertaking, as aforesaid in Section 1.4.2 of the immediate report (that is to say, Section 3.2.2 of this voting paper) is an ordinary majority of the shareholders present at the general meeting, who are entitled to vote and voting thereat, without taking into account the abstaining votes, provided that one of the following takes place:

4.2.1 The quorum 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 resolution, who are participating in the vote; in the quorum of the 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 Bank.

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

5. **Place and time during which the full text of the proposed resolution can be perused:**

This 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., 13th floor, Ramat Gan, Tel: 03-7559720, during standard business hours, until the time scheduled for the meeting.

6. **Details to the best of the Company's knowledge regarding the nominees for tenure as directors:** as detailed in Section 3.1 above.

To remove doubt, it is clarified that each nominee for tenure as a director, as detailed in this voting paper, shall be voted on separately.

7. 7.1. 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 Voter") only if an ownership confirmation is attached thereto, or if such a confirmation has been transferred

to the Bank through the electronic voting system.

7.2. The Voting Paper shall be valid with respect to a Registered Shareholder according to Section 177(2) of the Companies Law (i.e. those registered as a shareholder in the Shareholder Registry) only if a photocopy of an identity card, a passport or an incorporation letter is attached thereto.

8. The voting paper and the documents which are required to be attached thereto (the "Attached Documents"), as provided in the voting paper, should be delivered to the Bank's Offices by no later than 4 hours prior to the convening of the meeting. In this regard, the "time of delivery" will be the time on which voting paper and the Attached Documents will arrive at the Bank's Offices.
9. 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") no later than 6 hours prior to the meeting.
10. **The Bank's address for the delivery of voting papers and position notices:** the Bank's Offices on 7 Jabotinsky Street, Ramat Gan.
 - 10.1 **The deadline for delivery of position notices to the Bank:** up to 10 days prior to the date of the meeting.
 - 10.2 **The deadline for delivery of the Board of Directors' response to the position notices:** no later than 5 days prior to the date of the meeting.
11. The address of the Israel Securities Authority's distribution site and the Internet site of the Tel Aviv Stock Exchange Ltd, on which the voting papers and position notices are posted:
 - 10.1 The distribution site of the Israel Securities Authority: <http://www.magna.isa.gov.il/>;
 - 10.2 The Internet site of the Tel Aviv Stock Exchange Ltd: <http://maya.tase.co.il/>
12. 12.1 A shareholder whose shares are registered with a TASE member may receive the ownership confirmation at a branch of the TASE member or via mail, if he has requested it. A request in this matter shall be given in advance regarding a particular securities account.
 - 12.2 An Unregistered Shareholder may instruct that his ownership confirmation be transferred to the Bank through the Electronic Voting System.
13. An unregistered shareholder will be entitled to receive by e-mail, free of charge, a link to the text of the voting paper and position notices on the distribution site from the TASE member through which he holds his shares, unless he has notified the TASE member that he does not wish to receive such link or that he wishes to receive voting papers by mail in

consideration for payment; notice regarding voting papers shall also apply with regard to position notices.

14. One or more shareholders holding shares which constitute five percent or more of all the voting rights in the Bank, and anyone holding such percentage of all of the voting rights that are not held by the Bank's controlling shareholder, as defined in section 268 of the Companies Law (the "Controlling Shareholder") may inspect the voting papers and voting records through the Electronic Voting System that have arrived at the Bank, as stipulated in Section 10 of the Regulations.

The quantity of shares constituting 5% of all voting rights in the Bank is: 11,592,831 ordinary shares of ILS 0.1 par value each.

The quantity of shares constituting 5% of all voting rights in the Bank, which are not held by the Controlling Shareholder, is: 6,444,589 ordinary shares of ILS 0.1 par value each

15. Adding an issue to the agenda: After the publication of this report, there may be changes in 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 position papers published in the Bank's reports on the distribution site.

One or more shareholders who hold shares representing at least 1% of voting rights at the general meeting of the Bank may request the Board of Directors to include a issue on the agenda of the meeting up to 7 days after the notice of the meeting's convening, provided that the issue is appropriate for a discussion at the general meeting.

If the board finds that the issue requested to be included on the agenda is appropriate for a discussion at the general meeting, the Bank will 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 aforesaid. It is clarified that the publication of the updated agenda, as aforesaid, does not change the Effective Date as determined in the immediate report.

16. A shareholder shall note his manner of voting in regard to the issue on the agenda on the form that constitutes the second part of this voting paper, and in case where the shareholder is voting according to power of attorney (i.e. by proxy), said details shall be given for both the appointer of the power of attorney and his appointee.

Voting Paper - Part Two

Company Name: **Mizrahi Tefahot Bank Ltd.** (the "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

Time of Meeting: December 23, 2015

Type of Meeting: Annual

Effective date: November 24, 2015

(Hereunto to be filled by the Company).

Details of the Shareholder

Shareholder Name - _____

Identity No. - _____

If the shareholder does not have an Israeli ID -

Passport No. - _____

Issuing Country - _____

Valid Until - _____

If the Shareholder is a Corporation -

Corporation No. - _____

Country of Incorporation - _____

Manner of voting

Number of issue on the agenda, as detailed in the immediate report regarding the convening of the meeting	Manner of voting ¹			In the matter of approving a transaction pursuant to Articles 255 and 272 through 275 to the Companies Law: are you a controlling shareholder or have personal interest in the resolution to approve the amended Deed of Undertaking ² ? (Section 1.4 of the immediate report and section 3.2 of this voting paper)	
	For	Against	Abstain	Yes*	No
1.2.3(a)				X	
1.2.3(b)					
1.2.3(c)					
1.2.3(d)					
1.2.3(e)					
1.2.3(f)					
1.2.3(g)					
1.2.3(h)					
1.4					

* Please detail.

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

² A shareholder who will not fill in this column or mark "Yes" without an explanation will not be counted in the quorum.

Are you an interested party³, a senior officer⁴ or an institutional investor⁵?

YES _____ NO _____

Date

Signature

For shareholders holding shares through a TASE member (in accordance with Section 177(1) – this voting paper is only valid when accompanied by a certificate of title, excluding cases where voting is done through the electronic voting system.

For shareholders registered in the Bank's register of shareholders – the voting paper is valid when accompanied by a photocopy of the identity certificate/passport/certificate of incorporation.

Details

In the matter of the resolution to approve the amended Deed of Undertaking: issue 1.4 on the agenda in the immediate report (see Section 3.2 of this voting paper):

Below are details in connection with my "having a personal interest in the approval of the resolution", in the matter of the resolution to approve the amended Deed of Undertaking:

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

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

⁵ "Institutional investor" per this term's definition in Article 1 of the Control of Financial Services (Provident Funds) (Participation of Managing Company in the General Meeting), 5769-2009 as well as the Joint Investment Trust Law 5754- 1994.