

BANK LEUMI OF ISRAEL LTD.  
Corporate Governance Questionnaire  
for 2018

This is a translation from the Hebrew. It has been made for convenience purposes alone. In case of any discrepancy, the Hebrew version shall prevail

## Corporate Governance Questionnaire

(Directive under Section 36A of the Securities Law, 1968 (hereinafter: the "**Securities Law**"))

### 1. Definitions

The "**Companies Law**" - the Companies Law, 1999;

The "**Reports Regulations**" - the Securities (Periodic and Immediate Reports) Regulations, 1970;

The "**Financial Statements Approval Regulations**" - the Companies (Provisions and Conditions for Financial Statement Approval Procedure) Regulations, 2010;

"**Interested Party**", "**Independent Director**", "**External Director**", "**Board of Directors Committee**", "**Publicly-Traded Company**", "**Personal Interest**", "**Transaction**", "**Action**", "**Relative**", "**Control**", "**Articles of Association**" - as defined by Section 1 to the Companies law;

"**Periodic Report**" - within the meaning of the term in Article B to the Reports Regulations;

"**Quarterly Report**" - within the meaning of the term in Article D to the Reports Regulations;

The "**Committee**", "**Statement**", "**Financial Statement Review Committee**" - within the meaning of the terms in the Financial Reports Regulations;

"**Interest**" - within the meaning of the term in Section 240 to the Companies Law.

"**Professional Qualifications**", "**Accounting and Financial Expertise**" - within their meaning in the Companies (Conditions and Tests for a Director with Accounting and Financial Expertise and Director with Professional Qualifications) Regulations, 2005;

"**Insurer**", "**Reporting Year**" - within their meaning in the Reports Regulations;

"**Senior Officer**" within its meaning in Section 37(d) to the Securities Law;

"**Control**", "**Controlling Shareholder**" - within their meaning in Section 1 or 268 to the Companies Law, as appropriate;

"**Reporting Year**" signifies from January 1 2018 to December 31 2018;

"**Corporation**" - a reporting corporation which constitutes a publicly traded company within the meaning thereof in the Companies Law (including a publicly traded banking corporation and insurer) or constitutes a foreign corporation;

"**Banking Corporation**" - within its meaning in the Securities Law;

"**Foreign Corporation**" - a company incorporated outside Israel whose shares have been offered to the public in Israel, pursuant to Section 39A to the Securities Law;

THE BOARD OF DIRECTORS' INDEPENDENCE			Yes	No
1.		<p>In each reporting year, there were at least two external directors in the corporation.<sup>1</sup></p> <p>The question may be answered "yes" if the period during which the corporation had less than two external directors did not exceed 90 days, pursuant to Section 363A.(b)(10) to the Companies Law. However, any answer (yes or no) must include the length of the period (number of days) in which there were less than two external directors during the reporting period (including if the tenure was approved retroactively, for each of the different external directors):</p> <p>Director A: <b>Mr. Yitzhak Edelman</b></p> <p>Director B: <b>Mr. Yoram Gabbay.</b><sup>2</sup></p> <p>Director B: <b>Ms. Tamar Gottlieb.</b></p> <p>Director D: <b>Ms. Z. Samet served as an ED at the Bank until August 17 2017. She was re-elected as External Director who and also meets the terms of qualification for EDs and of an individual arrangement - [for more information, please see Section 1.4.2 to the Report on Convening a General Meeting published by the Bank's on September 28 2017 (Ref. No. 2017-01-086014] at the Bank's annual general meeting held on October 3 2017.</b></p>	✓	

<sup>1</sup> Until October 9, 2018, Mr. Haim Samet served as External Director at the Bank.

<sup>2</sup> On October 4, 2018, Mr. Yoram Gabbay was elected External Director by the General Meeting and commenced his tenure on November 13, 2018, after the Bank received the Supervision of Banks' approval.

		The number of External Directors serving at the corporation as of the date of the publication of this questionnaire: <b>4 (please see the comment above regarding Ms. Z. Samet's special arrangement).</b>		
2.		<p>Proportion of<sup>3</sup>Independent Directors<sup>4</sup> serving at the corporation as of the questionnaire's publication date: <b>6/12 including "External Director" as defined by the Companies Law.</b> The proportion of Independent Directors in the<sup>5</sup> corporation's Articles of Association:<sup>6</sup> <b>The Articles of Association do not include a provision in this matter. Pursuant to the directives of the Bank of Israel, at least 1/3 of the Board members.</b></p> <p><b>Comment: Pursuant to Proper Conduct of Banking Business Directive No. 301, at least one third of the directors should meet the eligibility requirements for an external director as defined by the Directive 301 ("External Directors"). As a result, as of the reporting date and report publication date, the Bank's Board of Directors includes 6 directors who are classified as External Directors, including 4 EDs in accordance with the Companies Law (please see the above note regarding Ms. Z. Samet's special arrangement).</b></p>	_____	_____
3.		In the reporting year, the External Directors (and the Independent Directors) were found to meet the provisions of Section 240(b) and (f) to the Companies Law regarding lack of interest on the part of the External Directors (and Independent Directors) during the reporting year.	✓	

<sup>3</sup> In this questionnaire, "**proportion**" is a certain number out of the total. For example: 3/8.

<sup>4</sup> Including "External Directors" within the meaning thereof in the Companies Law.

<sup>5</sup> Regarding this question - "Articles of Association" including according to a specific legal provision applicable to the corporation (for example, in case of a banking corporation - directives issued by the Banking Supervision Department).

<sup>6</sup> Bonds companies are exempt from answering this section.

4.	<p>None of the directors who served in the corporation during the reporting year are not subordinate to the President and CEO<sup>7</sup>, either directly or indirectly (inapplicable to a director who serves as a representative of the employees, if such representation exists in the corporation).</p>	✓	
5.	<p>None of the directors who have reported having a personal interest in the approval of a transaction on a meeting's agenda were not present at the discussion or participated in the vote as aforesaid (except for a discussion and/or vote under the circumstances outlined in Section 278(b) to the Companies Law.</p> <p>If your answer is "No" -</p> <p>Was this for the purpose of presenting a specific issue by that director in accordance with the provision of Section 278(A):</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please check the appropriate box).</p> <p>It should be noted that the proportion of meetings in which such directors were present in a discussion and/or participated in a vote, except for circumstances outlined as aforesaid in Subsection A, was: ____.</p>	✓	
6.	<p>The controlling shareholder (including a relative and/or representative thereof) who is not a director or other senior officer in the Corporation was not present in the meetings of the Board of Directors held during the reporting year.</p> <p>If your answer is "no" (i.e., the controlling shareholder and/or relative and/or representative who is not a member of the Board of Directors and/or a senior officer of the Corporation was present in the Board of Directors' meetings as aforesaid:</p> <p>Name: _____.</p>		

<sup>7</sup> For the purpose of this question - Serving as a director in an investee under the Corporation's control shall not be deemed "subordination"; on the other hand, if a director in the Corporation also serves as an officer (excluding as director) and/or is an employee of an investee under the Corporation's control, they shall be deemed "subordinate" for the purpose of this question.

	<p>Role in the Corporation (if any): ____.</p> <p>Information on the relation to the controlling shareholder (if the person present was not the controlling shareholder himself):</p> <p>Was this for the purpose of presenting a specific issue: <input type="checkbox"/> Yes <input type="checkbox"/> No (please check the appropriate box).</p> <p>The proportion of Board meetings<sup>8</sup> in which he/she participated during the reporting year for the purpose of presenting a specific issue: ____; otherwise present: ____</p> <p><input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder).</b></p>		
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THE DIRECTORS' ELIGIBILITY AND QUALIFICATIONS				Yes	No
7.		<p>The Corporation's Articles of Association do not contain a provision restricting the possibility of immediately terminating the tenure of all directors of the Corporation who are not External Directors (for this purpose, a simple majority does not constitute a restriction).<sup>9</sup></p> <p><b>Comment: In this matter, there are specific legal provisions applicable to a banking corporation without a controlling core.</b></p> <p>If your answer is "no" (i.e., if there is a restriction as aforesaid), please indicate -</p>		✓	
		a.	The period prescribed for a director's tenure by the Articles of Association: ____.		
		b.	The majority required to terminate the tenure of directors by the Articles of Association: ____.		
		c.	The legal quorum required by the general meeting to terminate the directors' appointments according to the Articles of Association: ____.		
		d.	The majority required to change such provisions in the Articles of Association ____.		

8.		<p>The Corporation has established a program for training new directors on the Corporation's business and the rules that apply to the corporation and directors, and also established a follow-up program for training serving directors that is tailored, inter alia, to each board member's function in the corporation.</p> <p>If your answer is "Yes" - please indicate if the program was active during the reporting year: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please check the appropriate box).</p>	√	
9.	A	<p>a. The Corporation has a minimum number of directors in the Board of Directors who have accounting and financial expertise.</p> <p>If your answer is "Yes" - please indicate the minimum number set: 3.</p>	√	—
		<p>b. No. of directors who served in the corporation during the reporting year -</p> <p>who have accounting and financial expertise<sup>10</sup>: <b>All directors.</b></p> <p>Who have professional qualifications<sup>11</sup>: <b>All directors.</b></p> <p>In case of changes in the number of said directors during the reporting year, please provide the lowest number (except within a period of 60 days from the change date) of directors of any type who served during the reporting year.</p>		

<sup>10</sup> Following the Board of Directors' assessment, in accordance with the Companies (Conditions and Tests for a Director with Accounting and Financial Expertise and Director with Professional Qualifications) Regulations, 2005.

<sup>11</sup> Please see Footnote 9.



10.		<p>a. In each reporting year, the Board of Directors included members of both genders.</p> <p>If your answer is “No” - please indicate the period (number of days) in which the aforesaid was not met: _____.</p> <p>The question may be answered “Yes” if the period during which the corporation did not have members of both genders serving as directors did not exceed 60 days. However, any answer (Yes or No) must include the length of the period (number of days) in which the corporation did not have members of both genders serving as directors: _____.</p>		
		<p>b. Number of directors of each gender serving on the Board of Directors as of the date of the publication of this questionnaire:</p> <p>Male: <b>8</b>; Female: <b>4</b>.</p>	<p>_____</p>	<p>_____</p>

BOARD OF DIRECTORS MEETINGS (AND CONVENING OF THE GENERAL MEETING)							
					Yes	No	
11.	a.	Number of board meetings held during each quarter in the reporting year:  First quarter (2018): <b>6.</b>  Second quarter: <b>10.</b>  Third quarter: <b>8.</b>  Fourth quarter: <b>12.</b>				_____	_____
	b.	Next to each of the names of the directors who served in the Corporation during the reporting year, please indicate the <sup>12</sup> proportion of board meetings in which he/she participated (in this Subsection - including meetings of Board of Directors' committees in which he/she is a member, and as indicated below), which took place during the reporting year (during his/her tenure period): (Please add lines according to the number of directors).					
		Director's name	Proportion of the director's participation in board meetings	Proportion of the director's participation in meetings of the <b>Audit Committee.</b> <sup>13</sup> <b>As of January 1 2013 and pursuant to the directives of the Banking</b>	Proportion of the director's participation in meetings of <b>additional board committees in which</b>		

<sup>12</sup> Please see Footnote 2..

<sup>13</sup> For a director who is a member of this committee.

					<p><b>Supervision Department, discussions regarding the financial statements take place in the Board of directors' Audit Committee.</b></p> <p><b>As of January 1 2018 and in accordance with the Directives of the Banking Supervision Department and pursuant to the provisions of Section 118A(D) to the Companies Law, the Audit Committee and Compensation Committee were merged, so that the Audit Committee shall also serve as the Compensation Committee.</b></p>	<p><b>he/she is not a member</b> (please indicate which committee)</p>		
			Mr. D. Brodet	100%	<p>Not a member of the Audit Committees, but pursuant to approval by the Banking Supervision Department, he participates, as an observer, in committee meetings discussing the financial statements.</p>	<p>Credit Committee - 100%</p> <p>Risk Management Committee - 100%</p> <p>Procedure Committee - 100%</p> <p>Investment Committee - 100%</p> <p>Strategy Committee - 100%</p> <p>Prospectuses Committee - 100%</p> <p>Information Technology and Technological</p>		

						Innovation Committee <sup>14</sup> - 100% The Committee for the Implementation of the Strum Law <sup>15</sup> - 100%. Committee for Determining the Desired Composition of the Board <sup>16</sup> - 100%		
			Mr. Y. Edelman	100%	97% <sup>16</sup>	Procedure Committee - 100% Investment Committee - 100% Information Technology and Technological Innovation Committee <sup>13</sup> - 100% Risk Management Committee - 100%. Prospectuses Committee - 100%		

<sup>14</sup> The Bank's Board of Directors approved the forming of the Technology Committee on October 24 2017. On December 2 2018, the Board changed the committee's name to the "Information Technology and Technological Innovation Committee".

<sup>15</sup> Served as a member of the Committee for the Implementation of the Strum Law until November 20 2018, the date of the committee's dissolution.

<sup>16</sup> Member of the Committee for Determining the Desired Composition of the Board of Directors from September 13 2018, when the committee was formed, until October 18 2018, the date of the committee's dissolution.

Mr. Y. Edelman did not participate in a meeting of the Audit Committee since he was barred from participating in it.

			Dr. S. Ben Zvi	94%	92%  (Dr. S. Ben Zvi did not participate in a meeting of the Audit Committee since he was barred from participating in it.)	Risk Management Committee - 91%  Strategy Committee - 67% (In 2018, the Strategy Committee held 3 meetings.)  Information Technology and Technological Innovation Committee <sup>13</sup> - 100%		
			Mr. Y. Gabbay (Began serving as ED at the Bank on November 13 2018)	100% <sup>17</sup>	100% <sup>18</sup>	Credit Committee <sup>19</sup> - 100%  Procedure Committee <sup>20</sup> - 100%		
			Ms. T. Gottlieb	89% <sup>21</sup>	94% <sup>22, 23</sup>	Credit Committee <sup>24</sup> - 100% Information Technology and Technological		

<sup>17</sup>Mr. Y. Gabbay began serving on the Prospectuses Committee on November 20 2018. No meetings of this committee took place in 2018 after he was appointed a member.

<sup>18</sup>Mr. Y. Gabbay began serving as a member of the Audit Committee on November 13 2018.

<sup>19</sup>Mr. Y. Gabbay began serving as a member of the Credit Committee on November 20 2018.

<sup>20</sup>Mr. Y. Gabbay began serving as a member of the Procedure Committee on November 20 2018.

<sup>21</sup>Ms. T. Gottlieb finished her first term as an external director at the Bank on August 25 2018 and began her second term on October 15 2018.

<sup>22</sup>Ms. T. Gottlieb left the Audit Committee when her first term ended on August 25 2018. She rejoined the Audit Committee on October 15 2018, when her second term at the Bank began.

<sup>23</sup>Ms. T. Gottlieb began serving as Chairwoman of the Audit Committee on November 20 2018.

<sup>24</sup>Ms. T. Gottlieb left the Credit Committee on August 25 2018 and rejoined it on November 20 2018.

						Innovation Committee <sup>13, 25</sup> - 100% Prospectuses Committee <sup>26</sup> - 100%		
			Ms. E. Dominissini	97%		Credit Committee - 100% Procedure Committee - 100% Committee for the Implementation of the Strum Law <sup>14</sup> - 100%. Strategy Committee - 100%		
			Dr. S. Haj Yehia	97%		Credit Committee - 100% Strategy Committee - 100% Committee for the Implementation of the Strum Law <sup>14</sup> - 100%.		

<sup>25</sup>Ms. T. Gottlieb left the Information Technology and Technological Innovation Committee on August 25 2018 when her first term at the Bank ended. She rejoined the committee on November 20 2018.

<sup>26</sup> Ms. T. Gottlieb began serving as a member of the Prospectuses Committee on November 1 2018.

			Ms. E. Levanon	94%		<p>Strategy Committee - 100%</p> <p>Committee for the Implementation of the Strum Law<sup>14</sup> - 100%.</p> <p>Information Technology and Technological Innovation Committee<sup>13</sup>, - 100%</p> <p>Risk Management Committee - 100%</p> <p>Prospectuses Committee - 100%</p>		
			Mr. Y. Nardi	100%		<p>Risk Management Committee - 100%</p> <p>Procedure Committee - 100%</p> <p>Information Technology and Technological Innovation Committee<sup>13</sup>, - 100%</p> <p>Investment Committee - 100%</p> <p>Committee for Determining the Desired Composition of the Board<sup>15</sup> - 100%</p>		

			Mr. O. Marani	97%	100%	Credit Committee - 100%		
			Mr. H. Samet (As of October 9 2018, he no longer serves as ED.)	92%	100% <sup>27</sup>	Strategy Committee - 100%  Committee for the Implementation of the Strum Law <sup>14</sup> - 100%.  Committee for Determining the Desired Composition of the Board <sup>15</sup> - 100%		
			Ms. Z. Samet	100%	100%	Risk Management Committee - 100%  Investment Committee - 100%  Strategy Committee - 100%.  Committee for Determining the Desired		

<sup>27</sup>Mr. H. Samet ended his term as Chairman of the Audit Committee on October 9 2018.



						Composition of the Board <sup>15</sup> - 100%		
			Prof. Y. Stern (As of October 9 2018, he no longer serves as External Director pursuant to Directive 301)	100%	100%	Credit Committee - 80%  Prospectuses Committee - 100%  Committee for Determining the Desired Composition of the Board <sup>15</sup> - 100%		
			Dr. Y. Sharir	97%		Risk Management Committee - -100%  Procedure Committee - 100%  Investment Committee - 100%  Information Technology and Technological Innovation Committee <sup>13</sup> , - 100%		
12.		During the reporting year, the Board of Directors held at least one discussion about the management of the corporation's business by the chief executive officer and the officers reporting thereto without their presence and allowed them to express their positions.					✓	

SEPARATION BETWEEN THE POSITIONS OF CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD			Yes	No
13.		In each reporting year, there was a chairman of the board of directors in place. The question may be answered “Yes” if the period during which the corporation had no chairman of the board of directors in place did not exceed 60 days, as prescribed by Section 363A.(2) to the Companies Law. However, any answer (Yes or No) must include the length of the period (number of days) in which the corporation did not have a chairman of the board of directors in place as aforesaid: ____.	✓	
14.		In each reporting year, there was a chief executive officer in place. The question may be answered “Yes” if the period during which the corporation had no chief executive officer in place did not exceed 90 days, as prescribed by Section 363A.(6) to the Companies Law. However, any answer (Yes or No) must include the length of the period (number of days) in which the corporation did not have a chief executive officer in place as aforesaid: ____.	✓	
15.		In a corporation in which the chairman of the board of directors also serves as the corporation’s chief executive officer and/or has assumed his/her powers, the dual position has been approved in accordance with the provisions of Section 121(c) to the Companies Law. <sup>28</sup> <input checked="" type="checkbox"/> <b>N/A</b> (insofar as there is no dual position as aforesaid in the corporation).		

16.		<p>The chief executive officer is not a relative of the chairman of the Board of Directors.</p> <p>If your answer is "No" (i.e., the chief executive officer is a relative of the chairman of the Board of Directors) -</p>	✓	
		<p>a. Please indicate the nature of the family relationship between the parties: _____.</p>	_____	_____
		<p>b.</p> <p>The position was approved in accordance with Section 121(c) of the Companies Law<sup>29</sup>:</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>(Please check the appropriate box).</i></p>	_____	_____
17.		<p>A controlling shareholder or his/her relative does not serve as a chief executive officer or senior officer in the corporation, excluding as a director.</p> <p><input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder).</b></p>		

AUDIT COMMITTEE				
			Yes	No
18.		During the reporting year, the following did not serve as a member of the Audit Committee -	_____	_____
	a.	The controlling shareholder or his/her relative. <input checked="" type="checkbox"/> N/A (the Corporation has no controlling shareholder).		
	b.	The Chairman of the Board. <b>Pursuant to approval by the Banking Supervision Department, the Chairman of the Board of Directors participates, as an observer, in meetings of the Audit Committee discussing the financial statements.</b>	✓	
	c.	A director employed by the corporation or by the controlling shareholder in the corporation or by a corporation under its control.	✓	
	d.	A director who provides services to the controlling shareholder in the corporation or a corporation under its control, on a regular basis.	✓	
	e.	A director whose main source of income is the controlling shareholder. <input checked="" type="checkbox"/> N/A (the Corporation has no controlling shareholder).		

19.		A person who may not serve as a member of the Audit Committee, including the controlling shareholder or his/her relative, did not participate, during the reporting year, in meetings of the Audit Committee, other than in accordance with the provisions of Section 115(e) to the Companies Law.	✓	
20.		A legal quorum for discussing and reaching decisions in all meetings of the Audit Committee which took place during the reporting year was a majority of the committee members, with most of the participants being independent directors and at least one - an external director.  If your answer is "no" - please indicate the proportion of meetings in which the above requirement was not met: _____.	✓	
21.		During the reporting year, the Audit Committee held at least one meeting in which the internal auditor and independent auditor were present but in which officers of the corporation who are not members of the Committee did not participate, on the subject of deficiencies in the corporation's business management.	✓	
22.		In all meetings of the Audit Committee in which there was a participant who may not serve as a member of the Committee, his/her participation was approved by the chairman of the Committee and/or he/she was invited by the Committee (as for the Chief Legal Adviser and the corporation's secretary other than a controlling shareholder or his/her relative).	✓	
23.		During the reporting year, there were arrangements in place, approved by the Audit Committee, regarding the manner of handling complaints filed by employees in relation to deficiencies in the managing the corporation's business and the protection provided to employees filing complaints as aforesaid.	✓	
24.		The Audit Committee (and/or the Financial Statement Review Committee) was convinced that the scope of the independent auditor's work and his/her fees in respect of the financial statements during the reporting year were adequate for the purpose of carrying out the audit and review work in an appropriate manner.	✓	

**THE PURVIEW OF THE FINANCIAL STATEMENT REVIEW COMMITTEE (HEREINAFTER - THE "COMMITTEE") IN ITS WORK PRIOR TO APPROVING THE FINANCIAL STATEMENTS**

**As of January 1 2013 and pursuant to the directives of the Banking Supervision Department, the Audit Committee serves as the Financial Statements Review Committee.**

**Yes**

**No**

25.

a.

Please note the length of the period (in days) which the Board of Directors prescribed as a reasonable time for submitting the Committee's recommendations towards discussion by the Board of Directors for approval of the financial statements:

**According to a resolution of the Bank's Board of Directors, the reasonable time for delivering the Audit Committee's recommendations concerning approval of the financial statements to the Board of Directors is at least three days before the date on which the Board is scheduled to approve the financial statements.**

\_\_\_\_\_

\_\_\_\_\_

b.

The number of days which elapsed, in effect, from the date of submitting the recommendations to the Board of Directors to the date of discussion of the financial statements towards their approval by the Board:

As a rule, the Audit Committee delivered its recommendations to the Board of Directors shortly after issuing them, and shortly before the Board's discussion about approval of the financial statements.

\_\_\_\_\_

\_\_\_\_\_

c.

The number of days which elapsed from the date of submitting the financial statements' draft to the directors to the date of the financial statements' discussion towards their approval by the Board:

First quarter (2018): **6.**

Second quarter: **5.**

Third quarter: **5.**

Annual report: **6.**

26.	The corporation's independent auditor participated in all of the meetings of the Committee and Board of Directors in which the corporation's financial statements relating to the periods included in the reporting year were discussed. If your answer is "No", please indicate the proportion of the meetings in which he/she participated.		✓	
27.	During the entire reporting year and until the publication of the annual report, the Committee met all of the terms and conditions outlined below:		—	—
	a.	It had no less than three members (on the date of discussion by the Committee and approval of the financial statements as aforesaid).	✓	
	b.	All of the terms and conditions outlined in Section 115(b) and (c) to the Companies Law (regarding tenure of the Audit Committee members). <b>Pursuant to approval by the Banking Supervision Department, the Chairman of the Board of Directors participates, as an observer, in meetings of the Audit Committee discussing the financial statements.</b>	✓	
	c.	The chairman of the Committee is an external director.	✓	
	d.	All of its members are directors and most of them are independent directors.	✓	
	e.	All of its members have the capacity to read and understand financial statements and at least one of the independent directors has accounting and financial expertise.	✓	
	f.	The members of the Committee gave a statement prior to their appointment.	✓	

	g.	The legal quorum for discussing and reaching decisions by the Committee was a majority of its members, provided that most of the participants were independent directors, including at least one external director.	✓	
	If your answer is "No" on one or more of this question's subsections, please indicate what type of report (annual or quarterly) did not meet the said condition and which condition was not met: _____.		_____	_____

#### COMPENSATION COMMITTEE

AS OF JANUARY 1 2018 AND IN ACCORDANCE WITH THE DIRECTIVES OF THE BANKING SUPERVISION DEPARTMENT AND PURSUANT TO THE PROVISIONS OF SECTION 118A(D) TO THE COMPANIES LAW, THE AUDIT COMMITTEE AND COMPENSATION COMMITTEE WERE MERGED, SO THAT THE AUDIT COMMITTEE SHALL ALSO SERVE AS THE COMPENSATION COMMITTEE.

			Yes	No
28.		During the reporting year, the Committee included at least three members, of which the external directors constituted a majority (on the date of discussion by the Committee). <input checked="" type="checkbox"/> N/A (no discussion was held).	✓	
29.		During the reporting year, the terms of tenure and employment of all members of the Compensation Committee have met the Companies (Rules on Compensation and Expenses for an Outside Director) Regulations, 2000.	✓	
		During the reporting year, the following did not serve as a member of the Compensation Committee -	_____	_____



30.		a.	The controlling shareholder or his/her relative.  <input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder).</b>		
		b.	The Chairman of the Board.	✓	
		c.	A director employed by the corporation or by the controlling shareholder in the corporation or by a corporation under its control.	✓	
		d.	A director who provides services to the controlling shareholder in the corporation or a corporation under its control, on a regular basis.	✓	
		e.	A director whose main source of income is the controlling shareholder.  <input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder).</b>		

31.		<p>During the reporting year, the controlling shareholder or his/her relative did not participate in meetings of the Compensation Committee, unless the chairman of the board determined that one of them was required to participate in order to present a specific topic.</p> <p><input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder).</b></p>		
32.		<p>The Compensation Committee and Board of Directors did not exercise their power under Sections 267A(C), 272(c)(3) and 272(c1)(1)(c) to approve a transaction or compensation policy, despite objection by the general meeting.</p> <p>If your answer is "No", please specify -</p> <p>The type of transaction approved as aforesaid: _____</p> <p>The number of times in which their power was used during the reporting year: _____</p>	√	

INTERNAL AUDITOR			
		Yes	No
33.	The corporation's internal auditor reports to the organization's chairman of the board or chief executive officer.	✓	
34.	The chairman of the board or audit committee have approved the work plan during the reporting year.	✓	
35.	The scope of the internal auditor's position in the corporation during the reporting year (in hours30): Please see the section entitled "Internal Auditor" in the Report of the Board of Directors and Managemnet in the Bank's 2018 Annual Report.	—	—
	During the reporting year, a discussion was held (by the Audit Committee or Board of Directors) about the internal auditor's findings.	✓	
36.	The internal auditor is not an interested party in the corporation, a relative thereof, an independent auditor or anyone on his/her behalf and therefore has no material business relations with the corporation, its controlling shareholder, his/her relative or corporations under their control.	✓	

## INTERESTED PARTY TRANSACTIONS

		Yes	No
37.	<p>The controlling shareholder or his/her relative (including a company under his/her control) is not employed by the corporation or provides it with management services.</p> <p>If your answer is "No" (i.e., the controlling shareholder or his/her relative is employed by the corporation or provides it with management services, please specify -</p> <ul style="list-style-type: none"> <li>- The number of relatives (including the controlling shareholder) employed by the corporation (including companies under their control and/or through management companies): ____.</li> <li>- Were the employment agreements and/or management services as aforesaid approved by the organs prescribed by law:</li> </ul> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>(Please check the appropriate box).</p> <p><input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder) ____.</b></p>		
38.	<p>To the best of the corporation's knowledge, the controlling shareholder has no additional businesses in the corporation's line of business (one or more lines).</p> <p>If your answer is "No - please indicate whether there is an arrangement in place to separate between the activities of the corporation and its controlling shareholder:</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>(Please check the appropriate box).</p> <p><input checked="" type="checkbox"/> <b>N/A (the Corporation has no controlling shareholder).</b></p>		