

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 Regulations (Periodic and Immediate Reports), 1970;

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

"**Interested Party**", "**Independent Director**", "**External Director**", "**Board of Directors Committee**", "**Publicly-Traded Company**", "**Vested 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 Statements Approval 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 Regulations (Conditions and Tests for a Director with Accounting and Financial Expertise and Director with Professional Qualifications), 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, mutatis mutandis;


"**Reporting Year**" signifies from January 1, 2021 to December 31, 2021;

"**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>Each reporting year, there were at least two external directors in the corporation.</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: Mr. Yitzhak Edelman.</p> <p>Director B: Ms. Tamar Gottlieb.</p> <p>Director C: Mr. Sasson Elya - commenced his term as an external director in accordance with the Companies Law on November 1, 2021.</p> <p>Director D: Mr. Yoram Gabbay - ended his term as an external director in accordance with the Companies Law on November 12, 2021.</p> <p>The number of External Directors serving at the corporation as of the date of the publication of this questionnaire: 3</p>		

2.	<p>Proportion of¹ Independent Directors² serving at the corporation as of the questionnaire's publication date: 6/10 including "External Director" as defined by the Companies Law.</p> <p>The proportion of Independent Directors in the³ corporation's Articles of Association:⁴ 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.</p> <p>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"). Accordingly, as of the report date and its publication date, the Bank's Board of Directors includes 6 directors who are classified as external directors, including 3 EDs in accordance with the Companies Law.</p>	<p>_____</p>	<p>_____</p>
3.	<p>In the reporting year, the Bank held checks and found that during the reporting period its external directors (and independent directors) fulfilled the provisions of Section 240(b) and (f) to the Companies Law requiring external directors (and independent directors) not to have an interest in the corporation or its controlling shareholder, and the conditions for service as external directors (or independent directors).</p>	<p>✓</p>	
4.	<p>None of the directors who served in the corporation during the reporting year are subordinate to the President and CEO⁵, either directly or indirectly (inapplicable to a director who serves as a representative of the employees, if such representation exists in the corporation).</p>	<p>✓</p>	


¹ In this questionnaire, "proportion" is a certain number out of the total. For example: 3/8.

² Including "External Directors" within the meaning thereof in the Companies Law.

³ 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).

⁴ Bonds companies are exempt from answering this section.

⁵ For the purpose of this question - Serving as a director in an investee corporation 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 corporation under the Corporation's control, they shall be deemed "subordinate" for the purpose of this question.

5.	<p>None of the directors who have reported having a vested 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 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> <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 meetings⁶ 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"/> N/A (the Corporation has no controlling shareholder).</p>		

⁶ Specify separately for each of the controlling shareholders, relative and/or representative.


THE DIRECTORS' COMPETENCY 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).⁷</p> <p>Comment: In this matter, there are specific legal provisions applicable to a banking corporation without a controlling core.</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 _____.		

⁷ Bonds companies are exempt from answering this section.

8.		<p>The corporation has put in place a training program for new directors; the program addresses issues relating to the corporation's business and the law governing the corporation and the directors; the corporation has also put in place a follow-up training program for serving directors; this program is adapted, among other things, to each director'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.		<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>Directors with accounting and financial expertise:⁸9/10 directors</p> <p>Who have professional qualifications⁹: All directors.</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>		

⁸ After the Board of Directors' assessment in accordance with the Companies Regulations (Conditions and Criteria for Directors with Accounting and Financial Expertise and Directors with Professional Qualifications), 2005.

⁹ Please see Footnote 9.

10.	a.	<p>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>In this question you may answer "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/No) must specify the period (number of days) during which the corporation did not have members of both genders serving as directors: _____.</p>		
	b.	<p>Number of directors of each gender serving on the Board of Directors as of the date of the publication of this questionnaire:</p> <p>Men: 7, Women: 3.</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 (2021): 12 Second quarter: 9 Third quarter: 9 Fourth quarter: 10	_____	_____
	b.	Next to each of the names of the directors who served in the Corporation during the reporting year, please indicate the ¹⁰ 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).	_____	_____

¹⁰ Please see Footnote 2..

		Director's name	Proportion of the director's participation in board meetings	Proportion of his participation in meetings Audit Committee¹¹ As of January 1 2013 and pursuant to the directives of the Banking Supervision Department, discussions regarding the financial statements take place in the Board of Directors' Audit Committee.	Proportion of the director's participation in meetings of additional board committees in which he/she is a member (please indicate which committee)		
		Dr. Samer Haj Yehia - Chairman of the Board of Directors.	97.5%	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.	Credit and Business Committee - 100% Risk Management Committee - 93.75% Issuance and Raising Committee - did not convene during the reporting period. Procedure Committee - did not convene during the reporting period Investment Committee - 100% Strategy Committee - 100% Information Technology and Technological Innovation Committee - 100%		

¹¹ For a director who is a member of this committee.

			Mr. Y. Edelman	100%	100%	Credit and Business Committee - 100% Information Technology and Technological Innovation Committee - 100% Issuance and Raising Committee - did not convene during the reporting period. Compensation Committee - 100%		
			Dr. S. Ben Zvi	97.5%	Not a member of the Audit Committee	Risk Management Committee - 100% Strategy Committee - 100% Information Technology and Technological Innovation Committee - 100% Procedure Committee - did not convene during the reporting period. Investment Committee - 100%		
			Mr. Y. Gabbay (ended his term as an external director in accordance with the Companies Law on November 13, 2021).	100%	100%	Risk Management Committee - 100% Compensation Committee - 100% Procedure Committee - did not convene during the reporting period. Strategy Committee - 100%		

			Ms. T. Gottlieb	97.5%	100%	Credit and Business Committee - 100% Compensation Committee - 88.89% Strategy Committee - 100%		
			Ms. E. Dominissini	100%	Not a member of the Audit Committee	Investment Committee - 100% Compensation Committee - 100% Procedure Committee - did not convene during the reporting period. Risk Management Committee - 100% Information Technology and Technological Innovation Committee - 100%		
			Mr. E. Marani (ended his term of office as an external director in accordance with the provisions of Directive 301 on October 31, 2021).	92.3%	96.77%	Credit and Business Committee - 100% Investment Committee - 100% Strategy Committee - 100%		


			I. Shlomi	100%	100%	Credit and Business Committee - 100% Strategy Committee - 100%		
			A. Bzura	100%	100%	Risk Management Committee - 100% Investment Committee - 100% Procedure Committee - did not convene during the reporting period. IT and Technological Innovation Committee - 100%		
			Prof. Y. Stern (appointed)	100%	Not a member of the Audit Committee	Compensation Committee - 100% Risk Management Committee - 93.75% Investment Committee - 100% Strategy Committee - 100% Issuance and Capital Raising Committee - did not convene during the reporting period. Procedure Committee - did not convene during the reporting period. IT and Technological Innovation Committee - 100%		

		Mr. S. Elya (Appointed as an external director in accordance with the Companies Law on November 1, 2021)	87.5%	100%	IT and Technological Innovation Committee - 100% Compensation Committee - The committee did not convene from the date of Mr. S. Elya's appointment until the end of 2021.		
		Mr. D. (appointed as an external director as stated in Section 11D(a)(2) to the Banking Ordinance, 1941 on November 13, 2021).	71.4%	Not a member of the Audit Committee	Procedure Committee - did not convene during the reporting period.		
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.		<p>In each reporting year, there was a chairman of the board of directors in place.</p> <p>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: ____.</p>	✓	
14.		<p>In each reporting year, there was a chief executive officer in place.</p> <p>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: ____.</p>	✓	
15.		<p>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.¹²</p> <p><input checked="" type="checkbox"/> N/A (insofar as there is no dual position as aforesaid in the corporation).</p>		

¹² In a bonds company - approval in accordance with Section 121(d) to the Companies Law.

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>		
	a.	Please indicate the nature of the family relationship between the parties: _____.	_____	_____
	b.	<p>The position was approved in accordance with Section 121(c) of the Companies Law¹³:</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 senior officer or senior officer in the corporation, excluding as a director.</p> <p><input checked="" type="checkbox"/> N/A (the Corporation has no controlling shareholder).</p>		

¹³ In a bonds company - approval in accordance with Section 121(d) to the Companies Law.

AUDIT COMMITTEE			Yes	No
18.		During the reporting year, the following <u>did not serve</u> -	—	—
	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. 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.	✓	
	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.	<p>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:</p> <p>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 3 days before the date on which the Board is scheduled to approve the financial statements.</p>	_____	_____
	b.	<p>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:</p> <p>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.</p>	_____	_____
	c.	<p>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:</p> <p>First quarter (2021): 6</p> <p>Second quarter: 7</p> <p>Third quarter: 11</p> <p>Annual report: 12</p>		

26.	The corporation's independent auditor participated in all of the meetings of the Committee and Board of Directors in which the corporation' 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). 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.	✓	
	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				
			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).	√	
29.		During the reporting year, the terms of tenure and employment of all members of the Compensation Committee have met the Companies Regulations (Rules on Compensation and Expenses for an External Director), 2000.	√	
30.		During the reporting year, the following did not serve as a member of the Remuneration 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.	√	
	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).		
31.		During the reporting year, the controlling shareholder or his/her relative did not participate in meetings of the Compensation Committee, unless the Chairperson of the Committee determined that one of them was required to participate in order to present a specific topic. <input checked="" type="checkbox"/> N/A (the Corporation has no controlling shareholder).		
32.		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. If your answer is "No", please specify - The type of transaction approved as aforesaid: _____ The number of times in which their power was used during the reporting year: _____	√	

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 hours ¹⁴): Please see the section entitled "Internal Auditor" in the Report of the Board of Directors and Management in the Bank's 2021 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.	√	

¹⁴ Including the no. of working hours dedicated to investees and audits held outside Israel, if any.

INTERESTED PARTY TRANSACTIONS		
	Yes	No
37.		
38.		

The controlling shareholder or his/her relative (including a company under his/her control) is not employed by the corporation or renders it management services.

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 -

- The number of relatives (including the controlling shareholder) employed by the corporation (including companies under their control and/or through management companies): ____.

- Were the employment agreements and/or management services as aforesaid approved by the organs prescribed by law:

Yes

No

(Please check the appropriate box)

N/A (the Corporation has no controlling shareholder) ____.

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).

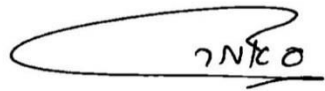
If your answer is "No - please indicate whether there is an arrangement in place to separate between the activities of the corporation and its controlling shareholder:

Yes

No

(Please check the appropriate box)

N/A (the Corporation has no controlling shareholder).



Chairman of the Board of Directors: _____
Review Committee): _____

Signing date: March 8, 2022



Chairman of the Audit Committee (which also serves as the Financial Statements