

BANK LEUMI LE- ISRAEL B.M

Registrar No. 520018078

Published on Magna: 05/06/2019
Ref. No.: 2019-01-056155

T460 (Public)

To: Tel Aviv Stock Exchange
www.tase.co.il

To: Israel Securities Authority
www.isa.gov.il

Immediate Report of Assembly

Section 36B (a) & (d) and section 36C of the Securities Regulations (Immediate and Periodic Reports), 1970

Explanation: If one of the items on the agenda of the meeting is the approval of a transaction with a controlling shareholder or the approval of an irregular proposal, fill out Form T-133 or Form T-138, respectively, and then report this form as well.

Is there an option to vote through the electronic voting system: Yes

Note: The option to select this field is only available for corporations that are not registered in Israel.

The company hereby announces: Assembly Meeting

Note: in case of any changes to the date and time of the assembly meeting (postponement or advancement), select "Meeting Postponement" or "Postponement by Court Order" or "Postponement to Unknown Date"

The reference No. of the last notice of the assembly meeting is _____, which was scheduled for _____

Reason for postponement or cancellation: _____

Explanation: The reference No. of the most recent notification of the convening or postponement of the assembly meeting must be referenced.

1. Security Type *Stock*

Name of Entitling Security: BLL common stock NIS 1

Security No. at the Stock Exchange, entitling the holder to participate in the assembly meeting *604611*

The determining date for entitlement to participate and vote in assembly meeting *12/06/2019*

Explanation: if an assembly meeting is required for more than one security No., then a T-460 must be reported for each additional security separately. Reports in which additional security No. will be specified, shall necessitate the sending of a corrective report.

2. On Date: 05/06/2019

A decision was made to Convene a Meeting *annual assembly meeting* _____.

Which shall convene on Thursday Date: 18/07/2019 Time: 14:00

At the following address: Lin House, 35 Yehuda Halevy St., Tel Aviv

3. On the agenda:

Explanation: The numbering of items on the agenda shall be in accordance with the order of their appearance on the meeting invitation report, if such is attached as a file.

Topics/resolutions that will be raised at the assembly meeting:

1

Topic / Resolution and related details:

Discussion on the financial statements and Board of directors report of the Bank for the year ended on December 31st 2018.

For additional details, see section 1.1 of the immediate report on the convening of the annual general assembly meeting attached to this form (hereinafter: "immediate report").

Declaration: there is no proper field for classification

Note: A value from this table determines the wording of the shareholder's declaration in the internet voting system. For the conversion table [click here](#)

Reference to the most recent report on approving a private motion (T-138): _____

No transaction between the Company and a controlling shareholder, as per clauses 275 and 320(f) of the Companies Law.

Reference to the most recent report on that issue (T-133): _____

Explanation of the clause in the Companies Law or in the securities law or in another law for approving the resolution

According to section 60(b) of the Companies Law, 1999 (hereinafter: "Companies Law")

Explanation: In a transaction with a controlling shareholder, which does not match any field in the table of the legal clauses, select the field: "Declaration: A suitable field for the classification does not exist" and select "Yes" for a transaction with a controlling shareholder.

Only in the case of a bonds meeting, or if this does not refer to a transaction with a controlling shareholder, and no suitable field could be found in the table, an explanation is required and a detailing of the relevant legal clauses under which a decision is required.

Does this issue require disclosure of a relationship or other characteristic of the voting shareholder: *No*

Note: These values may be selected only in case the Statement: "Declaration: there is no field matching the classification" was checked in the previous table and if this does not refer to a transaction between the company and its controlling shareholder.

In the case of a bond meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Attention: detailing the other issue determines the wording of the declaration, which will be included in the internet voting system. The question shall be worded in such a way that it will require a "yes" / "no" type answer. The question will appear in the voting system next to the decision on the agenda and the voter shall have the possibility of choosing between "yes" and "no" and the voter shall be given the possibility to add details in case the answer is "yes".

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

Detailing of the additional details required from the holders or the method of convening the meetings (in case of a meeting according to 350):

Attention: This field determines the wording of the requirement for further details, which will be included in the internet voting system. The voter shall have the possibility of adding the details in a free text-type field.

- ☐ Disclosure Amendment
- ☐ A negligible amendment or an amendment which stands only to credit the company compared with the wording of the resolution as detailed in the last report
- ☐ Was struck from the agenda
- ☐ The issue was discussed at a previous meeting
- ☐ The issue has been added to the agenda under court order
- ☐ The issue has been added to the agenda in accordance with regulation 5B of the Companies regulation (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 2000
- ☐ The issue has been added to the agenda after the determining date due to a technical error, as explained:

Explanation: After the determining date, it shall not be possible to make any amendment to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. Furthermore, after the determining date, it shall not be possible to add new issues to the agenda, except under court order or in accordance with regulation 5B of the Notification and advertising regulations.

The motion on the agenda is being brought *for reporting only*

The type of majority required for approval *regular majority* _____

Will the rate of holdings of the controlling shareholder in the shares of the corporation provide the controlling shareholder the required majority to receive a proposed resolution on the matter _____

2

Topic / Resolution and related details:

To re-appoint the Auditing firms Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasirer (EY) as joint auditors of the Bank for a period commencing from the date of the current annual general meeting until the date of approval of the Bank's annual financial reports for 2019 (hereinafter: "The Closing Date") and to authorize the Board of Directors of the Bank to determine their compensation.

For further details regarding the re-appointment of the auditors firms, see section 1.2 of the Immediate Report

Declaration: there is no proper field for classification

Note: A value from this table determines the wording of the shareholder's declaration in the internet voting system. For the conversion table [click here](#)

Reference to the most recent report on approving a private motion (T-138): _____

No transaction between the Company and a controlling shareholder, as per clauses 275 and 320(f) of the Companies Law.

Reference to the most recent report on that issue (T-133): _____

Explanation of the clause in the Companies Law or in the securities law or in another law for approving the resolution

Sections 154(B) and 165 of the Companies Law

Explanation: In a transaction with a controlling shareholder, which does not match any field in the table of the legal clauses, select the field: "Declaration: A suitable field for the classification does not exist" and select "Yes" for a transaction with a controlling shareholder.

Only in the case of a bonds meeting, or if this does not refer to a transaction with a controlling shareholder, and no suitable field could be found in the table, an explanation is required and a detailing of the relevant legal clauses under which a decision is required.

Does this issue require disclosure of a relationship or other characteristic of the voting shareholder: *No*

Note: These values may be selected only in case the Statement: "Declaration: there is no field matching the classification" was checked in the previous table and if this does not refer to a transaction between the company and its controlling shareholder.

In the case of a bond meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Attention: detailing the other issue determines the wording of the declaration, which will be included in the internet voting system. The question shall be worded in such a way that it will require a "yes" / "no" type answer. The question will appear in the voting system next to the decision on the agenda and the voter shall have the possibility of choosing between "yes" and "no" and the voter shall be given the possibility to add details in case the answer is "yes".

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

Detailing of the additional details required from the holders or the method of convening the meetings (in case of a meeting according to 350):

Attention: This field determines the wording of the requirement for further details, which will be included in the internet voting system. The voter shall have the possibility of adding the details in a free text-type field.

☐ Disclosure Amendment

☐ A negligible amendment or an amendment which stands only to credit the company compared with the wording of the resolution as detailed in the last report

- ☐ Was struck from the agenda
- ☐ The issue was discussed at a previous meeting
- ☐ The issue has been added to the agenda under court order
- ☐ The issue has been added to the agenda in accordance with regulation 5B of the Companies regulation (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 2000
- ☐ The issue has been added to the agenda after the determining date due to a technical error, as explained:

Explanation: After the determining date, it shall not be possible to make any amendment to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. Furthermore, after the determining date, it shall not be possible to add new issues to the agenda, except under court order or in accordance with regulation 5B of the Notification and advertising regulations

The motion on the agenda is being brought *for a vote*

The type of majority required for approval *regular majority* _____

Will the rate of holdings of the controlling shareholder in the shares of the corporation provide the controlling shareholder the required majority to receive a proposed resolution on the matter *No*

3

Topic / Resolution and related details:

To appoint the firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar & Co. (Deloitte) as joint auditors of the Bank for the period from the Closing Date, as defined above, until the date of the next annual general meeting of the Bank, and to authorize the Bank's Board of Directors to determine their compensation. For further details regarding the appointment of the auditors firms, see section 1.2 of the Immediate Report.

Declaration: there is no proper field for classification

Note: A value from this table determines the wording of the shareholder's declaration in the internet voting system. For the conversion table [click here](#)

Reference to the most recent report on approving a private motion (T-138): _____

No transaction between the Company and a controlling shareholder, as per clauses 275 and 320(f) of the Companies Law.

Reference to the most recent report on that issue (T-133): _____

Explanation of the clause in the Companies Law or in the securities law or in another law for approving the resolution

Sections 154(B) and 165 of the Companies Law

Explanation: In a transaction with a controlling shareholder, which does not match any field in the table of the legal clauses, select the field: "Declaration: A suitable field for the classification does not exist" and select "Yes" for a transaction with a controlling shareholder.

Only in the case of a bonds meeting, or if this does not refer to a transaction with a controlling shareholder, and no suitable field could be found in the table, an explanation is required and a detailing of the relevant legal clauses under which a decision is required.

Does this issue require disclosure of a relationship or other characteristic of the voting shareholder: *No*

Note: These values may be selected only in case the Statement: "Declaration: there is no field matching the classification" was checked in the previous table and if this does not refer to a transaction between the company and its controlling shareholder.

In the case of a bond meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Attention: detailing the other issue determines the wording of the declaration, which will be included in the internet voting system. The question shall be worded in such a way that it will require a "yes" / "no" type answer. The question will appear in the voting system next to the decision on the agenda and the voter shall have the possibility of choosing between "yes" and "no" and the voter shall be given the possibility to add details in case the answer is "yes".

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

Detailing of the additional details required from the holders or the method of convening the meetings (in case of a meeting according to 350):

Attention: This field determines the wording of the requirement for further details, which will be included in the internet voting system. The voter shall have the possibility of adding the details in a free text-type field.

- ☐ Disclosure Amendment
- ☐ A negligible amendment or an amendment which stands only to credit the company compared with the wording of the resolution as detailed in the last report
- ☐ Was struck from the agenda
- ☐ The issue was discussed at a previous meeting
- ☐ The issue has been added to the agenda under court order
- ☐ The issue has been added to the agenda in accordance with regulation 5B of the Companies regulation (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 2000
- ☐ The issue has been added to the agenda after the determining date due to a technical error, as explained:

Explanation: After the determining date, it shall not be possible to make any amendment to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. Furthermore, after the determining date, it shall not be possible to add new issues to the agenda, except under court order or in accordance with regulation 5B of the Notification and advertising regulations

The motion on the agenda is being brought *for a vote*

The type of majority required for approval *regular majority* _____

Will the rate of holdings of the controlling shareholder in the shares of the corporation provide the controlling shareholder the required majority to receive a proposed resolution on the matter *No*

4

Topic / Resolution and related details:

To appoint Ms. Irit Shlomi as a director having the status of "another director" ((a director who is not an external director as stated in section 11D (a) (2) to the Banking Ordinance, 1941 (hereinafter: "**the Banking Ordinance**", "**director with the status of another director**") for a period of three years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid, and not prior to September 6, 2019 (The date of the end of the tenure of Ms. Ester Levanon as a director of the Bank).

Ms. Irit Shlomi was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A to the Banking (Licensing) Law, 1981 (hereinafter: "**the Banking Law**") and pursuant to the provisions of sections 11D (a) (1) and (2) to the Banking Ordinance.

It should be noted that at this general meeting, one director (1) is up for election to the Bank's Board of Directors in the status of "another director". The voting for each director will be done separately. The participants in the vote may vote for each of the candidates to serve as a director in the status of "another director".

For further details regarding the appointment of the directors to the Bank's Board of Directors, see sections 1.3 and 2.1 to the immediate report, and the candidate's attached declaration and CV.

Appointment or dismissal of a director as per clauses 59 and 230 to the Companies Law

Note: A value from this table determines the wording of the shareholder's declaration in the internet voting system. For the conversion table [click here](#)

Reference to the most recent report on approving a private motion (T-138): _____

No transaction between the Company and a controlling shareholder, as per clauses 275 and 320(f) of the Companies Law.

Reference to the most recent report on that issue (T-133): _____

Explanation of the clause in the Companies Law or in the securities law or in another law for approving the resolution

Explanation: In a transaction with a controlling shareholder, which does not match any field in the table of the legal clauses, select the field: "Declaration: A suitable field for the classification does not exist" and select "Yes" for a transaction with a controlling shareholder.

Only in the case of a bonds meeting, or if this does not refer to a transaction with a controlling shareholder, and no suitable field could be found in the table, an explanation is required and a detailing of the relevant legal clauses under which a decision is required.

Does this issue require disclosure of a relationship or other characteristic of the voting shareholder : _____

Note: These values may be selected only in case the Statement: "Declaration: there is no field matching the classification" was checked in the previous table and if this does not refer to a transaction between the company and its controlling shareholder.

In the case of a bond meeting:

It was decided that a different issue exists: _____

Detailing of the other issue

Attention: detailing the other issue determines the wording of the declaration, which will be included in the internet voting system. The question shall be worded in such a way that it will require a "yes" / "no" type answer. The question will appear in the voting system next to the decision on the agenda and the voter shall have the possibility of choosing between "yes" and "no" and the voter shall be given the possibility to add details in case the answer is "yes".

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

Detailing of the additional details required from the holders or the method of convening the meetings (in case of a meeting according to 350):

Attention: This field determines the wording of the requirement for further details, which will be included in the internet voting system. The voter shall have the possibility of adding the details in a free text-type field.

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Explanation: After the determining date, it shall not be possible to make any amendment to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. Furthermore, after the determining date, it shall not be possible to add new issues to the agenda, except under court order or in accordance with regulation 5B of the Notification and advertising regulations

The motion on the agenda is being brought *for a vote*

The type of majority required for approval *regular majority* _____

Will the rate of holdings of the controlling shareholder in the shares of the corporation provide the controlling shareholder the required majority to receive a proposed resolution on the matter *No*

5

Topic / Resolution and related details:

To appoint Mr. Haim Yaakov Krupsky as a director having the status of "another director" for a period of three years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid, and not prior to September 6, 2019 (The date of the end of the tenure of Ms. Ester Levanon as a director of the Bank).

Mr. Haim Yaakov Krupsky was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A to the Banking Law and pursuant to the provisions of sections 11D (a) (1) and (2) to the Banking Ordinance.

It should be noted that at this general meeting, one director (1) is up for election to the Bank's Board of Directors in the status of "another director". The voting for each director will be done separately. The participants in the vote may vote for each of the candidates to serve as a director in the status of "another director".

For further details regarding the appointment of the directors to the Bank's Board of Directors, see sections 1.3 and 2.1 to the immediate report, and the candidate's attached declaration and CV.

Appointment or dismissal of a director as per clauses 59 and 230 to the Companies Law

Note: A value from this table determines the wording of the shareholder's declaration in the internet voting system. For the conversion table [click here](#)

Reference to the most recent report on approving a private motion (T-138): _____

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Reference to the most recent report on that issue (T-133): _____

Explanation of the clause in the Companies Law or in the securities law or in another law for approving the resolution

Explanation: In a transaction with a controlling shareholder, which does not match any field in the table of the legal clauses, select the field: "Declaration: A suitable field for the classification does not exist" and select "Yes" for a transaction with a controlling shareholder.

Only in the case of a bonds meeting, or if this does not refer to a transaction with a controlling shareholder, and no suitable field could be found in the table, an explanation is required and a detailing of the relevant legal clauses under which a decision is required.

Does this issue require disclosure of a relationship or other characteristic of the voting shareholder : _____

Note: These values may be selected only in case the Statement: "Declaration: there is no field matching the classification" was checked in the previous table and if this does not refer to a transaction between the company and its controlling shareholder.

In the case of a bond meeting:

It was decided that a different issue exists: _____

Detailing of the other issue

Attention: detailing the other issue determines the wording of the declaration, which will be included in the internet voting system. The question shall be worded in such a way that it will require a "yes" / "no" type answer. The question will appear in the voting system next to the decision on the agenda and the voter shall have the possibility of choosing between "yes" and "no" and the voter shall be given the possibility to add details in case the answer is "yes".

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

Detailing of the additional details required from the holders or the method of convening the meetings (in case of a meeting according to 350):

Attention: This field determines the wording of the requirement for further details, which will be included in the internet voting system. The voter shall have the possibility of adding the details in a free text-type field.

☐ Disclosure Amendment

☐ A negligible amendment or an amendment which stands only to credit the company compared with the wording of the resolution as detailed in the last report

☐ Was struck from the agenda

☐ The issue was discussed at a previous meeting

☐ The issue has been added to the agenda under court order

☐ The issue has been added to the agenda in accordance with regulation 5B of the Companies regulation (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 2000

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The motion on the agenda is being brought *for a vote*

The type of majority required for approval *regular majority* _____

Will the rate of holdings of the controlling shareholder in the shares of the corporation provide the controlling shareholder the required majority to receive a proposed resolution on the matter *No*

6

Topic / Resolution and related details:

To approve the offer of 12,364 ordinary Bank shares, par value1 NIS each to Mr. David Brodet, the Chairman of the Board of Directors, within the framework of an outline for the offering of shares owned by the State of Israel to the Bank's employees, which was published in the MAGNA on 20 November 2018 and in accordance with its terms.

For further details regarding the participation approval of the Chairman of the Board in the offering of shares by the State to the Bank's employees, as set forth in the outline for the offer of shares owned by the State to the Bank's employees published on 20 November 2018, see section 1.4 to the Immediate Report.

A transaction with a director regarding the terms of his office and employment under section 273 (a) to the Companies Law

Note: A value from this table determines the wording of the shareholder's declaration in the internet voting system. For the conversion table [click here](#)

Reference to the most recent report on approving a private motion (T-138): _____

No transaction between the Company and a controlling shareholder, as per clauses 275 and 320(f) of the Companies Law.

Reference to the most recent report on that issue (T-133): _____

Explanation of the clause in the Companies Law or in the securities law or in another law for approving the resolution

Explanation: In a transaction with a controlling shareholder, which does not match any field in the table of the legal clauses, select the field: "Declaration: A suitable field for the classification does not exist" and select "Yes" for a transaction with a controlling shareholder.

Only in the case of a bonds meeting, or if this does not refer to a transaction with a controlling shareholder, and no suitable field could be found in the table, an explanation is required and a detailing of the relevant legal clauses under which a decision is required.

Does this issue require disclosure of a relationship or other characteristic of the voting shareholder : _____

Note: These values may be selected only in case the Statement: "Declaration: there is no field matching the classification" was checked in the previous table and if this does not refer to a transaction between the company and its controlling shareholder.

In the case of a bond meeting:

It was decided that a different issue exists: _____

Detailing of the other issue

Attention: detailing the other issue determines the wording of the declaration, which will be included in the internet voting system. The question shall be worded in such a way that it will require a "yes" / "no" type answer. The question will appear in the voting system next to the decision on the agenda and the voter shall have the possibility of choosing between "yes" and "no" and the voter shall be given the possibility to add details in case the answer is "yes".

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

Detailing of the additional details required from the holders or the method of convening the meetings (in case of a meeting according to 350):

Attention: This field determines the wording of the requirement for further details, which will be included in the internet voting system. The voter shall have the possibility of adding the details in a free text-type field.

- ☐ Disclosure Amendment
- ☐ A negligible amendment or an amendment which stands only to credit the company compared with the wording of the resolution as detailed in the last report
- ☐ Was struck from the agenda
- ☐ The issue was discussed at a previous meeting
- ☐ The issue has been added to the agenda under court order
- ☐ The issue has been added to the agenda in accordance with regulation 5B of the Companies regulation (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 2000
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The motion on the agenda is being brought *for a vote*

The type of majority required for approval *regular majority* _____

Will the rate of holdings of the controlling shareholder in the shares of the corporation provide the controlling shareholder the required majority to receive a proposed resolution on the matter *No*

Attachment of a Convening of Meeting Report: [Convening of Meeting isa.pdf](#)

4. Attached

Yes Text of Voting Paper

No Position notices:

1
On date _____
The Company received a position notice as defined in Section 88 of the Companies Law, 1999, from

In connection to a matter brought up for discussion at the convened General Meeting.
See page _____ to the position notices file.

[Voting Paper isa.pdf](#)

Yes Declaration of the Candidate for a Position as a director in the corporation

No Declaration of Independent director

No Declaration of external director

_____ Declaration of appointment of a representative to Represent

_____ Amended Deed of trust

_____ Request for approval of composition with creditors according to clause 350

_____ Other _____

Declarations and CV isa.pdf

Explanation: In case a Voting paper and / or notice of position has been attached, they must be verified as prepared pursuant to the Companies (Voting Slip and Position Notices) Regulations 2005

Link to the voting system website at which voting can be performed: Voting system

Explanation: Entitled persons who are permitted to vote in the system will receive instruction on how to access the system from the Stock Exchange members.

5. The legal quorum for holding the meeting:

pursuant to the articles of association of the Bank, the legal quorum for holding the meeting is the presence of three or more shareholders, who shall be present in person or through an envoy, within half an hour of the date and time specified for the beginning the meeting.

6. In the absence of a legal quorum, the postponed meeting shall be held on July 25, 2019 at 14:00 o'clock,

At the following address: Lin House, 35 Yehuda Halevy St., Tel Aviv

☐ In the absence of a legal quorum, the meeting will not take place.

7. The venue and the times for viewing any proposed resolution whose wording has not been presented in full in the above details of the agenda

In the registered office of the Bank, Leumi House, Bank Secretariat (11th floor) 34 yehuda Halevy street, Tel Aviv, Tel: 076-8859419, Sunday to Thursday, between 8:00 am and 3:00 pm.

Meeting ID: _____

Note: The meeting identifier is the reference of the initial report. In the initial report on the meeting the field remains empty.

The report has been signed on behalf of the Corporation's Board of Directors according to Regulation 5 of the Securities Regulations (Financial and Immediate Reports), 1970, by Adv. Livnat Ein-Shai Wilder, Bank and Group Secretary.

The Reference numbers of previous documents on this issue (their mention does not constitute inclusion by way of reference):

The corporation's securities are listed for trade on the Tel Aviv Stock Exchange

Date of the form's structure update: April 30, 2019

Abbreviated name: Leumi

Address: Yehuda Halevi 34, Leumi House, Tel Aviv 6513616, Phone: 076-8858111, 076-8859419, Fax: 076-8859732

Email - livnat.ein-shay@bll.co.il company website: www.leumi.co.il

Previous names of reporting entity:

Name of Electronic Reporter: Sackstein David Raoul. Position: Attorney, General Secretary. Company name:

Address: Yehuda Halevi 34, Tel Aviv 6513616, Phone: 076-8857984, Fax: 076-076-8859732

Email: David.sackstein@bankleumi.co.il

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>



June 5, 2019

Bank Leumi le-Israel B.M.

To
The Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv 6525216

To
The Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem 95464

Dear Madam/Sir,

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

Pursuant to the Companies Law, התשנ"ט-1999 (hereinafter - "**the Companies Law**") and the regulations promulgated thereunder, the Securities Regulations (Periodic and Immediate Reports), התש"ל-1970 (hereinafter - "**the Reports Regulations**"), the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting of a Public Company and the Addition of an Item to the Agenda), התש"ס-2000 (hereinafter: "**Notification and Notice Regulations**") and the Companies Regulations (Voting by Ballot and Position Papers), התש"ס-2005 (hereinafter - "**Voting by Ballot Regulations**"), Bank Leumi le-Israel B.M. (hereinafter - "**the Bank**") is pleased to announce the convening of an Annual and Special General Meeting of the Bank (hereinafter - "**the General Meeting**" or "**the Meeting**") to be held on Thursday, July 18, 2019 at 14:00 at the Bank's offices at Beit Lynn, 35 Yehuda Halevi St. Tel Aviv. The agenda of the Meeting will include the matters and resolutions that are listed in this immediate report.

1. Items on the agenda:

The agenda of the General Meeting shall include the matters listed below in this section 1:

1.1. Item no. 1 on the agenda – discussion of the Bank's financial statements and directors' report for the year ended December 31, 2018

The Bank's periodic report for the year ended December 31, 2018 (including the said financial statements and directors' report) as published on March 7, 2019 (reference no. 2019-01-019849) (hereinafter - "**the Bank's Periodic Report for the Year 2018**") are available for perusal on the distribution website of the Israel Securities Authority (the MAGNA website) and on the Bank's website www.leumi.co.il.

Furthermore, a copy of the Bank's Periodic Report for the Year 2018 may be obtained by contacting the Bank's secretariat, Beit Leumi, 34 Yehuda Halevi St. (11th floor), Tel Aviv, Tel: 076-8859419, on Sunday to Thursday between 08:00 to 15:00.

No resolution on this matter is required.

1.2. Items no. 2 and 3 on the agenda – The appointment of the bank's auditing firms and the authorization of the Bank's Board of Directors to set the fees paid thereto and report on those fees.

Reviewing the bank's auditor selection process

Normative framework:

- (1) Section 4 to the Proper Conduct of Banking Business Directive No. 302, the title of which is "Replacement of the auditor" of a banking corporation, requires that "at

least once every three years or at the end of the appointment period of the auditor, whichever is later, the Audit Committee shall hold a discussion on the possibility of replacing the banking corporation's auditor. "

- (2) Section 36 (d) (2) to the Proper Conduct of Banking Business Directive No. 301, (hereinafter: "**Directive 301**") determines that the Audit Committee shall express its position before the General Meeting regarding the termination of the auditor's term or the non-renewal of his term.
- (3) Section 162 (b) to the provision of the Companies Law determines that in a public company with the termination of the auditor's term or the non-renewal of his term on its agenda, the Audit Committee's position shall be presented before the General Meeting after it has given the auditor a reasonable opportunity to present his position to it.

Description of the procedure:

- (1) At its meeting on March 4, 2018, and in coordination with the Bank of Israel, the Audit Committee decided to begin a new procedure in 2018 for the appointment of auditors to the Bank for 2019 or 2020 (pursuant to an additional decision of the Audit Committee). (hereinafter - "**The Procedure**"). The decision has been made, among other things, given the fact that the intensive process of selecting the Bank's auditors for 2018 was prolonged and complex.
- (2) Prior to the start of The Procedure, the Audit Committee determined that the conflict of interests of all Audit Committee members, including the Audit Committee members who participated in the previous process of selecting a bank auditor, which ended in August 2017 (see immediate report dated September 28, 2017 reference No. 2017-01-086014), (Hereinafter: "**The Previous Procedure**"), will be reexamined by it.

The Audit Committee's decision was made, among other things, in light of the complexity and duration of The Previous Procedure, and after the Audit Committee received an opinion from a legal expert confirming that there is no impediment to reexamining the conflict of interest of the Committee members, and not to be overly stringent beyond what is necessary by the law in the matters of personal interest. This is in contrast to The Previous Procedure, in which it was decided, for prudence, to be more stringent on the matter of the existence of a personal interest than is required by law, and it was determined that since most of the Audit Committee members may have a personal interest in the process of selecting the auditor, the Audit Committee will submit its recommendation to the General Meeting regarding the appointment of The Bank's auditor for the approval of the Board of Directors

- (3) The subject of conflicts of interest in The Procedure was examined on its merits by the Committee after receiving a legal expert opinion referring to the issue of conflicts of interest of the committee members participating in The Procedure in light of the various relationships with the firms participating in The Procedure.

In accordance with the above, the discussions and decisions on this matter were made in the absence of two members of the Audit Committee due to concerns regarding personal interest and / or conflicts of interests in The Procedure of appointing Bank auditors.

- (4) Participating in The Procedure were the accounting firms BDO, Ernst & Young, KPMG, PWC and Brightman Almagor Zohar & Co. (Deloitte) (hereinafter "**Deloitte**"). A letter from the Bank was sent to these firms, which constituted as an invitation to participate in the process. The format of this letter included a reference request to a list of subjects and criteria set by the Audit Committee, which included, among other things, reference to the criteria recommended in the Basel¹ directives to this subject (hereinafter: the "**Criteria**").
- (5) During the months of November 2018 to May 2019, several Audit Committee meetings were held, during which the Audit Committee heard presentations by the participating firms and discussions were held following these presentations.
- (6) Four directors out of the total of six members of the Committee participated in the Committee discussions and at the decision-making stage, as specified below and among the directors who participated as aforesaid, one director was included who in The Former Procedure, for the sake of caution (as specified in section (2) above), was classified as having a personal interest since one of the auditing firms that participated in The Previous Procedure was also an auditing firm for a private company owned by that director (50%), which is a small company and for which the fee paid to that auditor by that private company is negligible; Whereas in this Procedure, in light of the decision of the Audit Committee that was approved at the beginning of The Procedure, further to the legal opinion it received, as specified in section (2) above, it was decided not to classify him as having a personal interest in The Procedure and accordingly he participated in The Procedure discussions and the decision-making.
- (7) As part of the discussions held by the Audit Committee, the Committee examined, among other things, whether the best interest of the Bank is the continuation of a joint audit by two firms or a transition to an audit by a single firm, and examined the practical experience of each of the firms regarding bank auditing and their compliance with the Criteria, as defined above.
- (8) It should be noted that during some of the discussions of the Audit Committee and at its request, the Chief Accountant, the Head of the Finance Division, the Head of the Taxation and Control Department, the Head of the Leumi Technologies Division and the Head of the Data Division appeared before the Audit Committee. These officers participated in some of the discussions, as stated, in the stages of presenting the subjects and answering questions, but not at the decision-making stage.
- (9) At the end of the said discussions, the Audit Committee unanimously decided:

¹ In March 2014, the Basel Committee on Banking Supervision (BIS) published a document on "External audits of banks".

1. To recommend to the Bank's annual general meeting to reappoint the auditing firms Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasierer (EY) as joint auditors of the Bank for the period commencing from the date of the annual general meeting of 2019 and up to the date of approval of the annual financial reports of the Bank for 2019 (hereinafter: the "**Closing Date**").
2. To recommend to the General Meeting to appoint auditing firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar & Co. (Deloitte) as joint auditors of the Bank for the period from the Closing Date, as defined above, until the date of the Bank's next annual general meeting.

It should be noted that EY waived its right in accordance with the provisions of Section 162 (b) to the Companies Law, 1999, to present their position to the Audit Committee.

Hereunder are the Audit Committee's reasoning summary:

- 1) At the outset, it should be noted that the Committee's impression of all the firms participating in The Procedure was very positive.
- 2) As part of the discussions held by the Audit Committee on this subject, the Committee examined, among other things, whether the best interest of the Bank is the continuation of a joint audit by two firms or a transition to an audit by a single firm.
- 3) Since the Bank's two current Auditors have been serving at the Bank for decades, the Committee believed, in recognition of the importance of the refreshment and innovation values, that it would be in the best interests of the Bank to make a change in the identity of the Bank's auditors. However, the committee believed that the replacement of two auditing firms at once would constitute a significant jolt to the bank that is not correct for the Bank at this moment, as well as harm to continuity, and therefore decided that it would be correct to approve the outline of leaving one of the Bank's current auditing firms and selecting one new auditing firm among the candidates in the process.

The committee held discussions on the matter, examined the background materials submitted to it, including the presentations of the firms and complementary materials, heard the auditors' firms and asked them for additional information in the discussion with them, examined all of the Criteria set at the beginning of The Procedure and heard the opinions of the management members that appeared before it, as described above.

The Committee reached the unanimous conclusion that among the Bank's two current auditing firms (KPMG and EY), preference is given to KPMG. The selection of KPMG was made, among other things, after examining all the Criteria and parameters detailed in section 5 below.

- 4) Further to this, the committee began examining the three additional auditing firms that competed in the process (Deloitte, PWC and BDO).
- 5) As part of the examination, the Audit Committee considered a set of considerations and parameters, as determined by the Committee at the beginning of The Procedure, including Criteria that is included in the Basel directives. These considerations and parameters were included in the letters sent given to the firms that participated in The Procedure, and the attention of said firms to those parameters was required within the background material they sent to the Audit Committee prior to the appearance of their representatives before it

Within the aforesaid set of considerations and parameters were, among other things, the Criteria included in the Bank's letter to those firms, including experience in auditing a banking institution in Israel, the experience of the global firm in world banking, and the quality of the professional department and the tax department of the firm, including the consulting work provided by the firms to the Bank, the firm's capabilities in Auditing related issues (Including regulation, taxes, actuarial services, information systems), audit costs, including audit expansion costs, claims against the firm, knowledge and experience in pension and insurance worlds, deep knowledge and understanding of the relevant information technologies, and the firm's relationship with regulatory bodies.

In addition, the Audit Committee referred to the following issues:

- (a) the quality of the team that is intended to handle the audit of the Bank's financial reports, including knowledge, understanding, practical experience and the staff's skill and professional capabilities (whether the resources allocated are reasonable considering the scope of work, the nature and complexity of the Bank's activity, the Bank's structure and business);
- (b) The partners who will manage the portfolio - their identities, experiences and numbers;
- (c) Unique knowledge and expertise required to perform audits of the Bank's financial reports, pursuant to the size, complexity and diversity of the banking activity and the legal and regulatory framework in which the Bank operates;
- (d) the firm's ability to perform the audit alone or jointly with another firm;
- (e) the relations of the firms with the international firm to which the firm is connected, the quality of the international professional department and the ability to receive backing and opinions from the international firm;
- (f) The quality of the information systems and the technological tools of the firms that are relevant to the audit of the Bank's financial reports, including the ability of interfacing information systems with those of the

Bank, as well as technological innovation that will provide added value to the Bank, both in current work and future vision; In this matter, the Audit Committee also requested the Head of the Technologies Division and the Head of the Data Division to conduct in-depth examinations of the firms. The results of the said tests were brought to the attention of the Audit Committee, which held discussions with the Head of the Technologies Division and Head of the Data Division.

After the Audit Committee considered all of the aforementioned considerations, the Audit Committee concluded that of the three new firms competing in The Procedure, preference is given to Deloitte. Accordingly, the Committee adopted the resolutions detailed above.

On June 5, 2019, the Board of Directors resolved to bring to the approval of the General Meeting, among other things, the approval of the appointment of the auditing firms, as detailed in this section above.

Regarding the report to the annual general meeting on the remuneration of the auditors, see page 291 of the Bank's Periodic Report for 2018 (reference no: 2019-01-019849).

The proposed resolutions:

Item No. 2

To re-appoint the Auditing firms Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasirer (EY) as joint auditors of the Bank for a period commencing from the date of the current annual general meeting until the date of approval of the Bank's annual financial reports for 2019 (hereinafter: "**The Closing Date**") and to authorize the Board of Directors of the Bank to determine their compensation.

Item No. 3

To appoint the firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar & Co. (Deloitte) as joint auditors of the Bank for the period from the Closing Date, as defined above, until the date of the next annual general meeting of the Bank, and to authorize the Bank's Board of Directors to determine their compensation.

The majority required to pass the resolutions on Items 2 and 3:

An ordinary majority of the total voting rights of shareholders who are entitled to vote and who have voted in person or by proxy. When counting the votes of the aforesaid shareholders, abstaining votes shall not be taken into account.

1.3. Items 4 and 5 on the agenda – the appointment of one director with the status of "another director" to the Bank's Board of Directors

At this general meeting one (1) director is up for election for the status of "another director (a director who is not an external director as stated in section 11D (a) (2) to the Banking Ordinance, 1941 (hereinafter: "**the Banking Ordinance**", "**director with the status of another director**") for a period of three years, out of the candidates who were proposed by the Committee for the Appointment of Directors in Banking

Corporations appointed under section 36A to the Banking (Licensing) Law, תשנ"א-1981 (hereinafter: "**the Banking Law**") and pursuant to the provisions of sections 11D (a) (1) and (2) to the Banking Ordinance (hereinafter: "**the Committee for the Appointment of Directors**").

The candidates proposed by the Committee for the Appointment of Directors are as follows:

- 1.3.1. Ms. Irit Shlomi;
- 1.3.2. Mr. Haim Ya'akov Krupsky;

For further details regarding the appointment of the directors to the Bank's Board of Directors, including the proposed resolutions on Items 4 and 5 on the agenda of the meeting, see section 2.1 to the invitation to this meeting.

The majority required to pass the resolutions:

An ordinary majority of the total voting rights of shareholders who are entitled to vote and who have voted in person or by proxy. When counting the votes of the aforesaid shareholders, abstaining votes shall not be taken into account.

1.4. Item 6 on the agenda – Approval of the Chairman of the Board of Directors participation in the offering of shares by the State to the Bank's employees, as described in the outline for an offer of shares owned by the State to the Bank's employees published in MAGNA on November 20, 2018 (Reference No. 2018-01-111390)

Item description:

On November 20, 2018 (reference no. 2018-01-111390), the Bank published an outline for an offer by the State of Israel to the Bank's employees pursuant to Section 15B (1) (b) to the Securities Law, התשכ"ח-1968 and the Securities Regulations (securities offerings to employees outline details) 2000-ה'תש"ס of up to 7,793,155 ordinary Bank registered shares, par value NIS 1 each, which are offered to the participants (Hereinafter: the "**Outline**"). On December 25, 2018, 7,773,055 shares were purchased by the Bank employees, including Bank officers (not including the Chairman of the Board of Directors) at a price of NIS 17.3188 per share. The shares purchased as aforesaid are locked-up for a period of two years commencing from the determining date, as defined in the Outline (the purchased shares deposit date by the trustee), that is, until December 25, 2020. As part of the offer of the State of Israel to the Bank employees, as detailed in the Outline, 12,364 shares of the Bank were offered to the Chairman of the Board of Directors, subject to the approval of the general meeting of the Bank's shareholders pursuant to Section 273 to the Companies Law, תשנ"ט-1999.

The shares offer to the Chairman of the Board of Directors as aforesaid was approved by the Audit Committee and the Board of Directors of the Bank on November 7, 2018 and on November 20, 2018 respectively. The Board of Directors of the Bank ratified the aforesaid decision on February 10, 2019 and on May 5, 2019.

For further information, see chapter "Control of the Bank" in the Bank's annual financial report for 2018, as published on March 7, 2019 (reference: 2019-01-019849)

(hereinafter: the "**Annual Report for 2018**") and an immediate report on the publication of an outline dated November 20, 2018 (reference: 2018-01-111390).

For further details regarding the Chairman of the Board of Directors, including the terms of his tenure and employment, see Section 3 under Note 23 (pages 172-174) and the section "Remuneration of Senior officials" on pages 293-295 of the Annual Report for 2018.

The identities of the directors who participated in the discussions of the audit committee in which the share offer to the chairman of the board of directors was discussed

In the discussion on November 7, 2018, the following directors participated: Mr. Itzhak Eidelman, Dr. Shmuel Ben Zvi, Ms. Tamar Gottlieb (Chairman of the Committee), Mr. Ohad Marani, Ms. Zipora Samet.

The identities of the directors who participated in the discussions of the Board of Directors in which the shares offer to the Chairman of the Board was discussed

In the deliberation on November 20, 2018, the following directors participated: Mr. Itzhak Eidelman, Dr. Shmuel Ben Zvi, Mr. Yoram Gabay, Ms. Tamar Gottlieb, Ms. Esther Dominisini, Ms. Esther Levanon, Mr. Ohad Marani, Mr. Yoav Nardi, Mr. Yitzhak Sharir (appointed as acting chairman to the discussion on this subject).

The directors who have a personal interest in approving the share offer to the Chairman of the Board of Directors:

Chairman of the Board of Directors, Mr. David Brodet.

Compensation Committee and the Board of Directors reasoning summary for the approval of the resolution:

The shares proposed to the Chairman of the Board are offered to him according to the terms of the Outline, which was published following the agreements regarding the privatization of the Bank and in accordance with the decisions of the Finance Committee of the Knesset, all as detailed in the Outline.

The proposed resolution:

To approve the offer of 12,364 ordinary Bank shares, par value 1 NIS each to Mr. David Brodet, the Chairman of the Board of Directors, within the framework of an outline for the offering of shares owned by the State of Israel to the Bank's employees, which was published in the MAGNA on 20 November 2018 and in accordance with its terms.

The majority required to pass the resolutions:

The majority required for the said decision is an ordinary majority of the total voting rights of the shareholders entitled to vote and who voted in person or by proxy.

When counting the votes of the aforesaid shareholders, abstaining votes shall not be taken into account.

2. Additional details about the topics on the agenda:

2.1. Additional details regarding the appointment of a director to the Board of Directors of the Bank (Topics 4 and 5 on the agenda)

- 2.1.1. As of this date, the Board of Directors has 12 directors. As part of the amendment to Proper Conduct of Banking Business Directive No. 301, published on July 5, 2017 (hereinafter: "**Directive 301**"), it was determined that by July 1, 2020, the maximum number of members of the Board of Directors of the banking corporations will be reduced to 10.
- 2.1.2. Pursuant to the directive that the Bank received from the Supervisor of Banks, in 2018 the number of members of the Bank's Board of Directors decreased to 12.
- 2.1.3. On November 6, 2018, an instruction was received from the Supervisor of Banks that in order to comply with the provisions of Directive 301, and following instructions given in previous years to a decrease in the number of directors, in 2019 the number of directors will be reduced to 10, by means of directors whose third and last term is ending. Accordingly, it should be noted that Mr. David Brodet (Chairman of the Board of Directors) and Yoav Nardi (director with the status of "Another Director") are expected to end their third and last term at the Bank on July 21, 2019 and from that date the number of members of the Board will decrease to ten.
- 2.1.4. On September 6, 2019, Ms. Esther Levanon is expected to end her first term as a director of the Bank.
- 2.1.5. At this meeting, two candidates were proposed by the Committee for the Appointment of Directors to serve as a director having the status of "Another Director". The general meeting must elect one director having the status of "Another Director".
- 2.1.6. A preliminary notice pursuant to sections 11C (a) (4) and 11E (a) (2) to the Banking Ordinance and pursuant to the Advance Notice Regulations was published on April 8, 2019 and on April 18, 2019, an update to the preliminary notice was published (reference no.: 2019-01-034438) and 2019-01-036060, respectively).
- 2.1.7. The candidates for election in topics 4 to 5 on the agenda of the meeting must comply with all the conditions prescribed by law for serving as a director of a bank without a core control, as stated in sections 11e(b) - (e) to the Banking Ordinance. The declarations of the candidates for office as directors in the Bank, pursuant to Section 224B to the Companies Law, are attached to the invitation report to this meeting.
- 2.1.8. The Bank must comply with all of the relevant requirements regarding the composition and qualifications of the Board of Directors as prescribed in any law, including Directive 301, among other things, regarding the requirement for a minimum number of directors with proven banking experience, professional qualifications, accounting and financial expertise, proven knowledge and experience in the areas

of information technology and other requirements as detailed in sections 25 and 26 to Directive 301.

- 2.1.9. It is emphasized that according to the Directives of the Bank of Israel, at least one-fifth of all members of the Board of Directors will be directors "having banking experience" as this term is defined in Directive 301. It should be noted that as of July 1, 2020, the directive of the Supervisor of Banks will take effect as part of the new version of Directive 301, according to which, among other things, 1) The number of members of the board of directors of a banking corporation shall not exceed 10 directors (see in this regard section 2.1.1 above); 2) At least one third of the members of the Board of Directors shall be directors "having banking experience", as this term is defined in the new version of Directive 301; 3) At least one director will have proven knowledge and experience in IT (information technology); 4) At least half of the members of the Board of Directors shall have "professional qualification" as defined in the Companies Regulations (Conditions and Tests for a Director with Accounting and Financial Expertise), 2005; 5) At least one fifth of the members of the Board of Directors shall have "accounting and financial expertise" as defined in section 240 to the Companies Law.
- 2.1.10. The voting for each director will be done separately. The participants in the vote may vote for each of the candidates to serve as a director.
- 2.1.11. Attention is drawn to the provision in section 34 (a1) to the Banking (Licensing) Law, 5741-1981: "A person shall not agree with another person regarding their vote for the appointment of a director of a banking corporation or a banking holding corporation, including with respect to their vote to terminate his term, except pursuant to a permit issued by the Governor after consultation with the Licenses Committee; This provision shall not apply to a group of holders as defined in section 11D (a) (3) (b) to the Ordinance, with regard to voting for the appointment of a director proposed as a candidate by that section, as well as to a holder of means of control², who has agreed with another, that the other shall vote in his name and on his behalf without discretion, according to the instructions given to him by the holder of the means of control, provided that if the other person himself holds means of control in the banking corporation or in the banking holding corporation, as the case may be, shall not vote on his behalf and on behalf of more than one other holder.
- Therefore, with regard to the election of a director in the status of another director (topics 4 and 5 on the agenda), a proxy who is also a shareholder of the Bank may vote in his name and on behalf of only one additional shareholder. Regarding the other matters on the agenda of the general meeting, there is no reason why a proxy should not represent more than one shareholder.
- 2.1.12. For details regarding the majority required to pass the resolutions on topics 4 and 5 on the agenda, see section 1.3 above.

² i.e. a share holder

- 2.1.13. Pursuant to the provisions of the Banking Ordinance (and in the Bank's Articles of Association), if the number of persons who were appointed for election as directors at the general meeting and who received a majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by proxy, or through a proxy statement) at the general meeting exceeds the number of vacant directors' positions on the agenda of the general meeting, then the director that shall be elected for the vacant position is the candidate who received a higher number of votes than the other candidate at the general meeting. In addition, pursuant to Regulation 85B of the Bank's Articles of Association, if a choice is required between the two candidates who received the same number of votes supporting the vote, the selection shall be made according to a raffle (in this section, the director having the status of "another director" shall be called the "**elected**").
- 2.1.14. The term of the elected is subject to the approval or non-objection of the Supervisor of Banks pursuant to section 11A to the Banking Ordinance. In any case, the candidate will not be appointed until the end of Ms. Esther Levanon's term, as detailed in section 2.1.4 above.
- 2.1.15. Regulation 85C of the Bank's Articles of Association states that: "If before the actual term of office of any of the elected directors has begun, it was determined that he shall not commence office for any reason whatsoever, one among the other candidates of the same type of qualifications (an external director pursuant to the Companies Law, an external director pursuant to the Proper Conduct of Banking Business Directives of the Supervisor of Banks - the Bank of Israel, another director) who has received the majority required for the election shall be deemed an elected director in his stead by the general meeting. And if there are a number of candidates who have received the required majority as aforesaid, then the person who received the highest number of votes by the general meeting shall be chosen ("**next in line**"). The aforementioned of this section shall also apply to the "next in line".
- Accordingly, if it is determined that an elected candidate will not commence his term at the bank as aforesaid, then the next candidate with the same qualifications, who received the required majority for election as a Bank director during the general meeting, will be considered as a candidate. The aforesaid shall apply, respectively, to every elected official by the relevant category of qualification.
- 2.1.16. All directors of the Bank (excluding the Chairman of the Board of Directors) are entitled to annual remuneration and remuneration for participating in meetings of the Board of Directors and its committees in the amount of the "maximum amount" for an external director or an expert external director, as the case may be, pursuant to the Companies Regulations (rules regarding compensation and expenses for an external director), ס"ת 2000-התש"ס, according to the rank of the Bank, pursuant to a resolution of the Board of Directors of the Bank on May 15, 2008 (see immediate report dated May 15, 2008, reference no. : 2008-01-134607), and the remuneration policy of the Bank.

- 2.1.17. On August 6, 2014, following the approval of the Remuneration Committee and the Board of Directors, the general meeting approved the extension of the framework decision, which was approved in the past by the general meeting of the Bank on November 4, 2010, which pre-authorizes the Bank to purchase an insurance policy for directors and other officials of the Bank and of the group (hereinafter: "**The Policy**"), from time to time, and without further approval by the General Meeting. The decision period is until no later than the end of the policy period, which will be renewed in 2020. For further details, see the immediate report regarding the convening of the general meeting of June 30, 2014 (reference no.: 2014-01-103521) and the results of the special general meeting published on August 6, 2014 (reference no.: 2014-01-128649). The framework decision was included within the new remuneration policy for Bank officials, which was approved by the Bank's special shareholders meeting on November 3, 2016. For details, see the immediate report of November 8, 2016 (reference no: 2016-01-074676). Accordingly, on February 4, 2018, after receiving the approval and recommendation of the Audit Committee, the Bank's Board of Directors approved the renewal of the insurance policy for the liability of directors and other officials of the Bank and of the Group (D & O), which includes coverage in the amount of \$ 260 million per event and for the period with a return to precedent in the same amount, all under the terms of the framework decision. The period of the new policy will be from March 1, 2018 until July 31, 2019. These references constitute inclusion by way of reference of the information included in the said reports.
- 2.1.18. For details regarding decisions about exemption and indemnification for directors and officials of the Bank, see Regulation 29A and Note 26 (f) to the Periodic Report of the Bank for 2018, as published on March 7, 2019 (reference no.: 2019-01-019849).
- 2.1.19. **Below are details regarding the candidates to serve as directors on the Board of Directors of the Bank under regulations 26 and 36b (a) (10) of the Reports Regulations:**
On topic No. 4 on the agenda - the election of Ms. Irit Shlomi as a director with the status of "another director"

Name of candidate	Irit Shlomi
ID Number	053992913
Date of Birth	June 28, 1956
Address for serving court documents	Hess Moshe 6, Ramat Hasharon
citizenship	Israeli
Membership in the Board of Directors committees	Yet to be determined
External director as defined in the Companies Law / external director under Directive 301 of the Proper Conduct of Banking Business Directives	No
An independent director as defined in the Companies Law	No
An employee of the Bank, a subsidiary, a related company or an interested party in the Bank	No
Date on which she began serving as a director	Subject to election at the general meeting, and to the consent of the Supervisor of Banks or non-objection to the appointment.
Education / Professional Certificates	See the CV attached to this report
Employment in the last five years and details of the corporations in which she served as a director	See the CV attached to this report
A relative of another interested party in the corporation	No
Has accounting and financial expertise under section 92 (a) (12) to the Companies Law.	See the candidate's declaration and subjected to the approval by the Bank's Board of Directors.

Audit Committee's resolutions

On May 28, 2019, the Audit Committee, on the basis of the facts presented to it and on the basis of the candidate's declarations, confirmed that the circumstances specified below regarding the

candidate and / or anyone in close contact do not constitute an affiliation pursuant to the Banking Ordinance and subject to the position of the Supervisor of Banks, to the Bank or to a material holder thereof, or alternatively, are negligible:

1. Relationships between the Bank / a controlled company of the Bank and the candidate, its relatives or entities connected to it that are retail relationships in the normal course of business. For the avoidance of doubt, it is hereby clarified that these circumstances also include cases of account management and / or a framework at Bank Leumi and / or escrow and / or securities in a company controlled by Bank Leumi or a material holder of Bank Leumi in the normal course of business by the candidate or any of her relatives or persons that have a close relationship with her or with other companies and entities in which the candidate or someone with whom she has a close relationship hold positions that are considered to have a business relationship with the Bank. These circumstances include the holdings of the candidate or the holdings of a person who is in close contact with him of investment portfolios and / or pensions and / or provident funds and / or other financial products with the material holders of the Bank.

2. A parallel tenure in two banking corporations in conflict with the Proper Conduct of Banking Business Directives 301, and a cooling-off period between one banking corporation (Bank Massad) and a position in another banking corporation (the Bank)

2.1. Ms. Irit Shlomi has served since June 2011 as a director of Bank Massad Ltd. (hereinafter: "Bank Massad").

2.2. Section 31 (b) (1) to the Proper Conduct of Banking Business Directives 301 prohibits the tenure of a director in two banking corporations, unless they are members of the same banking group or those who control it. In addition, the section determines that between the term of service in one banking corporation and the term of service in another banking corporation, a period of one year must pass unless the consent of the board of directors of the first banking corporation to shorten the cooling-off period has been obtained or the consent of the Supervisor of Banks has been obtained after consultation with the chairman of the board of directors of that banking corporation.

2.3. In view of the above, Ms. Irit Shlomi will not be able to serve simultaneously as a director in both banking corporations (Bank Massad and Bank Leumi) due to a concern for a permanent conflict of interests.

Accordingly, Ms. Irit Shlomi undertook that, should she be appointed to serve as a director of the Bank, she will resign from Bank Massad. According to information provided to the Bank, the Supervisor of Banks believes that the appointment of Ms. Shlomi at Bank Leumi, should she be appointed, soon after she ceases to serve at Bank Massad will not cause any conflict of interest in her tenure, provided that Ms. Irit Shlomi ceases to serve at Bank Massad. Nevertheless, the Supervisor of Banks requires a cooling-off period of two months between the end of her tenure at Bank Massad and the beginning of the term of office at Bank Leumi, insofar as she is elected at the general meeting.

It should be noted that Ms. Shlomi presented a written approval from Bank Massad to approve the shortening of the cooling-off period as aforesaid.

In addition, Ms. Irit Shlomi served until December 2018 as a director of Otsar Hahayal Bank Ltd. until its merger with and into the First International Bank of Israel Ltd. (hereinafter: "the First International Bank"). Therefore, in view of the aforesaid in Section 2.2 above, the approval of the board of directors of First International Bank is required to approve a shortening of the cooling-off period, as stated in the Proper Conduct of Banking Business 301. It should be noted that Ms. Shlomi presented written approval from the First International Bank for approval of the shortening of the cooling-off period as aforesaid.

According to the information provided to the Bank, it appears that the Supervisor of Banks believes that her appointment at Bank Leumi, should she be appointed, shall not create a risk of conflict of interest on a regular basis, subject to the approval of the First International Bank to shorten the cooling-off period, as aforesaid.

The proposed resolution:

To appoint Ms. Irit Shlomi as a director having the status of "another director" for a period of three years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid, and not prior to September 6, 2019 (The date of the end of the tenure of Ms. Ester Levanon as a director of the Bank).

On the topic No. 5 on the agenda - the election of Mr. Haim Yaakov Krupsky as a director in the status of "another director"

Name of candidate	Chaim Yaakov Krupsky
ID Number	050546274
Date of Birth	11.25.1951
Address for serving court documents	The Tze'elon 2, Even Yehuda
citizenship	Israeli
Membership in the Board of Directors committees	Not yet determined
External director as defined in the Companies Law / external director under Directive 301 of the Proper Conduct of Banking Business Directives	No
An independent director as defined in the Companies Law	No
An employee of the Bank, a subsidiary, a related company or an interested party in the Bank	No
Date on which she began serving as a director	Subject to election at the general meeting, and to the consent of the Supervisor of Banks or non-objection to the appointment.
Education / Professional Certificates	See the CV attached to this report
Employment in the last five years and details of the corporations in which she serves as a director	See the CV attached to this report
A family member of another interested party in the corporation	No
Has accounting and financial expertise under section 92 (a) (12) to the Companies Law.	See the candidate's declaration and subjected to the approval by the Bank's Board of Directors.

Audit Committee's resolutions

On May 28, 2019, the Audit Committee, on the basis of the facts presented to it and on the basis of the candidate's statements, confirmed that the circumstances specified below regarding the candidate and / or anyone in close contact do not constitute an affiliation pursuant to the Banking Ordinance and subject to the position of the Supervisor of Banks, to the Bank or to a material holder thereof, or alternatively, are negligible:

1. Relationships between the Bank / a controlled company of the Bank and the candidate, its relatives or entities connected to it that are retail relationships in the normal course of business. For the avoidance of doubt, it is hereby clarified that these circumstances also include cases of account management and / or a framework at Bank Leumi and / or escrow and / or securities in a company controlled by Bank Leumi or a material holder of Bank Leumi in the normal course of business by the candidate or any of his relatives or persons that have a close relationship with him or with other companies and entities in which the candidate or someone with whom she has a close relationship hold positions that are considered to have a business relationship with the Bank. These circumstances include the holdings of the candidate or the holdings of a person who is in close contact with him of investment portfolios and / or pensions and / or provident funds and / or other financial products with the material holders of the Bank.
2. Professional relations (employer-employee relations) between the daughter of Mr. Krupsky and a law firm (hereinafter: the "Law Firm") which provided during the past two years and still provides Bank Leumi and a subsidiary of Bank Leumi services on various matters (among other things, through the daughter of Mr. Krupsky) as well as the Law Firm's business relations with the Bank. It should be noted that the Audit Committee decided that the business and / or professional relations in this case do not establish a "connection" with Mr. Krupsky, and that at most these are negligible relations.

In view of the position of the Bank of Israel, according to which, and if Mr. Krupsky will be elected as a director of the Bank, his daughter will not be able to provide advice to the bank, to the corporation under its control or to an official thereof, during the term of Mr. Krupsky's service, an undertaking has been provided both by him and of by daughter to comply with the aforesaid. The approval of the Audit Committee as aforesaid is subject to the fact that if Mr. Krupsky is appointed as a director of the Bank, then, his daughter shall refrain from advising the Bank, to a corporation controlled by it or to an official thereof, during the term of Mr. Krupsky.

The proposed resolution:

To appoint Mr. Haim Yaakov Krupsky as a director having the status of "another director" for a period of three years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid, and not prior to September 6, 2019 (The date of the end of the tenure of Ms. Ester Levanon as a director of the Bank).

3. Voting in the Meeting:

3.1. The record date and proof of ownership

- 3.1.1. The record date for determining the entitlement shareholder in the Bank to vote at the General Meeting above, as stated in Section 182 to the Companies Law and Regulation 3 to the Voting by Ballot Regulations, is on Wednesday, June 12, 2019, until the end of the trading day on the Stock Exchange.
- 3.1.2. Pursuant to the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at the General Meeting), 5760-2000 (hereinafter: the "**Proof of Ownership Regulations**"), a shareholder in whose favor a share is registered with a member of the stock exchange and that share is included among the shares of the Bank registered in the shareholders' register (Hereafter: "**Unregistered Shareholder**") and he wishes to vote at the General Meeting, he shall furnish the Bank with confirmation from the member of the Stock Exchange with whom the share is registered in his favor, regarding his ownership of the share on the Record Date, pursuant to Form 1 of the Addendum to the Proof of Ownership (Hereinafter: "**ownership confirmation**").
- 3.1.3. An unregistered shareholder is entitled to receive confirmation of ownership from the stock exchange member through whom he holds the share, at the branch of the stock exchange member, or by mail to his address in return for delivery charges only, if he so requests. A request for this purpose shall be given in advance to a specific securities account.
- 3.1.4. In addition, an unregistered shareholder may instruct the member of the stock exchange that his Ownership Confirmation be transferred to the bank through the electronic voting system. The registration in the electronic voting system that operates under Article O' of Chapter G2 of the Securities Law, 5728-1968 (hereinafter: "**the electronic voting system**") shall be treated as a Ownership Confirmation under the Proof of Ownership Regulations.

3.2. Legal quorum and the date of a postponed meeting

- 3.2.1. According to the Bank's articles of association, the legal quorum for holding the meeting is the presence of three or more shareholders, present in person or by proxy, within half an hour of the date set for the opening of the meeting.
- 3.2.2. If a quorum is not present within half an hour from the date set for the opening of the meeting, it shall be postponed to July 25, 2019, at the same place, at that time (14:00).
- 3.2.3. If no quorum is present at the postponed meeting as aforesaid, two shareholders present in person shall constitute a quorum, and they shall be entitled to engage with matters for which the meeting was called.
- 3.2.4. In determining the legal quorum, the votes of shareholders who voted by means of a proxy statement, within the meaning thereof in section 87 to the Companies Law, shall also be taken into account, and the votes of unregistered shareholders voting through the electronic voting system shall be taken into account.

3.3. Manner of voting in the meeting

- 3.3.1. Shareholders, who are entitled to participate in the Meeting and vote, may do so, by using a method of their choosing from the following options: (1) To arrive at the Meeting and vote in person or to appoint a proxy that will arrive at the Meeting and vote in their stead, in accordance with an appointment letter and a power of attorney as set out in section 3.4 below; (2) to vote using a proxy statement as set out in section 3.5 below; (3) an Unregistered Shareholder may also vote via the Electronic Voting System as set out in section 3.7 below.
- 3.3.2. Pursuant to Section 83(d) to the Companies Law, if the shareholder voted in more than one way, his latest vote shall count. In that regard, the shareholder's vote in person or by proxy shall be considered as a vote that was cast later than a vote that was cast through a proxy statement or through the Electronic Voting System.

3.4. Participation in the Meeting and casting a vote by the shareholder in person or by proxy

- a. An Unregistered Shareholder who wishes to arrive at the Meeting and cast his vote in person, shall provide the Ownership Confirmation form to the Bank in the manner set out in sections 3.12 above and 3.9 below, until the time on which the system is locked, as defined in section 3.7 below. A shareholder whose shares are registered in his name in the Bank's shareholders' register is not required to present such an Ownership Confirmation.
- b. A shareholder who is entitled to be present and vote in the General Meeting may appoint a proxy or proxies who will be present and vote in his stead. A proxy does not have to be a shareholder of the Bank. In order for the appointment of a proxy to be valid, the appointment letter and the power of attorney according to which the appointment letter has been signed (where the appointment letter was signed according to a power of attorney) must arrive at the Bank's registered office at least 48 hours before the time of the General Meeting. In the case of an Unregistered Shareholder, an Ownership Confirmation from the Member of the Stock Exchange, as set out in section 3.1 above, must be attached to the letter of appointment, unless such Ownership Confirmation was delivered to the bank via the Electronic Voting System.
- c. A shareholder or proxy who wishes to attend and/or cast a vote in the General Meeting will be required to identify themselves upon arrival to the General Meeting by presenting an ID document (valid ID card, or passport or driving license). An Unregistered Shareholder (or his proxy) shall also be required to present the Ownership Confirmation form, as aforementioned, unless his Ownership Confirmation was delivered to the Bank via the Electronic Voting System. A proxy of a shareholder whose shares are registered in his name in the Bank's shareholders' register, is not required to present such Ownership Confirmation.
- d. Anyone who is not a shareholder or his proxy, or a shareholder or his proxy who will fail to present a valid ID document and Ownership Confirmation as of Wednesday, June 12, 2019, shall not be allowed to attend and cast a vote in the General Meeting.
- a. The letter of appointment shall also be valid with regard to an adjourned meeting of the meeting to which the letter of appointment applies, unless otherwise specified in the appointment letter, provided that the adjourned meeting convenes on the date specified in section 3.2.2 above.

3.5. Proxy Statement

- a. Shareholders (including Unregistered Shareholders) who wish to vote in the Meeting without attending it and without using a proxy, may cast a vote on the items on the agenda using a proxy statement.
- b. A shareholder (including an Unregistered Shareholder), who is entitled to be present and vote in the Meeting, may vote regarding all items on the agenda of the Meeting by using a proxy statement, pursuant to the Companies Law and the Voting by Ballot Regulations.

- c. The vote via a proxy statement shall be carried out using the second part of the proxy statement as published on the distribution website of the Israel Securities Authority.
- d. Set forth below are the addresses of the distribution website of the Securities' Authority and the website of the Tel Aviv Stock Exchange, in which one can find the wording of the proxy statement:
The distribution website of the Israel Securities Authority:
<http://www.magna.isa.gov.il>.
The notices website of the Stock Exchange: <http://maya.tase.co.il>.
- e. A shareholder may contact the Bank directly and receive from the Bank the wording of the proxy statement.
- f. The vote that was cast by a shareholder via a proxy statement shall be considered as if he was present at and participated in the General Meeting, both for the purpose of the legal quorum required for the Meeting and for the purpose of calculating the results of the vote.

3.6. The last date for delivering a proxy statement to the Bank

- a. A shareholder (including an Unregistered Shareholder), who wishes to vote via a proxy statement, shall deliver the voting ballot to the Bank in the manner set out in section 3.3.1 above, no later than 4 hours prior to the time of the convening of the Meeting (i.e. – Thursday, July 18, 2019, at 10:00 o'clock). The proxy statement will be valid only if the shareholder attaches to it the Ownership Confirmation that was sent through the date on which the system was locked (or if the Ownership Confirmation was sent via the Electronic Voting System); the proxy statement of a shareholder, who is registered with the register of the Bank's shareholders, shall be valid only if the shareholder attaches to it a photocopy of his ID card, passport or certificate of incorporation.
- b. The Member of the Stock Exchange shall email, free of charge, a link to the texts of the proxy statement and the position papers at the distribution website of the Israel Securities Authority, to every shareholder who is not registered with the register of the Bank's shareholders, unless the shareholder has informed the Member of the Stock Exchange that he does not wish to receive such a link, and provided that such notice was issued in respect of a specific securities account and prior to the record date.
- c. A shareholder may contact the registered office of the Bank – no later than 24 hours before the date on which the General Meeting is to convene – and withdraw his proxy statement and Ownership Confirmation after he has proven his identity. Once he has done so, the shareholder will only be able to vote during the course of the General Meeting itself (regardless of whether he is a shareholder who is registered with the shareholders' register of the Bank or if he is an Unregistered Shareholder) as well as via the Electronic Voting System, and the provisions set out in section 3.3.2 above shall apply *mutatis mutandis* and the latest vote he had cast shall be counted.

3.7. The Electronic Voting System

- a. Unregistered shareholders may also vote with respect to all of the items on the agenda of the General Meeting via an electronic proxy statement that will be sent through the Electronic Voting System.
- b. An Unregistered Shareholder may give the Member of the Stock Exchange written notice to the effect that he does not wish to be included in the list of shareholders who are entitled to vote via the Electronic Voting System, which shall be delivered to the Bank by the Member of the Stock Exchange via the Electronic Voting System; such written notice shall be given no later than 12:00 o'clock on the record date.
- c. The Member of the Stock Exchange shall deliver to each of the Unregistered Shareholders the details required for casting a vote via the Electronic Voting System, including an access and identification code for the purpose of casting a vote via the Electronic Voting System.
- d. As from the end of the record date and up to 6 hours prior to the time of the convening of the General Meeting (i.e., up to Thursday, July 18, 2019 at 08:00) (hereinafter – "the

time on which the system is locked”), Unregistered Shareholders will be able to access the electronic system by identifying themselves and using the unique access code that was issued by the Member of the Stock Exchange, and cast their vote or change or cancel their previous votes in respect of the General Meeting, which is convened according to this report for convening of a Meeting.

- e. The electronic vote can be changed or cancelled until the time on which the system is locked in respect of the General Meeting, which is convened according to this report for convening of a Meeting, and it will not be possible to change it through the system after that time. The aforesaid does not derogate from an Unregistered Shareholder’s right to change his vote by participating in the Meeting and casting a voting in the Meeting (including by proxy) and in such a case the provisions of section 3.3.2 above shall apply mutatis mutandis and the latest vote he had cast shall be counted.
- f. If the General Meeting is adjourned after the time on which the system is locked or if a continuing meeting was set, the Electronic Voting System shall be reactivated and it will be possible to use it to vote in the adjourned meeting or in the continuing meeting, and accordingly, an Unregistered Shareholder, who had cast his vote via the Electronic Voting System will be able to change his vote via the Electronic Voting System after the time on which the system is locked.
- g. An Unregistered Shareholder, who transferred to the Bank and Ownership Confirmation via the Electronic Voting System and wishes to vote via other means of voting, is not required to transfer to the Bank a new Ownership Confirmation for the purpose of voting in the adjourned meeting or in the continuing meeting.
- h. The votes that were cast via the Electronic Voting System through the time on which the system is locked shall be counted as part of the results of the Meeting (including the adjourned or the continuing meeting) (provided that they are not altered later on by the voter), both for the purpose of the legal quorum required for the Meeting and for the purpose of calculating the results of the vote.

3.8. Position papers

- a. The deadline for submission of position papers to the Bank, as defined in Section 88 to the Companies Law, is Monday, July 8, 2019 (inclusive). A position paper that will include the reply of the Bank’s Board of Directors shall be published (if it is decided to publish it) until Friday, July 12, 2019 (inclusive).
- b. A shareholder may contact the Bank directly and receive from it the wording of the position papers (to the extent that there are any such papers)
- c. One may peruse the position papers on the distribution website of the Israel Securities Authority and on the notices website of the Stock Exchange, as described in section 3.5 above.

3.9. Manner of providing documents to the Bank

The documents which the shareholders are required to provide to the Bank pursuant to the above provisions (including power of attorney, appointment letter, Ownership Confirmations, voting ballots, position papers, etc.), may be delivered, by courier or by registered mail, through the dates specified above, to the Bank’s offices at 34 Yehuda Halevi St. Tel Aviv.

3.10. Perusal of documents

Documents relating to the items on the agenda of the General Meeting may be reviewed at the Bank’s secretariat, at the Bank’s registered office at 34 Yehuda Halevi St. (Beit Leumi) 11th floor, Tel Aviv, Tel: 076-8859419, from Sunday to Thursday between 08:00 to 15:00.

This report was signed in the name of the Bank on June 5, 2019.

Sincerely,

Bank Leumi le-Israel B.M.



Names and positions of the signatories of the report:

Irit Roth (Adv.), Chief Legal Advisor

Livnat Ein-Shay Vilder (Adv.), Secretary of the Bank and Group and Deputy Head of the Legal Counsel Division

Bank Leumi leIsrael B.M.

Proxy Statement pursuant to the Companies (Voting by Ballot and Position Statements) Regulations, תשס"ו-2005 (hereinafter: "the Regulations"), for a special annual general meeting to be convened on Thursday, July 18, 2019

Part One

1. **Company Name:** Bank Leumi le-Israel B.M. (hereinafter: "the Bank").
2. **Type, date and location of general meeting:** The Bank's annual general meeting. The general meeting will convene on Thursday, July 18, 2019, at 14:00 at the Bank's offices at Beit Lin, 35 Yehuda Halevy St., Tel Aviv. If the meeting is postponed, it will be held on Thursday, July 25, 2019, at the same location and same time.
3. **List of items on the agenda of the general meeting which may be voted on by means of a proxy statement:**

3.1. Items no. 2 & 3 on the agenda - The appointment of the auditing firms of the Bank and the authorization of the Bank's Board of Directors to set the fees paid thereto and report those fees.

For further details regarding the appointment of the Bank's auditors, see section 1.2 of the Immediate Report regarding the convening of a special annual and general meeting attached to this Proxy Statement (hereinafter: "the Immediate Report").

The proposed resolution:

Item no. 2

To reappoint the auditing firms Somekh Chaikin (KPMG) and Kost Forrer Gabbay & Kasierer (EY) as joint external auditors of the Bank for a period that will commence on the date of the current Annual General Meeting through the date of approval of the Bank's Annual Financial Report for 2019 (hereinafter: "the closing Date") and to authorize the Bank's Board of Directors to set the fees paid thereto.

Item no. 3

To appoint the auditing firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar and co. (Deloitte Israel) as joint external auditors of the Bank for a period that will commence on the Closing Date, as it is defined above, through the date of the next Annual General Meeting of the Bank and to authorize the Bank's Board of Directors to set the fees paid thereto.

3.2. Items 4 to 5 on the agenda – the appointment of one (1) director having the status of "another director" to the Bank's Board of Directors

At this general meeting, one director (1) is up for election as "another director" (A director who is not an external director as stated in section 11D (a) (2) to the Banking Ordinance, 1941 (hereinafter: "the Banking Ordinance", "director with the status of another director), for a period of three years, out of the candidates proposed by the Committee for the Appointment of Directors in Banking Corporations Appointed under Section 36A to the Banking (Licensing) Law, תשמ"א-1981 (hereinafter: "the Banking Law") and pursuant to the provisions of Sections 11D (a) (1) and - (2) to the Banking Ordinance (hereinafter: "the Committee for the Appointment of Directors").

The candidates who were proposed by the Committee for the Appointment of Directors are as follows:

- 3.2.1. Mrs. Irit Shlomi;
- 3.2.2. Mr. Haim Yakov Krupski

For more information regarding the appointment of the directors to the Bank's Board of Directors, on Items 4 to 5 on the meeting's agenda, please see Sections 1.3 and 2.1 of the Immediate Report.

The vote shall cast separately for each of the candidates. Voters may vote for any of the candidates to serve as director.

Set forth below are details regarding candidates for service as directors in the Bank's Board of Directors pursuant to Regulations 26 and 36B(a)(10) to the Reports Regulations:

Regarding Item no. 4 on the agenda – appointment of Mrs. Irit Shlomi as a director having the status of "other director"

Name of candidate	Irit Shlomi
ID number	053992913
Date of birth	June 28, 1956
Address for serving court documents	Hess Moshe 6, Ramat Ha'Sharon
Citizenship	Israeli
Membership in Board of Directors Committees	Yet to be determined
External director as defined in the Companies Law / external director under Directive 301 of the Proper Conduct of Banking Business Directives	No
An independent Director as defined in the Companies Law	No
An employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which she began serving as a director	Subject to appointment by the General Meeting and receipt of the approval or notice of non-objection of the Supervisor of Banks.
Education/professional qualifications	Please see the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which he served as director	Please see the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Has accounting and financial expertise under section 92(a)(12) to the Companies Law	Please see the candidate's declaration and subject to the approval of the Bank's Board of Directors.

Audit Committee's Resolutions

On May 28, 2019, the Audit Committee, on the basis of the facts presented to it and on the basis of the candidate's declarations, confirmed that the circumstances specified below regarding the candidate and / or anyone in close contact do not constitute an affiliation pursuant to the Banking Ordinance and subject to the position of the Supervisor of Banks, to the Bank or to a material holder thereof, or alternatively, are negligible:

1. Relationships between the Bank / a controlled company of the Bank and the candidate, its relatives or entities connected to it that are retail relationships in the normal course of business. For the avoidance of doubt, it is hereby clarified that these circumstances also include cases of account management and / or a framework at Bank Leumi and / or escrow and / or securities in a company controlled by Bank Leumi or a material holder of Bank Leumi in the normal course of business by the candidate or any of her relatives or persons that have a close relationship with her or with other companies and entities in which the candidate or someone with whom she has a close relationship hold positions that are considered to have a business relationship with the Bank. These circumstances include the holdings of the candidate or the holdings of a person who is in close contact with him of investment portfolios and / or pensions and / or provident funds and / or other financial products with the material holders of the Bank.
2. **A parallel tenure in two banking corporations in conflict with the Proper Conduct of Banking Business Directives 301, and a cooling-off period between one banking corporation (Bank Massad) and a position in another banking corporation (the Bank)**

2.1 Mrs. Irit Shlomi has served since June 2011 as a director of Bank Massad Ltd. (hereinafter: "Bank Massad").

2.2 Section 31(b)(1) of Directive 301 to the Proper Conduct of Banking Business Directives 301 prohibits the tenure of a director in two banking corporations, unless they are members of the same banking group or those who control it. In addition, the section determines that between the term of service in one banking corporation and the term of service in another banking corporation, a period of one year must pass unless the consent of the board of directors of the first banking corporation to shorten the cooling-off period has been obtained or the consent of the Supervisor of Banks has been obtained after consultation with the chairman of the board of directors of that banking corporation.

2.3 In view of the above, Ms. Irit Shlomi will not be able to serve simultaneously as a director in both banking corporations (Bank Massad and Bank Leumi) due to a concern for a permanent conflict of interests

Accordingly, , Ms. Irit Shlomi undertook that, should she be appointed to serve as a director of the Bank, she will resign from Bank Massad. According to information provided to the Bank, the Supervisor of Banks believes that the appointment of Ms. Shlomi at Bank Leumi, should she be appointed, as soon as she ceases to serve at Bank Massad will not cause any conflict of interest in her tenure, provided that Ms. Irit Shlomi ceases to serve at Bank

Massad. Nevertheless, the Supervisor of Banks requires a cooling-off period of two months between the end of her tenure at Bank Massad and the beginning of the term of office at Bank Leumi, insofar as she is elected at the general meeting.

It should be noted that Ms. Shlomi presented a written approval from Bank Massad to approve the shortening of the cooling-off period as aforesaid.

In addition, Ms. Irit Shlomi served until December 2018 as a director of Otsar Hahayal Bank Ltd. until its merger with and into the First International Bank of Israel Ltd. (hereinafter: "the First International Bank"). Therefore, in view of the aforesaid in Section 2.2 above, the approval of the board of directors of First International Bank is required to approve a shortening of the cooling-off period, as stated in the Proper Conduct of Banking Business 301. It should be noted that Ms. Shlomi presented written approval from the International Bank for approval of the shortening of the cooling-off period as aforesaid.

According to the information provided to the Bank, it appears that the Supervisor of Banks believes that her appointment at Bank Leumi, should she be appointed, shall not create a risk of conflict of interest on a regular basis, subject to the approval of the International Bank to shorten the cooling-off period, as aforesaid.

The proposed resolution:

To appoint Ms. Irit Shlomi as a director having the status of "another director" for a period of three years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid, and not prior to September 6, 2019 (The date of the end of the tenure of Ms. Ester Levanon as a director of the Bank).

Regarding item no. 5 on the agenda – appointment of Mr. Haim Yakov Krupski as a director having the status of "other director"

Name of candidate	Haim Yakov Krupski
ID number	050546274
Date of birth	November 25th, 1951
Address for serving court documents	Ha-Tze'elon 2 St., Even Yehuda
Citizenship	Israeli
Membership in Board of Directors Committees	Yet to be determined
External director as defined in the Companies Law / external director under Directive 301 of the Proper Conduct of Banking Business Directives	No
An independent Director as defined in the Companies Law	No
An employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which he began serving as a director	Subject to appointment by the General Meeting and receipt of the approval or notice of non-objection of the Supervisor of Banks.
Education/professional qualifications	Please see the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which he served as director	Please see the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Has accounting and financial expertise under Section 92(a)(12) to the Companies Law	Please see candidate's statement and subject to the approval of the Supervisor of Banks.

Audit Committee's Resolutions

On May 28, 2019, the Audit Committee, on the basis of the facts presented to it and on the basis of the candidate's statements, confirmed that the circumstances specified below regarding the candidate and / or anyone in close contact do not constitute an affiliation pursuant to the Banking Ordinance and subject to the position of the Supervisor of Banks, to the Bank or to a material holder thereof, or alternatively, are negligible:

1. Relationships between the Bank / a controlled company of the Bank and the candidate, its relatives or entities connected to it that are retail relationships in the normal course of business. For the avoidance of doubt, it is hereby clarified that these circumstances also include cases of account management and / or a framework at Bank Leumi and / or escrow and / or securities in a company controlled by Bank Leumi or a material holder of Bank Leumi in the normal course of business by the candidate or any of his relatives or persons that have a close relationship with him or with other companies and entities in which the candidate or someone with whom she has a close relationship hold positions that are considered to have a business relationship with the Bank. These circumstances include the holdings of the candidate or the holdings of a person who is in close contact with him of investment portfolios and / or pensions and / or provident funds and / or other financial products with the material holders of the Bank.
2. Professional relations (employer-employee relations) between the daughter of Mr. Krupsky and a law firm (hereinafter: the "Law Firm") which provided during the past two years and still provides Bank Leumi and a subsidiary of Bank Leumi services on various matters (among other things, through the daughter of Mr. Krupsky) as well as the Law Firm's business relations with the Bank. It should be noted that the Audit Committee decided that the business and / or professional relations in this case do not establish a "connection" with Mr. Krupsky, and that at most these are negligible.

In view of the position of the Bank of Israel, according to which, and if Mr. Krupsky will be elected as a director of the Bank, his daughter will not be able to provide advice to the bank, to the corporation under its control or to an official thereof, during the term of Mr. Krupsky's service, an undertaking has been provided both by him and of his daughter to comply with the aforesaid. The approval of the Audit Committee as aforesaid is subject to the fact that if Mr. Krupsky is appointed as a director of the Bank, then, his daughter shall refrain from advising the Bank, to a corporation controlled by it or to an official thereof, during the term of Mr. Krupsky.

The Proposed Resolution:

To appoint Mr. Haim Yaakov Krupsky as a director having the status of "another director" for a period of three years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid, and not prior to September 6, 2019 (The date of the end of the tenure of Ms. Ester Levanon as a director of the Bank).

- 3.3. Item no. 6 on the agenda – Approval of the Chairman of the Board of Directors participation in the offering of shares by the State to the Bank's employees as detailed in the outline for an offer of shares owned by the State to the Bank's employees published in MAGNA on November 20, 2018 (Ref. No. 2018-01-111390)

For additional details regarding the approval of the Chairman of the Board of Directors' participation in the shares offering by the state to employees of the Bank as detailed in the outline for an offer of shares owned by the State to employees of the Bank, see section 1.4 of the Immediate Report.

The Proposed Resolution:

To approve the offer of 12,364 ordinary Bank shares, par value 1 NIS each to Mr. David Brodet, the Chairman of the Board of Directors, within the framework of an outline for the offering of shares owned by the State of Israel to the Bank's employees, which was published in the MAGNA on 20 November 2018 and in accordance with its terms.

4. **Place and date for reviewing the full text of the proposed resolutions:**

Documents relating to the items on the agenda of the General Meeting may be reviewed at the Bank's secretariat, at the Bank's registered office at 34 Yehuda Halevi St. (Beit Leumi) 11th floor, Tel Aviv, Tel: +972-76-8859419, from Sunday to Thursday between 08:00 to 15:00, as well as in the Israel Securities Authority's publication website and the Tel Aviv Stock Exchange Ltd.'s website, at the addresses detailed in Section 11.

5. **The majority required to pass the resolutions in the meeting on the topics which may be voted on using a proxy statement:**

The majority required to pass a resolution on Topics 2 to 6 on the agenda of the General Meeting is an "ordinary majority" out of the total votes of the shareholders who are entitled to vote and voted whether by themselves or by proxy. The count of the participants' votes shall not take into account abstaining votes.

6. A proxy statement shall have effect only if it has an attached certificate of ownership of the unregistered shareholder on the record date (i.e. any person to whose credit the Bank's shares are registered with a Stock Exchange Member, when such shares are included in the registered shares in the shareholder register, in the name of a nominee company) (hereinafter: "**Unregistered Shareholder**") or if such a certificate of ownership is sent to the Bank through the electronic voting system, and in case of a shareholder registered in the Bank's shareholder register, the proxy statement shall have effect only if it has an attached photocopy of an identity card, passport or certificate of incorporation. For this purpose, the proxy statement, together with the documents attached thereto, shall be produced to the Bank for the purposes specified in Section 8 below, no later than four hours prior to the date of the convening of the meeting, i.e. by 10:00 AM on Thursday, July 18, 2019.
7. The Electronic Voting System's closing time - Unregistered shareholders may also vote with respect to all of the items on the agenda of the General Meeting via an electronic proxy statement that will be sent through the Electronic Voting System. Voting shall be possible starting from the end of the record date and until 6 hours before the convening of the general meeting, i.e. until 8:00 on Thursday, July 18, 2019.
8. The Bank's address for the delivery of proxy statements and position statements: Beit Leumi, 34 Yehuda Halevi St., Tel Aviv 6513616, care of the Bank's Secretariat (Floor 11).
9. The deadline for submission of position statements to the Bank: Monday, July 8, 2019 (inclusive).
10. Deadline for producing the Board of Directors' with response to position statements: by Friday, July 12, 2019 (inclusive).
11. Address of the Israel Securities Authority's publication website and the Tel Aviv Stock Exchange Ltd.'s website (hereinafter: "the TASE") where the proxy statements and the position statements are available:
 - The Israel Securities Authority's publication website: <http://www.magna.isa.gov.il/>
 - The TASE's website: <http://maya.tase.co.il/>
12. An unregistered shareholder may receive the certificate of ownership at the branch of the TASE member or by postal delivery, if it so requests. An application on this matter shall be delivered in advance for a particular securities account. An unregistered shareholder may instruct the Member of

the Stock Exchange to deliver his Ownership Confirmation to the Bank via the Electronic Voting System.

13. An unregistered shareholder is entitled to receive by email, free of charge, a link to the format of the proxy statement and position statements on the distribution website of the Israel Securities Authority, from the Stock Exchange member through which it holds its shares, unless it informs the Stock Exchange member that it is not interested in receiving such a link, or that it is interested to receive proxy statements by mail in consideration for a fee; a notice on the matter of the proxy statements shall also apply to the matter of receiving position statements.
14. One or more shareholders holding on the record date (Wednesday, September 12, 2019) a rate constituting five percent or more of the total voting rights in the Bank, and any person holding such a rate out of the total voting rights that are not held by the controlling shareholder in the Bank as defined in Section 268 of the Companies Law ("Controlling Shareholder"), may review whether by himself or through an agent on his behalf, after the convening of the general meeting, at the Bank's registered headquarters, during regular work hours, the proxy statements as detailed in Regulation 10 of the Regulations.
The quantity of shares constituting 5% of the total voting rights in the Bank is: 74,614,074.85 par value ordinary shares of the Bank (as of June 5, 2019).
15. After the publication of the proxy statement, changes may take place in the agenda and position statements may be published. In such a case, it shall be possible to review the up-to-date agenda and the position statements published in the Bank's reports on the distribution website as provided in Section 11 above.

A shareholder shall state his vote with regard to the topics on the agenda in the second part of this Proxy Statement.

Proxy Statement - Part Two

The Companies Regulations (Voting by Ballot and Position Statements), ה'תשס"ו-2005 (the "Regulations")

Company Name: Bank Leumi le-Israel B.M.

The Company's address (for the delivery and mailing of proxy statements): Beit Leumi, 34 Yehuda Halevi St., Tel Aviv 6513616, Floor 11, care of the Bank's Secretariat.

Company no.: 52-001807-8

Time of the meeting: Thursday, July 18, 2019, 14:00.

Type of meeting: Annual and special.

Record date: Wednesday, June 12, 2019.

Shareholder Information

Shareholder name - _____

ID No. - _____

If the shareholder does not have an Israeli ID card -

Passport No. - _____

Issuing Country - _____

Valid until - _____

If the shareholder is a corporation -

Corporation No. - _____

Country of incorporation - _____

The voting manner

No. of topic on the agenda	The voting manner ¹		
	In favor	Against	Abstaining
2. To reappoint the auditing firms Somekh Chaikin (KPMG) and Kost Forrer Gabbay & Kasierer (EY) as joint Bank auditors for a period commencing on the date of the current Annual General Meeting through the date of approval of the Annual Financial Report of the Bank for 2019 (hereinafter: "the Closing Date") and authorize the Bank's Board of Directors to set the fees paid thereto.			
3. To appoint the auditing firms Somekh Chaikin (KPMG) and Brightman Almagor Zohar and co. (Deloitte) as joint Bank auditors for a period commencing on the Closing Date, as it is defined above, through the date of the next Annual General Meeting of the Bank and authorize the Bank's Board of Directors to set the fees paid thereto.			
4. To appoint Mrs. Irit Shlomi as a director having the status of "another director" for a period of 3 years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid and not prior to September 6, 2019 (the date of the end of the tenure of Mrs. Esther Levanon's as Director at the Bank).			
5. To appoint Mr. Haim Yaakov Krupski as as a director having the status of "another director" for a period of 3 years, subject to the approval or non-objection of the Supervisor of Banks, from the date of receipt of such approval or absence of objection as aforesaid and not prior to September 6, 2019 (the date of the end of the tenure of Mrs. Esther Levanon as Director at the Bank).			
6. To approve the offer of 12,364 ordinary Bank shares valued 1 NIS each to Mr. David Brodt, Chairman of the Board of Directors within the framework of an outline for the offering of shares owned by the State of Israel to the Bank's employees which was published in MAGNA on November 20, 2018 and in accordance with its terms..			

For shareholders holding shares through a Stock Exchange member (pursuant to Section 177 (1) of the Companies Law) - This Proxy Statement is effective only when attached a certificate of ownership, excluding cases where voting is performed through the system.

For shareholders registered in the Bank's shareholder registry - The Proxy Statement is effective when attaching photocopy of the ID card/passport/certificate of incorporation.

_____	_____
Date	Signature

=====

*Provide details in the lines designated for this purpose below the table.

¹ Failure to mark shall be deemed as abstaining from voting on that topic.

² As the term "senior office holder" is defined in Section 37(d) of the Securities Law, התשכ"ח-1968.

³ As the term is defined in the Joint Investments Trust Law התשנ"ד-1994.

⁵ As the term "institutional investor" is defined in Regulation 1 of the Companies Regulations (Voting by Ballot and Position Statements), תשס"ו-2005.

Appendix A

Statement of a Candidate for the Office of Director (who is not an External Director or E.D.) at Bank Leumi of Israel Ltd.

I, the undersigned, Irit Shlomi, ID No. 053992913, address: 6 Hess Moshe St., Ramat Hasharon, hereby provides this statement as a candidate for the office of director at Leumi Bank Ltd. (hereinafter: the "**Bank**") after I have been warned that I am required to state the truth, and that I shall be subject to the penalties prescribed by law if I fail to do so, as detailed below:

1. Personal information

1.1. Name: Irit Shlomi

1.2. ID No.: 053992913

1.3. Date of birth: June 28, 1956

1.4. Address for serving court documents: 6 Hess Moshe St., Ramat Hasharon 4702823

1.5. Nationality: Israeli

1.6. Citizenship: Israeli

1.7. Is the candidate a relative of another interested party¹ of the Bank? (if yes – specify the details): **No**

2. I am **not** an employee of the Bank, of a subsidiary thereof, of an affiliated company thereof or of an interested party thereof (if yes – specify the position/s filled by the candidate):

3. Competence

I possess the qualifications necessary to serve as director of the Bank and, specifically, possess the knowledge, experience or expertise in one or more of the following areas: banking, finance, economic or business activity, law, finance, accounting, risk management,

¹ **Interested party** – whoever holds 5% or more of the issued share capital of the corporation or of the voting power therein, whoever is entitled to appoint one or more directors of the corporation or its general manager, whoever serves as a director of the corporation or as its general manager or a corporation in which such a person holds 25% or more of its issued share capital or voting rights, or may appoint 25% or more of its directors. For the purpose of this paragraph, a mutual fund manager shall be considered as the holder of securities included in the fund's assets. If a person holds securities through a trustee, the trustee shall also be deemed to hold the said securities. For this purpose, "trustee" - excluding a nominee company and excluding a person who has held securities only by virtue of his position as trustee for an arrangement as defined in Section 46(a)(2)(f) of the Securities Law, 1968, or as trustee for the allotment of shares to employees as defined in Section 102 of the Income Tax Ordinance. In addition, a subsidiary of a corporation other than a nominee company.

regulatory compliance, information technology, information security (Including cybersecurity) or another area approved by the Banking Supervision Department and I have the time required to fulfill my functions as director of the Bank, taking into consideration, among other things, the scope of activity and size of the Bank.

My qualifications are as follows² [*education, training, experience*]

3.1. Education:

Degree / academic certificate	My profession / Primary field	Name of the academic institute
Undergraduate (BA)	Economics	University of Haifa
MBA	Business administration	IDC (Interdisciplinary Center Herzliya)

3.2. Professional certificates:

Advanced courses in various banking fields (Credit, Capital Market, Financial Instruments)

3.3. Specification of the main occupations **during the past five years**, detailing the corporations in which the candidate serves as director (please specify the number of years of service in each position)³:

2006-2011 Head of Banking Division at the First International Bank (FIBI);
2005-2006 Deputy Head of the Business Division. Managed the commercial credit unit at FIBI;
June 2012 to July 2014 Non-Marketable Credit Committee member at Harel;
September 2011 to July 2014 Partner at Meitav Dash Mortgages
2011 and thereafter, owner of a consulting firm
Board of director memberships: Bank Otsar HaHayal, August 2006 – December 2018
Emilia Development, Nov. 2011 – Sep. 2018
Bank Massad, from Nov. 2011 (term shall be terminated upon an election to Leumi)
REIT1, from July 2014
Carasso Motors, from June 2015

3.4. In view of my education, experience, past and present employment and skills, I possess professional competence, as defined below, based on the aforementioned (note: the evaluation of the professional qualifications of a candidate to serve as director shall be made by the Board of Directors). Following is additional information to Section 3.3 above, relevant to my education and experience, indicating that I have met the conditions and tests for my competence as aforesaid:

² The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

³ The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

BA in Economics, MBA with specialization in Business Strategy, over 30 years of banking experience in a wide range of areas: Commercial and retail credit; capital market (had a consulting license); deep familiarity with all areas of banking - from field positions (branch management, regional management) to executive positions (Deputy Head of the Business Division - MM commercial credit management and Head of the Banking Division, in which I was responsible for the entire network of branches, direct banking (digital), mortgages, collection, retail subsidiaries and the Bank's marketing and advertising array; member of management at FIBI for 5 years.

Documents and certificates supporting my above statement in this section has been provided to the Bank Secretariat.

- 3.5. In view of my education, experience, past and present employment and skills, I [delete irrelevant information] possess accounting and financial expertise as defined below, all on the basis of the aforementioned (note: The accounting and financial expertise of a candidate to serve as director shall be evaluated by the Board of Directors). Following are additional details with regards to the information included in Section 3.3 above, relevant to my education and experience, which indicates that the conditions and tests for my expertise as aforesaid have been met:

Extended BA in Economics, MBA, member of management at FIBI, member and Chairman of the Financial Statements Committees on several boards of directors, as detailed in Section 3.3 above.

- 3.6. In view of my education, experience, past and present employment and my skills, **I do not** [delete irrelevant information] possess "proven IT knowledge and experience,"⁴ all on the basis of the aforementioned (note: The evaluation of a candidate to serve as director shall be performed by the Board of Directors). Following are additional details with regards to the information included in Section 3.3 above, , relevant to my education and experience, which indicates my expertise as aforesaid:

Documents and certificates supporting my statement as mentioned in this section as aforesaid have been provided to the Bank Secretariat.

For the purpose of this section above:

"Professional qualifications" - Academic degree as required under one of the conditions stated in Sections (1) or (2) below, as well as experience as required in Section (3) below:

(1) Academic degree in one of the following professions: Economics, business administration, accounting, law and/or public administration; (2) Other academic degree or completion of other high education studies, all in the Bank's areas of activity or in another area relevant to the position; (3) Experience of at least 5 years in one of the following, or accumulated experience of at least 5 years in two or more of the following: (a) In a senior position in the field of business management

⁴ As required pursuant to Proper Conduct of Banking Business Directive No. 301.

of a large corporation; or (b) In a senior public office or in a senior position in the public service; or (c) In a senior banking position.

"Director with accounting and financial expertise" is a person who, in the opinion of the Board of Directors, meets the following conditions: A director who, due to his/her education, experience and qualifications, has a high level of proficiency and understanding of business-accounting issues and financial statements, so as to enable them to understand the Bank's financial statements in depth and to raise issues relating to the manner in which financial data are presented therein. When assessing the accounting and financial skills of the candidate, the Board of Directors' considerations shall include, among other things, the candidate's education, experience and knowledge in the following areas: (1) Accounting issues and accounting control issues typical to the banking sector and to companies the size and complexity of the Bank; (2) The functions and duties of the independent auditor; (3) Financial statements preparation and approval processes under the Securities Law, 1968 and Companies Law.

"Banking experience": One of the following – (a) A person who has served at least 3 years in a "senior position" (a manager reporting directly to a CEO, as well as a person who reports directly to a manager as stated above, including an internal auditor) in a bank or in a bank overseas and which engaged in the management or control of a core area or of a material risk to the banking corporation in which he/she serves as director; (b) Served as the partner responsible for audit engagement with a banking corporation, including knowledge of creating SOX processes for a cumulative period of at least 5 years in an independent auditing firm (subject to compliance with the rules of independence and the provisions of any law); (c) Served as director of a banking corporation for a cumulative period of at least 9 years or as chairman of the board of directors for a cumulative period of at least 3 years. A candidate who, in his/her opinion, does not have accounting and financial expertise is required to state whether he/she has the ability to read and understand financial statements – Yes / No [delete irrelevant information].

3.7. In view of my education, experience, past and present employment and my skills as described above, to the best of my knowledge, I possess "banking experience"⁵ – **Yes** [delete irrelevant information].

4. I have not been convicted in the past five years in a final judgment of an offense set forth in Section 226 of the Companies Law:

4.1. Offences under Sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 to the Penal Law, 1977 and under Sections 52c, 52d, 53 (a) and 54 to the Securities Law.

4.2. Conviction in a court of law outside of Israel on offenses of bribery, fraud, corporate manager offenses or offenses involving the use of inside information.

⁵ As required pursuant to Proper Conduct of Banking Business Directive No. 301 and as detailed document above.

- 4.3. Conviction in a another offense which the court determined that due to its nature, severity or circumstances, I am not fit to serve as director in a public company. There is no pending indictment against me on such an offense.
5. I have not been charged by the Administrative Enforcement Committee⁶ with enforcement measures prohibiting me from serving as director in a public company.
6. I am not a minor, I am not incompetent to stand trial and I have not been declared bankrupt⁷.
7. My other duties or occupations do not create or are likely to create a conflict of interest with my position as director with the Bank, nor do they impair my ability to serve as a director with the Bank.
8. All the conditions for my serving as director in a banking corporation without a controlling core have been met pursuant to the provisions of the Banking Ordinance, including:
- 8.1. I or my relatives, **do not** hold means of control of any kind in the Bank, in a corporation controlled by the Bank or in a "material holder", other than holding marketable shares at a percentage of no more than one quarter of one percent of the issued and paid up share capital of any of them.

Please specify:

- 8.2.
- 8.2.1. In the two years preceding the date of the appointment or from the date of the appointment and thereafter, I, or a person who is in "close connection" with me have had no affiliation with the Bank or with a corporation under the Bank's control, with an officeholder of the Bank or with a "material holder" [it is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation].

Please specify:

The Bank's Audit Committee has confirmed that circumstances that may raise concern regarding my alleged affiliations are such that do not constitute an affiliation pursuant to Section 11F(b) to the Banking Ordinance and subject to the position of the Banking Supervision Department, or, alternatively, are negligible pursuant to the position of the Banking Supervision Department. A summary of the Audit Committee's decisions is detailed in the general meeting summons.

Note –

1. I am friends with Director Tamar Gottlieb. I believe these relations do not constitute affiliation. In addition, between July 2017 and September 2018 I

⁶ A committee appointed under Section 521b(a) to the Securities Law, 1968.

⁷ As long as I have not been dismissed.

have served as an independent director on the Board of Directors of Emilia Development (MAOF) Ltd. Company along with Ms. Tamar Gottlieb, who serves as director in the company.

2. I have learned that Mr. Dr. Yitzhak Sharir is a candidate for re-election as director. He also serves as director at REIT1, where I serve as ED. According to the Companies Law, this does not constitute affiliation, since he is not an ED at REIT1 but rather a regular director. I should also mention that we have no prior acquaintance, nor personal relationships or business relationships of any kind. I believe that serving as directors on the board of REIT1 does not constitute an affiliation beyond a negligible one.

- 8.2.2. From the date of appointment and thereafter, **I have no** affiliation with a relative of a Bank officeholder, a relative of a "material holder" or to a partner of a "material holder" is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation. Please specify:

- 8.3. I do not, nor does anyone in "close connection" with me, have business or professional connections with the Bank or with a corporation under the Bank's control, with an officeholder of the Bank, or with a "material holder" who has proposed me as a candidate to serve as director in the Bank, even if such connections, as aforesaid, are not permanent, except for negligible connections.

There are none [delete irrelevant information]

Please specify:

Please see my answer in Section 8.2.1 above

- 8.4. A director whose candidacy was proposed by the Committee for the Appointment of Directors under Section 11D(a)(1) to the Banking Ordinance (the "**Committee**") hereby adds and declares that:

- 8.4.1. As of the appointment date, I have no an affiliation with a committee member;

- 8.4.2. I am not a minister, deputy minister or member of the Knesset, nor do I have a personal, business or political affiliation with a minister or deputy minister or government employee or an employee of a statutory corporation;

- 8.4.3. I have not been convicted of an offense which by its nature, severity or circumstances renders me unfit to serve in the position, and no indictment for such an offense is pending against me.

If relevant, please specify:

For the purpose of Section 8 above:

"Close connection" – A relationship between a person and his/her relative, partner, employer, to whom he/she is directly or indirectly subordinate, and to the corporation in which he/she is the controlling shareholder;

"Affiliation" - The existence of regular working relations or the existence of professional or business relations, with the exception of negligible relations, as well as appointment as officeholder; however, retail business relations between the corporation and a customer shall not be considered an affiliation.

"Material holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such holder, a person controlled by any of them, a member of a group of holders as defined by Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them. For a list of material holders of the Bank, please see the Bank's website at www.leumi.co.il

"Officeholder" – As defined by the Companies Law, and every other employee reporting to them directly.

9. I hereby state that there is no impediment or limitation whatsoever to my appointment as director in the Bank, including, among other things, under: Proper Conduct of Banking Business Directive No. 301; the Banking Ordinance, 1941; the Banking (Licensing) Law, 1981; and/or under any law, including, among other things, due to serving in other corporations.
10. The Bank has given me all the information regarding the directors' salary at the Bank and I agree to it.
11. If, and to the extent, that a change in the aforesaid will occur, including if conditions required by law to serve as a director in the Bank cease to be met, I hereby undertake to inform the Bank Secretariat immediately.
12. Below is my name, my signature and all of the above is true.

Date: May 28, 2019

Signature of submitter

Confirmation

I, Adv. Maya Shlomi hereby confirm that Irit Shlomi, who is personally familiar to me, after I had warned her that she must state the truth and that she will be liable to the penalties prescribed by law if she does not, confirmed her above statement and signed it before me.

Date: May 29, 2019 Name and signature of attorney: _____

Terms of Service as Director of a Bank without a Controlling Core

Sections 11E(b)-(e) to the Banking Ordinance

(b) (1) In a banking corporation without a controlling core, no person shall be appointed nor serve as director if one of the following is met:

(a) He or his relative holds means of control of any kind in the banking corporation, in a corporation controlled by the banking corporation or in a material holder other than the holding of marketable shares at a rate not exceeding one quarter of one percent of the issued and paid up share capital of any of the above;

(b) A person who has, in the two years preceding the date of the appointment or from the date of appointment and thereafter, or with whom he is in close contact, an affiliation with the banking corporation or a corporation controlled by the banking corporation, an officeholder of the banking corporation or a material holder, and whoever from the date of the appointment onwards has an affiliation with a relative of an officeholder of the banking corporation, a relative of a material holder or a partner of a material holder; in this matter, service as director in a banking corporation without a controlling core of a candidate for re-election as aforesaid shall not be considered as affiliation.

(2) Without derogating from the provisions of Section (1)(b), a person, or anyone in close connection with him who has a business or professional relationship with the banking corporation or with a corporation controlled by the banking corporation, with an officeholder of the banking corporation or with a material holder who proposed that candidate for office of director, shall not serve as director, even if such connections as aforesaid are not regular, except for negligible connections;

(3) Without derogating from the provisions of Sections (1) and (2), a director whose candidacy was proposed by the Committee under Section 11D(a)(1) shall not be appointed and shall not serve if he meets one of the following:

(a) He has an affinity to the committee member at the time of appointment;

(b) The provisions of Section 36B(b)(3) of the Banking (Licensing) Law apply to him;

(c) He was convicted of an offense which - by nature, severity or circumstances - renders him unfit to serve in the position, and there is no indictment pending against him for such an offense.

(d) The provisions of Section 240(c) of the Companies Law apply to him.

(4) A director whose candidacy was proposed by the Committee under Section 11D(a)(1) shall have professional qualifications or possess accounting and financial expertise, pursuant to the provisions of Section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of subsection (b), a director serving in a banking corporation on the eve of its becoming a banking corporation without a controlling core may continue to serve until the end of his term of office even if the conditions prescribed in the said subsection are not met, but no more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earlier.

(c1) The Supervisor may approve the appointment or service as a director of a person who, in the two years preceding the date of appointment or from the date of appointment and thereafter, had or a person in close connection with him had, an affiliation with a material holder, a relative of a material holder or a partner of a material holder, even if this affiliation is not negligible, if the Supervisor finds that, under the circumstances of the case, this affiliation does not raise a suspicion of conflict of interest in office.

(d) The provisions of this section shall prevail over any contradictory provision of the law.

(e) In this section – "General Meeting", "Special Meeting" and "Annual Meeting" - as defined in the Companies Law;

"Close connection" – as defined in section 36B(a) to the Banking (Licensing) Law;

"Affiliation" - The existence of working relations or the existence of professional or business relations in general, with the exception of negligible connections, as well as the appointment as an official, but retail business relations between the corporation and the customer shall not be considered as an affinity.

"Material holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such a holder, a person controlled by any of them, a member of a group of holders as defined in Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them.

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail. The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

Irit Shlomi

Curriculum Vitae and Professional Experience

Contact Details: Email- irit@ishlomi.com Mobile-972- 52-4453453 Residence: Ramat Ha'Sharon

Education:

Extended B.A. in Economics – University of Haifa

M.B.A specializing in Global Strategic Management – Interdisciplinary Center in Herzeliya, joint program with Wharton School of Pennsylvania, USA

Professional Experience:

05/2011 – Current

Owner of Strategy-Marketing Consultant Company.

Member of Board of Directors at the following companies

REIT 1-a public company traded On the TASE External Director and chairperson of the financial reports' committee and of the audit committee).

Carasso Motors Ltd a public company traded On the TASE (Independent Director).

Emilia Development - a public company traded On the TASE (Independent Director, until 9/18).

Bank Otsar Ha-Hayal (until 12/18), Bank Massad-both subsidiaries of **Fibi Bank** a public company traded On the TASE and fifth bank in Israel.

Guidance for M.B.A students at the Interdisciplinary Center – Practicum in Strategy.

2012 – 2014

Co-Founder and partner at **Meitav Dash mortgage consulting Ltd.**
Member of non-negotiable credit committee at **Harel Group**.

10/1980 – 05/2011

First International Bank of Israel (FIBI)

Notable positions:

08/06 – 05/11 Managing Director-Chief of Retail Banking Division (VP) until 2008 also served as director on behalf of the bank at Visa Cal.

03/05 – 08/06 Vice Chief of Business Credit Division, in charge of commercial credit (including state funds). Chairman of FIBI Car Leasing.

10/02 – 03/05 Regional Manager, North District

Diverse roles in various branches of the bank.

2001 – 2011

Volunteer work: Member of Board of Directors at the Israeli Juvenile Diabetes Research Foundation (JRDF).

In the course of my employment in various positions:

- Extensive experience working as a managing and non-managing director, including as both chairperson and board member in audit and financial reports committees, risk management , credit and strategy. Accounting-finance specialist.
- Deep professional acquaintance with wide area of financial activities :corporate , commercial and retail credit, , capital market activity, sales and marketing
- Formerly in charge of managing FIBI's entire marketing and advertising endeavors.
- Over 30 years of experience in management and management consultancy.
- Responsibility for managing 1300 employees and managers.
- Extensive experience in leading strategically-motivated action and embedding organizational changes.
- Broad knowledge in management of financial and operational risks, and management of credit risk.
- Practical experience in mergers and acquisitions.

Appendix A

Statement of a Candidate for the Office of Director (who is not an External Director or E.D.) at Bank Leumi of Israel Ltd.

I, the undersigned, Haim Yaacov Krupsky, ID No. 050546274, address: 2 Ha-Tze'elon St., Even Yehuda, hereby provides this statement as a candidate for the office of director at Leumi Bank Ltd. (hereinafter: the "**Bank**") after I have been warned that I am required to state the truth, and that I shall be subject to the penalties prescribed by law if I fail to do so, as detailed below:

1. Personal information

1.1. Name: Haim Yaacov Krupsky

1.2. ID No.: 050546274

1.3. Date of birth: November 25, 1951

1.4. Address for serving court documents: 2 Ha-Tze'elon St., Even Yehuda, P.O.B. 70723

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1.5. Nationality: Israeli

1.6. Citizenship: Israeli

1.7. Is the candidate a relative of another interested party¹ of the Bank? (if yes – specify the details): **No**

2. I am **not** an employee of the Bank, of a subsidiary thereof, of an affiliated company thereof or of an interested party thereof (if yes – specify the position/s filled by the candidate):

3. Competence

I possess the qualifications necessary to serve as director of the Bank and, specifically, possess the knowledge, experience or expertise in one or more of the following areas: banking, finance, economic or business activity, law, finance, accounting, risk management,

¹ **Interested party** – whoever holds 5% or more of the issued share capital of the corporation or of the voting power therein, whoever is entitled to appoint one or more directors of the corporation or its general manager, whoever serves as a director of the corporation or as its general manager or a corporation in which such a person holds 25% or more of its issued share capital or voting rights, or may appoint 25% or more of its directors. For the purpose of this paragraph, a mutual fund manager shall be considered as the holder of securities included in the fund's assets. If a person holds securities through a trustee, the trustee shall also be deemed to hold the said securities. For this purpose, "trustee" - excluding a nominee company and excluding a person who has held securities only by virtue of his position as trustee for an arrangement as defined in Section 46(a)(2)(f) of the Securities Law, 1968, or as trustee for the allotment of shares to employees as defined in Section 102 of the Income Tax Ordinance. In addition, a subsidiary of a corporation other than a nominee company.

regulatory compliance, information technology, information security (Including cybersecurity) or another area approved by the Banking Supervision Department and I have the time required to fulfill my functions as director of the Bank, taking into consideration, among other things, the scope of activity and size of the Bank.

My qualifications are as follows² [*education, training, experience*]

3.1. Education:

Degree / academic certificate	My profession / Primary field	Name of the academic institute
BA in Economics, 1977	Economics	Hebrew University
LLB, 1979	Law	Hebrew University

3.2. Professional certificates:

BA in Economics

LLB.

Legal license, 1980.

3.3. Specification of the main occupations **during the past five years**, detailing the corporations in which the candidate serves as director (please specify the number of years of service in each position)³:

Director in Bank Massad Ltd., 6 years, from January 25, 2012 to January 21, 2018

Director in the Yehoshua Rabinovich Foundation, 8 years (from December 18, 2011 to present day)

Director in ORT Israel, public-benefit organization, 9 years (from June 21, 2010 until present day)

Member of the public committee "Ametz Lohem" ("Adopt a Fighter"), 14 years (since 2005)

Member of the board of trustees of Tel Aviv Museum, 23 years (since 1996)

Member of the public council of Alut, 6 years (since 2013)

² The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

³ The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

In view of my education, experience, past and present employment and skills, I possess professional competence, as defined below, based on the aforementioned (note: the evaluation of the professional qualifications of a candidate to serve as director shall be made by the Board of Directors). Following is additional information to Section 3.3 above, relevant to my education and experience, indicating that I have met the conditions and tests for my competence as aforesaid:

I was CEO of Israel's largest credit card company (15 years). CEO of credit cards companies Isracard, Europay (Eurocard) Israel Ltd., Aminit Ltd., and Poalim Express Ltd.,

I served as director in the aforementioned credit card companies for 15 years. I was vice chairman of the boards in the aforementioned credit card companies from February 1, 2009 to November 25, 2009.

I have experience in banking in Israel and abroad: I served as director in MasterCard Europe for 12 years; I served as Chairman of the Southern Board of MasterCard Europe for 6 years; I served as External Director at Bank Massad for 6 years; I was member of the Audit, Balance Sheet and Projects Committees and of the Credit, Business and Risk Management Committee, Compensation and Employment Conditions Committee. I served as director in Tzameret Mimunim Ltd. for 9 years, and as Chairman of the Board of Directors for 6 years. Please see attached CV.

Documents and certificates supporting my above statement in this section has been provided to the Bank Secretariat.

- 3.4. In view of my education, experience, past and present employment and skills, I [delete irrelevant information] **possess** accounting and financial expertise as defined below, all on the basis of the aforementioned (note: The accounting and financial expertise of a candidate to serve as director shall be evaluated by the Board of Directors). Following are additional details with regards to the information included in Section 3.3 above, relevant to my education and experience, which indicates that the conditions and tests for my expertise as aforesaid have been met:

Yes, please see Section 3.3 above.

- 3.5. In view of my education, experience, past and present employment and my skills, **I do not** [delete irrelevant information] possess "proven IT knowledge and experience,"⁴ all on the basis of the aforementioned (note: The evaluation of a candidate to serve as director shall be performed by the Board of Directors). Following are additional details with regards to the information included in Section 3.3 above, , relevant to my education and experience, which indicates my expertise as aforesaid:

Documents and certificates supporting my statement as mentioned in this section as aforesaid have been provided to the Bank Secretariat.

⁴ As required pursuant to Proper Conduct of Banking Business Directive No. 301.

For the purpose of this section above:

"Professional qualifications" - Academic degree as required under one of the conditions stated in Sections (1) or (2) below, as well as experience as required in Section (3) below:

(1) Academic degree in one of the following professions: Economics, business administration, accounting, law and/or public administration; (2) Other academic degree or completion of other high education studies, all in the Bank's areas of activity or in another area relevant to the position; (3) Experience of at least 5 years in one of the following, or accumulated experience of at least 5 years in two or more of the following: (a) In a senior position in the field of business management of a large corporation; or (b) In a senior public office or in a senior position in the public service; or (c) In a senior banking position.

"Director with accounting and financial expertise" is a person who, in the opinion of the Board of Directors, meets the following conditions: A director who, due to his/her education, experience and qualifications, has a high level of proficiency and understanding of business-accounting issues and financial statements, so as to enable them to understand the Bank's financial statements in depth and to raise issues relating to the manner in which financial data are presented therein. When assessing the accounting and financial skills of the candidate, the Board of Directors' considerations shall include, among other things, the candidate's education, experience and knowledge in the following areas: (1) Accounting issues and accounting control issues typical to the banking sector and to companies the size and complexity of the Bank; (2) The functions and duties of the independent auditor; (3) Financial statements preparation and approval processes under the Securities Law, 1968 and Companies Law.

"Banking experience": One of the following – (a) A person who has served at least 3 years in a "senior position" (a manager reporting directly to a CEO, as well as a person who reports directly to a manager as stated above, including an internal auditor) in a bank or in a bank overseas and which engaged in the management or control of a core area or of a material risk to the banking corporation in which he/she serves as director; (b) Served as the partner responsible for audit engagement with a banking corporation, including knowledge of creating SOX processes for a cumulative period of at least 5 years in an independent auditing firm (subject to compliance with the rules of independence and the provisions of any law); (c) Served as director of a banking corporation for a cumulative period of at least 9 years or as chairman of the board of directors for a cumulative period of at least 3 years. A candidate who, in his/her opinion, does not have accounting and financial expertise is required to state whether he/she has the ability to read and understand financial statements – Yes / No [delete irrelevant information].

3.6. In view of my education, experience, past and present employment and my skills as described above, to the best of my knowledge, I possess "banking experience"⁵ – **Yes** [delete irrelevant information].

⁵ As required pursuant to Proper Conduct of Banking Business Directive No. 301 and as detailed document above.

4. I have not been convicted in the past five years in a final judgment of an offense set forth in Section 226 of the Companies Law:
- 4.1. Offences under Sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 to the Penal Law, 1977 and under Sections 52c, 52d, 53 (a) and 54 to the Securities Law.
- 4.2. Conviction in a court of law outside of Israel on offenses of bribery, fraud, corporate manager offenses or offenses involving the use of inside information.
- 4.3. Conviction in a another offense which the court determined that due to its nature, severity or circumstances, I am not fit to serve as director in a public company. There is no pending indictment against me on such an offense.
5. I have not been charged by the Administrative Enforcement Committee⁶ with enforcement measures prohibiting me from serving as director in a public company.
6. I am not a minor, I am not incompetent to stand trial and I have not been declared bankrupt⁷.
7. My other duties or occupations do not create or are likely to create a conflict of interest with my position as director with the Bank, nor do they impair my ability to serve as a director with the Bank.
8. All the conditions for my serving as director in a banking corporation without a controlling core have been met pursuant to the provisions of the Banking Ordinance, including:
- 8.1. I or my relatives, **do not** hold means of control of any kind in the Bank, in a corporation controlled by the Bank or in a "material holder", other than holding marketable shares at a percentage of no more than one quarter of one percent of the issued and paid up share capital of any of them.

Yes.

For your information - I hold marketable shares of Bank Leumi at a rate of less than one quarter of a percent, as mentioned above.

My son, Lior Krupsky holds marketable shares of Bank Leumi at a rate of less than one quarter of a percent, as mentioned above.

Please specify:

8.2.

- 8.2.1. In the two years preceding the date of the appointment or from the date of the appointment and thereafter, I, or a person who is in "close connection" with me have had no affiliation with the Bank or with a corporation under the Bank's

⁶ A committee appointed under Section 521b(a) to the Securities Law, 1968.

⁷ As long as I have not been dismissed.

control, with an officeholder of the Bank or with a "material holder" [it is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation]. **No**

Please specify:

The Bank's Audit Committee has confirmed that circumstances that may raise concern regarding my alleged affiliations are such that do not constitute an affiliation pursuant to Section 11F(b) to the Banking Ordinance and subject to the position of the Banking Supervision Department, or, alternatively, are negligible pursuant to the position of the Banking Supervision Department. A summary of the Audit Committee's decisions is detailed in the general meeting summons.

- 8.2.2. From the date of appointment and thereafter, **I have no** affiliation with a relative of a Bank officeholder, a relative of a "material holder" or to a partner of a "material holder" is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation.

Please specify:

- 8.3. I do not, nor does anyone in "close connection" with me, have business or professional connections with the Bank or with a corporation under the Bank's control, with an officeholder of the Bank, or with a "material holder" who has proposed me as a candidate to serve as director in the Bank, even if such connections, as aforesaid, are not permanent, except for negligible connections.

There are none [delete irrelevant information]

Please specify:

Please see my answer in Section 8.2.1 above

- 8.4. A director whose candidacy was proposed by the Committee for the Appointment of Directors under Section 11D(a)(1) to the Banking Ordinance (the "**Committee**") hereby adds and declares that:

8.4.1. As of the appointment date, I have **no** an affiliation with a committee member;

8.4.2. I am not a minister, deputy minister or member of the Knesset, nor do I have a personal, business or political affiliation with a minister or deputy minister or government employee or an employee of a statutory corporation;

- 8.4.3. I have not been convicted of an offense which by its nature, severity or circumstances renders me unfit to serve in the position, and no indictment for such an offense is pending against me.

If relevant, please specify:

For the purpose of Section 8 above:

"Close connection" – A relationship between a person and his/her relative, partner, employer, to whom he/she is directly or indirectly subordinate, and to the corporation in which he/she is the controlling shareholder;

"Affiliation" - The existence of regular working relations or the existence of professional or business relations, with the exception of negligible relations, as well as appointment as officeholder; however, retail business relations between the corporation and a customer shall not be considered an affiliation.

"Material holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such holder, a person controlled by any of them, a member of a group of holders as defined by Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them. For a list of material holders of the Bank, please see the Bank's website at www.leumi.co.il

"Officeholder" – As defined by the Companies Law, and every other employee reporting to them directly.

9. I hereby state that there is no impediment or limitation whatsoever to my appointment as director in the Bank, including, among other things, under: Proper Conduct of Banking Business Directive No. 301; the Banking Ordinance, 1941; the Banking (Licensing) Law, 1981; and/or under any law, including, among other things, due to serving in other corporations.
10. The Bank has given me all the information regarding the directors' salary at the Bank and I agree to it.
11. If, and to the extent, that a change in the aforesaid will occur, including if conditions required by law to serve as a director in the Bank cease to be met, I hereby undertake to inform the Bank Secretariat immediately.
12. Below is my name, my signature and all of the above is true.

Date: June 6, 2019

Signature of submitter

Confirmation

I, Adv. Anat Rotman hereby confirm that Haim Yaacov Krupsky, who is personally familiar to me, who has identified himself before me with ID Card no. **050546274**, after I had warned him that he must state the truth and that he will be liable to the penalties prescribed by law if he does not, confirmed his above statement and signed it before me.

Date: June 4, 2019 Name and signature of attorney: _____

Terms of Service as Director of a Bank without a Controlling Core

Sections 11E(b)-(e) to the Banking Ordinance

(b) (1) In a banking corporation without a controlling core, no person shall be appointed nor serve as director if one of the following is met:

(a) He or his relative holds means of control of any kind in the banking corporation, in a corporation controlled by the banking corporation or in a material holder other than the holding of marketable shares at a rate not exceeding one quarter of one percent of the issued and paid up share capital of any of the above;

(b) A person who has, in the two years preceding the date of the appointment or from the date of appointment and thereafter, or with whom he is in close contact, an affiliation with the banking corporation or a corporation controlled by the banking corporation, an officeholder of the banking corporation or a material holder, and whoever from the date of the appointment onwards has an affiliation with a relative of an officeholder of the banking corporation, a relative of a material holder or a partner of a material holder; in this matter, service as director in a banking corporation without a controlling core of a candidate for re-election as aforesaid shall not be considered as affiliation.

(2) Without derogating from the provisions of Section (1)(b), a person, or anyone in close connection with him who has a business or professional relationship with the banking corporation or with a corporation controlled by the banking corporation, with an officeholder of the banking corporation or with a material holder who proposed that candidate for office of director, shall not serve as director, even if such connections as aforesaid are not regular, except for negligible connections;

(3) Without derogating from the provisions of Sections (1) and (2), a director whose candidacy was proposed by the Committee under Section 11D(a)(1) shall not be appointed and shall not serve if he meets one of the following:

(a) He has an affinity to the committee member at the time of appointment;

(b) The provisions of Section 36B(b)(3) of the Banking (Licensing) Law apply to him;

(c) He was convicted of an offense which - by nature, severity or circumstances - renders him unfit to serve in the position, and there is no indictment pending against him for such an offense.

(d) The provisions of Section 240(c) of the Companies Law apply to him.

(4) A director whose candidacy was proposed by the Committee under Section 11D(a)(1) shall have professional qualifications or possess accounting and financial expertise, pursuant to the provisions of Section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of subsection (b), a director serving in a banking corporation on the eve of its becoming a banking corporation without a controlling core may continue to serve until the end of his term of office even if the conditions prescribed in the said subsection are not met, but no more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earlier.

(c1) The Supervisor may approve the appointment or service as a director of a person who, in the two years preceding the date of appointment or from the date of appointment and thereafter, had or a person in close connection with him had, an affiliation with a material holder, a relative of a material holder or a partner of a material holder, even if this affiliation is not negligible, if the Supervisor finds that, under the circumstances of the case, this affiliation does not raise a suspicion of conflict of interest in office.

(d) The provisions of this section shall prevail over any contradictory provision of the law.

(e) In this section – "General Meeting", "Special Meeting" and "Annual Meeting" - as defined in the Companies Law;

"Close connection" – as defined in section 36B(a) to the Banking (Licensing) Law;

"Affiliation" - The existence of working relations or the existence of professional or business relations in general, with the exception of negligible connections, as well as the appointment as an official, but retail business relations between the corporation and the customer shall not be considered as an affinity.

"Material holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such a holder, a person controlled by any of them, a member of a group of holders as defined in Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them.

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail. The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>

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Extensive experience in managing large organizations in Israel and abroad, leading and managing teams on a high standard. Possessing in-depth strategic vision and marketing-sales orientation, with broad macro vision, creativity, excellence in marketing and service as well as high-standard action capability. Vastly experienced in working with leading clients in Israel and abroad. Representative, capable of planning and complying with goals, with team enhancement and risk management abilities.

Occupational Background and Professional Experience

Isracard Ltd., *Deputy Chairman of the Board* Feb.1, 2009 - Nov.25, 2009

- Deputy Chairman of the Board of Directors of Credit Card Companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., Poalim Express Ltd., Aमित Ltd.

Isracard Ltd., *CEO* Sep.1, 1994 - Jan.1, 2009

- CEO of Credit Card Companies: Isracard Ltd., Europay (Eurocard) Israel Ltd., Aमित Ltd.
 - Managing a company employing a staff of 1,400;
 - Principal commercial figures for the Isracard Group for 2008: Local purchases turnover approximately NIS 77 billion; about 2.8 million cards; 2 million clients.
 - Developing a long-term integrative strategy for Isracard, which reinforced the Company's strength and status, bringing it from being the second-largest company, economically and commercially, to becoming the largest and leading company in the Israeli credit card market;
 - Raising the Company's value for its shareholders as a potential basis for future share issues and capital profits;
 - Developing new and unique products for the Israeli market;
 - Developing new fields of activity, with maximum risk reduction;
 - Reinforcing the local "Isracard" brand, making it the leading brand compared with recognized international brands (such as "Visa" and "Mastercard");
 - Reinforcing and retaining customer loyalty and building a well-developed long-term business relationship with merchants, by means of commercial and financial tools, personal service, etc.;
 - Intensive activity vis-à-vis the regulatory authorities, particularly the Anti-Trust Authority, as well as the Bank of Israel;
 - Establishing and assimilating regular organization-wide work processes, introducing marketing and operating systems serving about 2 million clients;
 - Building an organizational culture that will nurture cooperation and commitment by all employees and managers to fulfill targets and goals, and achieve excellence in providing quality service to clients and suppliers, etc.
 - Initiating activity on the part of the Company, its employees and managers contributing to the community and society in Israel; among the companies initiating and leading the "Adopt a Battalion" project.

Poalim Express Ltd. (part of the Isracard Group), Mar.27, 2006 - Jan.31, 2009
CEO (parallel position)

Bank Hapoalim, Boston, Branch Manager 1990 - 1994

- Rehabilitation and turnaround of the work of the branch, bringing it to profitability;
- Managing credit and deposit systems for clients in the U.S.;
- Experience in managing American staff;
- Intensive and independent work vis-à-vis American authorities and regulation entities.

Bank Hapoalim, B.M., Secretary of the Bank 1980 - 1989

- Position as secretary in the management and its committees, and the Board of Directors and its committees;
- Drafting minutes and resolutions of the sessions of the management and its committees, and of the Board of Directors and its committees;
- Monitoring implementation of resolutions of the bank's management and Board of Directors;
- Managing funds and non-profit organizations engaged in contributions to the community and for social purposes;
- Secretary of banking subsidiaries of the bank (Continental Bank, American-Israel Bank).

Haim Tzadok & Co. Law Firm, Legal Trainee 1979 - 1980

Ministry of Finance, Budgets Div., Economist 1975 - 1979

- Responsible for the budget of the Ministry of Construction and Housing

Positions as Director

Bank Massad B.M.,	<i>Director</i>	Jan.25, 2012 – Jan. 21, 2018
Yehoshua Rabinovich Tel Aviv Foundation for the Arts,	<i>Director</i>	Dec. 18, 2011 to present
ORT Israel - Public Benefit Co.,	<i>Director</i>	June 21, 2010 to present
Neviot - Teva Hagalil Ltd.,	<i>External Director</i>	Jun.14, 2010 - Mar.28, 2012
Vardinon Textiles Ltd.,	<i>External Director</i>	July 13, 2010 - June 17, 2011
Isracard Ltd., Eurpay (Eurocard) Israel Ltd. and Aminit Ltd.,	<i>Director</i>	1994 - Nov. 25, 2009
	<i>Deputy Chairman of the Board</i>	Feb.1, 2009 - Nov.25, 2009
Poalim Express Ltd.,	<i>Director</i>	1995 - Nov. 25, 2009
	<i>Acting Chairman of the Board</i>	Sep.23, 2001 - Mar.27, 2006
	<i>Deputy Chairman of the Board</i>	Feb.1, 2009 - Nov.25, 2009
Store Alliance Com Ltd.,	<i>Director</i>	2003 - Jan.6, 2010
Tzameret Mimunim Ltd.,	<i>Director</i>	2001 - Mar.30, 2009
	<i>Chairman of the Board</i>	2003 -Mar.30, 2009
MasterCard Europe sprl (formerly Europay International S.A.)	<i>Director</i>	1994 - 2006
MasterCard Europe sprl, Southern Regional Board of Directors,	<i>Chairman of the Board</i>	2001 - 2006

Public Committee "Adopt a Battalion", Association for the Wellbeing of Israel Soldiers, <i>Committee Member</i>	Since 2005
ALUT Israeli Society for Autistic Children, <i>Member of the Public Council</i>	Since 2013
Tel Aviv Museum of Art, <i>Member of the Board of Governors</i>	Since 1996

I also served as a member of the following boards of directors:

European Payment Systems Services S.A., *Director*
Eurotravellers Cheque International S.A., *Director*
Jerusalem Post, *Director*
Histour Corp., *Director*
Gold Trade Ltd., *Director*

Education

BA., economics, Hebrew University, Jerusalem	1977
LLB, law, Hebrew University, Jerusalem	1979
Licensed to practice law, Israel Bar Association	1980

Military Service

Major (res.), Combat Unit

Born: November 25, 1951. Married + 3 children