

Translation of Immediate Report

T136
Public

Bank Leumi Le-Israel B.M.
Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: David_S@bll.co.il

Transmission Date: September 22 2022
Reference: 2022-01-120415

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report on Transaction with a Controlling Shareholder or a Director, that Does Not Require the Approval of the General Meeting

Regulation 37A(5) to the Securities Regulations (Periodic and Immediate Reports), 2006

Reference numbers of previous reports on this subject: _____, _____,

1. The Bank hereby files a report on the approval of a transaction in accordance with Regulation 1b4 to the Companies Regulations (Concessions in Transactions with Interested Parties), 2000.
2. Transaction's approval date by the Board of Directors: *September 21 2022*
3. Summary of key points of the transaction and the reasons stated by the Board of Directors and Audit Committee for approval of the transaction.
As stated in the attached file

4. The main points of the opinion of the Companies Authority, and the main points of the decision of the Ministerial Committee on Privatization or the details of the alternative according to which the exemption is granted

Explanation: Please fill out if this is an extraordinary transaction of a publicly-traded company controlled by the government.

5. Attached is a file [Terms_of_Service_Chairman_isa_pdf](#)

Details of signatories authorized to sign on behalf of the corporation:

| Name of signatory | Title | other |
|--------------------------|----------------------------|--------------|
| <i>Mor Fingerer</i> | <i>Chief Legal Counsel</i> | |

In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here](#).

Reference numbers of previous documents on this subject (this reference does not constitute incorporation by way of reference):

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Ticker: Leumi

Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111,

Facsimile: 076-8859732

Electronic Mail: David_S@bll.co.il company's website: www.leumi.co.il

Previous names of the reporting entity:

Name of Electronic Reporter: Fingerer Shimshowitz Mor: VP and Chief Legal Counsel, 34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8857396 Electronic Mail: Mor.Fingerer@bankleumi.co.il

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

The original Hebrew version is available on the distribution website of the Israel Securities

Authority: <http://www.magna.isa.gov.il>



Bank Leumi le-Israel B.M
(Hereinafter – the “Bank”)

September 22 2022

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

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

Dear Sir/Madam,

Re: Immediate Report on Engagement as Stated in Section 270(3) which Does not Require the Approval of the General Meeting

In accordance with Regulation 37A(5)(a) to the Securities Regulations (Periodic and Immediate Reports), 1970

Bank Leumi le-Israel B.M. (hereinafter: the “**Bank**”) hereby announces the revision of the terms of service of the Chairman of the Bank’s Board of Directors as described below. The revision to the terms of service of the Chairman of the Board of Directors was approved by the Bank’s Board of Directors, after the approval of the Compensation Committee, in accordance with and further to the amendment to Proper Conduct of Banking Business Directive 301A (Compensation Policy in Banking Corporation) (hereinafter – “**Directive 301A**”), as published in April 2022, in relation to the structure of compensation of a Chairperson of the Board of Directors of a banking corporation without a control core.

Dr. Samer Haj Yehia has been serving as a director in the Bank since September 30, 2014, and as the Chairman of the Board of Directors since July 22, 2019. The Chairman’s current terms of service were approved by the General Meeting on December 23, 2019. For information about his current terms of service, see the report summoning the General Meeting as published by the Bank on November 10, 2019 (Ref. No. 2019-01-096531), and note 23 to the Bank’s 2021 annual financial statements.

On September 21, 2022, the Bank’s Board of Directors approved, after receiving the approval of the Compensation Committee, a revision to the Chairman of the Board of Directors’ terms of service, in effect as from October 10, 2022; the revision stems from changes to Directive 301A, whereby the revised terms of service of the Chairman of the Board of Directors will no longer include rights pertaining to non-competition and advance notice, and the Chairman of the Board of Directors shall be entitled to reimbursement of expenses in accordance with and subject to the provisions of Directive 301A. It should be noted that the revision of those terms of service of the Chairman of the Board of Directors merely constitutes the elimination of rights that have long been included in the terms of service of the Chairman of the Board of Directors.

The revision to the terms of service of the Chairman of the Board of Directors was approved in accordance with Regulation 1A to the Companies Regulations (Concessions in Transactions with Interested Parties), 2000, whereunder a publicly-traded company’s engagement with a director in connection with terms of service and employment as defined in Section 270(3) to the Companies Law, 1999 shall not require the approval of the General Meeting, if the Compensation Committee and Board of Directors approved the fulfillment of the condition whereby the engagement works for the benefit of the entity.

The reasons stated by the Compensation Committee and Board of Directors

1. On April 10, 2022, the Banking Supervision Department published an amendment to Directive 301A that sets a specific arrangement regarding the structure of the compensation awarded to the Chairperson of the Board of Directors in a banking corporation without a control core. The purpose of the amendment is to allow a banking corporation without a control core to pay the Chairperson of its Board of Directors a compensation that is in line with what is required from him/her to execute his/her duties, provided that this will not constitute an interest or undermine the Chairperson's independence from the Bank.
2. The amendment to Directive 301A provides, among other things, that the terms of service of the Chairperson of the Board of Directors of a banking corporation without a control core will not include rights in respect of advance notice, non-competition, and social benefits. The amendment also stipulates that the Chairperson may be entitled to reimbursement of travel and telephone costs expensed during the course of his/her execution of his/her duties, expenses in respect of hotel and subsistence arising directly from the execution of his/her duties abroad, and the use of the banking corporation's office and administration services, in order to execute his/her duties.
3. Directive 301A further stipulates that the Bank is required to modify the terms of service of the Chairman of the Board of Directors within 6 months from the publication date of the amendment to this directive (that is to say, by October 2022).
4. In view of the above, the Bank's Compensation Committee and Board of Directors approved the revision to the terms of service of the Chairman of the Board of Directors.

Sincerely,

Bank Leumi le-Israel B.M.

By: Mor Fingerer, Chief Legal Counsel