

BANK LEUMI LE- ISRAEL B.M

Registrar Number: 520018078

To: Israel Securities
Authority

To: The Tel Aviv Stock
Exchange Ltd.

T460 (Public)

Transmitted on
Magna:

August 28, 2018

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Immediate Report on General Assembly

**Regulation 36B (A) and (D), and Regulation 36C of the Securities Regulations (Periodic and
Immediate
Reports), 1970**

Explanation: If one of the issues on the meeting's agenda is approval of a transaction with a controlling shareholder or approval of an irregular proposal, then Form T-133 or Form T-138 must be filled out respectively, following which reporting must also be done on this form.

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

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

The Corporation Announces: Convening a Meeting

Note: in case of change in the assembly date (postponement or advancement), select "postponement of assembly" or "postponement by court" or "postponement to unknown date".

The reference number of the last notification of the meeting is _____, which was scheduled for

Reason for postponement or cancellation: _____

Explanation: the reference number of the most recent notification of the convening or postponement of the meeting must be referenced.

1. Security Type Stock

Name of Entitling Security: *BLL Common Stock NIS 1*

Security number at the Stock Exchange, entitling the holder to participate in the meeting 604611

The determining date for entitlement to participate and vote in the meeting: *September 5, 2018*

Explanation: if a meeting is required for more than one security number, then a T-460 must be reported for each additional security separately. Reports in which additional security numbers will be specified, shall necessitate the sending of a corrective report

2. On Date: *August 28, 2018*

A decision was made to Convene a Meeting *Annual Meeting* _____ ,

Which shall convene on Thursday Date: *October 4, 2018* Time: *14:30*

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

3. Agenda:

Explanation: The numbering of the issues 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.

Issues/resolutions to be tabled at the meeting:

1

Issue / resolution and its details:

Discussion on the financial statements and Board of Directors report of the Bank for the year ended December 31, 2017.

For additional details, see section 1.1 of the immediate report on convening of annual general assembly, enclosed to this form (hereinafter: "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, press here

Reference to the most recent report on approving an individual 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 ("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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of the other issue determines the wording of the shareholder's 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 require further 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):

Note: 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.

☐ Amendment of disclosure

- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval *Simple majority* _____

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?

2

Issue / resolution and its details:

To re-appoint Somekh Chaikin, CPAs (KPMG) and Kost Forrer Gabbay & Kasierer CPAs (EY) as joint auditors of the Bank, for a period commencing on the date of approval by the current annual general assembly and until the end of the subsequent annual general assembly of the Bank, and to authorize the Bank's Board of Directors to determine their remuneration.

For further details on the reappointment of the auditors firms, see clause 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, press [here](#)

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval *Simple majority* _____

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?

No

3

Issue / resolution and its details:

To appoint Mr. Yoram Gabai as a director with the status of an external director in accordance with the provisions of the Companies Law, 5759-1999, for a period of three years.

The commencement date of the office shall be after receipt of the consent of the Supervisor of Banks or the non-objection thereof.

Mr. Yoram Gabai was proposed by the Committee for the Appointment of Directors in Banking Corporations that was appointed under Section 36A of the Banking (Licensing) Law, 5741-1981 (hereinafter: "the Banking Law"), and in accordance with the provisions of Sections 11D (a) (1) and (2) Of the Banking Ordinance, 1941 (hereinafter: "the Banking Ordinance").

It should be noted that at this General Meeting two external directors are to be elected to the Board of Directors of the Bank, in accordance with the provisions of the Companies Law (hereinafter: "External Director").

The vote for each director shall be taken separately and the participants in the vote may vote for each of the candidates to serve as an external director.

For additional details regarding the appointment of the directors to the Board of Directors of the Bank, see sections 1.3 and 2.1 of the Immediate Report, as well as the declaration and resume of the candidate attached.

Appointment / extension of term of office of an External Director as per clauses 239(b) or 245 of 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, press [here](#)

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of the other issue determines the wording of the shareholder's 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval *Not a simple majority*

In accordance with the provisions of Section 239 (b) of the Companies Law, and taking into account that the Bank is a corporation without a controlling core, the required majority is a simple majority of the total voting rights of the shareholders entitled to vote and who voted in person, provided that one of the following is fulfilled:

(A) The majority vote shall include a majority of all the participants in the vote who do not have a personal interest in approving the appointment;

or,

(B) The total number of dissenting votes among the shareholders specified in paragraph (a) above shall not exceed 2% of the total voting rights in the Bank.

In counting the votes of the said shareholders, abstaining votes shall not be taken into account. Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter? No

4

Issue / resolution and its details:

To appoint Ms. Tamar Gottlieb as a director WITH the status of external director in accordance with the provisions of the Companies Law, 5759-1999, for an additional term of office of three years.

The date of commencement of the additional term will be after receiving the consent of the Supervisor of Banks or non-objection thereto.

Ms. Tamar Gottlieb, who completed her first term of office on August 25, 2018 as an external director in accordance with the provisions of the Companies Law and was eligible for reelection, was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A of the Banking Law, and in accordance with the provisions of Sections 11D (a) (1) - (2) of the Banking Ordinance.

For additional details regarding the appointment of the directors to the Board of Directors of the Bank, see sections 1.3 and 2.1 of the immediate report, as well as the declaration and resume of the candidate attached.

It should be noted that at this General Meeting, two external directors are eligible for election, the voting for each director will be conducted separately, and the participants in the vote may vote for each of the candidates to serve as an external director.

For further details on the appointment of Directors to the Bank's Board of Directors, see clauses 1.3 and of the Immediate Report, as well as the declarations and resumes of the candidate, which are attached to this Immediate Report.

Appointment or dismissal of a Director as per clauses 239(b) and 245 of 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, [press here](#)

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Details of the other issue

Note: details of the other issue determines the wording of the shareholder's 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval *Not a simple majority*

In accordance with the provisions of Section 239 (b) of the Companies Law, and taking into account that the Bank is a corporation without a controlling core, the required majority is a simple majority of the total voting rights of the shareholders entitled to vote and who voted in person, provided that one of the following is fulfilled:

(A) The majority vote shall include a majority of all the participants in the vote who do not have a

personal interest in approving the appointment;

or,

(B) The total number of dissenting votes among the shareholders specified in paragraph (a) above shall not exceed 2% of the total voting rights in the Bank.

In counting the votes of the said shareholders, abstaining votes shall not be taken into account.

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?

No

5

Issue / resolution and its details:

To appoint Mr. Rafael Danieli as a director with the status of an external director in accordance with the provisions of the Companies Law, 5759-1999, for a period of three years.

The commencement date of the term of office shall be after receipt of the consent of the Supervisor of Banks or the non-objection thereof.

Mr. Rafael Danieli was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A of the Banking Law, and in accordance with the provisions of sections 11 (a) (1) and (2) of the Banking Ordinance.

It should be noted that at this General Meeting, two external directors are eligible for election, the voting for each director will be conducted separately, and the participants in the vote may vote for each of the candidates to serve as an external director.

For further details on the appointment of Directors to the Bank's Board of Directors, see clauses 1.4 and 2.1 of the Immediate Report, as well as the declarations and resumes of the candidates, which are attached to this Immediate Report.

Appointment or dismissal of a Director as per clauses 239(b) and 245 of 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, press [here](#)

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of the other issue determines the wording of the shareholder's 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval: Not a simple majority

In accordance with the provisions of Section 239 (b) of the Companies Law, and taking into account that the Bank is a corporation without a controlling core, the required majority is a simple majority of the total voting rights of the shareholders entitled to vote and who voted in person, provided that one of the following is fulfilled:

(A) The majority vote shall include a majority of all the participants in the vote who do not have a personal interest in approving the appointment;

or,

(B) The total number of dissenting votes among the shareholders specified in paragraph (a) above shall not exceed 2% of the total voting rights in the Bank.

In counting the votes of the said shareholders, abstaining votes shall not be taken into account.

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?

No

6

Issue / resolution and its details:

To appoint Dr. Shmuel Ben Zvi as a director with the status of an external director as defined in Proper Conduct of Banking Business Management Directive no. 301, for an additional term of office of three years.

The commencement date of the term of office shall be after receipt of the consent of the Supervisor of Banks or the non-objection thereof, and will commence retroactively from July 29, 2018 (the end of his first term of office).

Dr. Shmuel Ben Zvi is a serving external director (within the meaning of Proper Conduct of Banking Business Management Directive no. 301) (hereinafter: "External Director (301)") and a candidate for reelection, was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A of the Banking Law, and in accordance with the provisions of sections 11 (a) (1) and (2) of the Banking Ordinance for details of the date of the end of Dr. Ben Zvi's term of office, see section 2.1.4 of the Immediate Report).

It should be noted that at this General Meeting, two external directors (301) are eligible for election, the voting for each director will be conducted separately, and the participants in the vote may vote for each of the candidates to serve as an external director (301).

For further details on the appointment of Directors to the Bank's Board of Directors, see clauses 1.4 and 2.1 of the Immediate Report, as well as the declarations and resumes of the candidate, which are attached to this Immediate Report.

Appointment or dismissal of director pursuant to clauses 59 and 230 of 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, press [here](#)

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval - *Simple Majority*

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?

No

7

Issue / resolution and its details:

To appoint Dr. Yoram Turbovitz as a director with the status of an external director as defined in Proper Conduct of Banking Business Management Directive no. 301, for a term of office of three years.

The commencement date of the term of office shall be after receipt of the consent of the Supervisor of Banks or the non-objection thereof.

Dr. Yoram Turbovitz was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A of the Banking Law, and in accordance with the provisions of sections 11 (a) (1) and (2) of the Banking Ordinance.

It should be noted that at this General Meeting, two external directors (301) are eligible for election, the voting for each director will be conducted separately, and the participants in the vote may vote for each of the candidates to serve as an external director (301).

For further details on the appointment of Directors to the Bank's Board of Directors, see clauses 1.4 and 2.1 of the Immediate Report, as well as the declarations and resumes of the candidate, which are attached to this Immediate Report.

Appointment or dismissal of director pursuant to clauses 59 and 230 of 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, press [here](#)

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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

Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.

☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval - *Simple Majority*

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?
No

8

Issue / resolution and its details:

To appoint Mr. Ohad Marani as a director with the status of an external director as defined in Proper Conduct of Banking Business Management Directive no. 301, for a term of office of three years.

The commencement date of the term of office shall be after receipt of the consent of the Supervisor of Banks or the non-objection thereof, and not before November 1, 2018 (the end of his first term of office).

Mr. Ohad Marani is an external director (301) and is completing his first term of office on October 31, 2018 and is a candidate for reelection, was proposed by the Committee for the Appointment of Directors in Banking Corporations appointed under section 36A of the Banking Law, and in accordance with the provisions of sections 11 (a) (1) and (2) of the Banking Ordinance.

It should be noted that at this General Meeting, two external directors (301) are eligible for election, the voting for each director will be conducted separately, and the participants in the vote may vote for each of the candidates to serve as an external director (301).

For further details on the appointment of Directors to the Bank's Board of Directors, see clauses 1.4 and 2.1 of the Immediate Report, as well as the declarations and resumes of the candidate, which are attached to this Immediate Report.

Appointment or dismissal of director pursuant to clauses 59 and 230 of 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, press here

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

There was no transaction between the company and its 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 event of a bonds meeting

It was decided that a different issue exists: _____

Detailing of the other issue

Note: detailing of 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 require further 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):

Note: 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.

- ☐ Amendment of disclosure
- ☐ 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 in 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 Regulations (notice and an advert of a General Meeting and a class meeting in a public company and addition of an issue to the agenda), 5760-2000.
- ☐ 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 amendments to the decision except for an amendment of the terms of the transaction, which benefits the company or for a negligible amendment. In addition, 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*

Type of majority required for approval - *Simple Majority*

Will the holdings of the controlling shareholder of the corporation provide the controlling shareholder with the majority required to adoption of the proposed resolution on this matter?

No

Attachment of a Convening of Meeting Report: [\[Immediate Report on the Convening of an Annual General Meeting isa.pdf\]](#)

4. Attached

Yes Text of Voting Paper

No Position Notice

[\[Voting Paperisa.pdf\]](#)

Yes Declaration of the Candidate for a Position as a Director in the Corporation

No Declaration of Independent Director

Yes 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 CVs of candidates.isa.pdf]

Explanation: In case a Voting paper and/or a 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 instructions on how to access the system from the Stock Exchange members.

5. The legal quorum for holding the meeting:

According to the Bank regulations, 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 beginning the meeting.

6. 0 In the absence of a legal quorum, the postponed meeting shall be held on *October 11, 2018 at 14:30,*

At the following address: *Lin House, Yehuda Halevy 35, 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.

Assembly identifier: _____

Note: The Assembly 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. Irit Roth, Chief Legal Counsel of the Bank and 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):

Form structure updated on: July 31, 2018

Corporate securities registered for trading at the Tel Aviv Stock Exchange

Abbreviated name: Leumi

Street: Yehuda Halevy 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: Wilder Livnat Libi, Role: Attorney, General Secretary, Employing Company Name: Bank Leumi Le-Israel Ltd.

Address: Yehuda Halevy 34, Tel Aviv 61000, Phone: 076-8859419, Fax: 076-8859732, Email: livnat.ein-shay@bll.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/>

August 28, 2018

Bank Leumi of Israel Ltd.

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 General Meeting

Pursuant to the Companies Law, 5759-1999 (hereinafter - "**the Companies Law**") and the regulations promulgated thereunder, the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (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), 5760-2000 and the Companies Regulations (Voting by Ballot and Position Papers), 5766-2005 (hereinafter - "**Voting by Ballot Regulations**"), Bank Leumi of Israel Ltd. (hereinafter - "**the Bank**") hereby issues notice on the convening of an Annual General Meeting of the Bank (hereinafter - "**the General Meeting**" or "**the Meeting**") to be held on Thursday, October 4, 2018 at 14:30 o'clock 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, 2017

The Bank's periodic report for the year ended December 31, 2017 (including the said financial statements and directors' report) as published on March 6, 2018 (reference no. 2018-01-021430) (hereinafter - "**the Bank's Periodic Report for the Year 2017**") shall be 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 2017 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 Item no. 2 on the agenda - The re-appointment of the auditing firms Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasierer (EY) as joint external auditors of the Bank and the authorization of the Bank's Board of Directors to set the fees paid thereto and report those fees

On June 7, 2018, the Bank's Audit Committee passed a resolution to recommend to the General Meeting to reappoint the joint external auditors Somekh Chaikin and Kost Forer Gabbay & Kasierer for a period that will commence on the date of approval of the current Annual General Meeting through the end of the next Annual General Meeting of the Bank.¹

As to reporting the fees of the auditors to the Annual General Meeting, see page 286 to the Bank's Periodic Report for the Year 2017.

¹ It should be noted that as described in the Bank's Periodic Report for the Year 2017, on March 4, 2018, the Bank's Audit Committee passed a resolution that was coordinated with the Bank of Israel, whereby in 2018 a new procedure will commence for the appointment of auditors for the year 2019 or 2020 (pursuant to another resolution that will be passed by the Audit Committee at a later date). For further details, see note 36 to the Bank's Periodic Report for the Year 2017.

The proposed resolution

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 approval of the current Annual General Meeting through the end of the next Annual General Meeting of the Bank and to authorize the Bank's Board of Directors to set the fees paid thereto.

The majority required to pass the resolution:

A regular majority of the total voting rights of the shareholders that are entitled to vote and who voted in person or by proxy. Abstaining votes shall not be taken into account in counting the votes of the said shareholders.

1.3 Items 3 to 5 on the agenda – the appointment of two (2) external directors to the Bank's Board of Directors (pursuant to the provisions of the Companies Law)

Two (2) external directors to the Bank's Board of Directors shall be appointed in this General Meeting, pursuant to the provisions of the Companies Law (hereinafter – “ED”) for a period of three years, out of the candidates that were proposed by the Committee for the Appointment of Directors in Banking Corporations, which was appointed pursuant to section 36A of the Banking Law (Licensing), 5741-1981 (hereinafter – “**the Banking Law**”) and pursuant to Sections 11D(a)(1) and (2) to the Banking Ordinance, 1941 (hereinafter – “**the Banking Ordinance**”, “**the Committee for the Appointment of Directors**”).

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

1.3.1 Mr. Yoram Gabbay;

1.3.2 Ms. Tamar Gottlieb (ED whose first tenure in office will end on August 25 2018 and is a candidate for reappointment);

1.3.3 Mr. Refael Danieli.

For further details regarding the appointment of the directors to the Bank's Board of Directors, including the proposed resolutions as per items 3 to 5 on the agenda, see section 2.1 to the report on the convening of this meeting.

The majority required to pass the resolutions:

Pursuant to the provisions of Section 239(b) to the Companies Law, and considering the fact that the Bank is a corporation without a control core, the majority required to pass the resolutions in items 3 to 5 on the agenda is a regular majority of the total voting rights of the shareholders who are entitled to vote and who voted in person, provided that one of the following is met:

(a) The majority vote shall include a majority of all the participants in the vote who do not have a personal interest in approving the appointment; or,

(b) The total number of opposing votes among the shareholders listed in subsection (a) above shall not exceed 2% of the total voting rights in the Bank.

Abstaining votes shall not be taken into account in counting the votes of the said shareholders.

1.4 Items 6 to 8 on the agenda – appointment of two (2) external directors to the Bank's Board of Directors (pursuant to directive 301)

Two (2) external directors to the Bank's Board of Directors shall be appointed in this General Meeting, pursuant to the provisions of the Proper Conduct of Banking Business Directive No. 301 (hereinafter – “**Directive 301**”, “**External 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. The candidates who were proposed by the Committee for the Appointment of Directors are as follows:

1.4.1 Dr. Shmuel Ben Zvi – serving External Director and candidate for reappointment. For details regarding the date on which Dr. Ben Zvi's tenure in office will end, see section 2.1 to the report on the convening of this meeting.

1.4.2 Dr. Yoram Turbowicz.

1.4.3 Mr. Ohad Marani

For further details regarding the appointment of the directors to the Bank's Board of Directors, including the proposed resolutions as per items 6 to 8 on the agenda, see section 2.1 to the report on the convening of this meeting.

The majority required to pass the resolutions:

A regular majority of the total voting rights of the shareholders that are entitled to vote and who voted in person or by proxy. Abstaining votes shall not be taken into account in counting the votes of the said shareholders.

2. Further details regarding the items on the agenda

2.1 Additional details regarding the appointment of directors to the Bank's Board of Directors (both External Director and ED) (items 3 to 8 on the agenda)

2.1.1 Further to the Proper Conduct of Banking Business Directive No. 301 of the Supervision of Banks as amended in July 2017, as from July 1 2020, the number of directors in a banking corporation shall not exceed 10. Pursuant to the directives of the Supervisor of Banks, the number of directors in the Bank's Board of Directors decreased from 15 to 13 in 2017, and in 2018 the number of directors will decrease to 12.

2.1.2 As of the date of publication of this report, there are 12 directors who serve in Bank's Board of Directors.

2.1.3 It should be noted that the tenure in office of 2 serving directors is expected to end on various dates subsequent to the Meeting: the tenure in office of Haim Samet (Adv.), who serves as an ED in the Bank will end on October 9, 2018, and the tenure in office of Prof. Yedidia Stern will end on October 29, 2018.

2.1.4 In July 23, 2018 and further to the Bank's request regarding this matter, the Supervisor of Banks approved, by the powers vested in her under section 11E(a)(6) to the Banking Ordinance, the extension of the tenure in office of Dr. Shmuel Ben Zvi, an External Director in the Bank, due to, among other things, the expected decrease in the number of directors in the Bank upon the conclusion of the tenure in office of serving directors. Pursuant to the said approval, the Dr. Shmuel Ben Zvi's tenure in office will be extended until the earlier of six months from the date on which his current tenure in office will end on July 28, 2018, or until such time when the number of directors reaches the number set by the Supervisor of Banks. Should Dr. Ben Zvi be appointed for a further tenure in office in this General Meeting and his appointment will be approved, his tenure in office shall be start on the date on which such tenure in office was extended.

2.1.5 The first tenure in office of Mr. Ohad Marani (an External Director in the Bank), who is a candidate for reappointment by this Meeting, is expected to end on October 31, 2018. If appointed by the Meeting and his appointment will be approved by the Supervisor of Banks, Mr. Marani's second tenure in office shall start on the later of the date on which his first tenure in office will end, i.e., on November 1, 2018, or the date on which the Supervisor of Banks' notice of approval and/or notice of non-objection is received.

- 2.1.6 The first tenure in office of Ms. Tamar Gottlieb (ED in the bank), who is a candidate for reappointment by this Meeting, ended on August 25, 2018. If appointed by the Meeting and her appointment will be approved by the Supervisor of Banks, Ms. Gottlieb's second tenure in office shall start on the date on which the Supervisor of Banks' notice of approval and/or notice of non-objection is received.
- 2.1.7 Preliminary notice pursuant to section 11C(a)(4) of the Banking Ordinance and an amendment to that notice were published on March 26, 2018 (reference numbers: 2018-01-029383 and 2018-01029917, respectively).
- 2.1.8 The Committee for the Appointment of Directors has put forward 6 candidates in this Meeting: 3 External Directors and 3 EDs. The General Meeting is required to appoint two (2) directors, who will serve as External Directors, and two (2) directors, who will serve as EDs.
- 2.1.9 All candidates listed in items 3 to 8 of the Meeting's agenda must meet all the conditions set out in law for service as a director in a bank without a control core, as set out in Sections 11E(b)-(e) to the Banking Ordinance. The declarations of the candidates for service as directors in the Bank, pursuant to Sections 224B and 241 of the Companies Law (in the case of appointment of EDs) (items 5 to 8 of the agenda)) are attached to this report on the convening of this Meeting.
- 2.1.10 The Bank must meet all the relevant requirements regarding the composition and eligibility of the Board of Directors in accordance with the provisions of any law, including Directive 301 regarding, among other things, the requirement for a minimum number of directors who possess proven banking experience, professional qualifications, accounting and financial expertise and other requirements as set out in sections 25 and 26 of Directive 301.
- 2.1.11 It is emphasized that as per the directives of the Bank of Israel, at least a fifth of all directors shall have "banking experience" as this term is defined in Directive 301. It should be noted that as from July 1, 2020, the new version of Directive 301 of the Supervision of Banks will come into effect whereby, among other things, 1) the number of directors in a banking corporation shall not exceed 10 (see section 2.1.1 above); at least a third of all directors shall have "banking experience" as this term is defined in the new version of Directive 301; at least one director shall have proven knowledge and experience in the fields of information technology.
- 2.1.12 Votes shall be cast separately for each director. Those participating in the vote may cast a vote for each of the candidates for service as a director.
- 2.1.13 Attention is drawn to what is provided in Section 34(A1) of the Banking Law (Licensing), 5741-1981:

"A person shall not enter into an agreement with another with regard to their voting for the appointment of a director in a banking corporation or in a banking holding corporation, including with regard to their voting for the termination of his tenure in office, except under a permit issued by the Governor, after consultation with the Licensing Committee; this provision shall not apply to a group of holders as defined in Section 11D(a)(3)(b) to the Ordinance, regarding a vote for the appointment of a director proposed by them pursuant to that section, or to a holder of means of control* who agreed with another that the other will vote in his name and on his behalf without any discretion, as the said holder of means of control instructed him, provided that if the other holds, on his own behalf, means of control in the banking corporation or in the banking holding corporation, as the case may be, he shall not vote in the name and on behalf of more than one other holder."

Therefore, regarding the appointment of directors in the Bank (items 3 to 8 on the agenda), a proxy who is also a shareholder in the Bank may only vote in the name and on behalf of one additional shareholder. Regarding all other issues on the agenda of the General Meeting, there is no impediment that such a proxy will represent more than one shareholder.

2.1.14 For details regarding the quorum required to pass the resolutions regarding items 3 to 8 on the agenda, see section 1.3 and 1.4 above.

2.1.15 Pursuant to the Banking Ordinance (and the Bank's Articles of Association), where the number of persons that were put forward for appointment as directors in the General Meeting and who received a majority of the total voting rights of the shareholders, who are entitled to vote and who voted in the General Meeting (in person or by proxy or by using a voting ballot), exceeds the number of vacant director positions, the filling of which is on the agenda of the General Meeting, then those candidates that received a higher number of supporting votes in the General Meeting than other candidates shall be appointed to that number of vacant director positions. Furthermore, pursuant to Regulation 85B of the Bank's Articles of Association, if it is required to decide between several candidates who received an equal number of supporting votes, the directors shall be selected by a draw (in this section, the External Directors and the EDs who will be appointed as described above shall be named "**the Appointed Directors**").

2.1.16 The tenure in office of the Appointed Directors is conditional upon receipt of the approval or notice of non-objection of the Supervisor of Banks pursuant to Section 11A to the Banking Ordinance. The order of the commencement of the tenure in office of the Appointed Directors shall be in accordance with the date on which the said approval or notice of non-objection of the Supervisor of Banks is received in respect of those Appointed Directors, bearing in mind the number of vacant positions in the Bank's Board of Directors and the date on which those positions became vacant, provided that such a director will not be appointed before the end of the tenure in office of a director who has ceased to serve. The tenure in office of serving directors as of the date of the Meeting, who were appointed for a further tenure in office, shall commence after receipt of the Supervisor of Banks approval for the appointment, and not before their current tenure in service has ended.

2.1.17 According to Article 85C of the Articles of Association: "if it is clarified before the actual term of office of any of the Appointed Directors has begun that he shall not commence office for any reason whatsoever, then one of the other candidates who possesses the same class of eligibility (External Director pursuant to the Companies Law, External Director in accordance with the Proper Conduct of Banking Business Directives of the Supervision of Banks Department in the Bank of Israel, or other director), who received the required majority, will be considered as appointed in his place by the General Meeting; and if several candidates have received the required majority as aforesaid, then the person who received the highest number of supporting votes (hereinafter - "**the Next in Line**") at the General Meeting will be appointed. The aforesaid in this section will also apply to the Next in Line.

Accordingly, if it is determined that an appointed candidate will not commence office at the Bank as aforesaid, then the Next in Line, who possesses the appropriate eligibility and who received the majority required for appointment as a director in the Bank at the General Meeting, shall be regarded as an Appointed Director.

2.1.18 All directors in the Bank (except for the Chairman of the Board of Directors) are entitled to annual remuneration and remuneration for participation in meetings of the Board of Directors and its committees, at an amount equal to the maximum amount payable to an External Director or to an expert external director, as the case may be, in accordance with the provisions of the Companies Regulations (Rules Regarding Remuneration and Expenses for an External Director) ,5560-2000, according to the category into which the Bank has been classified, pursuant to the resolution of the Bank's Board of Directors of 15.5.2008 (see immediate report of 15.5.2008, reference no. 2008-01-134607), and the Bank's remuneration policy.

- 2.1.19 On August 6, 2014, after approval by the Remuneration Committee and the Board of Directors, the General Meeting approved the extension of the framework resolution that had been previously approved by the Bank's General Meeting on November 4, 2010, which pre-authorizes the Bank to purchase, from time to time, and without being required to seek further approval from the General Meeting, a directors and officers' liability insurance policy in respect of directors and other office holders of the Bank and the Group (hereinafter – **"the Policy"**). The resolution period will end no later than the end of the term of the Policy, 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 regarding the results of the General and Special Meeting that was published on June 6, 2014 (reference no. 2014-01-128649). The framework resolution was adopted as part of the new remuneration policy for the Bank's office holders, which was approved by the Special Meeting of the Bank's shareholders on November 3, 2016. For details, see 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 directors and officers' liability insurance policy in respect of directors and other office holders of the Bank and the Group (D&O), which includes coverage of \$ 260 million per claim and per period and restoration at the same amount, all under the terms of the framework resolution. The new policy period shall commence on March 1, 2018 and will end on July 31, 2019. Those references constitute incorporation by way of reference of the information included in the aforementioned reports.
- 2.1.20 For details regarding the resolutions concerning exemption and indemnification for the Bank's directors and office holders, see Regulation 29A and Note 26(f) to the Bank's Periodic Report for the year 2017.

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. 3 on the agenda – appointment of Mr. Yoram Gabbay as ED

Name of candidate	Yoram Gabbay
I.D Number	000207530
Date of Birth	August 7, 1947
Address for serving court documents	258 Ben Gurion St. Givatayim
Citizenship	Israeli
Membership in Board of Directors Committees	Not yet decided. He shall serve (at the very least) as member of the Audit Committee in his capacity as ED pursuant to the Companies Law.
ED as defined in the Companies Law	Yes, according to the classification of the Committee for the Appointment of Directors and the declaration of the candidate, which is attached to this immediate report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Yes, according to the declaration of the candidate, which is attached to this immediate report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	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	See the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which he served as director	See the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	See the candidate's declaration and subject to the approval of the Bank's Board of Directors.

Audit Committee's resolutions

On June 22, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that the circumstances described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

1. Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Professional relationship between Mr. Gabbay and the State of Israel – a material shareholder of the Bank – Mr. Gabbay serves as the chairman of the Investment Committee² of Culture & Economic Projects for State's Workers Ltd. (hereinafter – “the Company”). The State of Israel, through the Government Companies Authority in the Ministry of Finance, holds (indirectly) 50% of the share capital of the Company and 50% of the rights to appoint directors in the Company.
3. A business relationship between the Bank and the Ono Academic College (which is a client of the Bank) – Mr. Gabbay serves as an external lecturer at the Ono Academic College as from October 1999. There is an employer-employee relationship between the Ono Academic College and Mr. Gabbay.

The approvals are subject to Mr. Gabbay's terminating his tenure in the following positions, if he is appointed as ED in the Bank: 1) his tenure as the Chairman of the Investment Committee of Culture & Economic Projects for State's Workers Ltd. due to concerns regarding a conflict of interest pursuant to Directive 301 of the Supervision of Banks Department, since the Company controls Bank Yahav For Government Employees Ltd.; and (2) his tenure as the Chairman of the Investments Committee and an ED in Hachshara Insurance Company (hereinafter – “Hachshara”), in view of the fact that Directive 301 of the Supervision of Banks Department prohibits those who serve as directors, members of an investment committee, members of a credit committee or employees of a financial entity which is not a small financial entity as this term is defined in Directive 301, from serving as directors in a “large banking corporation”. The Bank is a “large banking corporation” and as per the Bank of Israel's letter of 25.3.2018, Hachshara is not a “small financial entity”.

It should be noted that Mr. Gabbay has undertaken to terminate his service in the above-mentioned positions if he is appointed as ED in the Bank.

The proposed resolution

To appoint Mr. Yoram Gabbay as an ED pursuant to the provisions of the Companies Law, 5759-1999, for a period of 3 years.

Mr. Gabbay's tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

² But does not serve as a director.

Regarding item no. 4 on the agenda – appointment of Ms. Tamar Gottlieb as ED

Name of candidate	Tamar Gottlieb
I.D Number	054584198
Date of Birth	January 27, 1957
Address for serving court documents	Beit Leumi, 34 Yehuda Halevi St., Tel Aviv, 6513616
Citizenship	Israeli
Membership in Board of Directors Committees	As of the date of publication of this immediate report, Ms. Gottlieb is a member of the Credit, Audit and Technology Committees. If she is appointed by the General Meeting and the Supervisor of Banks approves her appointment or issues a notice of non-objection thereto, she will be appointed, pursuant to the resolution of the Board of Directors as a member in Board of Directors committees, and at the very least as a member of the Audit Committee in her capacity as ED pursuant to the Companies Law.
ED as defined in the Companies Law/ External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	External Director as defined in the Companies Law, who also meet the eligibility conditions of External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Yes, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	August 28, 2015 (first tenure in office will end on August 25, 2018)
Date on which second tenure in office as director commenced	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	See the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which she served as director	See the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	Yes

Audit Committee's resolutions

On June 12, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest.

Furthermore, and after discussing the matter, the Audit Committee decided that the circumstances described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – “the Negligible Interest Regulations”):

1. Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Professional relationship (employer-employee relationship) between relatives of Ms. Gottlieb and material shareholders in the Bank, as follows:
 - Ms. Gottlieb’s son worked as a marketer of pensions for Migdal Insurance Company in the years 2016-2017 and currently works as a marketer of pensions for Meitav Dash Investments Ltd.
 - Ms. Gottlieb’s daughter in law works as a clerk at the bookkeeping department of Menorah Mivtachim.
3. Professional relationship (employer-employee relationship) between a relative of Ms. Gottlieb and the State of Israel, a material shareholder of the Bank – the brother in law of Ms. Gottlieb’s partner serves as an ambassador to the Vatican on behalf of the Ministry of Foreign Affairs of the State of Israel.
4. Business relationships with the Bank – Ms. Gottlieb serves as the Chairperson of the executive committee of Agricultural Business and Management Holdings Shefayim - Agricultural Cooperative Society Ltd. (hereinafter – “the Agricultural Cooperative Society”) and also serves as a director in Hutzot Shefayim Agricultural Cooperative Society Ltd. (a subsidiary of the Agricultural Cooperative Society); the Agricultural Cooperative Society group is a client of the Bank.

The proposed resolution

To appoint Ms. Tamar Gottlieb as an ED pursuant to the provisions of the Companies Law, 5759-1999, for an additional 3-year period.

Ms. Gottlieb’s second tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 5 on the agenda – appointment of Mr. Refael Danieli as ED

Name of candidate	<u>Refael Danieli</u>
I.D Number	50901131
Date of Birth	November 17, 1951
Address for serving court documents	12 Leah St. Haifa
Citizenship	Israeli
Membership in Board of Directors Committees	Not yet decided. He shall serve (at the very least) as member of the Audit Committee in his capacity as ED pursuant to the Companies Law.
ED as defined in the Companies Law/ External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	Yes, according to the classification of the Committee for the Appointment of Directors and the declaration of the candidate, which is attached to this immediate report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Yes, according to the declaration of the candidate, which is attached to this immediate report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	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	See the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which she served as director	See the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	See the candidate's declaration and subject to the approval of the Bank's Board of Directors.

Audit Committee's resolutions

On August 5, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations and considering the opinion it was presented with, that the relationships described below between the candidate or anyone closely associated with him and the Bank or a material shareholder thereof, do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department. Furthermore, and after discussing the matter, the Audit Committee decided that the relationships described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those relationships constitute negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006:

1. Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of

investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.

2. Negligible business relationships (bank accounts) between Zim Integrated Shipping Services Ltd. (hereinafter – “Zim”) in which the candidate served as Chief Executive Officer. As of the date of approval of the appointment, more than 18 months have passed since the candidate ended his tenure in office as Chief Executive Officer.
3. Relationships between various institutional entities, which constitute a “material shareholder” of the bank, and Zim, in which the candidate previously served as Chief Executive Officer; (the nature of the relationships is small holdings of each of the institutional entities in Zim’s share capital, as well as the institutional entities’ being creditors of Zim). After considering the circumstances, the Audit Committee reached the conclusion that the relationships between the said institutional entities and Zim constitute negligible relationships from the candidate’s perspective, and also from the Bank’s perspective, due to, among other things, the nature of the relationships with Zim and the fact that the candidate no longer serves as the Chief Executive Officer of Zim. In view of the above, there are no concerns that the said entities might influence the independence of the discretion exercised by the candidate. For this reason, the said relationships do not constitute an interest.
4. Business and professional relationships between Zim, in which the candidate previously served as Chief Executive Officer, and a material shareholder and an interested party of the Bank (the State of Israel) and the State of Israel’s “Golden Share” in Zim.
5. The business and/or professional relationships between a private company which is jointly owned by Mr. Danieli and Israel Aerospace Industries (50:50) do not give rise to an “interest” relationship between Mr. Danieli and the State of Israel, which is a material shareholder and an interested party of the Bank. This approval is subject to Mr. Danieli’s obligation whereby if he is appointed as a director in the Bank then he will report to the Audit Committee if the project advances towards a binding agreement with the Israel Aerospace Industries or any entity acting on its behalf, and the Audit Committee will then discuss the matter again.

The proposed resolution

To appoint Mr. Refael Danieli as an External Director pursuant to the provisions of the Companies Law, 5759-1999, for a period of 3 years.

Mr. Danieli’s tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 6 on the agenda – appointment of Dr. Shmuel Ben Zvi as an External Director (301)

Name of candidate	Shmuel Ben Zvi
I.D Number	056231475
Date of Birth	6.4.1960
Address for serving court documents	Beit Leumi, 34 Yehuda Halevi St., Tel Aviv, 6513616
Citizenship	Israeli
Membership in Board of Directors Committees	As of the date of publication of this immediate report, Dr. Ben Zvi is a member in the Strategy, Risk Management, Audit and Technology committees.
External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Classified as an independent director in his current tenure in office.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	July 29, 2015 (for further details regarding the Supervisor of Bank's approval of the extension of his current (and first) tenure in office, see section 2.1.4 above)
Date of commencement of second tenure in office 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, his second tenure in office shall commence on the date on which his first tenure in office ends, i.e., July 29, 2018 (for details see section 2.1.4 above).
Education/professional qualifications	See the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which she served as director	See the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	Yes

Audit Committee's resolutions

On June 7, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that the circumstances described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.

The proposed resolution

To appoint Dr. Ben Zvi as an External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, for an additional 3-year period.

Dr. Ben Zvi's second tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks and it will apply retroactively as from July 29, 2018 (the date on which his first tenure in office has ended).

Regarding item no. 7 on the agenda – appointment of Dr. Yoram Turbowicz as an External Director (301)

Name of candidate	Dr. Yoram Turbowicz
I.D Number	055585426
Date of Birth	November 1, 1958
Address for serving court documents	31 Shlomtzion Hamalka St. Tel Aviv, 6226700
Citizenship	Israeli
Membership in Board of Directors Committees	Not yet decided
External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	Yes, according to the classification of the Committee for the Appointment of Directors and the declaration of the candidate, which is attached to this immediate report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Classification as an independent director has not yet been decided on
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	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	See the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which she served as director	See the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	See the candidate's declaration and subject to the approval of the Bank's Board of Directors.

Audit Committee's resolutions

On August 19, 2018, the Audit Committee approved, based on the facts it was presented with and the declarations of the candidate for appointment as External Director (hereinafter – “the Candidate”), pursuant to Directive 301 of the Proper Conduct of Banking Business Directives issued by the Supervisor of Banks and after considering an opinion it was presented with, that the relationships described below between the Candidate or anyone closely associated with him and the Bank or a material shareholder thereof, do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department. Furthermore, and after discussing the matter, the Audit Committee decided that the relationships described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those relationships constitute negligible relationships from the Candidate's perspective, and also from the Bank's perspective and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006.

1. Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.

2. Business relationship between the Bank and the Allied Group, a private group of companies with which the Candidate has the following relationships: a. The Candidate serves as a director in three companies in the Allied Group; however, as part of his role as a director in Allied, the Candidate has no contact with the Bank; this role as director in those companies is not his main occupation; the income from this role constitutes a negligible portion of the Candidate's capital. b. The Candidate is a limited partner in a partnership controlled by the Allied Group (hereinafter – "the Allied Partnership") whose sole activity is the holding of a passive asset (gas royalties) with an undertaking to distribute all the profits it receives. After considering all the circumstances, the Audit Committee reached the conclusion that although the relationships between the Allied Group and the Bank are not negligible from the Bank's perspective (in the relationship between the Bank and Allied), bearing in mind the nature of the limited partnership, the partnership agreement and the negligibility of the Candidate's income from his role as director as aforementioned, then the said relationships do not give rise to concerns that the independence of the discretion exercised by the Candidate will be impaired. For this reason, the relationships between Allied to the Bank are negligible from the perspective of the Candidate and from the perspective of the Bank and therefore do not constitute an interest.
3. The Candidate has securities (tradable participation units) that confer upon him ownership of a negligible portion (less than 1%) of the partnership Delek Drilling –Limited Partnership, whose participation units are listed for trade on the Tel Aviv Stock Exchange (hereinafter – "Delek Drilling"). The Phoenix Holdings Ltd. (hereinafter – "the Phoenix") is a material shareholder of the Bank as defined in the Banking Ordinance, 1941 (hereinafter – "the Banking Ordinance") (hereinafter – "Material Shareholder"), holding between 2.5% to 5% of the Bank's means of control. The Phoenix is controlled by the Delek Group, which also controls the Delek Drilling partnership. In addition to the aforementioned holdings, Delek Drilling has an obligation to pay royalties to the Allied partnership which is referred to in subsection b. above; the Candidate is a limited partner in the Allied partnership. Holdings in participation units are not business relationships that constitute an interest. As to the royalty agreement, in view of the passive nature of this agreement, Allied and consequently the Candidate, are not subject to any decision of Delek Drilling in connection therewith. Moreover, in view of the fact that Delek Drilling has similar royalty agreements with other third parties, there is no reasonable likelihood that Delek Drilling shall take unilateral action against the Candidate in particular, as opposed to any of the other third parties. Therefore, Delek Drilling is unable to influence the independence of the discretion exercised by the Candidate. For this reason, the said relationships do not constitute business relationships as this term is defined in the Banking Ordinance, and even if they would have been considered as business relationships as aforesaid, then they are negligible from the perspective of the Candidate and from the perspective of the material shareholder and therefore, they do not constitute an interest.
4. Business relationships between the Bank and Mr. Alfred Akirov or companies under his control (hereinafter – "Mr. Akirov"). Mr. Akirov is the (indirect) controlling shareholder of a private asset company which is registered outside Israel; the said asset company holds a single asset outside Israel and the Candidate has minority shareholding in this company through a private company, which is wholly-owned by him. The value of the Candidate's holdings in this company constitutes a negligible portion of the Candidate's capital. His holding in this company does not give rise to an interest, either because it does not form a partnership with Mr. Akirov, or because in view of its negligibility from the point of view of the Candidate, it does not give rise to an interest.

The aforementioned approval of the Audit Committee is subject to Dr. Turbowicz's terminating his role as a member of the deputation of bondholders of Tao Tsuot Ltd. (under liquidation and receivership) and to his being prohibited from taking part in discussions regarding the field of gas, the Allied Group and/or Prof. Swary, the Alrov Group and/or Mr. Akirov, should Dr. Turbowicz be appointed as External Director in the Bank and as from the date of such appointment.

The proposed resolution

To appoint Dr. Yoram Turbowicz as an External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years.

Dr. Turbowicz's tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 8 on the agenda – appointment of Mr. Ohad Marani as an External Director (301)

Name of candidate	Ohad Marani
I.D Number	053492971
Date of Birth	March 20, 1955
Address for serving court documents	Beit Leumi, 34 Yehuda Halevi St., Tel Aviv, 6513616
Citizenship	Israeli
Membership in Board of Directors Committees	As of the date of publication of this immediate report, Mr. Marani is a member of the Audit and Credit committee and the committee for monitoring the application of the Shtrum Law. If he is appointed by the General Meeting and the Supervisor of Banks approves his appointment for a second tenure in office or issues a notice of non-objection thereto, he will be appointed, pursuant to the resolution of the Board of Directors as a member in Board of Directors committees.
External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	External director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Classified as an independent director in his current tenure in office
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	November 1, 2015 (his first tenure in office shall end on October 31, 2018)
Date on which his second tenure in office as a director will commence	Subject to appointment by the General Meeting and receipt of the approval or notice of non-objection of the Supervisor of Banks and <i>not</i> before November 1, 2018 (the date on which his first tenure in office ends).
Education/professional qualifications	See the curriculum vitae attached to this report
Employment during the last five years and list of corporations in which she served as director	See the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	Yes

Audit Committee's resolutions

On June 7, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that the circumstances described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

1. Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Business relationships between Mr. Marani and Harel Insurance Investments and Financial Services Ltd., a material shareholder of the Bank and also a shareholder of the general partner of Israel Infrastructure Fund I – L.P, Israeli Infrastructure Fund II (IIF 2011) L.P and Israeli Infrastructure Fund III L.P. (hereinafter jointly: "IFF Fund") – Mr. Marani serves as a member of IFF Fund's Investment Committee.
3. Business relationships between Mr. Marani and the State of Israel, a material shareholder of the Bank – a relative of Mr. Marani is employed in a non-senior position at the Prime Minister's Office.

The proposed resolution

To appoint Mr. Ohad Marani as an External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years.

Mr. Marani's tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks and not before November 1, 2018 (the date on which his first tenure in office ends).

3. Voting in the meeting

3.1 The record date and proof of ownership

- 3.1.1 The record date fixed for determining a shareholder's entitlement to vote at the aforementioned General Meeting pursuant to Section 182 of the Companies Law and Regulation 3 to the Voting by Ballot Regulations is the end of the trading day on the Stock Exchange on Wednesday, September 5, 2018.
- 3.1.2 Further 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 Bank's shares which are registered in the shareholders' register in the name of a nominee company (hereinafter – "**an Unregistered Shareholder**") and who wishes to vote in the General Meeting, shall present to the Bank a confirmation of the Member of the Stock Exchange with whom his right to the share is registered regarding his ownership of the share as of the record date, pursuant to Form 1 set out in the addendum to the Proof of Ownership Regulations (hereinafter – "**the Ownership Confirmation**").
- 3.1.3 An unregistered shareholder is entitled to receive the Ownership Confirmation from the Member of the Stock Exchange with whom his right to the share is registered at a branch of the Member of the Stock Exchange or delivered by post at his request (for postage fees). Such a request shall be submitted in advance to a specific securities account.
- 3.1.4 Furthermore, an unregistered shareholder may instruct the Member of the Stock Exchange to deliver his Ownership Confirmation to the Bank via the Electronic Voting System. Registration with the Electronic Voting System which operates pursuant to Article B of Chapter 7-2 of the Securities Law, 5728-1968 (hereinafter – "**the Electronic Voting System**") is tantamount to Ownership Confirmation in accordance with the Proof of Ownership Regulations.

3.2 Legal quorum and the date of an adjourned meeting

- 3.2.1 According to the Bank's Articles of Association, three or more shareholders, present in person or by proxy within half an hour from the time appointed for the opening of the Meeting, shall constitute a legal quorum for holding the Meeting.
- 3.2.2 If within half an hour from the time appointed for the opening of the Meeting a legal quorum is not present, the Meeting shall stand adjourned to October 11, 2018, at the same time (14:30) and place.
- 3.2.3 If a legal quorum is not present at the said adjourned Meeting, two shareholders who are present in person shall constitute a legal quorum, and they shall be entitled to deal with the matters in respect of which the Meeting was convened.
- 3.2.4 Votes of shareholders who voted using a voting ballot, as defined in Section 87 to the Companies Law, shall also be included in determining the legal quorum and so will be the votes of Unregistered Shareholders, who voted using the Electronic Voting System.

3.3 Manner of voting in the Meeting

- 3.3.1 Shareholder, 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 voting ballot 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) of 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 voting ballot 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, September 5, 2018, shall not be allowed to attend and cast a vote in the General Meeting.
- e. 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 Voting ballots

- 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 voting ballot.
- 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 voting ballot, in accordance with the Companies Law and the Voting by Ballot Regulations.
- c. The vote via a voting ballot shall be carried out using the second part of the voting ballot 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 voting ballot:
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 voting ballot.
- f. The vote that was cast by a shareholder via a voting ballot 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 voting ballot to the Bank

- a. A shareholder (including an Unregistered Shareholder), who wishes to vote via a voting ballot, 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, October 4, 2018, at 10:30 o'clock). The voting ballot 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 voting ballot 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 voting ballot 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 voting ballot 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 voting ballot 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, October 4, 2018 at 08:30) (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, September 24, 2018 (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 Sunday, September 30, 2018 (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 Beit Lynn, 35 Yehuda Halevi St. Tel Aviv.

3.10 Personal interest, interested party in the bank, senior office holder and institutional investor

- a. Section 267A(b)(1) of the Companies Law stipulates, among other things, that "the provisions of Section 276 shall apply, *mutatis mutandis*, to anyone who has a personal interest. Section 276 to the Companies Law stipulates that: "If a shareholder participates in a vote under section 275, then he shall inform the company before the vote – and if the vote is by voting ballot, on the voting ballot – whether or not he has a personal interest in the approval of the transaction; if the shareholder failed to inform as aforesaid, then he shall not vote and his vote shall not be counted."

- b. It is hereby clarified that Section 1 to the Companies Law stipulates that a personal interest is also “a personal interest of a person who votes according to a power of attorney given to him by another person, even if that other person has no personal interest, and the vote of a person who was given a power of attorney to vote on behalf of a person with a personal interest shall also be considered as the vote of a person with a personal interest, regardless of whether the voter can exercise discretion regarding the vote or not”.
- c. Therefore, a shareholder participating in a vote, is required to inform the Bank before casting his vote in the Meeting or, if he votes via a voting ballot, on the voting ballot, if he has personal interest in the approval of items 3 to 5 on the agenda of the General Meeting – the appointment of Mr. Yoram Gabbay, Ms. Tamar Gottlieb and/or Mr. Refael Danieli as EDs. **A shareholder that fails to give such notice shall not be regarded as having voted on that item, and his vote shall not be counted.**
- d. Furthermore, a shareholder participating in a vote is required to inform the Bank before casting his vote in the Meeting or, if he votes via a voting ballot, on the voting ballot, if he is an interested party of the bank (as the term “interested party” is defined in Section 1 of the Securities Law, 5728-1968), a senior office holder in the Bank (as the term “senior office holder” is defined in Section 37(d) of the said law), an institutional entity as defined in regulation 1 to the Supervision of Financial Services Law (Insurance), 5741-1981, or a fund manager as defined in the Joint Investment Trust Law, 5754-1994. If the participating shareholder is an interested party, senior office holder, institutional entity or fund manager, he is required to provide details regarding other relationships he has with the Bank or senior office holders of the Banks and regarding the nature of those relationships. If the vote is cast under power of attorney, such details shall also be given to the grantor and the recipient of the power of attorney.

3.11 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 August 28, 2018.

Sincerely,

Bank Leumi of Israel Ltd.

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

Appendix B

Declaration to serve as an External Director or ED of Bank Leumi Le-Israel B.M.

I, the undersigned Yoram Gabai, ID Number 000207530, from 258 Ben Gurion str., Givataim,

make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**; an "**ED**") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

- 1.1. Name: Yoram Gabai
- 1.2. ID: 000207530
- 1.3. Date of Birth: August 7, 1947
- 1.4. Address for service of legal documents: 258 Ben Gurion str., Givataim,
- 1.5. Citizenship: Israeli
- 1.6. Residency: Israel
- 1.7. Are you a relative of another stakeholder¹ in the Bank (If so – please indicate details): No.

- 2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank (and if yes – the role or roles he serves as stated):

3. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology, information security (including cyber) or any other field approved by the Supervisor of Banks , and I am able to dedicate the appropriate time to fulfill

¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as follows²: (*education, qualification, experience*):

Education:

Degree / Academic Diploma	Profession / Major	Academic Institution
Masters	Economics	Hebrew University
Bachelor	Economics	Hebrew University

Professional Certificates:

Attached

- 3.1 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)³:

ED at S. Shlomo Holdings, as of Jan 2018. Chairman, Investments, Training and Insurance Committee, as of Jan 2018.

Macro-Economist, Peilim Investment Portfolio Management, July, 2013 – December 2017. Retirement.

Chairman Peilim Investment Portfolio Management, July 1995 – June 2013

Chairman Investments Committee, Culture Projects, as of 1993. Professor at the Ono Academic College, as of 1999.

Professor at the Technion, 2015 – 2017.

- 3.2 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met: **During all recent years** my main occupation has been in the areas of finance, balance sheets and budgets, so I have been able to get more

² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

knowledge and experience in these fields. In addition, I have taught academic courses on capital markets, foreign currency, economics and finance.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

- 3.3 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

In addition to my education, and my academic teaching in the stated areas, I have served as the Chairman of the Board of Peilim for about 18 years, in which I worked in areas of balance sheet, Audit, budget, remuneration and the capital market.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

For the purpose of the above provisions of this section:

“Professional qualification” – shall mean an academic degree as required in accordance with one of the stipulations described in paragraphs (1) or (2) below, **or** experience as required in paragraph (3) below:

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;
- (2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;
- (3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board

of Directors will take the following considerations into account, inter alia, the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;
- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

- 3.4 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].
- 3.5 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁴
Yes/ [delete the unwanted]
- 4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
 - 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
 - 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporation or offences involving misuse of inside information.
 - 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company.
There is no indictment pending against me for such an offense.
- 5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁵ which prohibit me from serving as a director of a public company.
- 6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁶
- 7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the Bank.

⁴ As required by Proper Conduct of Banking Business directive 301.

⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

⁶ As long as I was not discharged

8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the Bank, or in a corporation which is controlled by the Bank, or in a "substantial holder", except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.

No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do not have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an office holder of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term as stated will not be considered to be a connection).

~~Yes~~/No [delete the unwanted]

Specify:

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection according to section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240 of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and/or negligible connection regulations. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

No (delete the unnecessary)

Specify:

8.3 **I do not have** a business or professional association with the Bank or with a corporation controlled by the Bank or with an office holder of the Bank, or with a "substantial holder" who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and I haven't received a consideration and I do not receive consideration in contrast to section 244 (b) of the Companies Law, and neither does any party who has a "close association" with me. **No** [delete the unwanted]

Specify:

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection according to section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240 of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and/or negligible connection regulations. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance ("the **Committee**") hereby further declares that:

8.3.1 I do not have a connection to a member of the Committee at the time of the appointment;

8.3.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;

8.3.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve

in the position and no criminal charges outstanding against me relating to such an offense is pending;

Please specify, as required:

For the purpose of section 8 above:

“Close Association” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“Connection” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

“Substantial Holder” – a party holding more than two and one half percent of a particular type of means of control in the banking corporation, a party controlling such a holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank’s website, at www.leumi.co.il.

“Office-Holder” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("The Second Company") in which one of the Directors of the Bank serves as an External Director
10. If during my service as an ED in the Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an ED in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. As far as I understand, I fulfill the terms for classifying me as an independent director⁷.

⁷ "An "Independent Director" – An external director or an individual serving as a director, who fulfills the following terms: (1) They fulfill the competency terms for the nomination of an external director according to

Yes/No [delete the unwanted]

13. I hereby declare that there is nothing to prevent or limit my being appointed as a Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to positions in other corporations in which I serve.
14. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
15. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an ED at the Bank.
16. I am aware of the fact that if one of the required conditions for my service as an ED of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
17. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 6, 2018

Signature of Declarant: Gabai Yoram

Confirmation

I, the undersigned, Adv. Karni Amit, hereby confirm that Mr. Yoram Gabai, whom I know personally/who identified himself/herself to me with his/her ID No.-_____, after I cautioned him/her to declare the truth and that her/she would be subject to penalties laid down by law if her/she does not do so, confirmed the accuracy of his/her above declaration and signed it in my presence.

Date: August 6, 2018

Name and Signature of advocate: Adv. Karni Amit

Adv. Karni Amit, Reg. no. 20558

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) of the Banking Ordinance

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection;

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General Meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holders; and a party controlled by any of them.

May 2018

Resume

Personal Details

Name: Yoram Gabai
Birth: August 7, 1947. Israel.
ID: 000207530
Address: 258 Ben Gurion Str., Givataim
Tel: 054-2191000

Professional Experience

January 2018 -	ED S. Shlomo Holdings Ltd.
January 2018 -	Chairman, Investments, Training and Insurance Committee*
2013 – 2017	Macro-Economist, Peilim Investment Portfolio Management – Analysis of the markets in Israel and abroad, professional relations with customers, companies , NGOs and individuals – Retirement in December 2017.
1995 – 2013	Active Board Chairman - Peilim Investment Portfolio Management
2015 – 2017	Professor MBA at the Technion, capital market, foreign currency and investments.
1999 – 2017	Professor at the Ono Academic College, MBA, LLM program, Law and other departments.
2008 – 2013	Deputy Chairperson of the Board of Directors of the Falk Institute (research) by the Department of Economics of the Hebrew University.
1987 – 2007	Professor in the areas of economics, taxation and public policy in the departments of Economy, Law and Public Policy of the Hebrew University.
1995 – 2006	Researcher, Falk Institute.
1995 – 2003	Chairman of the Investments Committee –The Provident Funds of Bank Yahav.

2000 – today	Chairman of the Investments Committee of the Culture and Economic Projects for State's Workers Ltd. *
1973 – 1987	Professor at the Department of Economics, Ben Gurion University.
1989 – 1995	Commissioner of State Revenues, Ministry of finance. Implementation of reforms to open goods, foreign currency and capital markets and tax reforms.
1988 – 1989	Economic Consul, Chicago, USA.
1976 – 1988	An economist and later Research Manager and Deputy to the Commissioner of State's Revenues, Ministry of Finance.
1985	Member of the Ministry of Finance's team in the Economic Stabilization Program of 1985 (Macro and in charge of the areas of wages and taxation). The team leaders were Emanuel Sharon and Michael Bruno.
1993 – 1994	Chairman of the Taxation Committee in the economic discussions with the PLO in Paris and with Jordan in Washington and in the area. Afterwards I took part in the economic discussions dealing with the permanent agreements with Jordan and the Palestinians.
1993 – 2011	Lecturer and Coordinator of Economics in general and Israel's economy specifically at the programs of the Civil Service Commission and the Joint (ELKA), for General Managers and Deputy General Managers of the government ministries and the public sector.

Professional Committees

Chairing professional committees in the areas of taxes, economics and education.

Counselling to the Finance Committee on the subject of tax reforms (The Rabinovitz Committee).

Chairing various public committees.

Member of the Trachtenberg Committee – plenum, macro and taxes.

Meetings with representatives of the credit rating companies: Fitch, Moody's, S&P, in coordination with the General Accountant of the Ministry of Finance.

Books and articles

Yoram Gabai (2009) Political Economics, Hakibbutz Hameuchad.

Yoram Gabai (2015) The Taxation System of the State of Israel, Yossef Sapir Institute for the Research of Society and Economics.

I have published around 70 articles in a variety of quarterlies and at the Falk Institute, including a chapter in the book "Government Intervention to Market Economics" published by the Falk Institute and Am Oved. The book was also published in English by the MIT publishing house.

Boards of Directors

Have served in several Boards of Directors, including Peilim, Property & Building Corp, New Kopel and Sapir Fund.

Member of the Directors Team.

Education

MA in economics with a thesis, BA in Economics and History, Teacher's Certificate. All degrees are from the Hebrew University. In addition a course in the management of an economic and budgetary policy, the International Monetary Fund, Washington, USA.

Military Service 1965-1967 Military and Reserves service.

* Will resign upon appointment as an ED at Bank Leumi.

**Declaration to serve as an External Director or ED
of Bank Leumi Le-Israel B.M.**

I, the undersigned Tamar Gottlieb, ID Number 054584198, from 10 Hasharon Str., Raanana,

make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**; an "ED") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

Name: Tamar Gottlieb

ID: 054584198

Date of Birth: January 27, 1957

Address for service of legal documents: 10 Hasharon Str., Raanana

Citizenship: Israeli

Residency: Israel

Are you a relative of a stakeholder¹ in the Bank (If so – please indicate details):
No.

2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank (and if yes – the role or roles he serves as stated):

I am not

3. Qualifications

¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology, information security (including cyber) or any other field approved by the Supervisor of Banks, and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as following²: (*education, qualification, experience*):

Education:

Degree / Academic Diploma	Profession / Major	Academic Institution
BA	International Relations	Hebrew University
MA	Economics	Indiana University, Indiana, USA

Professional Certificates:

- 3.1 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)³:
- 3.2 **See attached CV.**
- 3.3 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

Based on my education and experience, as detailed in my attached CV.

² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

- 3.4 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

In addition to my education and to the roles I have and still am fulfilling, as detailed in my attached CV, I would like to mention that I have a multi-year experience as a CEO and a chairperson of boards of directors in complex companies, including membership and a role as the chairperson in committees inspecting financial statements – including at Leumi Mortgage (around 5 years) and Bank Leumi (around 3 years). I have in depth knowledge in issues of accounting, financial analyses, roles and functionality of CPAs, and expertise in processes and complexities of financial statements, including those of banks.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

For the purpose of the above provisions of this section:

“Professional qualification” – shall mean an academic degree as required in accordance with one of the stipulations described in paragraphs (1) or (2) below, **or** experience as required in paragraph (3) below:

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;
- (2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;
- (3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions:

a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;
- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

3.5 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].

3.6 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁴
Yes/ ~~No~~ [delete the unwanted]

4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:

4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.

4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporation or offences involving misuse of inside information.

4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company. There is no indictment pending against me for such an offense.

5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁵ which prohibit me from serving as a director of a public company.

⁴ As required by Proper Conduct of Banking Business directive 301.

⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁶
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the Bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the Bank, or in a corporation which is controlled by the Bank, or in a "substantial holder", except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.

~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do not have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an office holder of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term as stated will not be considered to be a connection).

~~Yes~~/No [delete the unwanted]

Specify:

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240 of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance

⁶ As long as I was not discharged

and/or negligible connections regulations. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/No (delete the unnecessary)

Specify:

8.3 **I do not have** a business or professional association with the Bank or with a corporation controlled by the Bank or with an office holder of the Bank, or with a "substantial holder" who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and I haven't received a consideration and I do not receive consideration in contrast to section 244 (b) of the Companies Law, and neither does any party who has a "close association" with me.
~~Yes~~/No [delete the unwanted]

Specify:

I do not have (anything beyond the said in section 8.2.1 above)

8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance ("the **Committee**") hereby further declares that:

8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;

8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;

8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve

in the position and no criminal charges outstanding against me relating to such an offense is pending;

Please specify, as required:

For the purpose of section 8 above:

“Close Association” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“Connection” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

“Substantial Holder” – a party holding more than two and one half percent of a particular type of means of control in the banking corporation, a party controlling such a holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank’s website, at www.leumi.co.il.

“Office-Holder” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("The Second Company") in which one of the Directors of the Bank serves as an external Director.
10. If during my service as an ED in the Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an ED in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. As far as I understand, I fulfill the terms for classifying me as an independent director⁷

⁷ "An "Independent Director" – An external director or an individual serving as a director, who fulfills the following terms: (1) They fulfill the competency terms for the nomination of an external director according to

Yes

13. I hereby declare that there is nothing to prevent or limit my being appointed as a Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to positions in other corporations in which I serve.
14. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
15. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an ED at the Bank.
16. I am aware of the fact that if one of the required conditions for my service as an ED of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
17. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 13, 2018

Signature of Declarant: Tamar Gottlieb

Confirmation

I, the undersigned, Adv. David Sackstein, hereby confirm that Tamar Gottlieb, whom I know personally/who identified himself/herself to me with his/her ID No. __, after I cautioned him/her to declare the truth and that he/she would be subject to penalties laid down by law if he/she does not do so, confirmed the accuracy of his/her above declaration and signed it in my presence.

Date: August 13, 2018

Name and Signature of advocate: Adv. David Sackstein

Adv. David Sackstein, Reg. no. 29797 ID: 320611353

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) of the Banking Ordinance

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection;

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General Meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holders; and a party controlled by any of them.

Tami Gottlieb – CV

Date of birth: January 27, 1957

Address: 10 Hasharon Street Raanana 4335205

Telephone: Office: 03-61-330-61

Fax: 03-575-6390

Mobile phone: 050-5390-333

E-mail: tamigottlieb@gmail.com or tami@harvest.co.il

Education:

1968-1974 - High School affiliated to the Hebrew University, Jerusalem

1975-1978 - B.A. International Relations Hebrew University, Jerusalem

1979- 1980 - M.A. Economics, University of Indiana, Bloomington, Indiana, USA.

Professional Experience

2001- Today Owner of (50%) **Harvest Capital Markets Ltd.**, consulting in subjects like: business development; strategic consulting; financial consulting; banking; investments – mergers and acquisitions; fundraising; wealth management;

1997- 2000 CEO and director, **Investec General – Management and Underwriting Ltd.**, a wholly owned subsidiary of the then

Investec Bank (Israel) Ltd, today U-Bank (merged into the First International Bank). Investec General – Management and Underwriting Ltd. dealt with Investment banking, including underwriting public offerings, mergers and acquisitions, consulting for companies, fundraising for companies (private offerings) in Israel and abroad.

- 1996 – 1997 CEO, **Oscar Gruss (1996) Ltd.**, a wholly owned subsidiary of an American investment bank Oscar Gruss & Son Inc. The company deals in giving brokerage services in foreign securities and in investment banking.
- 1994 – 1995 CEO, **Profina Company Ltd.**, that was an investment bank belonging to the “Kavei Ashrai L’Israel Ltd. Group.”
- 1991 – 1994 The first CEO of **Maalot - The Israel Securities Rating Company LTD**. Maalot is Israel leading in bonds and the financial soundness of companies rating company, and for years was the only company in Israel in this field. At the beginning of 2008 Maalot became wholly owned by the global rating company, Standard & Poors.
- 1980- 1991 **Leumi Partners, an investment bank**, wholly owned by Bank Leumi Le-Israel B.M.(Today Leumi Partners). In the period 1987 – 1991 I served as a VP and Manager of the Offerings Department, and in my term the company was the leading underwriting and offerings management company in the capital market.

Public Duties and Boards of Directors

External Director in **Bank Leumi LeIsrael Ltd**. Member of the Audit Committee (also performing inspections of the financial statements and remuneration), the Credit

Committee and the Technology Committee in the Bank. In the past – member of the Risk Management Committee.

External Director, Chairwoman of the Committee for Checking the Financial Reports and member of the Audit Committee in **Extell Limited** (A quoted company whose bonds are traded on the Tel Aviv stock exchange)

External Director (ED) and Chairperson of the Audit Committee and the Committee for the Inspection of the Financial Statements, at **Al-Bad Massuot Yitzhak Ltd.** (traded in the Tel Aviv stock exchange)

Independent Director and a member of **Arad Investment & Industrial Development Ltd.** committees (Traded in the Tel Aviv Stock Exchange).

Chairperson of the Board of Directors of "**Agricultural Business and Management Holdings Shefayim - Agricultural Cooperative Society Ltd**" (a private corporation). Member of the Board of Directors of Huzot Shfaim, a fully owned subsidiary of Agricultural Business and Management.

An independent director and a member of the Board of Directors Committee at **Southern Properties Capital Ltd** (A quoted company traded in the Tel Aviv Stock Exchange).

A Director at **Emilia Development (O.F.G) Ltd** (traded in the Tel Aviv Stock Exchange)

Director, **Harvest Capital Markets Ltd.** (private company - 50% my ownership)

Public activity – (Pro bono) – Member of the Board of Trustees, Board of Directors and Financial Committee of The College of Management Academic Studies.

In the past:

Businesses:

- ❖ Chairwoman of the Board of Directors, **Perion Network Ltd.** (public company traded on NASDAQ and the Tel Aviv Stock Exchange (symbol PERI) - from 2006 until December 2015.
- ❖ Independent director and member of all committees, **Carasso Motors Ltd.** (traded on the Tel Aviv stock exchange) – for 9 years till January 2015.
- ❖ External director and Chairwoman of the Audit Committee and the Financial Reports Committee, **Reit1 Ltd.** (traded on the Tel Aviv stock exchange). – for 8 years till June 2014.
- ❖ Independent director in **IDB Development Ltd.** (in the period of the creditors' settlement and tenure of the settlement's trustees) – for a year till May 2014.
- ❖ External director and Chairwoman of the Balance Sheet Committee and member of committees at **Leumi Mortgage Bank** for about five years until the bank was merged with Bank Leumi in December 2012.
- ❖ Active Chairwoman of the Board of Directors of **Emilia Developments** (traded on the Tel Aviv Stock Exchange) and a director of subsidiaries and affiliated companies (Emilia Cosmetics Ltd. and Zohar Dalya) – from 2001 until 2012.
- ❖ Independent director in RoboGroup T. E. K. Ltd. (traded on the Tel Aviv Stock exchange) until November 2013.
- ❖ Director in Polysack Plastics Industries Ltd. (The company has been dissolved.)
- ❖ External director and Chairwoman of the Audit Committee in NR Spuntech Industries Ltd. (traded on the Tel Aviv Stock exchange) – until September 2010.
- ❖ Active Chairwoman of T.R.A. Radio Tel Aviv Ltd. (FM 102) – from 2001 till January 2009.
- ❖ External director in the Baran Group Ltd. (traded on the Tel Aviv Stock exchange) and Chairwoman of the Audit Committee – till July 2008.
- ❖ External director at "Maalot" the Israeli securities rating company and a member of the Rating Committee – till December 2007.
- ❖ Director and member of the Investments Committee of the Provident Funds affiliated with the Mercantile Discount Bank Ltd. – till August 2003.
- ❖ External director and Chairwoman of the Finance Committee of Dan Public Transport Co. Ltd. (previously Dan Cooperative), and member of the Audit Committee (till March 2005).

Public Bodies:

- Member of the Commission to examine the appointment of directors and CEOs in government companies and statutory corporations (from 1993 till June 2008).
- Member of the Advisory Committee on Mergers and Exemptions in the Anti-trust Authority - (till July 2006).
- Member of the Bank of Israel Advisory Council – (till mid 1998)
- Director and Chairwoman of the Audit Committee at El Al Israel Airlines Ltd. – while it was a Government Company (for two terms – from February 1995 till February 2001).

Appendix B

Declaration to serve as an External Director or ED of Bank Leumi Le-Israel B.M.

I, the undersigned Danieli Rafael, ID Number 050901131, from 12 Lea Str., Haifa,

make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**"; an "**ED**") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

Name: Danieli Rafael

ID: 050901131

Date of Birth: November 17, 1951

Address for service of legal documents: 12 Lea Str., Haifa,

Citizenship: Israeli

Residency: Israel

Are you a relative of another stakeholder¹ in the Bank (If so – please indicate details): No.

2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank (and if yes – the role or roles he serves as stated):

3. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information

¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

technology, information security (including cyber) or any other field approved by the Supervisor of Banks, and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as following²: (*education, qualification, experience*):

Education:

Degree / Academic Diploma	Profession / Major	Academic Institution
BA	Extended Economics	Haifa University

Professional Certificates:

3.1 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)³:

- **Member of the Board of Directors at "Fridenson Logistic Services Ltd.", Starting August 2017**
- **CEO of Zim Integrated Shipping Ltd, March 2009 – June 2017**

3.2 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

- **Over the years I have served as Chairperson of the Board of Directors of 10 companies of the Zim Group, dealing with logistics, international transport, storing, land transport and insurance.**
- **VP Finance at Zim for 12 years**
- **Deputy CEO of Zim for 3 years**
- **Zim CEO for over 8 years**

² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

- 3.3 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

I served as Manager of the Treasury Sub-Division at the Zim company, Manager of Budgets Sub-Division at Zim and the company's VP Finance. I have accumulated over 30 years of experience in financial matters. I know the accounting and financial areas well and have signed Zim's balance sheets for 20 years as VP Finance and afterwards as CEO.

I have closed international financial funding arrangements and complex financial agreements at the international level.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

For the purpose of the above provisions of this section:

“Professional qualification” – shall mean an academic degree as required in accordance with one of the stipulations described in paragraphs (1) or (2) below, **or** experience as required in paragraph (3) below:

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;
- (2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;
- (3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting

matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;
- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

- 3.4 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].
- 3.5 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁴
~~Yes/~~ **No** [delete the unwanted]
4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
 - 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
 - 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporation or offences involving misuse of inside information.
 - 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company. There is no indictment pending against me for such an offense.
5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁵ which prohibit me from serving as a director of a public company.
6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁶

⁴ As required by Proper Conduct of Banking Business directive 301.

⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

⁶ As long as I was not discharged

7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the Bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the Bank, or in a corporation which is controlled by the Bank, or in a “substantial holder”, except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.

~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do not have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an office holder of the Bank or to a “substantial holder” (It is hereby clarified that service as a director of the Bank of a candidate for an additional term as stated will not be considered to be a connection).

~~Yes~~/No [delete the unwanted]

Specify:

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240(b) of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and alternately are negligible connections and therefore are not considered to form a connection as per the companies' regulations (matters which do not form a connection), 5767-2006. The summary of the said Audit Committee decisions is presented in the

invitation to the General Meeting that this declaration is attached to.

8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/No (delete the unnecessary)

Specify:

8.3 **I do not** and neither does any party who has a "close association" with me have a business or professional association with the Bank or with a corporation controlled by the Bank or with an office holder of the Bank, or with a "substantial holder" who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and I haven't received a consideration and I do not receive consideration in contrast to section 244 (b) of the Companies Law and I did not and do not get any remuneration which defied section 244(b) of the Companies Law..

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240(b) of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and alternately are negligible connections and therefore are not considered to form a connection as per the companies' regulations (matters which do not form a connection), 5767-2006. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting that this declaration is attached to.

8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance ("the **Committee**") hereby further declares that:

- 8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;
- 8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;
- 8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

For the purpose of section 8 above:

“Close Association” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“Connection” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

“Substantial Holder” – a party holding more than two and one half percent of a particular type of means of control in the banking corporation, a party controlling such a holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank’s website, at www.leumi.co.il.

“Office-Holder” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("**The Second Company**") in which one of the Directors of the Bank serves as an ED.
10. If during my service as an ED in Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an ED in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.

12. As far as I understand, I fulfill the terms for classifying me as an independent director⁷

Yes

13. I hereby declare that there is nothing to prevent or limit my being appointed as an ED of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to positions in other corporations in which I serve.
14. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
15. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an ED at the Bank.
16. I am aware of the fact that if one of the required conditions for my service as an ED of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
17. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 8, 2018 Signature of Declarant: Rafael Danieli

Confirmation

I, the undersigned, Adv. Adva Bitan, hereby confirm that Rafi Danieli, whom I know personally/who identified himself/herself to me with his/her ID No. __, after I cautioned him/her to declare the truth and that he/she would be subject to penalties laid down by law if he/she does not do so, confirmed the accuracy of his/her above declaration and signed it in my presence.

Date: August 13, 2018 Name and Signature of advocate: Adv. Adva Bitan

⁷ "An "Independent Director" – An external director or an individual serving as a director, who fulfills the following terms: (1) They fulfill the competency terms for the nomination of an external director according to chapter 240 (b) to (h) of the Companies Law and the Audit Committee has confirmed it; (2) They do not serve as a director in the Bank for more than 9 consecutive years (Companies Law, section 1)

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) of the Banking Ordinance

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection;

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General Meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holders; and a party controlled by any of them.

Raffi Danieli

972-52-600-2813

Danielirafi1@gmail.com

12 Lea Str., Haifa 3440311

Vast experience in managing an international shipping company with annual revenues of around \$3 Billion. Leading a unique strategy alongside a successful transformation process. In 7 years I have led the company from being ranked in place 18 in its sector (out of 19 companies), to being one of the first 4 in operational margins, in spite of its meaningful weakness in scale.

Vast knowledge and experience in the areas of finance, commerce, operations, logistics, organization and leadership. Extensive relationships with financial organizations worldwide.

Work Experience

July 2017 onwards –

- Consultation services to companies regarding strategical and financial matters
- Involvement in several start-up companies

1978 – 2017 Zim Integrated Shipping Services

Zim specializes in shipping containers and is ranked at the 12th place in the world (fleet size wise). The company operates 75 ships and transports over 2.5 million containers annually. Its turnover is about \$3 billion and it has around 5,000 employees in 90 countries. Over 85% of the company's activity is in the international arena and is not connected to Israeli trade transports.

2009 – 2017 President and CEO of Zim

I started managing the company at the beginning of the world economic and financial crisis, which led to the biggest crisis in the shipping sector ever. While the company

suffered from difficult and complex financial problems, I have led two parallel significant moves:

1. Business Transformation – An essential change in the operational margins by using all economic leverages and creating extensive operational flexibility.
2. Financial settlements which reduced the company's financial liabilities from around \$8 billion to \$1.5 billion.

A Business Transformation the result of which brought Zim to be one of the 4 leading companies in the operational profit rates, in the global containers' shipping industry, the moves included:

- Changes in the structure of the lines and in the international deployment in order to improve efficiency, reduce costs and improve competitive edge.
- Forming a unique strategy in the industry and business concentration while exploiting the global deployment of Zim.
- Structural and organizational changes while creating profit and loss units, establishing a global purchasing system, a global customer service system and global service centers, which resulted in direct managerial and financial responsibility and a fast reaction time to customers and events.
- Upgraded customer interfaces, a new Key Customers Unit, changed pricing methods, tools for sales representatives and an upgraded customer interface.

A unique and complex **Financial Settlement** on an international scale, while managing negotiations with over 130 private and public creditors (banks, ship owners, shipyards, institutional investors and more) and a general agreement on the outlines of the settlement, which enabled the company to implement an aggressive business plan, even though this is a challenging sector with excess supply and record low shipping prices.

1996 – 2009 VP Finance and Deputy to the CEO (starting in 2006)

In charge of the global financial system, including the Budgets Sub-Division, Comptroller and Accounting, Insurance, Funding and Flow Management, Risk Management.

- Establishing a pricing system to support the business activity, assimilation of the SAP system at a global level.
- Negotiations with shipyards and with companies constructing and leasing containers, closing funding agreement of billions of dollars.
- Handling complex funding transactions.
- Managing the company's logistic system.
- Managing information security issues

1994 - 1996 Special Projects, Reporting Directly to the CEO

1990 – 1994 Managing Operations in South Africa

Managing the commercial, operational, logistic and financial activity in the area of South Africa (8 countries) and the islands in the Indian Ocean. An activity of over \$400 Million turnover.

1994 – 1996 Manager of the Budgets Sub-Division

1984 – 1995 Manager of the Treasury Sub-Division

1983 – 1984 Manager of the Economic Research Department

1978 – 1982 Economic at the Planning and Development Sub-Division

Memberships in Boards of Directors

Over the years I have served as Chairperson of Boards of Directors in 10 subsidiaries of Zim in Israel and abroad in a variety of capacities, logistics, international transportation, storage, land transportation and insurance.

Member of the Board of Directors of a public company, Fridenson Logistic Services Ltd.

Member in the Directors Team of the Companies Authority

Volunteer in Daroma-Tzafona, an NGO with a special program to promote factories and small & medium production companies in the Galilee and the Negev, including funding options and a business support system in a variety of essential management issues.

An arbitrator at the Israeli Institute of Commercial Arbitration of the Chamber of Commerce and Industry Haifa and the North

Education

A BA in Extended Economics, single department, Haifa University, 1978

**Declaration to serve as an External Director or ED
of Bank Leumi Le-Israel B.M.**

I, the undersigned Shmuel (Muli) Ben Zvi, ID Number 056231475, from 11 Rav Ashi Str., Tel Aviv,

make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**; an "ED") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

Name: Shmuel (Muli) Ben Zvi

ID: 056231475

Date of Birth: April 6, 1960

Address for service of legal documents: 11 Rav Ashi Str., Tel Aviv

Citizenship: Israeli

Residency: Israel

Are you a relative of another stakeholder¹ in the Bank (If so – please indicate details): No.

2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank Bank (and if yes – the role or roles he serves as stated):

3. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information

¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

technology information security (including cyber) or any other field approved by the Supervisor of Banks , and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as following²: (*education, qualification, experience*):

Education:

Degree / Academic Diploma	Profession / Major	Academic Institution
PhD in Economics	Macro Economics	Tel Aviv University
Post Doctorate	Economics	MIT
Course on Senior Management AMP	Business Administration	Harvard Business School (HBS)
MA	Economics	Tel Aviv University
MA	National Security and International Relations	National Security College
BA	Economics and Statistics	Tel Aviv University

Professional Experience:

A major role in writing and analyzing financial statements at a bid global company (Teva) as well as analysis of competitors' statements and companies considered for purchase.

Financial activity as part of my being in charge of Teva's treasury, including multifaceted work with banks.

Vast experience in the various financial disciplines as well as in the strategy and technology as detailed in my CV.

Experience as a Director at the Bank, member of the following committees: Audit, Risk Management, Technology, Strategy, see details in CV.

- 3.1 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)³:

² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

Director in Bank Leumi (since 2015), director in Sol-Gel (since February 2018). Owner of Shmuel (Mule) Ben Zvi Ltd, active in start-up companies as a consultant / Advisory Boards

Prior to that and as detailed in my CV, management roles in Teva.

- 3.2 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

Education and experience as detailed in CV

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

- 3.3 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

A vast experience in financial management in a variety of organizations and disciplines and extensive learning in the area as detailed in the CV.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

For the purpose of the above provisions of this section:

“Professional qualification” – shall mean an academic degree as required in accordance with one of the stipulations described in paragraphs (1) or (2) below, **or** experience as required in paragraph (3) below:

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;

(2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;

(3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

(1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;

(2) The tasks of the external auditor, and the duties imposed on him;

(3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

3.4 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].

3.5 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁴
Yes/ ~~No~~ [delete the unwanted]

4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:

4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.

4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporation or offences involving misuse of inside information.

⁴ As required by Proper Conduct of Banking Business directive 301.

- 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company. There is no indictment pending against me for such an offense.
5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁵ which prohibit me from serving as a director of a public company.
6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁶
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the Bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the Bank, or in a corporation which is controlled by the Bank, or in a “substantial holder”, except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.

~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do not have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an office holder of the Bank or to a “substantial holder” (It is hereby clarified that service as a director of the Bank of a candidate for an additional term as stated will not be considered to be a connection).

~~Yes~~/No [delete the unwanted]

Specify:

⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

⁶ As long as I was not discharged

There is no connection (there are business and retail relations: bank account, provident funds, education funds, which are all considered to be retail relations that do not form a "connection").

8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/No (delete the unnecessary)

Specify:

8.3 **I do not** and neither does any party who has a "close association" with me have a business or professional association with the Bank or with a corporation controlled by the Bank or with an office holder of the Bank, or with a "substantial holder" who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and I haven't received a consideration and I do not receive consideration in contrast to section 244 (b) of the Companies Law, and I did not and do not get any remuneration which defied section 244(b) of the Companies Law..

There is no connection (there are business and retail relations: bank account, provident funds, education funds, which are all considered to be retail relations that do not form a "connection").

8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance ("the **Committee**") hereby further declares that:

8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;

8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a

Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;

8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

For the purpose of section 8 above:

“Close Association” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“Connection” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

“Substantial Holder” – a party holding more than two and one half percent of a particular type of means of control in the banking corporation, a party controlling such a holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank’s website, at www.leumi.co.il.

“Office-Holder” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("**The Second Company**") in which one of the Directors of the Bank serves as an External Director as defined in the Companies' Law, 5759-1999 ("**ED**").
10. If during my service as an External Director in the Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an External Director in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. I hereby declare that there is nothing to prevent or limit my being appointed as an External Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 –

1981, and/or in accordance with any law, including, among others, due to positions in other corporations in which I serve.

13. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
14. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an External Director at the Bank.
15. I am aware of the fact that if one of the required conditions for my service as an External Director of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
16. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 13, 2018

Signature of Declarant: Shmuel Ben Zvi

Confirmation

I, the undersigned, Adv. David Sackstein, hereby confirm that Shmuel Ben Zvi, whom I know personally/~~who identified himself/herself to me with his/her ID No. —~~, after I cautioned him/~~her~~ to declare the truth and that he/~~she~~ would be subject to penalties laid down by law if he/~~she~~ does not do so, confirmed the accuracy of his/~~her~~ above declaration and signed it in my presence.

Date: August 13, 2018 Name and Signature of advocate: Adv. David Sackstein

Adv. David Sackstein, Reg. no. 29797 ID: 320611353

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) of the Banking Ordinance

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection;

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General Meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holders; and a party controlled by any of them.

Dr. Shmuel (Muli) Ben-Zvi

Residence: Tel Aviv.

Date of Birth: 06.04.60

Marital Status: Married +2

General

- Senior finance manager, proficient in a range of finance disciplines, with a broad business and strategic perspective.
- Member of senior management in a number of organizations: A giant global company, the IDF General Staff as well as the management of the Ministry of Defense. Abilities of management, team building, decision making, business development, working in a changing environment.
- Experience in all aspects of corporate governance in public companies as a member of the Board of Directors and as a manager

Professional

Experience

2015 -

Director, Bank Leumi

Director at the Bank and member of the following committees: Audit, Strategy, Risk Management and the committee for the implementation of the Strum Law.

Member of the Global Entrepreneurship Week Society, which is the Israeli group of the Global Entrepreneurship Network. Active in start-up companies as a Head of the Advisory Board or as a consultant.

2013-2014

VP Strategy Teva

- Leading strategic projects. Participating in business development activities and formulating strategy for business lines. During this period participated in a course at Harvard and was mentored by a senior partner at BCG.

2009-2012

VP Finance, Teva

- Coordinating annual and multi-annual work plans. Played a pivotal role in the preparation of financial reports (US GAAP), leading and coordinating the quarterly financial analysis which is a central management process in the company. Within this framework, intensive involvement in the integration of acquired companies including four transactions of between 5-8 billion dollars each, leading significant business change in the American business, member of a small team designing and formulating company strategy, member of the team preparing materials for investors and more.
- At the same time, responsible for treasury including the issuance of debentures (leading the raising of 2.5B\$), bank credit, significant improvement of cash management, currency and interest rate hedging and more.
- I was selected together with a small group of employees for a five year (09-13) Key Talents Program.

2004-2009

VP Economics, Planning and IT, Teva

- Coordinating planning, monitoring and economic issues and management responsibility for information systems in the company. Participation in central management processes and in the integration of acquired companies. Rebuilding the team and the work procedures to adjust to the fast growth of the company.
- Responsibility on the organization of IT of over 1000 employees and current activity of over \$100 Million annually. Chairman of the Steering Committee of a cross-company ERP project – a \$200M project.

2000-2004

Financial advisor to the IDF Chief of Staff and Head of the Budget Division in the Ministry of Defense

Military rank: Brigadier General

- Head of the budgetary system in the IDF and in the Ministry of Defense and responsible for planning, management and

monitoring of the defense budget. A key partner in deep and varied change processes, starting with a downsizing plan, through converting Rafael into a Government Company and to projects such as the “Seam Zone” and a fighter aircraft transaction. Leading and implementing strategic processes in the budget system for improving the linkage between the budget inputs and outputs and an essential contribution to the treatment of personnel and its training.

1997-2000

Head of Planning Department

- Coordinating the Annual Budget and the Multi-Year Plan, coordinating the defense budget book and the changes in it, participation in the cash flow discussions of the Ministry, coordinating the connections with the Ministry of Finance, with Knesset Committee for the Defense Budget and membership in Inter-Ministries committees on various issues.

1993-1997

Head of Land Forces Budgets Department, IDF

- Budgeting for the land forces, General Staff units, and dealing with manpower and salaries for the standing army, compulsory service, reserves and army employees. In the framework of this role, participation in the processes of IDF 2000. Membership in the Board of Directors of the Standing Army's Savings Fund (Education Fund).

1982-1993

Various roles in the Financial Advisory Unit to the Chief of Staff / the Budgets Division in the Ministry of Defense

1988-2000

Lecturer in the Department of Economics, Tel Aviv University (while fulfilling duties in the Security Forces)

Education

Harvard Business School

2013

- Intensive, two-month, Advanced Management Program – AMP, Harvard Business School (April-May 2013)

- | | |
|-----------|---|
| 1992-1993 | <p>The National Security College</p> <ul style="list-style-type: none"> ▪ Graduated <i>cum laude</i> from the National Security College. Thesis on the subject of Defense Spending and the National Economy and an additional paper on the Jordanian economy that predicted the Jordanian necessity to make a peace agreement, published in academic institutions. |
| 1987-1988 | <p>MIT University</p> <ul style="list-style-type: none"> ▪ A year of post doctorate studies at MIT University under the supervision of Prof. Stanley Fisher. In depth studies in the fields of industrial organization, international trade (including publishing a paper with Professor Helfman), and the seam between macro-economics and finance. |
| 1983-1986 | <p>Tel Aviv University</p> <ul style="list-style-type: none"> ▪ Doctorate in Economics at Tel Aviv University (86). Subject of doctorate: The Real Influences of Inflation, under the supervision of Professor Leo Leiderman and Professor Alex Zuckerman |
| 1981-1982 | <p>Tel Aviv University</p> <ul style="list-style-type: none"> ▪ Masters studies in economics at Tel Aviv University (82) <i>cum laude</i>. Thesis – Cartels under Anti-Trust Law. |
| 1979-1981 | <p>Tel Aviv University</p> <ul style="list-style-type: none"> ▪ Undergraduate studies in economics and statistics at Tel Aviv University (81), <i>cum laude</i> (in economics) and <i>magna cum laude</i> (in statistics). |

Appendix A

Declaration to serve as an External Director or ED of Bank Leumi Le-Israel Ltd

I, the undersigned Dr. Yoram Turbovitz, ID Number 055585426, from 31 Slomtzion Hamalka Tel Aviv 62267

make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**; an "**ED**") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

Name: Yoram Turbovitz

ID: 055585426

Date of Birth: November 1, 1958

Address for service of legal documents: 31 Slomtzion Hamalka Tel Aviv 62267

Citizenship: Israeli

Residency: Israel

Are you a relative of another stakeholder¹ in the Bank (If so – please indicate details): No.

2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank (and if yes – the role or roles he serves as stated):

3. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more

¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology information security (including cyber) or any other field approved by the Supervisor of Banks , and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as following²: (*education, qualification, experience*):

Education:

Degree / Academic Diploma	Profession / Major	Academic Institution
SJD – PhD in Law	International Trade Law	Harvard Law School Cambridge, MA
LL.M – Master in Law	Contracts Law	Harvard Law School Cambridge, MA
LL.B – Bachelor in Law	Law	Hebrew University Faculty of Law

Professional Certificates:

- 3.1 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)³:

Occupation as a lawyer, legal advise, Director at the Allied Group (Allied Holdings, Allied Logistics, Champion Motors) as detailed in my attached CV.

- 3.2 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and

² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

experience, which indicate that the conditions and tests for my qualification are met:

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

- 3.3 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

As mentioned, I do not have auditing and financial expertise as defined above.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

For the purpose of the above provisions of this section:

“Professional qualification” – shall mean an academic degree as required in accordance with one of the stipulations described in paragraphs (1) or (2) below, **or** experience as required in paragraph (3) below:

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;
- (2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;
- (3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board

of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;
- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

- 3.4 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – **yes/ ~~No~~** [delete the unwanted].
- 3.5 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁴
~~Yes/~~ No [delete the unwanted]
- 4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
 - 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
 - 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporation or offences involving misuse of inside information.
 - 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company. There is no indictment pending against me for such an offense.
- 5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁵ which prohibit me from serving as a director of a public company.
- 6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁶
- 7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the Bank.

⁴ As required by Proper Conduct of Banking Business directive 301.

⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

⁶ As long as I was not discharged

8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the Bank, or in a corporation which is controlled by the Bank, or in a "substantial holder", except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.

~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do not have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an office holder of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term as stated will not be considered to be a connection).
Specify:

Allegedly, There is none, but in any case, the Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240(b) of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and alternately are negligible connections and therefore are not considered to form a connection as per the companies' regulations (matters which do not form a connection), 5767-2006. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/No (delete the unnecessary)

Specify:

8.3 **I do not** and neither does any party who has a "close association" with me have a business or professional association with the Bank or with a corporation controlled by the Bank or with an office holder of the Bank, or with a "substantial holder" who nominated me as a candidate for service as a director of the Bank, even if such association is not general, , and I haven't received a consideration and I do not receive consideration in contrast to section 244 (b) of the Companies Law, and I did not and do not get any remuneration which defied section 244(b) of the Companies Law.

Allegedly, There is none, but in any case, the Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240(b) of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and alternately are negligible connections and therefore are not considered to form a connection as per the companies' regulations (matters which do not form a connection), 5767-2006. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance ("the **Committee**") hereby further declares that:

8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;

8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a

Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;

8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“**Connection**” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

“**Substantial Holder**” – a party holding more than two and one half percent of a particular type of means of control in the banking corporation, a party controlling such a holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank’s website, at www.leumi.co.il.

“**Office-Holder**” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("The Second Company") in which one of the Directors of the Bank serves as an External Director as defined in the Companies' Law, 5759-1999 ("**ED**").
10. If during my service as an External Director in the Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an External Director in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. I hereby declare that there is nothing to prevent or limit my being appointed as an External Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 –

1981, and/or in accordance with any law, including, among others, due to positions in other corporations in which I serve.

13. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
14. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an External Director at the Bank.
15. I am aware of the fact that if one of the required conditions for my service as an External Director of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
16. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 23, 2018
Turbovitz

Signature of Declarant: Yoram

Confirmation

I, the undersigned, Adv. Ayelet Weller, hereby confirm that Yoram Turbovitz, whom I know personally/~~who identified himself/herself to me with his/her ID No. _~~, after I cautioned him/her to declare the truth and that he/she would be subject to penalties laid down by law if he/she does not do so, confirmed the accuracy of his/her above declaration and signed it in my presence.

Date: August 23, 2018 Name and Signature of advocate: Adv. Ayelet Weller

Adv. Ayelet Weller, Reg. no. 15661

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) of the Banking Ordinance

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection;

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General Meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holders; and a party controlled by any of them.

Dr. Yoram Turbovitz

Work Experience

- 09-18** **A lawyer, director and businessman;** An active Director at the Board of Directors of **Allied Holdings Company Ltd** and at **Champion Motors Ltd**.
- 09-11** **Chairman of the Board of Directors of Azorim Ltd**
Chairman of the Board of Directors of Delek Energy Systems Ltd
- 06-08** **Head of Staff, Prime Minister's Office,** Government of Israel
- 01-06** **A lawyer, director and businessman;** An active **Director** at the Board of Directors of **Champion Motors Ltd**
- 04-05** **Director, Cellcom Ltd.** and representative of the Joseph Safra Brazil Group at Cellcom.
- 03** **Lecturing Anti-trust Laws,** Faculty of Law, Tel Aviv University.
- 02-03** **External Director at Hadar Insurance Company Ltd.** – Member of the Phoenix Insurance Group Israel.
- 01-02** **Director, Migdal Insurance Company Ltd.**
- 98-01** **CEO, Discount Investments Company Ltd;** Previously, **Deputy CEO of Discount Investments Company Ltd**, also Chairman of the Board of Directors of **Tambour Ltd**, producing paints and finishing materials for construction; Chairman of the Board of Directors of **Klil Industries Ltd**, Chairman of the Board of Directors of **Caniel Packaging Industries Ltd**, Director at **Shufersal Ltd**, Director at **Elron Ltd**, Director at **Elbit Systems Ltd.**, Director at **Elbit Imaging Ltd**.
- 91-98** **Senior Lecturer on Contracts Laws,** at the Law School of the Interdisciplinary Center Herzlia, and previously at Ramot (by the Tel Aviv University).
- 92-97** **In Charge of Antitrust and Director-General of the Antitrust Authority**
- 90-92** **Legal Advisor to the Ministry of Industry and Commerce**
- Summer-89** **Lawyer: Sullivan and Cromwell, New York, NY.**
- Summer-87** **Lawyer: Winthrop, Stimson, Putnum & Roberts, New York, NY.**
- 86/7** **Intern: Dr. Amnon Goldberg, Adv. S. Horowitz and Co. firm.**
Teaching Assistant: Contracts Laws, Faculty of Law, Tel Aviv University
- 85/6** **Intern:** The Hon. Judge Miriam Ben-Porath, Deputy to the Supreme Court President, the Supreme Court.
- 83-85** Assistant to the **Minister of Police**, Chaim Bar-Lev.

Dr. Yoram Turbovitz

Education

- 88-90** **Harvard Law School**, Doctor of Judicial Sciences (S.J.D), Israel's Trade Agreements with the European Community and with the United States from the Point of View of the International Trade Laws.
- 87-88** **Harvard Law School**, Master of Judicial Sciences (LL.M), Contracts Laws, International Arbitration, Companies Laws, Constitutional laws and Antitrust, Thesis on contracts' interpretation.
- 82-86** **Hebrew University Jerusalem**, Faculty of Law, Bachelor of Judicial Sciences (LL.B).
- Excellence, ranked 1/120

Academic Achievements

- 89-90** **Harvard MacArthur Scholar**, The Center for International Affairs.
- 87/8** **ITT International Scholarship.**
- The Rothchild Fellowship for Graduate Studies**
- 86/8** **An award in the name of Aba Ben Efraim for Academic Achievements**, The Faculty of Law, The Hebrew University
- 86/7** **An award in the name of Lord Lionel Cohen for the best graduate student of the year**, The Faculty of Law, The Hebrew University
- 85/6** **An award in the name of Arie (Pepe) Feldman for excellency in Law Studies**, The Faculty of Law, The Hebrew University.
- Editor in Chief**, "Mishpatim" – the magazine of the faculty of law, The Faculty of Law, The Hebrew University in Jerusalem.
- 82-85** **Dean's List for Academic Excellence**, The Faculty of Law, The Hebrew University

Military Service

- 77-82** **Intelligence Corps**, unit 8200, First Lieutenant, Commander of an Intelligence Base
- IDF Spokesman Unit**, Reserves Service, Captain, member of a think team headed by the IDF spokesman.

Personal

Born in 1958 in Tel Aviv, Married with 4 daughters.

**Declaration to serve as an External Director or ED
of Bank Leumi Le-Israel B.M.**

I, the undersigned Ohad Marani, ID Number 053492971, from 12 Tzur, Ramat Ef'al, make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**; an "ED") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

Name: Ohad Marani

ID: 053492971

Date of Birth: March 20, 1955

Address for service of legal documents: 12 Tzur, Ramat Ef'al

Citizenship: Israeli

Residency: Israel

Are you a relative of another stakeholder¹ in the Bank (If so – please indicate details): **No**

2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank (and if yes – the role or roles he serves as stated):

3. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology information security (including cyber) or any other field approved by the Supervisor of Banks, and I am able to dedicate the appropriate time to fulfill the

¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as following²: (*education, qualification, experience*):

Education:

Degree / Academic Diploma	Profession / Major	Academic Institution
MBA- Master in Business Administration	Business Administration specializing in Financing	The Hebrew University Jerusalem
BA	Economics, including clusters in Accounting and Statistics	The Hebrew University Jerusalem
MPA – A Master Degree in Public Administration	Public Administration (specializing in economics, Financing and Public Administration	Harvard University, Boston, USA

Professional Certificates:

- 3.1 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)³:

A. Director, Bank Leumi Le-Israel B.M., October 2015-

Member of the Board of Directors of Bank Leumi Le-Israel B.M., member of the Board committees, including the Credit Committee and Audit Committee.

B. Director, Enegean Oil & Gas Plc, July 2017 -

A Director at Enegean Oil & Gas Plc, a British energy company dealing with production and searching oil and gas. The company has oil and gas assets in Europe and in the Middle East. The company was

² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

listed for trade in March 2018 and is traded in the London Stock Exchange.

Member at the Board of Directors committees – The Financial Statements Committee and the Audit and Remuneration Committee.

C. Director, Tadbik Ltd May 2017 -

A Director at the Tadbik company, a leading industrial company dealing with the production and marketing of flexible packaging materials and packaging ornaments, label machines and packages marking.

Member of the Balance Sheet Committee and the Audit Committee.

D. Member of the Investments Committee - Israel Infrastructure Fund 2007 -

Member of the Investments Committee of the Israel Infrastructure Fund, a private investments fund, investing in energy, desalination, transportation and power infrastructures and is one of the leading companies in this sector in Israel.

E. General Manager of the Israel Land Development Company – Energy Ltd. April 2010-Sept 2015

I managed the Energy Development company and its subsidiaries / partner companies. The Energy Company specialized in searching gas and oil and was traded at the Tel Aviv Stock Exchange.

F. Director and member of the Audit and Balance Sheet Committee – Nisko Electricity and Electronics Ltd

Aug 2007-Aug 2016

A public company dealing with wholesale trade and in production and importing of electric products, and is one of the leading in its sector in Israel.

- 3.2 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

I have knowledge and experience in economic and business activities, in financing, accounting, risk management and in regulatory compliance. My knowledge and experience are a result of both my

academic education in the relevant areas (Bachelor + Accounting, an MBA, specializing in Financing from the Hebrew University in Jerusalem, and a degree in Public Administration from the Harvard University specializing in economics and finance) and also vast multi-year practical experience in my many roles at the Ministry of Finance (the most senior of which are General Manager of the Ministry of Finance and Head of the Budgets Division) and also many roles in business companies both as an executive manager and as a director and as a chairman in boards of directors as detailed in this form and in my attached CV (of which the main roles are: Chairman of the Board of Directors of the Oil Refineries Ltd., Chairman of the Board of Directors of the Israel Natural Gas Lines, Chairman of the Board of Directors of the Alumot Investments House, General Manager of the Israel Land Development Company – Energy Ltd and more).

My years in senior positions in the public and business sectors total much more than the five years required for the professional qualification.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

- 3.3 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

I have knowledge and experience in economic and business activities, in financing, accounting, in risk management and in regulatory compliance. My knowledge and experience are a result of both my academic education in the relevant areas (Bachelor + Accounting, an MBA, specializing in Financing from the Hebrew University in Jerusalem, and a degree in Public Administration from the Harvard University specializing in economics and finance) and also vast multi-year practical experience in my many roles at the Ministry of Finance (the most senior of which are General Manager of the Ministry of Finance and Head of the Budgets Division) and also many roles in business companies both as an executive manager and as a director and as a chairman in boards of directors as detailed in this form and in my attached CV (of which the main roles are: Chairman of the Board of Directors of the Oil Refineries Ltd., Chairman of the Board of Directors of the Israel Natural Gas Lines, Chairman of the Board of Directors of the Alumot Investments House, General Manager of the Israel Land Development Company – Energy Ltd and more).

In addition, I have accumulated vast experience in analysis and understanding financial statements when I served as a chairman of the

board of directors in several companies, as a Chairman of the Financial and Balance Sheet Committee and as a member in committees dealing with the analysis of business results and financial statements.

In addition, I serve now as a Director and as a member of the Audit Committee of Bank Leumi and as such, I have accumulated addition experience in understanding and analyzing financial statements of banking institutions in general and of Bank Leumi in particular.

Documents and certificates supporting this declaration, as stated in this section, have been provided to the Bank's Secretariat.

For the purpose of the above provisions of this section:

“Professional qualification” – shall mean an academic degree as required in accordance with one of the stipulations described in paragraphs (1) or (2) below, **or** experience as required in paragraph (3) below:

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;
- (2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;
- (3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;
- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

- 3.4 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].
- 3.5 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁴
~~Yes~~/ **No** [delete the unwanted]
4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
- 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
- 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporation or offences involving misuse of inside information.
- 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company. There is no indictment pending against me for such an offense
5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁵ which prohibit me from serving as a director of a public company.
6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁶
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the Bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:
- 8.1 Neither I nor my relatives hold any sort of control in the Bank, or in a corporation which is controlled by the Bank, or in a "substantial holder", except for holding tradable shares in a

⁴ As required by Proper Conduct of Banking Business directive 301.

⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

⁶ As long as I was not discharged

percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.

~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do not have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an office holder of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term as stated will not be considered to be a connection).
Specify: No.

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240(b) of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and/or Negligible connection regulations. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

- 8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/No (delete the unnecessary)

Specify:

- 8.3 **I do not** and neither does any party who has a “close association” with me have a business or professional association with the Bank or with a corporation controlled by the Bank or with an office holder of the Bank, or with a “substantial holder” who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and I haven't received a consideration and I do not receive consideration in contrast to section 244 (b) of the Companies Law, and I did not and do not get any remuneration which defied section 244(b) of the Companies Law.

The Bank's Audit Committee has certified that the circumstances which may form a concern to any alleged connections of mine, do not form a connection as defined in section 11e(b) of the Banking Ordinance and subject to the position of the Banking Supervision Department and section 240(b) of the Companies Law, or alternately, that they form, at the most, negligible connections according to the Banking Ordinance and/or Negligible connection regulations. The summary of the said Audit Committee decisions is presented in the invitation to the General Meeting.

- 8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance (“the **Committee**”) hereby further declares that:

- 8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;
- 8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;
- 8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“**Connection**” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder,

although a retail business association between a corporation and a customer will not be considered to be a connection;

“**Substantial Holder**” – a party holding more than two and one half percent of a particular type of means of control in the banking corporation, a party controlling such a holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank’s website, at www.leumi.co.il.

“**Office-Holder**” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("**The Second Company**") in which one of the Directors of the Bank serves as an external Director as defined in the Companies' Law, 5759-1999 ("**ED**").
10. If during my service as an External Director in Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an External Director in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. I hereby declare that there is nothing to prevent or limit my being appointed as an External Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to positions in other organizations in which I serve.
13. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
14. I hereby undertake to notify the Bank’s Secretariat immediately if any change takes place with respect to my eligibility to serve as an External Director at the Bank.
15. I am aware of the fact that if one of the required conditions for my service as an External Director of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
16. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 13, 2018

Signature of Declarant: Ohad Marani

Confirmation

I, the undersigned, Adv. David Sackstein, hereby confirm that Ohad Marani, whom I know personally/~~who identified himself/herself to me with his/her ID No. __~~, after I cautioned him/~~her~~ to declare the truth and that he/~~she~~ would be subject to penalties laid down by law if he/~~she~~ does not do so, confirmed the accuracy of his/~~her~~ above declaration and signed it in my presence.

Date: August 13, 2018 Name and Signature of advocate: Adv. David Sackstein

Adv. David Sackstein, Reg. no. 29797 ID: 320611353

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) of the Banking Ordinance

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection;

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General Meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holders; and a party controlled by any of them.

June 2018

Ohad Marani – Resume

Personal details

Year of birth: 1955

Marital status: Married + 3 children

Residence: Ramat Efal, Israel

Professional Experience

1. My Current Roles

❖ **Director, Bank Leumi Le-Israel B.M.,** **October 2015-**

Member of the Board of Directors of Bank Leumi Le-Israel B.M., one of the two big commercial banks in Israel. Member of the Board of Directors committees, including the Credit Committee and Audit Committee

❖ **Director, Enegean Oil & Gas Plc,** **July 2017 -**

A Director at Enegean Oil & Gas Plc, a British energy company dealing with production and searching oil and gas. The company has oil and gas assets in Europe and in the Middle East. The company was listed for trade in March 2018 and is traded in the London Stock Exchange.

Member at the Board of Directors' committees, including the Financial Statements Committee and the Audit and Remuneration Committee.

❖ **Director, Tadbik Ltd**

May 2017 -

A Director at the Tadbik company, a leading industrial company dealing with the production and marketing of flexible packaging materials and packaging ornaments, label machines and packages marking.

Member of the Budget Committee and the Audit Committee.

❖ **Member of the Investments Committee –**

Israel Infrastructure Fund

2007 -

Member of the Investments Committee of the Israel Infrastructure Fund, a private investments fund, investing in energy, desalination, transportation and power infrastructures and is one of leading companies in this sector in Israel.

2. My (Main) Past Roles

A. In the Israeli Government

❖ **General Manager of the Ministry of Finance**

August 2001 – November 2003

I served as Head of the Ministry which is in charge of the formulation and implementation of the economic policy in Israel.

In my job I led, together with the divisions of the ministry, under the leadership of the Minister of Finance and the government, many economic moves including the economic plan of the year 2003 and a series of reforms like privatization of the banks without a controlling core, opening the Israel electric market to competition, and more.

❖ **Budget Director, Ministry of Finance**

2000 – 2001

I served as Head of the Budget Division; the division is in charge of preparing the budget and its allocation to the government ministries, and outlining the structural changes in the different government offices and in the sectors of the economy.

❖ **Economic Attaché – The Israel Embassy, Washington**

1995-2000

I served as Head of the Economic Legation of the State of Israel in the USA. I was in charge of dealing with military and civilian foreign aid, of relations with international financial institutions, the World Bank and the International Monetary Fund (IMF).

I led negotiations and promoted collaboration in regard to foreign aid, economic relations, foreign trade and trade agreements with the American government, the congress and other entities.

As Israel's representative in Washington I led the negotiations on the reform in American foreign aid to Israel which resulted in a new, agreed ten years aid program of USD 24 million.

❖ **Ministry of Finance**

1982 – 1994

Execution of a variety of duties at the Budgets Division, starting as a junior economist referent and ending up as Deputy Director of the Division. In my various roles in the Division I dealt with managing the government's budgets and formulating policies and reforms in various areas.

In addition, I served two years as the Economic Consultant of the Minister of Finance.

B. In the Business Sector

❖ **Chairman of the Board - Oil Refineries Ltd – (ORL)**

March 2004 – July 2007

I served as the head of a company which was among the largest industrial conglomerates in Israel running an oil refinery and petrochemical industries with annual sales of around USD 4 billion.

During my term the company moved to a profit of NIS1.5 billion in 2005 and to a profit of NIS 2 billion in 2006. In addition, I led the sale of the Ashdod Refinery, and subsequently the privatization and issuance of the entire company thereafter.

❖ **General Manager, Israel Land Development Company - Energy Ltd.**

April 2010 – Sept 2015

I managed the Energy Development company and its subsidiaries / partner companies. The Energy Company specialized in searching gas and oil and was traded at the Tel Aviv Stock Exchange.

❖ **Chairman of the Board of Directors, Israel Natural Gas Lines Ltd**

January 2008 – July 2010.

I served as head of a company which is constructing and operating the natural gas pipeline infrastructure throughout Israel, supplying gas mainly to power plants, industrial plants, oil refineries and other natural gas consumers.

❖ **Director and Member of the Audit and Balance Sheet Committee, Nisko Electricity and Electronics Ltd**

August 2007 – August 2016

A public company dealing with wholesale trade and with production and importing electric appliances, and is one of the leading companies in its sector in Israel.

❖ **Chairman of the Board of Directors - Alumot-Sprint Investment House**

November 2007 – December 2009

I served as head of a growing investment house that manages provident funds, mutual funds and private investments.

Academic Education

❖ **Harvard University, Boston USA** **1991 -1992**

Master's degree in Public Management (specializing in economics, Financing and Public Administration)

❖ **The Hebrew University of Jerusalem** **1982 – 1983**

Master's degree in Business Administration (specializing in Financing)

❖ **The Hebrew University in Jerusalem** **1978 -1981**

Bachelor's degree in Economics (+ units in Accounting and Statistics)

Languages

❖ **Hebrew:** Mother tongue

❖ **English:** Very High proficiency (Spoken, reading and writing)

Public and Voluntary Activity

- ❖ **Manufacturers Association of Israel** **2004-2008**
 Member of the MAI Presidium
 Chairman of the Economic Committee of the MAI
- ❖ **Bat Sheva Dance Company** **2005 – 2013**
 Member of the Management Committee **2005 -2013**
 Chairman of the Management Committee **2010 - 2012**

Awards and Scholarships

- ❖ **Wexner Foundation Scholarship** – A scholarship funding master's degree studies in Public Administration at Harvard University.
- ❖ **Eisenhower Fellowships** – A two month professional education program in the USA funded and organized by the American Eisenhower Fellowship.

Military Service

- ❖ **Combat Service in Golani**

1973 – 1978

Combat service in a number of positions. Last position on compulsory service: Company Commander. Rank in reserves – Major.

- ❖ Graduate of command courses including infantry officer's course, Company Commanders course and Battalion Commanders course in reserves.

Bank Leumi of Israel Ltd.

Proxy Statement pursuant to the Companies (Voting by Ballot and Position Statements) Regulations, 5766-2005 ("the Regulations"), for an annual meeting to be convened on Thursday, October 4, 2018

Part One

1. **Company:** Bank Leumi of Israel Ltd. (hereinafter: **"the Bank"**).
2. **Type, date and location of general meeting:** The Bank's annual general meeting. The general meeting will convene on Thursday, October 4, 2018, at 14:30 at the Bank's offices at Beit Lin, 35 Yehuda Halevy Street, Tel Aviv. If the meeting is postponed, it will be held on Thursday, October 11, 2018, 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. Item no. 2 on the agenda - The re-appointment of the auditing firms Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasierer (EY) as joint independent auditors of the Bank and the authorization of the Bank's Board of Directors to set the fees paid thereto and report those fees.

For more information regarding the reappointment of the Bank's joint independent auditors, please see Section 1.2 to the Immediate Report on the Convening of an Annual General Meeting, attached to this Proxy Statement (hereinafter: **"the Immediate Report"**).

The proposed resolution:

To reappoint the auditing firms Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasierer (EY) as joint external auditors of the Bank for a period that will commence on the date of approval of the current Annual General Meeting through the end 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 3 to 5 on the agenda – the appointment of two (2) external directors to the Bank's Board of Directors (pursuant to the provisions of the Companies Law)

Two (2) external directors to the Bank's Board of Directors shall be appointed in this General Meeting, pursuant to the provisions of the Companies Law (hereinafter – **"EM"**) for a period of three years, out of the candidates that were proposed by the Committee for the Appointment of Directors in Banking Corporations, which was appointed pursuant to section 36A of the Banking Law (Licensing), 5741-1981 (hereinafter – **"the Banking Law"**) and pursuant to Sections 11D(a)(1) and (2) to the Banking Ordinance, 1941

(hereinafter – “**the Banking Ordinance**”, “**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. Mr. Yoram Gabbay;
- 3.2.2. Ms. Tamar Gottlieb (EM whose first tenure in office will end on August 25 2018 and is a candidate for reappointment);
- 3.2.3. Mr. Refael Danieli.

For more information regarding the appointment of the directors to the Bank’s Board of Directors, on Topics 3 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.

3.3. Items 6 to 8 on the agenda – appointment of two (2) external directors to the Bank’s Board of Directors (pursuant to directive 301)

Two (2) external directors to the Bank’s Board of Directors shall be appointed in this General Meeting, pursuant to the provisions of the Proper Conduct of Banking Business Directive No. 301 (hereinafter – “**Directive 301**”, “**External 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. The candidates who were proposed by the Committee for the Appointment of Directors are as follows:

- 3.3.1. Dr. Shmuel Ben Zvi – serving External Director and candidate for reappointment. For details regarding the date on which Dr. Ben Zvi’s tenure in office will end, see Section 2.1 to the Immediate Report.
- 3.3.2. Mr. Yoram Turbowicz, PhD.
- 3.3.3. Mr. Ohad Marani - serving External Director whose first tenure in office will end on October 31, 2018 and candidate for reappointment.

For more information regarding the appointment of the directors to the Bank’s Board of Directors, on Topics 6 to 8 on the meeting’s agenda, please see Sections 1.4 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. 3 on the agenda – appointment of Mr. Yoram Gabbay as ED

Candidate	Yoram Gabbay
ID number	000207530
Date of birth	August 7, 1947
Address for serving court documents	258 Ben Gurion St. Givatayim
Citizenship	Israeli
Membership in Board of Directors Committees	TBD. He shall serve (at the very least) as member of the Audit Committee in his capacity as ED pursuant to the Companies Law.
ED as defined in the Companies Law	Yes, according to the classification of the Committee for the Appointment of Directors and the declaration of the candidate, which is attached to this Immediate Report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Yes, according to the declaration of the candidate, which is attached to this Immediate Report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	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
Possesses accounting and financial expertise pursuant to 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 June 22, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that neither do the circumstances described below constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

1. Retail relationship between a service provider and a customer in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Professional relationship between Mr. Gabbay and the State of Israel – a material shareholder of the Bank – Mr. Gabbay serves as the chairman of the Investment Committee¹ of Culture & Economic Projects for State's Workers Ltd. (hereinafter – "the Company"). The State of Israel, through the Government Companies Authority in the Ministry of Finance, holds (indirectly) 50% of the share capital of the Company and 50% of the rights to appoint directors in the Company.
3. A business relationship between the Bank and the Ono Academic College (which is a customer of the Bank) – Mr. Gabbay serves as an external lecturer at the Ono Academic College as from October 1999. There is an employer-employee relationship between the Ono Academic College and Mr. Gabbay.

¹But does not serve as a director.

The approvals are subject to Mr. Gabbay's terminating his tenure in the following positions, if he is appointed as ED in the Bank: 1) his tenure as the Chairman of the Investment Committee of Culture & Economic Projects for State's Workers Ltd. due to concerns regarding a conflict of interest pursuant to Directive 301 of the Supervision of Banks Department, since the Company controls Bank Yahav For Government Employees Ltd.; and (2) his tenure as the Chairman of the Investments Committee and an ED in Hachshara Insurance Company (hereinafter – "Hachshara"), in view of the fact that Directive 301 of the Supervision of Banks Department prohibits those who serve as directors, members of an investment committee, members of a credit committee or employees of a financial entity which is not a small financial entity as this term is defined in Directive 301, from serving as directors in a "large banking corporation". The Bank is a "large financial corporation" and as per the Bank of Israel's letter of March 25, 2018, Hachshara is not a "small financial entity".

It should be noted that Mr. Gabbay has undertaken to terminate his service in the above-mentioned positions if he is appointed as ED in the Bank.

The Proposed Resolution:

To appoint Mr. Yoram Gabbay as an ED pursuant to the provisions of the Companies Law, 5759-1999, for a period of 3 years.

Mr. Gabbay's tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 4 on the agenda – appointment of Ms. Tamar Gottlieb as ED

Candidate	Tamar Gottlieb
ID number	054584198
Date of birth	January 27, 1957
Address for serving court documents	Beit Leumi, 34 Yehuda Halevi St., Tel Aviv, 6513616
Citizenship	Israeli
Membership in Board of Directors Committees	<p>As of the date of publication of this immediate report, Ms. Gottlieb is a member of the Credit, Audit and Technology Committees.</p> <p>If she is appointed by the General Meeting and the Supervisor of Banks approves her appointment or issues a notice of non-objection thereto, she will be appointed, pursuant to the resolution of the Board of Directors as a member in Board of Directors committees, and at the very least as a member of the Audit Committee in her capacity as ED pursuant to the Companies Law.</p>
ED as defined in the Companies Law/ External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	External Director as defined in the Companies Law, who also meet the eligibility conditions of External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Subject to appointment by the General Meeting and receipt of the approval or notice of non-objection of the Supervisor of Banks.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	August 28, 2015 (first tenure in office will end on August 25, 2018)
Date on which second tenure in office as	Subject to appointment by the General Meeting

director commenced	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 she served as director	Please see the curriculum vitae attached to this report
A relative of another interested party in the corporation	No
Possesses accounting and financial expertise pursuant to Section 92(a)(12) to the Companies Law	Yes

Audit Committee's Resolutions

On June 22, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with her do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that neither do the circumstances described below constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

1. Retail relationship between a service provider and a customer in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Professional relationship (employer-employee relationship) between relatives of Ms. Gottlieb and material shareholders in the Bank, as follows:
 - Ms. Gottlieb's son worked as a marketer of pensions for Migdal Insurance Company in the years 2016-2017 and currently works as a marketer of pensions for Meitav Dash Investments Ltd.
 - Ms. Gottlieb's daughter in law works as a clerk at the bookkeeping department of Menorah Mivtachim.

3. Professional relationship (employer-employee relationship) between a relative of Ms. Gottlieb and the State of Israel, a material shareholder of the Bank – the brother in law of Ms. Gottlieb's partner serves as an ambassador to the Vatican on behalf of the Ministry of Foreign Affairs of the State of Israel.
4. Business relationships with the Bank – Ms. Gottlieb serves as the Chairperson of the executive committee of Agricultural Business and Management Holdings Shefayim - Agricultural Cooperative Society Ltd. (hereinafter – “the Agricultural Cooperative Society”) and also serves as a director in Hutzot Shefayim Agricultural Cooperative Society Ltd. (a subsidiary of the Agricultural Cooperative Society); the Agricultural Cooperative Society group is a customer of the Bank.

The Proposed Resolution:

To appoint Ms. Tamar Gottlieb as an ED pursuant to the provisions of the Companies Law, 5759-1999, for an additional 3-year period.

Ms. Gottlieb's second tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 5 on the agenda – appointment of Mr. Refael Danieli as ED

Candidate	Refael Danieli
ID number	50901131
Date of birth	November 17 1951
Address for serving court documents	12 Leah St., Haifa
Citizenship	Israeli
Membership in Board of Directors Committees	TBD. He shall serve (at the very least) as member of the Audit Committee in his capacity as ED pursuant to the Companies Law.
EM as defined in the Companies Law/ External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	Yes, according to the classification of the Committee for the Appointment of Directors and the declaration of the candidate, which is attached to this Immediate Report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Yes, according to the declaration of the candidate, which is attached to this immediate report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	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
Possesses accounting and financial expertise pursuant to 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 August 5, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations and considering the opinion it was presented with, that the relationships described below between the candidate or anyone closely associated with him and the Bank or a material shareholder thereof, do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department. Furthermore, and after discussing the matter, the Audit Committee decided that the relationships described below also do not constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those relationships constitute negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006:

1. Retail relationship between a service provider and a client in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Negligible business relationships (bank accounts) between Zim Integrated Shipping Services Ltd. (hereinafter – "Zim") in which the candidate served as Chief Executive Officer. As of the date of approval of the appointment, more than 18 months have passed since the candidate ended his tenure in office as Chief Executive Officer.
3. Relationships between various institutional entities, which constitute a "material shareholder" of the bank, and Zim, in which the candidate previously served as Chief Executive Officer; (the nature of the relationships is small holdings of each of the institutional entities in Zim's share capital, as well as the institutional entities' being creditors of Zim). After considering the circumstances, the Audit Committee reached the conclusion that the relationships between the said institutional entities and Zim constitute negligible relationships from the candidate's perspective, and also from the Bank's perspective, due to, among other things, the nature of the relationships with Zim and the fact that the candidate no longer serves as the Chief Executive Officer of Zim. In view of the above, there are no concerns that the said entities might influence the independence of the discretion exercised by the candidate. For this reason, the said relationships do not constitute an interest.
4. Business and professional relationships between Zim, in which the candidate previously served as Chief Executive Officer, and a material shareholder and an interested party of the Bank (the State of Israel) and the State of Israel's "Golden Share" in Zim.
5. The business and/or professional relationships between a private company which is jointly owned by Mr. Danieli and Israel Aerospace Industries (50:50) do not give rise to an "interest" relationship between Mr. Danieli and the State of Israel, which is a material shareholder and an interested party of the Bank. This approval is subject to Mr. Danieli's obligation whereby if he is appointed as a director in the Bank then he will report to the Audit Committee if the project advances towards a binding

agreement with the Israel Aerospace Industries or any entity acting on its behalf, and the Audit Committee will then discuss the matter again.

The Proposed Resolution:

To appoint Mr. Refael Danieli as an ED pursuant to the provisions of the Companies Law, 5759-1999, for a period of 3 years.

Mr. Gabbay's tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 6 on the agenda – appointment of Dr. Shmuel Ben Zvi as an External Director (301)

Candidate	Shmuel Ben Zvi
ID number	056231475
Date of birth	April 6, 1960
Address for serving court documents	Beit Leumi, 34 Yehuda Halevi St., Tel Aviv, 6513616
Citizenship	Israeli
Membership in Board of Directors Committees	As of the date of publication of this immediate report, Dr. Ben Zvi is a member in the Strategy, Risk Management, Audit and Technology committees.
External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Classified as an independent director in his current tenure in office.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	July 29, 2015 (for further details regarding the Supervisor of Bank's approval of the extension of his current (and first) tenure in office, see Section 2.1.4 above)
Date on which second tenure in office as director commenced	Subject to appointment by the General Meeting and receipt of the approval or notice of non-objection of the Supervisor of Banks, his second tenure in office shall commence on the date on which his first tenure in office ends, i.e., July 29, 2018 (for details see section 2.1.4 above).

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
Possesses accounting and financial expertise pursuant to section 92(a)(12) to the Companies Law	Yes

Audit Committee's Resolutions

On June 7, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that neither do the circumstances described below constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

Retail relationship between a service provider and a customer in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.

The Proposed Resolution:

To appoint Dr. Ben Zvi as an External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, for an additional 3-year period.

Dr. Ben Zvi's second tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks and it will apply retroactively as from July 29, 2018 (the date on which his first tenure in office has ended).

Regarding item no. 7 on the agenda – appointment of Dr. Yoram Turbowicz as an External Director (301)

Candidate	Dr. Yoram Turbowicz
ID number	055585426
Date of birth	November 1, 1958
Address for serving court documents	31 Shlomtzion Hamalka St. Tel Aviv, 6226700
Citizenship	Israeli
Membership in Board of Directors Committees	TBD
External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	Yes, according to the classification of the Committee for the Appointment of Directors and the declaration of the candidate, which is attached to this Immediate Report and subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Classification as an independent director has not yet been decided on.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	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

Possesses accounting and financial expertise pursuant to 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.
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Audit Committee's Resolutions

On August 19, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations and considering the opinion it was presented with, that the relationships described below between the candidate or anyone closely associated with him and the Bank or a material shareholder thereof, do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department. The Candidate is a limited partner in a partnership controlled by the Allied Group (hereinafter – "the Allied Partnership") whose sole activity is the holding of a passive asset (gas royalties) with an undertaking to distribute all the profits it receives.

1. Retail relationship between a service provider and a customer in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Business relationship between the Bank and the Allied Group, a private group of companies with which the Candidate has the following relationships: a. The Candidate serves as a director in three companies in the Allied Group; however, as part of his role as a director in Allied, the Candidate has no interface with the Bank. This role as director in those companies is not his main occupation; the income from this role constitutes a negligible portion of the Candidate's wealth. b. The Candidate is a limited partner in a partnership controlled by the Allied Group (hereinafter – "the Allied Partnership") whose sole activity is the holding of a passive asset (gas royalties) with an undertaking to distribute all the profits it receives. After considering all the circumstances, the Audit Committee reached the conclusion that although the relationships between the Allied Group and the Bank are not negligible from the Bank's perspective (in the relationship between the Bank and Allied), bearing in mind the nature of the limited partnership, the partnership agreement and the negligibility of the Candidate's income from his role as director as aforementioned, then the said relationships do not give rise to concerns that the independence of the discretion exercised by the Candidate will be impaired. For this reason, the relationships between Allied to the Bank are negligible from the perspective of the Candidate and from the perspective of the Bank and therefore do not constitute an interest.
3. The Candidate has securities (tradable participation units) that confer upon him ownership of a negligible portion (less than 1%) of the partnership Delek Drilling – Limited Partnership, whose participation units are listed for trade on the Tel Aviv Stock Exchange (hereinafter – "Delek Drilling"). The Phoenix Holdings Ltd. (hereinafter – "the Phoenix") is a material shareholder of the Bank as defined in the Banking Ordinance, 1941 (hereinafter – "the Banking Ordinance") (hereinafter – "Material Shareholder"), holding between 2.5% to 5% of the Bank's means of control. The Phoenix is controlled by the Delek Group, which also controls the Delek Drilling partnership. In addition to the aforementioned holdings, Delek Drilling has an obligation to pay royalties to the Allied partnership which is referred to in subsection b. above; the Candidate is a limited partner

in the Allied partnership. Holdings in participation units are not business relationships that constitute an interest. As to the royalty agreement, in view of the passive nature of this agreement, Allied and consequently the Candidate, are not subject to any decision of Delek Drilling in connection therewith. Moreover, in view of the fact that Delek Drilling has similar royalty agreements with other third parties, there is no reasonable likelihood that Delek Drilling shall take unilateral action against the Candidate in particular, as opposed to any of the other third parties. Therefore, Delek Drilling is unable to influence the independence of the discretion exercised by the Candidate. For this reason, the said relationships do not constitute business relationships as this term is defined in the Banking Ordinance, and even if they would have been considered as business relationships as aforesaid, then they are negligible from the perspective of the Candidate and from the perspective of the material shareholder and therefore, they do not constitute an interest.

4. Business relationships between the Bank and Mr. Alfred Akirov or companies under his control (hereinafter – “Mr. Akirov”). Mr. Akirov is the (indirect) controlling shareholder of a private asset company which is registered outside Israel; the said asset company holds a single asset outside Israel and the Candidate has minority shareholding in this company through a private company, which is wholly-owned by him. The value of the Candidate’s holdings in this company constitutes a negligible portion of the Candidate’s wealth. His holding in this company does not give rise to an interest, either because it does not form a partnership with Mr. Akirov, or because in view of its negligibility from the point of view of the Candidate, it does not give rise to an interest.

The aforementioned approval of the Audit Committee is subject to Dr. Turbowicz’s terminating his role as a member of the deputation of bondholders of Tao Tsuot Ltd. (under liquidation and receivership) and to his being prohibited from taking part in discussions regarding the field of gas, the Allied Group and/or Prof. Swary, the Alrov Group and/or Mr. Akirov, should Dr. Turbowicz be appointed as External Director in the Bank and as from the date of such appointment.

The Proposed Resolution:

To appoint Dr. Yoram Turbowicz as an External Director pursuant to Directive 301 of the Proper Banking Administration Directives, for a period of three years.

Mr. Gabbay’s tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks.

Regarding item no. 8 on the agenda – appointment of Mr. Ohad Marani as an External Director (301)

Candidate	Ohad Marani
ID number	053492971
Date of birth	March 20, 1955
Address for serving court documents	Beit Leumi, 34 Yehuda Halevi St., Tel Aviv, 6513616
Citizenship	Israeli
Membership in Board of Directors Committees	<p>As of the date of publication of this immediate report, Mr. Marani is a member of the Audit and Credit committee and the committee for monitoring the application of the Strum Law.</p> <p>If he is appointed by the General Meeting and the Supervisor of Banks approves his appointment for a second tenure in office or issues a notice of non-objection thereto, he will be appointed, pursuant to the resolution of the Board of Directors as a member in Board of Directors committees.</p>
External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives	External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives, subject to appointment by the General Meeting and to receipt of the approval or notice of non-objection of the Supervisor of Banks.
Independent Director as defined in the Companies Law	Classified as an independent director in his current tenure in office.
Employee of the Bank, a subsidiary, related company or an interested party of the bank	No
Date on which tenure in office as director commenced	November 1, 2015 (his first tenure in office shall end on October 31, 2018)

Date on which second tenure in office as director commenced	Subject to appointment by the General Meeting and receipt of the approval or notice of non-objection of the Supervisor of Banks and <i>not</i> before November 1, 2018 (the date on which his first tenure in office ends).
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
Possesses accounting and financial expertise pursuant to Section 92(a)(12) to the Companies Law	Yes

Audit Committee's Resolutions

On June 7, 2018, the Audit Committee approved, based on the facts it was presented with and the candidate's declarations, that the circumstances described below in connection with the candidate and/or anyone closely associated with him do not constitute an interest in accordance with the Banking Ordinance and in accordance with the position of the Supervision of Banks Department, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest. Furthermore, and after discussing the matter, the Audit Committee decided that neither do the circumstances described below constitute an interest pursuant to Section 240(b) to the Companies Law, or alternatively that those circumstances constitute, at most, negligible relationships and therefore do not constitute an interest, in accordance with the Companies Regulations (Matters that Do Not Constitute an Interest), 5767-2006 (hereinafter – "the Negligible Interest Regulations"):

1. Retail relationship between a service provider and a customer in the ordinary course of business, that may include management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in Bank Leumi, in a company controlled by Bank Leumi or in a material shareholder of Bank Leumi.
2. Business relationships between Mr. Marani and Harel Insurance Investments and Financial Services Ltd., a material shareholder of the Bank and also a shareholder of the general partner of Israel Infrastructure Fund I – L.P, Israeli Infrastructure Fund II (IIF 2011) L.P and Israeli Infrastructure Fund III L.P. (hereinafter jointly: "IFF Fund") – Mr. Marani serves as a member of IFF Fund's Investment Committee.

3. Business relationships between Mr. Marani and the State of Israel, a material shareholder of the Bank – a relative of Mr. Marani is employed in a non-senior position at the Prime Minister's Office.

The Proposed Resolution:

To appoint Mr. Ohad Marani as an External Director pursuant to Directive 301 of the Proper Banking Administration Directives, for a period of three years.

Mr. Marani's tenure in office shall commence after receipt of approval or notice of non-objection of the Supervisor of Banks and not before November 1, 2018 (the date on which his first tenure in office ends).

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:**

5.1. The majority required to pass a resolution on Topic 2 on the agenda, dealing with the reappointment of Somekh Chaikin (KMPG) and Kost Forer Gabbay & Kasierer (EY) accounting firms as the Bank's joint independent auditors, for the period starting on the date of the present annual general meeting's approval until the end of the next annual general meeting of the Bank, and to authorize the Bank's Board of Director to determine their remuneration, is a "regular 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.

5.2. The majority required to pass a resolution on Topics 6 to 8 on the agenda, dealing with the appointment of two external directors (pursuant to Directive 301) to the Bank's Board of Directors, is a "regular majority" out of the total votes of shareholder 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.

5.3. Pursuant to the provisions of Section 239(b) of the Companies Law, and taking into consideration the fact that the bank is a corporation without a control core, the majority required in order to pass a resolution on Topics 3 to 5 on the agenda, dealing with the appointment of two EDs (pursuant to the provisions of the Companies Law) to the Bank's Board of Directors is a normal majority out of the total voting rights of the shareholders that are entitled to vote and that vote themselves, as long as one of the following conditions is met: (a) the count of majority votes shall include a majority out of the participants in the vote who have no personal interest in the approval of the appointment; or (b) the total objecting votes from among the shareholders detailed in Subsection (a) above shall not exceed a rate of 2% of all voting rights in the Bank. Abstaining votes shall not be taken into account in counting the votes of the said shareholders.

5.4. **Personal interest, interested party in the bank, senior office holder and institutional investor**

- a. Section 267A(b)(1) of the Companies Law stipulates, among other things, that "the provisions of Section 276 shall apply, *mutatis mutandis*, to anyone who has a

personal interest.” Section 276 to the Companies Law stipulates that: “If a shareholder participates in a vote under section 275, then he shall inform the company before the vote – and if the vote is by voting ballot, on the voting ballot – whether or not he has a personal interest in the approval of the transaction; if the shareholder failed to inform as aforesaid, then he shall not vote and his vote shall not be counted.”

- b. *It is hereby clarified that Section 1 to the Companies Law stipulates that a personal interest is also “a personal interest of a person who votes according to a power of attorney given to him by another person, even if that other person has no personal interest, and the vote of a person who was given a power of attorney to vote on behalf of a person with a personal interest shall also be considered as the vote of a person with a personal interest, regardless of whether the voter can exercise discretion regarding the vote or not.”*
 - c. Therefore, a shareholder participating in a vote, is required to inform the Bank before casting his vote in the Meeting or, if he votes via a voting ballot, on the voting ballot, if he has personal interest in the approval of items 3 to 5 on the agenda of the General Meeting – the appointment of Mr. Yoram Gabbay, Ms. Tamar Gottlieb and/or Mr. Refael Danieli as ED. **A shareholder who fails to give such notice shall not be regarded as having voted on that item, and his vote shall not be counted.**
 - d. Furthermore, a shareholder participating in a vote is required to inform the Bank before casting his vote in the Meeting or, if he votes via a voting ballot, on the voting ballot, if he is an interested party of the bank (as the term “interested party” is defined in Section 1 of the Securities Law, 5728-1968), a senior officeholder in the Bank (as the term “senior office holder” is defined in Section 37(d) of the said law), an institutional entity as defined in regulation 1 to the Supervision of Financial Services Law (Insurance), 5741-1981, or a fund manager as defined in the Joint Investment Trust Law, 5754-1994. If the participating shareholder is an interested party, senior office holder, institutional entity or fund manager, he is required to provide details regarding other relationships he has with the Bank or senior office holders of the Banks and regarding the nature of those relationships. If the vote is cast under power of attorney, such details shall also be given to the grantor and the recipient of the power of attorney.
6. A proxy statement shall have effect only if it is attached a certificate of ownership of the unregistered shareholder on the effective 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 is attached a photocopy of an identity card, passport or certificate of incorporation. The Bank must be delivered, at the address detailed in Section 8 below, this Proxy Statement together with the documents attached thereto, as foregoing, no later than four hours before the time of the convening of the meeting, i.e. by 10:30 AM on Thursday, October 4, 2018.

7. Time of turning off the Electronic Voting System - Unregistered shareholders may also vote with respect to all of the items on the agenda of the General Meeting via an electronic voting ballot that will be sent through the Electronic Voting System. Voting shall be possible starting from the end of the effective date and until 6 hours before the convening of the general meeting, i.e. until 8:30 on Thursday, October 4, 2018.
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: September 24, 2018 (inclusive).
10. Deadline for producing the Board of Directors' response to statements of position: by Sunday, September 30, 2018 (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 statements of position 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 effective date (Wednesday, September 5, 2018) 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 itself or through an agent on its behalf, after the convening of the general meeting, at the Bank's registered headquarters, during regular work hours, the statements of proxy as detailed in Regulation 10 of the Regulations.
The quantity of shares constituting 5% of the total voting rights in the Bank is: NIS 75,384,149 par value ordinary shares of the Bank (as of August 28, 2018).
15. 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 its 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), 5766-2005 (the
"Regulations")

Company: Bank Leumi of Israel Ltd.

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, October 4, 2018, 14:30.

Type of meeting: Annual.

Record date: Wednesday, September 5, 2018.

Shareholder Information

Shareholder name - _____

ID no. - _____

If the shareholder does not have an Israeli ID card -

Passport no. - _____

Country of issue - _____

Expiry date - _____

If the shareholder is a corporation -

Corporation no. - _____

Place of incorporation - _____

Votes

No. of topic on the agenda	Vote ¹			On the matter of the appointment of an External Director (Section 239(b) or 245(a1) of the Companies Law) - Are you an interested party or do you have any personal interest in approving the appointment? ²	
	In favor	Against	Abstaining	Yes	No
2. The re-appointment of the auditing firms Somekh Chaikin and Kost Forer Gabbay & Kasierer as joint independent auditors of the Bank and the authorization of the Bank's Board of Directors to set their fees					
3. Election of an ED pursuant to the provisions of the Companies Law - Mr. Yoram Gabbay					
4. Election of an ED pursuant to the provisions of the Companies Law - Ms. Tamar Gottlieb					
5. Election of an ED pursuant to the provisions of the Companies Law - Mr. Refael Danieli					
6. Election of an external director pursuant to the provisions of Directive 301 - Dr. Shmuel Ben Zvi					

7. Election of an external director pursuant to the provisions of Directive 301 - Dr. Yoram Turbowicz				
8. Election of an external director pursuant to the provisions of Directive 301 - Mr. Ohad Marani				

Details:

Are you an interested party, senior officer³, fund manager⁴ or institutional investor⁵? Yes _____ No _____.

If yes, please provide details regarding additional relations between you and the Bank or senior officers in the Bank, and the nature of such relations:

Please detail your interest or other characteristic as a shareholder or your personal interest, as relevant, in passing Resolution 3 detailed above:

Please detail your interest or other characteristic as a shareholder or your personal interest, as relevant, in passing Resolution 4 detailed above:

Please detail your interest or other characteristic as a shareholder or your personal interest, as relevant, in passing Resolution 5 detailed above:

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 attached a 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 The vote of a shareholder who does not fill this column or who signs "yes" and does not specify, shall not be counted.

³ As the term "senior officer holder" is defined in Section 37(d) of the Securities Law, 5728-1968.

⁴ As the term is defined in the Joint Investments Trust Law 5754-1994.

⁵ As the term "institutional investor" is defined in Regulation 1 of the Companies Regulations (Voting by Ballot and Position Statements), 5766-2005.