

# BANK LEUMI LE-ISRAEL LTD.

Registrar Number: 520018078

To: Israel Securities Authority <a href="http://www.isa.gov.il">www.isa.gov.il</a>	To: Tel Aviv Stock Exchange Ltd. <a href="http://www.tase.co.il">www.tase.co.il</a>	T121 (public)	Magna transmission date: 04/09/2024 Reference: 2024-01-600850
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## IMMEDIATE REPORT OF GENERAL MATERIAL INFORMATION

**Explanation: Do not use this form when there is a customized form for the reported event**

**This reporting form is intended for material reports for which there is no customized dedicated form**

**Issue results should be reported on T20 and not on this form.**

**Reporting of bond rating or corporate rating must be submitted using form T125**

**Nature of the event:** *Possible offering of bonds and commercial securities*

Reference numbers of previous reports on the matter: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

File attachment **Possible offering of bonds and cs isa.pdf**

The Company *is not* a shell company as defined in TASE regulations.

The date when the corporation first learned of the event: 04/09/2024 at: 11:20

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

	<b>Name of signatory</b>	<b>Position</b>
<b>1</b>	<i>Omer Ziv</i>	<i>Other Head of Capital Markets Division</i>

**Explanation:** According to Regulation 5 of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970, a report filed pursuant to these regulations shall be signed by those authorized to sign on behalf of the corporation. The staff's position on this matter can be found on the Authority's website: [click here](#).

Reference numbers of previous documents on the matter (the citation does not constitute inclusion by way of reference):

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

Form structure revision date: 06/08/2024

Abbreviated name: Leumi

Address: 3 Abba Hillel Silver, Lod 7129404 Telephone: 076-8858111, 076-8859419 Fax: 076-8859732

E-mail: [David\\_S@bll.co.il](mailto:David_S@bll.co.il) Company website: [www.leumi.co.il](http://www.leumi.co.il)

Previous names of reporting entity:

Name of electronic reporter: Bainhoren Shelly, Position: Bank Secretary, Name of Employing Company:

Address: 3 Abba Hillel Silver, Lod 7129404 Telephone: 076-8859419 Fax: E-mail:

[Shelly.Bainhoren@BankLeumi.co.il](mailto:Shelly.Bainhoren@BankLeumi.co.il)

**Bank Leumi le-Israel Ltd. ("the Bank")**

September 4, 2024

To  
Israel Securities Authority  
[www.magna.isa.gov.il](http://www.magna.isa.gov.il)

To  
Tel Aviv Stock Exchange Ltd.  
[www.maya.tase.co.il](http://www.maya.tase.co.il)

Dear sir or madam,

**In Re: Possible Offering of Bonds and Commercial Securities**

The Bank is pleased to report as follows:

1. The Bank is exploring the possibility of conducting a public offering of ordinary bonds of the Bank, by way of expanding the series of bonds (series 185) and/or bonds (series 186), which are traded on the Tel Aviv Stock Exchange Ltd. (hereafter – "**TASE**"). Furthermore, the Bank is exploring the possibility of conducting a public offering of a new series of commercial securities (series 6) and listing them for trade on TASE (hereafter, collectively – "**the securities**"). The offering of the securities by the Bank (hereafter – "**the offering**"), if and insofar as such is executed, shall be carried out pursuant to a shelf offering report that the Bank shall publish by virtue of the Bank's shelf prospectus of May 28, 2024 (dated May 29, 2024) (reference number: 2024-01-053410).
2. Attached please find draft terms of the commercial securities (series 6). It should be clarified that the text of the attached terms of the commercial securities (series 6) serves only as a draft and that the binding text shall be the text that shall be included in the shelf offering report, if and insofar as such is published.
3. It should be emphasized that the execution of the offering, the structure of the offering, its scope, terms and timing have yet to be determined and these are subject to the Bank's discretion and are contingent, *inter alia*, on the existence of suitable market conditions and the receipt of all the approvals required by law and including approval of the competent organs at the Bank and TASE approval for listing the securities for trade, as stated, which as of the date of this report have not yet been received.
4. It is clarified that this report does not create any obligation on the Bank to conduct the offering and nothing stated herein constitutes any kind of public offering or invitation to purchase securities of the Bank.

Respectfully,

**Bank Leumi le-Israel Ltd.**

Omer Ziv, Head of Capital Markets Division

**BANK LEUMI LE-ISRAEL LTD.**

**Commercial securities (Series 6) NIS 1 Face Value Each**

1. This certificate is from a series of registered commercial securities (series 6), payable in one payment on [ ] 2025.
2. Certificate number: \_
3. The total face value of the commercial securities (series 6) included in this certificate is NIS \_.
4. The registered owner of the commercial securities (series 6) included in this certificate is the Bank Leumi le-Israel Registration Company Ltd. (hereafter – **"the Registration Company"**).
5. This certificate attests that Bank Leumi le-Israel Ltd. (hereafter – **"the Bank"**) shall pay on [ ] 2025, 100% of the face value of this certificate to the Registration Company, or to whoever shall be the holder of the commercial securities (series 6) on the date of payment.
6. The commercial securities (series 6) are not linked to any index or currency.
7. The commercial securities (series 6) are not secured by lien.
8. All the commercial securities (series 6) shall stand on equal footing among themselves (*pari passu*), without any preferential right over one another.
9. This certificate is issued pursuant and subject to the terms of the commercial securities (series 6).

Issued with the Bank's seal stamped on: \_\_\_\_\_

\_\_\_\_\_  
**Bank Leumi le-Israel Ltd.**

**Attorney Certification**

I the undersigned, \_\_\_\_\_, attorney of Bank Leumi le-Israel Ltd. (**"the Bank"**), certify that this certificate was duly signed by the authorized signatories of the Bank.

\_\_\_\_\_  
\_\_\_\_\_, **Adv.**

## **TERMS OF COMMERCIAL SECURITIES (SERIES 6)**

### **1. Definitions**

1.1. In this document, the following terms shall have the meaning beside them, unless a different intention is implied from the subject matter or their context:

<b>"The commercial securities"</b>	-	The commercial securities (series 6) the terms of which are in accordance with the terms of the commercial securities (series 1) and the offer report;
<b>"Holders' meeting"</b>	-	Meeting of holders of the commercial securities (series 6);
<b>"The Bank"</b>	-	Bank Leumi le-Israel Ltd.;
<b>"The offer report" and/or "the shelf offering report"</b>	-	The shelf offering report under which the commercial securities (series 6) are to be initially offered and issued.
<b>"Rating company"</b>	-	As 'rating company' is defined in the Regulation of Activities of Credit Rating Companies Law, 5774-2014;
<b>"Securities Law"</b>	-	Securities Law, 5728-1968 and the regulations enacted thereunder as they shall be from time to time;
<b>"The Companies Law"</b>	-	The Companies Law, 5759-1999 and the regulations enacted thereunder as they shall be from time to time;
<b>"Business day"</b>	-	Any day on which most of the banks in Israel are open for conducting transactions;
<b>"Trading day"</b>	-	Any day on which securities trading takes place on the stock exchange;
<b>"The register"</b>	-	A register of holders of the commercial securities (series 6) as stated in section 7 below;
<b>"The stock exchange"</b>	-	The Tel Aviv Stock Exchange Ltd.;

<b>"Simple majority resolution"</b>	-	A resolution adopted at the general meeting of holders of the commercial securities (series 6) attended, either in person or by their proxies, by holders of at least fifty percent (50%) of the face value of the outstanding balance of the commercial securities (series 6) in circulation on the date set for the meeting, or at a deferred meeting of this meeting attended, either in person or by their proxies, by holders of at least twenty percent (20%) of the aforesaid balance, and which was adopted (either at the original meeting or at the deferred meeting) by a majority of at least fifty percent (50%) of all votes of persons participating in the vote, excluding abstaining votes.
<b>"Special resolution"</b>	-	A resolution adopted at the general meeting of holders of the commercial securities (series 6) attended, either in person or by their proxies, by holders of at least fifty percent (50%) of the face value of the outstanding balance of the commercial securities (series 6) in circulation on the date set for the meeting, or at a deferring meeting of this meeting attended, either in person or by their proxies, by holders of at least twenty percent (20%) of the aforesaid balance, and which was adopted (either at the original meeting or at the deferred meeting) by a majority of at least seventy five percent (75%) of all the votes of persons participating in the vote, excluding abstaining votes.
<b>"Registration Company"</b>	-	The Bank Leumi le-Israel Registration Company Ltd.;
<b>"Principal"</b>	-	The total face value of the commercial securities (series 6);
<b>"Bank of Israel interest"</b>	-	The interest rate for non-indexed New Israeli Shekels announced from time to time by the Governor of the Bank of Israel as the declared interest rate of the Bank of Israel or any interest rate that is set by any competent authority in lieu of said rate;
<b>"The interest period"</b>	-	As defined in section 3.3 below;
<b>"Prospectus"</b>	-	The Bank's shelf prospectus bearing the date May 29, 2024;

## 2. **Maturity of the commercial securities**

On [ ] 2025, the Bank shall repay the full principal and interest in respect of the commercial securities.

## 3. **Terms of the commercial securities**

3.1. The principal and the interest in respect of the commercial securities shall be paid together and in a single payment on [ ] 2025. The commercial securities being offered shall be issued at 100% of their face value. The commercial securities shall

not be linked (principal and/or interest) to the consumer price index or to any other index or currency.

- 3.2. The principal of the commercial securities shall bear annual interest calculated as a weighted average (according to the number of days in the interest period as this term is defined in section 3.3 below) of the Bank of Israel's interest rates that were in effect during the interest period, plus a fixed annual margin that shall be determined by a tender that shall be held in a manner and at a time to be designated in the shelf offering report under which the commercial securities (series 6) shall be initially offered and issued (hereafter – "**the interest**" and "**the tender**", respectively) and that shall not exceed an annual margin of [\_%], which shall be paid in one payment together with the principal as detailed above. The calculation of the interest rate shall be made as detailed in section 3.4 below. The Bank shall publish the annual margin rate that is determined in the tender, as part of an immediate report on the result of the offering that is the subject of the shelf offering report to be published on the first trading day subsequent to the date of the tender.
- 3.3. The interest shall be paid on [\_] 2025, together with the single payment of the principal of the commercial securities, in respect of a period commencing on the first trading day subsequent to the date of the tender and ending on the last day prior to the date of such payment (hereafter – "**the interest period**"). The interest shall be calculated according to the actual number of days in this period, based on 365 days a year.
- 3.4. Up to four trading days before the date of payment of the interest, as specified in section 3.1 above, the Bank shall publish in an immediate report the interest rate that shall be paid. The calculation of the interest rate shall be made by calculating a weighted average (according to the number of days in the interest period) of the Bank of Israel's interest rates that were in effect each day of the interest period, plus a fixed margin rate that shall be determined by a tender.

It should be clarified that in the event that there is a change in the Bank of Israel interest subsequent to the date of publication of the immediate report on the interest rate and up to the date of payment of the interest, the interest for the days from the day of publication of the immediate report (inclusive) to the date of payment shall be calculated assuming that the interest is Bank of Israel interest according to its rate as determined on the business day preceding the day of publication of the immediate report, plus the margin rate as stated.

The following is an example of how to calculate the interest for an interest period:

If there were 350 days during the interest period, on 175 days of which the Bank of Israel interest rate stood at 4.5% and on 175 days of which it stood at 4.25%, then the weighted average of the Bank of Israel interest during the period shall be 4.375% according to the following calculation:

$$(175 \times 4.5\%) + (175 \times 4.25\%) / 350 = 4.375\%$$

If the margin to be determined in the tender was 1%, then the interest rate in annual terms to be paid for the interest period in respect of which the above calculation was made shall be 5.375% and the actual interest rate for the interest period, stated with four-digit accuracy after the decimal point, shall be 5.1541 according to the following calculation:

$$(350 / 365) \times 5.375\% = 5.1541\%$$

4. **Provisions with regard to the payments**

- 4.1. The payment on account of the interest and/or the principal of the commercial securities shall be paid against the delivery of the commercial security certificates to the Bank, on the payment date, at its registered office or anywhere else notified by the Bank. The Bank's notice, as stated, shall be published no later than five (5) business days prior to the payment date.
- 4.2. Whenever a payment date on account of a principal and/or interest amount falls on a day other than a business day, the payment date shall be deferred to the next first business day at no additional charge.
- 4.3. It is clarified that a delay in repaying the principal of the commercial securities and/or interest, which exceeds five (5) business days from the date set for its payment pursuant to the terms of the commercial securities, and this for reasons dependent on the Bank, shall bear arrears interest as defined below as of the end of five (5) business days from the date set for its payment and until the date of its actual payment (hereafter – "**the period of arrears**") and it should be clarified that during the period of arrears such payment shall not bear interest on the commercial securities (beyond the arrears interest). For this purpose, the arrears interest rate shall be the interest rate on the commercial securities plus interest at an annual rate of 1%, which shall be calculated in relation to the period of arrears based on 365 days a year. The Bank shall give notice in an immediate report, two (2) days prior to the payment of the unpaid principal and/or interest, of the exact arrears interest rate to be paid, as well as of the date of payment.
- 4.4. The repayment of the commercial securities shall be made without any indexation, as stated in section 3 above.
- 4.5. The payment according to the commercial securities to the person entitled to such payment shall be made by bank transfer to the credit of the bank account of the persons whose names shall be recorded in the register of holders of the commercial securities and that is specified in the details that he shall provide in writing to the Bank in advance, as set forth in section 4.7 below, as the account to the credit of which the payment according to the commercial securities should be transferred, or in the event that the clearing is executed through the clearing house of the Tel Aviv Stock Exchange Ltd. (hereafter – "**the clearing house**") – through the clearing house. If the Bank is unable to pay any amount to a holder for a reason dependent on the aforementioned holder, it shall act as set forth in section 5 below.



- 4.6. A registered holder of the commercial securities shall notify the Bank of the bank account details for crediting payments to the same holder according to the commercial securities as stated above, or of a change in the details of said account or in his address, as applicable, by written notice that is to be sent by registered mail to the Bank. The Bank shall be obligated to act according to the holder's notice with regard to such change only if it has reached its registered office fifteen (15) business days prior to any payment date according to the terms of the commercial securities.
- 4.7. If such holder of the commercial securities has not provided details with regard to his bank account to the Bank in advance, each payment on account of the principal and the interest shall be made by a check that shall be sent by registered mail to his last address recorded in the register of holders of the commercial securities. For all intents and purposes, sending a check to the entitled person by registered mail, as stated, shall be deemed payment of the amount denominated on said check on the date it is sent by mail, provided that it is paid upon its proper presentation for collection.
- 4.8. Any compulsory payment to the extent required by law shall be deducted at source from any payment in respect of the commercial securities.

5. **Payment failure for a reason independent of the Bank**

- 5.1. Any amount that is due to a holder of the commercial securities that is not actually paid on the date set for its payment, for a reason independent of the Bank, while the Bank was willing to pay it (hereafter – "**the hindrance**") shall cease bearing interest from said date and said holder shall only be entitled to the same amount.
- 5.2. The Bank shall hold said amount in trust and shall invest this amount, in his name or by his order, at its discretion, in government bonds or in daily bank deposits at one of the five largest banks on behalf of the holder for a period of up to the end of seven (7) years from the final redemption date of the commercial securities and it shall make no use of said securities during this period.
- 5.3. After the Bank received notice regarding the absence of a hindrance from the holder, the Bank shall transfer all the funds accumulated in respect of the investment as set forth in section 5.2 above and the realization of such investment to the holder, less all the expenses and the trust account management fees and less any tax by law. The payment shall be made against the presentation of such proof as shall be acceptable in the Bank's opinion, with regard to the holder's right to receive the same.
- 5.4. Such funds that are not demanded from the Bank by a holder of the commercial securities at the end of seven (7) years from the final redemption date of the commercial securities, shall be transferred to the Bank's ownership and it shall be allowed to use the remaining funds for any purpose whatsoever.

6. **Splitting and transferring the commercial securities**

- 6.1. Any commercial security certificate can be split into a number of commercial security certificates, with the total principal amounts denominated on them being equal to the denominated principal amount of the certificate requested to be split. The new commercial security certificates that are to be issued following the split shall be in face value amounts in whole New Israeli Shekels on one. Such splitting of a certificate shall be done against a split request signed by the registered owner of those same commercial securities or his legal representatives, which shall be delivered to the Bank at its registered office, together with the commercial security certificate requested to be split, for the purpose of executing the split.
- 6.2. All the expenses entailed with the split, including taxes and surcharges, if any, shall be borne by the party requesting the split.
- 6.3. The commercial securities are transferable with respect to any face value amount, provided that it shall be in whole New Israeli Shekels. Any transfer of the commercial securities (save a transfer executed through a stock exchange member) shall be made according to a transfer deed in the customary version, properly signed by the registered holder or his legal representatives and by the transfer recipient or his legal representatives, which shall be delivered to the Bank at its registered office together with the certificate of the commercial securities being transferred according to the same, as well as any other reasonable proof that shall be required by the Bank in order to prove the identity and right of the transferor to transfer them, and together with the amount required in order to pay tax and other mandatory government payments, if any, in respect of the transfer. The Bank shall be allowed to retain the transfer deed in its possession. Without derogating from the aforesaid, it should be clarified that the commercial securities are to be listed for trade on the stock exchange subject to the following provisions in section 22, and therefore their transfer in the framework of trading on the stock exchange shall be executed as set forth in the stock exchange regulations, the guidelines thereunder and the bylaws of the stock exchange clearing house as such shall be in effect at the time.
- 6.4. Subject to the aforesaid, procedural rules included in the Bank's regulations in relation to the manner of transferring shares shall apply, *mutatis mutandis*, as applicable, in regard to the manner of transferring the commercial securities and the endorsement of the same.
- 6.5. If any mandatory payment applies to the transfer deed of the commercial securities or to the transfer itself, reasonable proof of its payment shall be delivered to the Bank by the party requesting the transfer, to the Bank's satisfaction.
- 6.6. In the case of a transfer of the commercial securities with respect to only part of the face value amount written on the commercial security certificates, pursuant to the provisions of this section 6 above, first the certificate shall be split into a number of certificates of the commercial securities as this requires, in such manner that the total of all the face value amounts written on them shall be equal to the face value amount written on the aforesaid commercial security certificate.

- 6.7. After all the designated terms are met, the transfer shall be recorded in the register of holders of the commercial securities and all the terms specified in this bond shall apply to the transferee.
- 6.8. All the expenses and fees entailed with the transfer of the commercial securities shall be borne by the party requesting the transfer.

7. **Register of holders of the commercial securities**

- 7.1. The Bank shall keep and manage at its registered office a register of holders of the commercial security, which shall record the names of holders of the commercial securities, the number and the face value of the commercial securities registered in their names. The Bank may close the register from time to time for a period or periods, which collectively shall not exceed 30 days a year. The Bank shall not record transfers during said period.
- 7.2. All the holders of the commercial securities shall be allowed to inspect the register of holders of the commercial securities at any reasonable time.
- 7.3. The register shall constitute *prima facie* proof of the accuracy of what is recorded therein. In the case of a discrepancy between what is recorded in the register and the commercial security certificate, the evidentiary value of the register shall take precedence over the evidentiary value of the commercial security certificate.
- 7.4. The Bank shall not be required to record in the register of holders of the commercial securities any notice regarding an express, implied or presumed trust, pledge or lien of any kind or any equitable right, claim or offset or any other right in relation to the commercial securities. The Bank shall only recognize the ownership of the person in whose name the commercial securities were registered. The legal heirs, estate administrators or executors of the will of the registered holder and any person who shall be entitled to the commercial securities due to the bankruptcy of any registered holder ( and if the holder is a corporation – due to its liquidation) shall be allowed to be registered as the holders of the same after providing proof that in the Bank's opinion shall be sufficient to prove their right to be registered as the holders of said commercial securities.
- 7.5. The provisions of the Bank's regulations with regard to registration in the register of shareholders, recognition of heirs, executors and guardians of a deceased shareholder, with regard to joint shareholders and with regard to providing notices to shareholders, shall apply, *mutatis mutandis*, also to holders of the commercial securities.

8. **Meetings of holders of the commercial securities**

With regard to convening and conducting the general meetings of holders of the commercial securities, the provisions of the first addendum to the terms of the commercial securities shall apply.

9. **Purchase of commercial securities by the Bank and/or by a controlled corporation**

- 9.1. Subject to any law, the Bank reserves the right to purchase, either on or off the stock exchange, at any time, commercial securities (series 6) at any price that it sees fit (and from sellers chosen at its discretion and without having any obligation to appeal to all the holders of the commercial securities), and this without prejudice to the Bank's compliance with its obligations towards the holders of the commercial securities in circulation.

The commercial securities that shall be purchased by the Bank shall be cancelled when purchased and delisted from trade on the stock exchange and the Bank shall not be allowed to reissue them. In the event of such purchase of commercial securities by the Bank, the Bank shall give notice to such effect in an immediate report, to the extent required by law. In the event that the commercial securities are so purchased by the Bank, the Bank shall contact the clearing house with a request to withdraw the commercial security certificates.

- 9.2. Subject to any law, a corporation controlled by the Bank (hereafter – "**controlled corporation**"), shall be allowed to purchase and/or sell, at any time, on or off the stock exchange, including as part of an offering by the Company, commercial securities (series 6) at its discretion and at any price that it sees fit. The commercial securities that shall be held by a controlled corporation, as stated, shall be deemed an asset of the controlled corporation, they shall be cancelled and not delisted from trade on the stock exchange (except subject to the stock exchange terms) and shall be transferable just as the other commercial securities of the Bank. In the event of a purchase and/or sale of the commercial securities by a controlled corporation, the Bank shall notify of such purchase / sale in an immediate report, to the extent required by law. So long as the commercial securities (series 6) are owned by a controlled corporation, they shall not grant such corporation voting rights at the general meetings of holders of the commercial securities (series 6) and they shall not be counted for the purpose of determining the existence of the lawful quorum required to open these meetings and shall not be included in the "balance of the face value of the securities in circulation" in regard to voting and the counting of attendees and votes at the meetings.

- 9.3. Nothing stated in this section 9, *per se*, obligates the Bank and/or a controlled corporation to purchase or to sell commercial securities.

10. **Absence of collateral**

- 10.1. The commercial securities shall not be secured by collateral, by any liens or in any other manner.
- 10.2. The Bank shall be allowed to pledge all and/or any part of its assets, with any lien and in any manner, in favor of whoever it deems appropriate, with no restriction, and under any rank, including to secure any commercial securities from other series (or any series of bonds), or other obligations, without any need for any consent from the holders of the commercial securities. Moreover, the Bank shall

be allowed, from time to time, to sell, pledge, lease, assign, surrender or transfer in any other manner, in favor of a third party, its property or any part thereof, without having to obtain approval from the holders of the commercial securities.

11. **Priority ranking**

All the commercial securities shall have a regular maturity ranking, which shall be equal to the maturity ranking of all the deposits deposited at the Bank from time to time and shall be placed at an equal rank in relation to the amounts due in respect thereof, *pari passu*, among themselves and between them and all the commercial securities and bonds of the Bank or other obligations of the Bank, save obligations for which a subordinate maturity ranking to the one of the commercial securities has been or shall be set, or obligations of the Bank for which a senior maturity ranking has been or shall be set and with no preference or priority over one another. It should be clarified that notwithstanding the aforesaid, the Bank shall not issue a different class of securities, other series of commercial securities or other securities of any type and class that have a senior maturity ranking to the commercial securities, save insofar as securities secured by collateral are concerned.

12. **Obligations in regard to the rating of the commercial securities**

12.1. The Bank undertakes to act so that up to the date of full repayment of the commercial securities, insofar as this is within its control, the commercial securities shall be under rating tracking by at least one rating company. It is clarified in this regard that the transfer of the commercial securities to a watch list or any other similar action carried out by the rating company shall not be deemed a discontinuation of rating.

12.2. The Bank does not undertake not to replace a rating company throughout the life of the commercial securities, however in the event that it replaces the rating company, the Bank shall publish in an immediate report the circumstance that led to such change, as soon as possible in the specific circumstances. Moreover, the Bank undertakes that in the event of the replacement of a rating company, for any reason whatsoever, the Bank shall act to ensure that there is an overlap between the ratings of the companies, so that insofar as this is within its control, at no point in time shall the commercial securities be traded without a rating.

13. **Early redemption initiated by the Bank**

The Bank shall not be allowed to call for full or partial early redemption of the commercial securities on its own initiative.

14. **Series expansion**

14.1. The Bank may issue in any manner (whether by a private placement, or as part of a prospectus, or pursuant to a shelf offering report) and at any time and from time to time, at its sole discretion, without needing the consent of the holders of the commercial securities (series 6) or having to give notice to any of them to this effect, including to a controlled corporation as defined in section 9.2 above, in

accordance with the provisions of any law, commercial securities (series 6) with terms identical to the terms of the commercial securities (series 6) in circulation, at any price and in any manner that it sees fit and all the provisions of the terms of the commercial securities that apply to the commercial securities (series 6) in circulation shall also apply with respect to all such additional commercial securities (series 6) that shall be issued by the Bank. Notwithstanding the aforesaid, such expansion of the series shall be done subject to obtaining prior confirmation from the rating company that such expansion of the series shall not prejudice the rating of the commercial securities as such shall be on the eve the additional commercial securities are issued and subject to none of the grounds for immediate repayment of the commercial securities (series 6) specified in section 17 below holding true at the time.

- 14.2. The Bank shall contact the stock exchange with a request to register the additional commercial securities (series 6) when they are offered.

15. **Offering of additional securities**

Subject to any law, the Bank may issue in any manner and at any time and from time to time (either by a private placement or by a public offering pursuant to a prospectus) at its sole discretion without needing the consent of the holders of the commercial securities (series 6) or having to give notice to any of them, including to a controlled corporation as defined in section 9.2 above, securities of a different class or other series of commercial securities or other securities of any type and class, with or without ancillary rights to purchase shares of the Bank, on interest, linkage, collateral, maturity terms as the Bank shall deem appropriate and other terms, whether preferential to the commercial securities, equal to them or subordinate to them. It should be clarified that notwithstanding the aforesaid, the Bank shall not issue securities of a different class or other series of commercial securities or other securities of any type and class that have a senior maturity ranking, including in the case of liquidation, to the commercial securities (series 6), save insofar as securities secured by collateral are concerned.

16. **Restrictions on the Bank in relation to dividend distribution or repurchase of shares**

With regard to restrictions that apply to the Bank in relation to a dividend distribution or repurchase of its shares, it should be noted that aside from the restrictions prescribed in the Companies Law, 5759-1999 (hereafter – "**the Companies Law**") with regard to distribution, including purchase (as these terms are defined in the Companies Law), as at the date of this report, Directive Number 332 of the Proper Conduct of Banking Business Directives of the Banking Supervision Department prohibits a banking corporation and a corporation under its control from executing a purchase of securities issued by it (the definition of "securities" in the aforementioned Directive Number 332 – "shares of the banking corporation or securities convertible into shares of the banking corporation or exercisable into shares of the banking corporation"). It is clarified that beyond the aforesaid there is no further restriction on the Bank by virtue of the wording of the terms of the commercial securities (series 6) in relation to the Bank's right to distribute a

dividend to its shareholders and/or to execute a repurchase of its shares and/or to execute any other distribution (as the term is defined in the Companies Law) pursuant to the provisions of the Companies Law. It is also clarified that nothing stated above creates any obligation on the part of the Bank towards holders of the commercial securities and it is provided solely for the sake of full disclosure.

17. **Immediate repayment**

17.1. Upon the occurrence of one or more of the contingencies listed below, a holder and/or holders of the commercial securities (series 6) at a rate of at least five percent (5%) of the face value of the outstanding balance of the commercial securities in circulation shall be allowed to summon a meeting of holders of commercial securities (series 6), the agenda of which shall include a resolution with regard to calling for the immediate repayment of the amount due to the holders pursuant to the terms of the commercial securities. A resolution calling for immediate repayment needs to be adopted by the holders of the commercial securities (series 6) by a simple majority resolution.

17.1.1. If a liquidator or a temporary or permanent trustee is appointed for the Bank by a court or if a valid resolution is adopted for the Bank's liquidation (save liquidation for purposes of a merger with another company) and such appointment or such resolution are not cancelled within 45 days of the day they are made. Notwithstanding the aforesaid, no cure period shall be afforded to the Bank if a permanent and final liquidation order is issued by the court or if a permanent liquidator is appointed for the Bank pursuant to a permanent and final order, or if the Bank has adopted a resolution for voluntary liquidation, as well as in relation to applications or orders submitted or issued, as applicable, by the Bank or with its consent. For the purpose of this section, "**trustee**" – as defined in section 4 of the Insolvency Law.

17.1.2. If a temporary and/or permanent receiver is appointed for the Bank and/or for all or a substantial part of its assets, or if a special administrator is appointed on behalf of the court and such appointment is not cancelled within 45 days, save in the case where a permanent receiver has been appointed, where then no cure period shall apply. Notwithstanding the aforesaid, no cure period shall be afforded to the Bank in relation to applications or orders submitted or issued, as applicable, by the Bank or with its consent.

17.1.3. If an application for receivership or for the appointment of a receiver (temporary or permanent) for all or a substantial part of the Bank's assets has been submitted by the Bank.

17.1.4. If an attachment is imposed on substantial assets of the Bank or an execution action is taken against all or some of them and the attachment is not removed and the action is not withdrawn within 45 days.

Notwithstanding the aforesaid, no cure period shall be afforded to the Bank in relation to applications and orders submitted or issued, as applicable, by the Bank or with its consent.

- 17.1.5. A fundamental breach of the terms of the commercial securities (series 6) has been committed and the Bank has not rectified this breach within 14 days of the date of receiving notice regarding such breach.
- 17.1.6. The Bank did not repay any of the payments that it owes to holders of the commercial securities or another material obligation given in favor of the holders has not been fulfilled and the Bank has not rectified this breach within 14 days of the date of receiving notice regarding such breach.
- 17.1.7. The Bank has not published a financial report that it is obligated to publish under any law, within 30 days of the deadline when it is obligated to publish such report, or another date approved by a competent authority, whichever is later.
- 17.1.8. The commercial securities have been delisted from trade on the stock exchange.
- 17.1.9. The Bank has discontinued or has notified of its intention to discontinue its payments, or if the Bank has ceased or has notified of its intention to cease conducting its banking business.
- 17.1.10. A stay of proceedings order has been issued to the Bank, including pursuant to the Insolvency Law, or an application has been submitted by the Bank to enter a compromise or arrangement with its creditors pursuant to section 350 of the Companies Law (save for the purpose of a merger with another company and subject to the following provisions in section 17.1.11 and/or a change in the Bank's structure, including a split, and save arrangements entered between the Bank and its shareholders that have no bearing on the solvency of the commercial securities), or an application has been submitted by the Bank for an arrangement or compromise with creditors pursuant to the Insolvency Law, or if an application pursuant to section 350 of the Companies Law or an application for an arrangement or compromise with creditors pursuant to the Insolvency Law is submitted against the Bank (and not with its consent), or an order to initiate proceedings against the Bank has been issued pursuant to the Insolvency Law (and not with its consent), which have not been dismissed or withdrawn within 45 days of the date of submission of the application or issuance of the order, as applicable. No cure period shall be afforded to the Bank in relation to an application for an order to initiate proceedings submitted with the Bank's consent or by the Bank.
- 17.1.11. A merger of the Bank has been carried out without obtaining prior approval of the holders of the commercial securities by a simple majority resolution, unless the surviving entity has declared to the holders of the



commercial securities, including through the trustee, at least ten business days prior to the date of the merger, that there is no reasonable concern that due to the merger the surviving entity would be unable to satisfy its obligations to the holders.

17.1.12. The stock exchange has suspended trade in the commercial securities, save a suspension for the cause of the emergence of a lack of clarity, as this cause is construed in Part IV of the stock exchange regulations and the suspension has not been cancelled within 60 days and save a general suspension not directed specifically at the Bank.

17.1.13. If the rating of the commercial securities is discontinued for a period of time that exceeds 60 consecutive days, save in the case where the discontinuation of the rating is due to reasons or circumstances beyond the control of the Bank. In this regard, it is clarified that the transfer of the commercial securities to a watch list or any other similar action carried out by the rating company shall not be deemed a discontinuation of rating.

17.1.14. If a sale of substantially all of the Bank's assets in Israel has been carried out, save in the case of a reorganization or merger.

For the purpose of this sub-clause, "substantially all of the Bank's assets in Israel" – the Bank's assets in Israel, as applicable, the cumulative value of which exceeds 50% of the total value of the Bank's assets in Israel, as applicable, according to the Bank's last published financial statements.

17.2. Upon the occurrence of one or more of the events specified in section 17.1 above, the Bank shall convene, at the request of the holder and/or holders of at least five percent (5%) of the face value of the outstanding balance of the commercial securities in circulation, a meeting of holders of commercial securities (series 6) for the sake of appointing a trustee for the commercial securities (series 6) (above and below – "**the trustee**"). Without derogating from the right of such holders' meeting to appoint a trustee, in the event that the holders fail to reach an agreement with regard to the identity of the trustee, the Bank shall be allowed to appoint a trustee at its discretion. It should be further clarified that costs of the appointment and activities of the trustee shall be borne by the Bank and until it pays these amounts – they shall be borne by the holders.

17.3. Notwithstanding the aforesaid, the commercial securities shall not be called for immediate repayment unless a warning is given pursuant to a resolution of the meeting of holders of the commercial securities, or if a trustee has been appointed for the commercial securities, the trustee has given a warning, in advance and in writing, to the Bank of its intention to take action and the Bank has not fulfilled the terms of the warning within thirty (30) days of the day such warning is received. In said warning the Bank shall be required to bring about the withdrawal and/or cessation of the same contingency from the contingencies listed in section 17.1 above, for which the warning has been given. Notwithstanding the aforesaid, if the trustee or the meeting of holders of the commercial securities, as applicable,

shall be of the opinion that there is a reasonable concern that the delivery of the warning would prejudice the possibility of calling for the immediate repayment of the bonds, the trustee or the meeting of holders of the commercial securities may shorten the foregoing warning period, to the extent they deem necessary in order to avoid such prejudice, and provided that they give notice to this effect to the Bank in writing.

- 17.4. In this section 17, with regard to the phrases "substantial assets", "substantial part" of the Bank's assets and so forth, they mean assets with a value exceeding 50% of the total assets of the Bank Leumi group, as reported in the consolidated balance sheet of the Bank.

18. **Changes in the terms of the commercial securities**

- 18.1. Subject to the provisions of the Securities Law, the Bank may, either before or after the principal of the commercial securities is due for repayment, change the terms of the commercial securities, if one of the following holds true:

18.1.1. The change does not pertain to the payment dates and the repayment terms pursuant to the terms of the commercial securities (series 6), the interest rate and the grounds for calling for immediate repayment, and it does not prejudice holders of the commercial securities.

18.1.2. The change was approved by a special resolution, as defined above.

- 18.2. Holders of the commercial securities may by special resolution agree to waive any breach and/or non-fulfillment of any of the terms of the commercial securities (series 6) and comprise with the Bank in relation to any right or claim thereof and waive any right or claim towards the Bank pursuant to the commercial securities.

- 18.3. In addition to the aforesaid, the terms of the commercial securities (series 6) shall be subject to change as part of an arrangement or compromise, which has been approved by the court, pursuant to Section 350 of the Companies Law and/or pursuant to the Insolvency Law.

- 18.4. In any case of a change, waiver and/or compromise, as stated, in relation to the commercial securities, the Bank shall be allowed to demand from the holders of the commercial securities to deliver the commercial security certificates to the Bank, for the sake of entering a note with regard to any such change, amendment and/or compromise in the certificates to be delivered to the Bank.

19. **Statements and reports**

Insofar as the Bank ceases to be a reporting corporation, it shall deliver to the registered holders, in writing, the reports required pursuant to the provisions of the consolidated circular as such shall be in effect from time to time. For this purpose, "**the consolidated circular**" – the consolidated circular of the Commissioner of the Capital Market, Insurance and Savings to institutional bodies, as such shall be in effect from time to time. Notwithstanding the aforesaid, insofar as it shall be possible to continue publishing the

foregoing reports via the Magna and/or Maya system, the reports shall be made via these systems, in lieu of delivery of the reports to the trustee, as stated.

20. **Receipts as proof**

Without derogating from any of the terms specified above, a receipt signed by anyone registered in the register of holders of the commercial securities (series 6) shall constitute proof of the full settlement of any payment made by the Bank in respect of the commercial securities.

21. **Replacement of the commercial security certificates**

In the event that the commercial security certificate is frayed, lost or destroyed, the Bank shall be allowed to issue a new certificate of the commercial securities in its place and this in accordance with the terms that shall be requested by the Bank in relation to proof, indemnification and coverage of expenses incurred by the Bank in order to clarify the right of ownership of the commercial securities, as the Bank shall deem appropriate, provided that in the case of physical deterioration, the frayed commercial security certificate shall be returned to the Bank before the new certificate is issued. The surcharges and other expenses entailed with the issuance of the new certificate shall be borne by the party requesting said certificate.

22. **Listing the commercial securities (series 6) for trade on the stock exchange**

Subject to all the conditions for listing for trade on the stock exchange, upon completion of the offering, the commercial securities (series 6) shall be listed for trade on the stock exchange.

23. **The governing law and the jurisdiction**

The only court that shall be competent to hear any dispute or matter pertaining to the commercial securities (series 6) shall be the competent court in Tel-Aviv-Jaffa and they shall be governed solely by the laws of the State of Israel.

24. **Notices**

Any notice on behalf of the Bank to holders of the commercial securities (series 6) shall be given by reporting on the Magna system of the Israel Securities Authority.

## PROVISIONS WITH REGARD TO GENERAL MEETINGS OF HOLDERS OF THE COMMERCIAL SECURITIES (SERIES 6)

1. The trustee shall convene a holders' meeting on the demand of one or more holders who hold at least five percent (5%) of the outstanding balance of the face value of the principal of the commercial securities (series 6). In addition, the trustee or the Bank may, if they see a need to do so, summon the holders of the commercial securities (series 6) to a holders' meeting. If the Bank summons this meeting, it must send written notice to the trustee regarding the place, the day and the time when the meeting is to be held, as well as the matter to be brought for discussion thereat, and the trustee or a representative on his behalf shall be allowed to participate in such meeting without them having a right to vote. In the event that the parties requesting the summoning of the meeting are holders of the commercial securities (series 6), the trustee shall be allowed to demand indemnification from the requesting parties for the reasonable expenses that this entails.

It should be clarified that the demand for indemnification by the trustee shall not prejudice the summoning of a meeting summoned for the purpose of taking an action intended to prevent prejudice to the rights of the holders of the commercial securities (series 6) and this indemnification demand shall not derogate from the Bank's obligation to bear the expenses entailed with summoning the meeting.

A trustee who has been demanded to convene a holders' meeting by holders, as stated above, shall summon a holders' meeting within twenty one (21) days of the day the demand to convene such meeting was submitted to him, for a date to be set in the summons, provided that the date for convening such meeting is not earlier than seven (7) days and not later than twenty one (21) days from the date of the summons; however, the trustee may bring the convening of the meeting forward, to at least one day after the date of the summons, if he believes that this is necessary in order to protect the rights of the holders.

2. Every meeting of holders of the commercial securities (series 6) shall be held in Israel, at the registered office of the Bank or another place notified by the Bank and/or the trustee and the Bank shall bear the reasonable costs of convening the meeting, whether or not the meeting is held at the registered office of the Bank.
3. A summons to a meeting from the trustee solely for the sake of consultation with holders of the commercial securities (series 6) shall be published at least one day prior to the date such meeting is convened ("**consultation meeting**"). No agenda shall be published for a consultation meeting and no resolutions shall be adopted thereat.
4. The Registration Company shall not exercise the voting rights on account of the commercial securities (series 6) registered in its name in the register of holders of the commercial securities and these voting rights are granted to the holder, or to the person designated by him, provided that the holder has received a voting power of attorney from the Registration Company.

5. Any resolution duly adopted at a meeting summoned as set forth above shall not be invalidated even if due to an error notice thereof was not given to all holders of the commercial securities (series 6), or such notice was not received by all holders of the commercial securities. The foregoing in this section shall hold true insofar as the summons to the meeting (or to a deferred meeting, as applicable) has also been sent via the Magna system.
6. Any notice on behalf of the Bank and/or the trustee to holders of the commercial securities (series 6) shall be given in accordance with the provisions of the Securities Law, as such shall be from time to time.
7. A meeting of holders of the commercial securities (series 6) shall be opened after it is proven that the lawful quorum required to commence the deliberations is present, as follows:
  - 7.1. Subject to the provisions of the Securities Law and other provisions with regard to a lawful quorum prescribed in the text of the terms of the commercial securities (series 6), a lawful quorum shall be constituted at any meeting if at least two (2) holders of commercial securities (series 6) were present at such meeting, either in person or by proxy, who collectively hold or represent at least 25% of the outstanding balance of the face value of the commercial securities (series 6); and at a deferred meeting – if two (2) such holders were present at such meeting regardless of the face value held by them.
  - 7.2. At a meeting convened in order to adopt a special resolution, a lawful quorum shall be constituted if at least two (2) holders of commercial securities (series 6) were present at the meeting, either in person or by proxy, who collectively hold or represent at least 50% of the outstanding balance of the face value of the commercial securities (series 6); and at a deferred meeting – if two (2) such holders were present at such meeting, who collectively hold or represent at least twenty percent (20%) of the face value of said balance.
8. The provisions of section 17 of the terms of the commercial securities (series 6) shall apply to meetings summoned for the purpose of adopting a resolution to call for immediate repayment.
9. A holder who is a controlling shareholder at the Bank, a member of his family or a corporation controlled by either of them ("**related holder**"), shall not be taken into account for the purpose of determining the lawful quorum at a holders' meeting and his votes shall not be brought into the vote count when voting at such meeting.
10. If a lawful quorum was not present at the holders' meeting at the end of half an hour from the time set for commencing the meeting, the meeting shall be adjourned to another time not earlier than two business days subsequent to the record date set for holding the original meeting or one business day, if the trustee believed that this is necessary in order to protect the rights of the holders; if the meeting is adjourned, the trustee shall explain the reasons for doing so in the report on summoning the meeting and he may do so in the notice summoning the original meeting.

11. If a lawful quorum is not present at the adjourned holders' meeting, as stated in section 10 above, half an hour after the time set for the meeting, the meeting shall be held with any number of participants, unless a different requirement is prescribed in the Securities Law.
12. Pursuant to the trustee's decision or a simple majority resolution of the voters at a meeting at which a lawful quorum was present, from time to time the continuation of the meeting ("**the original meeting**"), the discussion or the adoption of a resolution on an item specified on the agenda shall be postponed to another time and to a place to be determined as the trustee or such meeting shall decide ("**the continuation meeting**"). At the continuation meeting only an item that was on the agenda and for which no resolution was adopted shall be discussed.
13. The trustee may declare that the original meeting and/or the continuation meeting shall be split into class meetings for discussion. The determination of the classes shall be subject to the sole discretion of the trustee.
14. Where a holders' meeting has been postponed without changing its agenda, the summons with respect to the new date for the continuation meeting shall be given as early as possible and no later than 12 hours prior to the continuation meeting; such summons shall be given in accordance with the provisions of section 24 of the terms of the commercial securities (series 6).
15. A person or persons who are appointed by the trustee, the Bank and any other person or persons permitted to do so by the Bank, shall be allowed to be present at the meetings of holders of the commercial securities (series 6), with no voting rights. In the event that according to the trustee's discretion, in part of the meetings a discussion outside the presence of the Bank's representatives is necessary, then the Bank or anyone on its behalf shall not participate in the same part of the discussion. Notwithstanding the aforesaid in this section 15, in any event, the Bank shall be allowed to participate in the opening of the meeting in order to convey its position in connection with any item on the agenda of the meeting and/or present a particular item (as applicable).
16. Every resolution shall be adopted by a vote by ballot.
17. At each holders' meeting, the trustee or a person appointed by him shall serve as chairperson of the same meeting. The meeting chairperson may determine that votes shall be by way of voting ballots or voting during the meeting. In the event that the chairperson has determined that the vote shall be by way of a voting ballot, the trustee shall ensure that the text of the voting ballot is posted on the Magna system and shall set the time for locking the vote by which the holders must send the complete and duly signed voting ballot to the trustee. The trustee may require a holder to declare within the framework of the voting ballot with regard to the existence or absence of a conflicting interest that such voter may have. A holder who does not complete the voting ballot in its entirety and/or does not prove his eligibility to participate and vote at the meeting pursuant to the provisions and times set by the meeting chairperson, shall be deemed a person who has failed to deliver a voting ballot and therefore has chosen not to vote on the item/s in the voting ballot. Accordingly, the trustee may, in accordance with his discretion and subject to any law, hold meetings by means of voting

ballots and without convening and hold a vote by means of voting ballots at an adjourned meeting at which the lawful quorum required for adopting a resolution was not present, provided that the trustee receives, by the time set for this purpose in the notice of convening the meeting or holding the vote, as applicable, voting ballots from holders constituting a lawful quorum required for the purpose of adopting the resolution at an original meeting or at an adjourned meeting, as applicable.

18. Where a meeting of holders of the commercial securities (series 6) has been convened (whether summoned by the Bank, holders or the trustee), the trustee shall examine whether a conflict of interest exists among holders of the commercial securities (series 6), either an interest arising from their holding of the commercial securities (series 6) or another interest they may have, as shall be determined by the trustee ("**another interest**"). The trustee may require a holder participating in a meeting to notify him, prior to the vote, of another interest he may have and whether he has such a conflict of interest.

Without derogating from the generality of the aforesaid, each one of the following shall be deemed to have a conflicting interest:

- 18.1. A holder that is a controlled corporation (as this term is defined in section 9.2 of the terms of the commercial securities (series 6));
  - 18.2. A holder who has served as an officer at the Bank near the time of the event at the basis the resolution at the meeting;
  - 18.3. Any holder with respect to whom the trustee has determined that he has a "conflicting interest" as set forth below and subject to any law and/or directive of a competent authority and including: Any holder who declares in writing to the trustee that he has any material personal interest that deviates from the interests of all the holders of the commercial securities (series 6) at the meeting of holders of the commercial securities. A holder who fails to deliver a written declaration after being requested to do so by the trustee shall be deemed a person who has declared that he has such personal interest and with respect to him the relevant trustee shall determine that he is a holder having a conflicting interest. Without derogating from the aforesaid in this section 18, the trustee shall examine whether a holder is a holder having a "conflicting interest" also taking into consideration said holder's holdings of other securities of the Company and/or securities of any other corporation relevant to the resolution brought for approval at the meeting (as shall be detailed in the voting ballot), in accordance with the declaration of the same holder.
19. It should be clarified that the conflict of interest examination, as stated above, to the extent such is required in the opinion of the trustee, shall be conducted separately with regard to each resolution on the agenda of the meeting as well as with regard to each meeting separately. It should be further clarified that the designation of a holder as having another interest in any resolution or meeting, *per se*, does not indicate another interest of the same holder in another resolution on the agenda of the meeting or another interest of his in other meetings.

20. For the purpose of examining such conflict of interest, the trustee shall be allowed to rely on a legal opinion to be commissioned by him and the provisions of the terms of the commercial securities (series 6) with regard to the bearing of expenses shall apply to such opinion.
21. When counting the number of votes in a vote held at a holders' meeting, the trustee shall not take into account the votes of holders who did not comply with his requirement as stated in section 18 above or of holders with respect to whom he found that a conflict of interest exists, as stated in the same section. Notwithstanding the aforesaid, if the total holdings of those participating in the vote, who are not holders having a conflicting interest, has fallen below a rate of five percent (5%) of the balance of the face value of the commercial securities (series 6), when counting the number of votes in the vote, the trustee shall also take into account the votes of the holders having a conflicting interest.
22. In any vote each holder, who is present either in person or through his proxy, shall have one vote for each NIS 1 par value of the total denominated outstanding principal of the commercial securities (series 6) by virtue of which he is entitled to vote.
23. In the case of joint holders of commercial securities (series 6), only the vote of the one among them first registered in the register shall be accepted.
24. A holder of commercial securities (series 6) may vote in respect of part of his votes in favor of a draft resolution, in respect of another part against and in respect of another part to abstain, all as he sees fit.
25. In resolutions of the meeting, with regard to the abstaining votes, no distinction shall be made between those who have a 'conflicting interest' and those who do not.
26. A letter of appointment appointing a proxy shall be in writing and signed by the appointing party or by his representative who has the proper written authorization to do so. If the appointing party is a corporation, the appointment shall be made in writing and shall be stamped with the corporation's seal, together with the signature of the authorized signatories of the corporation, and the appointee shall be allowed to act in the name of the corporation that he represents.
27. A letter of appointment of a proxy shall be executed in any form that shall be acceptable to the trustee.
28. A proxy is not required to personally be a holder of commercial securities (series 6).
29. A letter of appointment and the power of attorney or other certificate according to which the letter of appointment was signed or a certified copy of such power of attorney shall be delivered to the trustee by the time the meeting is opened, unless prescribed otherwise in the notice summoning the meeting.
30. Voting carried out in accordance with the terms in an instrument appointing a proxy shall be valid even if beforehand the appointing party has died or has been declared legally incompetent or the letter of appointment has been withdrawn or the commercial security for which the vote was given has been transferred, unless written notice with regard to the



aforementioned death, incompetency decisions, withdrawal or transfer, as applicable, have been received at the registered office of the Bank prior to the meeting.

31. A vote given and/or voting carried out in accordance with the terms in an instrument appointing an agent shall be valid even if: (1) Beforehand the appointing party has died or has been declared legally incompetent; or (2) after the voting the letter of appointment has been withdrawn; or (3) after the voting the commercial security for which the vote was given has been transferred, unless written notice with regard to the death of the appointing party, his being legally incompetent, or with regard to the withdrawal or transfer, as stated above, has been received at the registered office of the Bank or at another address notified by the Bank, or by the trustee, prior to the meeting or the vote.
32. The trustee shall draw up minutes of the meeting of holders of the commercial securities (series 6), which shall be recorded in the register of minutes and kept at the registered office of the trustee for a period of seven years from the date of the meeting. Any such minutes shall be signed by the chairperson of the meeting and any minutes so signed shall serve as *prima facie* evidence of what is stated therein, and so long as not proven otherwise, any resolution adopted at such meeting shall be deemed to have been duly adopted. The trustee shall be allowed to draw up meeting minutes or parts thereof, by way of recording.
33. The register of minutes of the holders' meetings shall be kept at the trustee's office and shall be open for inspection to the holders of the commercial securities.
34. The announcement of the meeting chairperson with regard to the adoption or rejection of a resolution, and the entry in this regard in the register of minutes, shall serve as *prima facie* evidence of this fact.