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PUBLIC

Bank Leumi le-Israel B.M.

Registration No. 520018078

Securities of the Corporation are listed on The Tel Aviv Stock Exchange

Abbreviated Name: Leumi

Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546

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Electronic Mail: Yaelru@bll.co.il

Date Sent: April 13, 2011

Reference: 2011-01-120114

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

To:
The Tel-Aviv Stock Exchange, Ltd.
www.tsae.co.il

Amending Report to the Report sent on April 11, 2011, reference no. 2011-01-116610.

Error: Amendment of details of candidates for Directors

Reason for error: Amendment of details of candidates for Directors

Main amendment: Amendment of details of candidates for Directors

Immediate Report on Convening of General Meeting

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

Explanation: If one of the topics on the agenda of the meeting is the approval of a transaction with a controlling shareholder or approval of an irregular offering, fill out form 133T or 138T accordingly.

One of the topics on the agenda of the meeting is approval of a transaction with a controlling shareholder or one that the controlling shareholder has a personal interest in or approval of a private irregular or significant offering.

1. On April 11, 2011 it was decided to convene an Annual General Meeting which will convene on Tuesday, May 24, 2011 at 10:30 at Lin House, 35 Yehuda Halevi Street, Tel-Aviv.

The securities number that allows its holder to participate in the meeting is 604611.

2. The record date for eligibility to participate and vote in the meeting: April 20, 2011.

3. On the Agenda:

Approval of actions or transactions requiring approval in accordance with Sections 255, 262 or 268-275 of the Companies Law, 1999 (hereafter: "Companies Law");

A decision according to Section 121(c) of the Companies Law on the authority of the Chairman of the Board of Directors to fill the position of CEO or exercise his authority;

Approval for change in the form of reporting according to Section 35B of the Securities Law;

Merger according to Section 320 of the Companies Law;

An agreement according to Section 350 of the Companies Law;

Appointment or termination of a Director;

Appointment of an External Director;

Is the appointment of the External Director according to the instructions of Section 239(d) of the Companies Law: *No.*

Explanation: Section 239(d) of the Companies Law determines that "In a company in which, on the date of appointment of an outside director, all members of the board of directors of the company are of one gender, the outside director appointed shall be of the other gender."

The tenure and employment conditions offered to the External Director are in accordance with the Companies Regulations (Rules regarding Compensation and Expense Reimbursement of External Directors), 2000.

Appointment or termination of an Independent Director;

Other Topic:

See attached Appendix

Details regarding the topics on the Agenda: See Appendix 1

Explanation: Details of the topics will include the main facts needed for understanding and approving each matter requiring a vote at the meeting.

Text of the resolutions tendered or a summarized description of their main points: See Appendix 2

To the best of the company's knowledge, will the controlling shareholder hold the required proportion of shares to approve the resolutions on the agenda of the General Meeting on the date the General Meeting convenes, assuming that all the remaining shareholders will participate in the voting and vote against him: *No.*

4. Attached Voting Paper Position Paper Director's Declaration to serve as a Director in the Company

Explanation: If a Voting Paper and/or a Position Paper are attached, confirm that they are configured according to the Companies Regulations (Written Vote and Position Papers), 2005.

Address of Internet site for voting: _____

Explanation: Fill in this field if the company permits voting via the Internet in accordance with Regulation 5(c) of the Companies Regulations (Written Vote and Position Papers)2005.

E-mail address of a Stock Market Member permitted to present there the material that he is required to present to the company according to Regulation 4(c)(1) of the Companies Regulations (Written Vote and Position Papers, 2005).

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5. The legal quorum required to hold the meeting: Three members present themselves.
 6. In the absence of a legal quorum, the postponed meeting will be held on May 31, 2011 at 10:30, at Lyn House, 35 Yehuda Halevi Street, Tel-Aviv.

7. The time and place for viewing each proposed resolution whose text is not fully presented in the above agenda: The registered office of the Bank, Leumi House (11th floor), the Secretariat of the Bank, 34 Yehuda Halevi Street, Tel Aviv, Sunday to Thursday between the hours of 8:00 and 15:00.

Reference numbers of the previous documents on this subject (reference does not constitute inclusion of the means of referral):

Previous names of the reporting entity:

Latest form configuration update date: March 13, 2001

Name of electronic reporter: Rudnicki Yael; Position: Company Secretary; Name of employer company:

34 Yehuda Halevi Street, Tel-Aviv, 61000, Telephone: 03-514-9419, Fax: 03-514-9732, E-mail: Yaelru@bll.co.il

Appendix 1

Details of the Items on the Agenda of the General Meeting:

Item 1: The Financial Statements for 2010

The Annual Report of the Bank for 2010 may be viewed at the Magna website of the Israel Securities Authority and at the website of the Bank, www.leumi.co.il.

In addition, copies are available on request from the Secretariat of the Bank, P.O. Box 2, Tel Aviv 61000, or telephone 03-514-9716.

Text of the Resolution: To receive and discuss the Financial Statements and the Reports of the Directors and Auditors for the year ending 31 December 2010.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 2: Reelection of Auditors

Description of Item: The Annual General Meeting is requested to approve the reelection of the joint auditors of the Bank, Somekh Chaikin and Kost Forer Gabbay & Kasierer and to authorize the Audit Committee of the Board of Directors to fix their remuneration.

At the meeting of the Audit Committee of the Bank held on 21 March 2011, it was resolved to recommend to the General Meeting to reelect the joint auditors of the Bank, Somekh Chaikin and Kost Forer Gabbay & Kasierer.

For the report to the Annual General Meeting on the remuneration of the Auditors, see page 280 of the Annual Report of the Bank.

Text of the Resolution: To reelect the Auditors Somekh Chaikin and Kost Forer Gabbay & Kasierer, and to authorize the Audit Committee of the Board of Directors to fix their remuneration.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 3: Election of Directors

Description of Item: Pursuant to the Articles of Association of the Bank, at the Annual General Meeting, four members of the Board of Directors will retire: Adv. Miriyam (Miri) Katz, Mr. Rami Avraham Guzman, Adv. Jacob Mishal and Mr. Zvi Koren.

Four Directors stand to be elected in this General Meeting: three Directors in accordance with Resolution No. 3 of the agenda and one external Director in accordance with Resolution No. 4 of the Agenda.

In Resolution No. 3 of the agenda, a number of candidates are standing for election as a Director, of which only three Directors will be chosen from among them.

Shlomo Eliahu Holdings, Ltd. (an interested person of the Bank) has nominated the following stockholders for election as Directors: Adv. Moshe Gavish, Dr. Ra'anan Cohen, Mr. Shlomo Maoz, Mr. Amos Sapir and Mr. Reuven Covent.

The Shares Committee of the Bank, which votes by virtue of the shares owned by the State, informed the Bank that it is proposing to the General Meeting, pursuant to the Bank Shares (Arrangement Shares) (Temporary Provision) Law, 1993, to elect three candidates to serve as Directors, as follows: Adv. Miriyam (Miri) Katz (Director retiring by rotation), Mr. David Avner and Ms. Miri Lent-Sharir.

In addition, pursuant to Article 87 of the Bank's Articles of Association, applications were received from the stockholders of the Bank, as detailed below, to the effect that the said stockholders are offering themselves for election as Directors of the Bank at the General Meeting.

The stockholders offering themselves for election as Directors: Adv. Tova Kagan, Mr. Eliezer Carmel, Mr. Eitan Levy, CPA., Mr. Dov Naveh, CPA., Mr. Yaron Kimhi and Mr. Jonathan Yehoshua Ross.

The terms of office of the Directors are contingent upon the consent or non-objection of the Supervisor of Banks, pursuant to Section 11A of the Banking Ordinance, 1941.

A separate vote will be held in respect of the election of each candidate proposed as detailed above; voters may vote for each of the candidates, and their voting is not limited to three candidates. Of the number of candidates for election as a Director, only three will be elected, as detailed below.

The CVs of the candidates who have provided same may be examined at the Secretariat of the Bank, at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, Tel: 972-3-514-9716 between 08:00 and 15:00.

Voting Procedure for Resolution No. 3

Regarding Resolution 3 (election of Directors who are not external Directors), details of the procedure for voting at the General Meeting are as follows:

1. The majority required to approve Resolution No. 3 on the agenda, concerning the election of directors, is an “ordinary majority” of the total voting rights of the stockholders entitled to vote and who voted in person or by proxy (including by means of a voting paper) (the “**Voters**” or the “**Votes Cast by the Voters**,” as relevant).
2. For the purpose of determining whether or not an “ordinary majority” has been obtained, the Votes Cast by the Voters who voted “for” or “against” will be counted. “Abstain” votes that were cast among the Votes Cast by the Voters will not be counted.
3. A candidate who does not receive an “ordinary majority” as described above, out of the Votes Cast by the Voters, will not be elected or move on to Stage B (to the extent that a Stage B is held).
4. If there are more than three (3) candidates who receive an “ordinary majority” as described above, all of them will move on to Stage B. At this Stage B, the candidates who are elected, pursuant to the provisions of Article 85B of the Bank’s Articles of Association (see sub-section (f) below of “Additional Details Regarding the Election of Directors” (Resolution Nos. 3 and 4)), will be the three who receive the largest number of the Votes Cast by the Voters.
5. The count of the highest number of the Votes Cast by the Voters will include only the “for” votes. At this stage, the count will not include the “against” votes (i.e., there are no “offsets.”) The count will also not include the abstaining votes. In other words, the three candidates who received the highest number of “for” votes will be elected (the “**Elected Candidates**”). If a determination needs to be made between more than one candidate who received an identical number of “for” votes, the determination shall be made by lot.
6. The terms of office of the Elected Candidates are contingent upon the approval of the Supervisor of Banks. The Elected Candidates will begin to serve together simultaneously, along with the Elected Candidate to serve as an External Director according to Item 4 of the agenda, immediately after receipt of the approval or non-objection of the Supervisor of Banks regarding the last of the candidates (the “All-Inclusive Approval of the Supervisor”). Should the All-Inclusive Approval of the Supervisor not be received by 24 July 2011, the terms of office of the Elected Candidates who have been approved by the Supervisor of Banks by that time will commence on 25 July 2011, and the terms of office of the others shall commence at the time that the Supervisor of Banks’ approval is received.

7. If there are not three candidates who pass the first stage (receipt of an “ordinary majority,” as stated), a place on the Board of Directors will remain vacant unless one of the Directors who is retiring by rotation agrees to continue to serve until the next Annual General Meeting for the election of Directors.
If more than one of the retiring Directors agrees to continue to serve, the one with the least amount of seniority as a Director will remain, and if the amount of seniority is the same, they will agree amongst themselves as to who will remain or, alternatively, one will be chosen by lot (an “**Interim Arrangement.**”)
8. It is emphasized that if any of the Elected Candidates is disqualified for any reason, including by the Supervisor of Banks, the candidate receiving the highest number of votes cast after such disqualified candidate (the “next in line”) will be considered to have been elected.
9. Until such time as the Elected Candidates are approved by the Supervisor of Banks, a place on the Board of Directors will remain vacant, unless an Interim Arrangement is implemented for this interim period.
10. A separate vote will be held in respect of the election of each Director. Voters may vote for each of the candidates and their voting is not limited to three candidates.

Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)

- a. **Attention is drawn to the provisions of Section 34 (A1) of the Banking (Licensing) Law, 1981: “No person may come to an agreement with another regarding their voting for the election of a director of a banking corporation or a bank holding corporation, except in accordance with a permit granted by the Governor [of the Bank of Israel], following consultation with the Licenses Committee; this provision will not apply to a holder of means of control* who comes to an agreement with another, that the other shall vote in the name of and on behalf of the holder for such person as the holder of means of control directs him, provided that the other shall not vote in the name of and on behalf of more than one other holder.”**
Therefore, as regards the election of the Directors, a proxy holder who is himself a stockholder of the Bank may vote in the name of and on behalf of one additional stockholder only. As regards the other matters on the agenda of the General Meeting, there is nothing to prevent such a proxy holder from representing more than one stockholder.
- b. Section 276 of the Companies Law determines: “A stockholder participating in a vote under section 275 shall notify the company prior to the vote in the meeting, or, if the vote is by way of voting papers, on the voting paper, whether or not he has a personal interest in the approval of

* - i.e. any stockholder

the transaction; where a stockholder does not so notify, he shall not vote and his vote shall not be counted."

- c. Section 1 of the Companies Law determines that it will also be seen as a personal interest of a participant in a vote when: "the personal interest of the person voting by power of attorney given him by another person, even if the other person has no personal interest, so that the vote of the person who received the power of attorney will be seen as the vote of a person with a personal interest in the vote of the personally interested party, whether the discretion of voting is in the hands of the voter or not".
- d. **Pursuant to Article 82 of the Bank's Articles of Association, four directors are retiring by rotation. In Resolution No. 3 on the agenda, a number of candidates are standing for election as Director, from among whom only three Directors will be elected. In Resolution No. 4 on the agenda, several candidates are standing for election as an external Director pursuant to the Companies Law, from among whom only one external Director will be elected.**
- e. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven, nor more than fifteen in number." However, in accordance with the Proper Banking Management Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- f. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of stockholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between more than one candidate who received the same number of votes, the determination as to who shall be elected shall be made by lot."
- g. Article 86 of the Bank's Articles of Association provides as follows: "If at any General Meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled, he shall, if willing, continue in office until the Regular Meeting in the next year and so on from year to year, until his place is filled, unless it shall be determined at such a meeting to reduce the number of Directors in office."

Item 3 (a): Election of Adv. Moshe Gavish as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Moshe Gavish (1A) ID No. 008081770
- (2) Date of Birth: June 22, 1948
- (3) Address for serving Court Documents: Balfour 13, Tel-Aviv.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics – the Hebrew University of Jerusalem.
LLB Law – the Hebrew University of Jerusalem
MBA – the Hebrew University of Jerusalem.
Employment during the last five years:
Attorney, Economic Consultant, Arbitrator and Mediator.
Chairman and Director of private and public companies.
Member of various organizations and associations for public benefit.
Founder and Chairman of the public companies MediPower (2005 – 2010) and Valium (from 2003).
Director and alternate Chairman, Israel Electric Company (2003 – 2007).
Administrative Committee Chairman, Israel Broadcasting Authority (2006 – 2009).
Administrative Committee Chairman, Haifa University (2006 – 2008).
Member of the Public Advisory Committee to the Government Companies Authority.
Member of the Public Advisory Committee to the Tel-Aviv Fund.
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Adv. Moshe Gavish, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Moshe Gavish as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (b): Election of Dr. Ra'anana Cohen as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Ra'anana Cohen (1A) ID No. 048316954
- (2) Date of Birth: February 28, 1941
- (3) Address for serving Court Documents: Tirtzeh 26, Ramat-Gan, 52364.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
 - BA – Tel Aviv University
 - MA in Middle East History – Tel Aviv University.
 - Ph.D. – Tel Aviv University
 - Financial Management Studies for Managers, Risk Management, Company Recovery Laws, Theory of Securities Investments and Financial Instruments, Director Training and Mediation.
 - Employment during the last five years:
 - Chairman of the Board of Directors of the Industrial Development Bank of Israel (2002 – 2010).
 - Director and member of the Strategic Committee, Finance Committee and Investment Committee, "Raphael" Advanced Weapons Systems, Ltd. (from 2010).
 - Director and member of the Credit and Nostro Committees, Bank Otsar Hahayal (from 2010).
 - Director from the Public, Chairman of the Balance Committee, member of the Finance Committee and Auditing Committee, Queenco Ltd. (from 2010).
 - Director, Investment Committee Chairman, member of the Finance Committee and Auditing Committee, S. Shlomo Insurance Company, Ltd. (from 2007).
 - Director from the Public, Chairman of the Auditing Committee and member of the Finance Committee, Neto Melinda Trading, Ltd. (from 2007).

Director from the Public, Chairman of the Balance Committee, member of the Auditing Committee and Finance Committee, B. Gaon Holdings, Ltd. (from 2007).

Director, member of Investment and Finance Committees, Zerah Oil & Gas Explorations – Limited Partnership, Ltd. (from 2006).

(10) Is he a family member of another interested person of the corporation:

No.

(11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Dr. Ra'an Cohen, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website..

Text of the Resolution: To elect Dr. Ra'an Cohen as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (c): Election of Mr. Shlomo Maoz as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Shlomo Maoz (1A) ID No. 047536974
- (2) Date of Birth: October 2, 1946
- (3) Address for serving Court Documents: Habesor 84, P.O.B. 87, Shoham 60850.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics – the Hebrew University of Jerusalem
MSc in Economics – London School of Economics
Employment during the last five years:

- Chairman, Excellence Nessuah Trust Funds, Ltd. (from 2010).
Director, Sano, Bruno's Enterprises, Ltd. (from 2009).
Chairman of the Board of Directors, Israel Land Development, Ltd. (from 2008).
External Director, Afcon Industries Group (from 2007).
Director, Dafna, Teacher's Pension and Severance Fund (2007 – 2011).
Director, Zim Integrated Shipping Services, Ltd. (from 2006).
Director, Discount Underwriting and Issuing, Ltd. (from 2006).
Director, Israel Land Development, Ltd. (2004 – 2008).
Director, Ma'ariv holdings, Ltd. (2004 – 2010).
Chairman, Israel Land Development Insurance Holdings (from 2006).
Director, Bromine Compounds Ltd. (from 2003)
Director, ACME Trading (A.T.) Ltd. (from 2002)
Chief Economist, Nessuah Zanex/Excellence Nessuah Investment House (from 2001).
Director, Dead Sea Industries Ltd. (from 2000).
Economic and Financial Consultant to multiple institutions and investment companies in Israel and abroad, in the fields of foreign currency, pricing indexes, pricing, macro and micro economics (from 1997).
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Shlomo Maoz, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Shlomo Maoz as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (d): Election of Mr. Amos Sapir as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Amos Sapir (1A) ID No. 003139300
- (2) Date of Birth: July 4, 1937
- (3) Address for serving Court Documents: Michael Ne'eman Blvd 22, Tel-Aviv, 69581.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.

- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and International Relations – the Hebrew University of Jerusalem
MBA with a specialization in Financing – Columbia University, New York, U.S.A.
Doctorate Studies specializing in Financing and Banking – Columbia University, New York, U.S.A.
Employment during the last five years:
Chairman of the Board of Directors, Maalot – Israel Securities Rating Company Ltd. (1999 – 2008).
Chairman of the Board of Directors, Standard & Poor's, Ltd. (2008 – 2009).
Chairman of the Board of Directors, N. Feldman & Son, Ltd. (from 2003).
Director, Israel Amlat Investments (1993) Ltd. (from 2001; from 2011, serving as Chairman of the Board of Directors).
External Director, Hot Communications Systems, Ltd. (from 2007).
Director, LOG – Plastic Products Company Ltd. (from 2007).
External Director, A. Dori Group Ltd. (from 2010).
Director and Owner: Sixace Holdings, Ltd. and Sixace Management (1997) Ltd. (from 2010).
Member of the Board of Trustees, Tel Aviv University.
Member of the Administrative Committee, Tel Aviv-Yaffo Academic College.
Council Member, The Center for Educational Technology.
Member of the Board of Trustees, Bezalel Academy of Arts and Design.
Chairman of the Administrative Committee, Olim Beyahad, Leadership and Employment Excellence for Ethiopian-Israeli University Graduates.
Member of the Public Council, Midot – Reflecting and Rating NPOs Ltd.
Management bodies of various charitable associations and associations for scholarships and research grants.
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Amos Sapir, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate

Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Amos Sapir as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (e): Election of Mr. Reuven Covent as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Reuven Covent (1A) ID No. 052005923
- (2) Date of Birth: August 21, 1953
- (3) Address for serving Court Documents: Yosef Milo 11 A, Tel-Aviv, 69643.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Social Sciences, Tel-Aviv University.
MBA, Tel-Aviv University.
Employment during the last five years:
CEO of Dun & Bradstreet Israel, Ltd.
Management Committee Chairman, Micromedical Technologies, Ltd. (from 2008).
Director, Green Mountain Holdings and D. & B. Credit Management Company.
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Reuven Covent, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew

Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Reuven Covent as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (f): Election of Adv. Miriyam (Miri) Katz as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Miriyam (Miri) Katz (1A) ID No. 050568070
- (2) Date of Birth: March 4, 1951
- (3) Address for serving Court Documents: Michael Ne'eman Blvd. 18/32, Tel-Aviv, 69581.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Chairperson of the Prospectus Committee, member of the Audit Committee, Guidelines Committee and Investments Committee.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director:: No.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: 5.6.2008.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:
LLB – the Hebrew University of Jerusalem.
Licensed Advocate.
Employment during the last five years:
Attorney, Consultant, Manager and Director of companies.
Director, Chairperson of the Prospectus Committee and member of the Audit Committee, Management Committee and Investment Committee, Bank Leumi (from 2008).
External Director, Itamar Medical (from 2007).
CEO of the Ima Foundation
Member of the Board of Trustees of the Hebrew University of Jerusalem and The Technion, Israel Institute of Technology.
Director, Edmond Benjamin de Rothschild Caesaria Development Company Ltd. and the Edmond Benjamin de Rothschild Casearia Foundation (2003 – 2009).
External Director, Tower Semiconductors (2007 – 2008).
External Director and Chairmperson of the Audit Committee, Bank of Jerusalem (2003 – 2006)

- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Adv. Miriam (Miri) Katz, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Adv. Miriam (Miri) Katz as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (g): Election of Mr. David Avner as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: David Avner (1A) ID No. 050782184
- (2) Date of Birth: August 29, 1951
- (3) Address for serving Court Documents: Saar 146, Nofit, 36001.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Mathematics, Computer Sciences and Philosophy, Haifa University.
MBA specializing in Financial Strategy and Management, The Technion.
Employment during the last five years:
CEO, Partner Communications, Ltd. (2007 – 2010).
Deputy CEO, Partner Communications, Ltd. (2005 – 2007).
COO, Amdocs (2003 -2005).
- (10) Is he a family member of another interested person of the corporation:
No.

- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. David Avner, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. David Avner as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (h): Election of Ms. Miri Lent-Sharir as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Miri Lent-Sharir (1A) ID No. 05407523
- (2) Date of Birth: August 28, 1956
- (3) Address for serving Court Documents: Zvia Lovotkin 2, Kfar Saba 44397.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:
BA in Economics, Tel-Aviv University.
MBA, specializing in Accounting and Financing – Tel-Aviv University.
Employment during the last five years:
Director – Bank Igud le-Israel, Ltd., Shomrah Insurance Company, Ltd., Geffen Biomed Investments Ltd., Rosebud Real Estate, Ltd., Taya Investments, Ltd., M.A. Sharir Management, Ltd., and Brimag Digital Age Ltd. (2005 – 2010).
Director, Discount Bank Pension Management Company, Lachish Industries Ltd., Newlog Ltd. (up to 2006).

Director from the Public, American-Israeli Paper Mills, Ltd. (1999 – 2005).

- (10) Is she a family member of another interested person of the corporation: No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Ms. Miri Lent-Sharir, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Ms. Miri Lent-Sharir as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (i): Election of Adv. Tova (Kariv) Kagan as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Tova (Kariv) Kagan (1A) ID No. 009982695
- (2) Date of Birth: April 20, 1937
- (3) Address for serving Court Documents: Pinchas 62, Tel-Aviv, 62157.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:
LLB., the Tel-Aviv branch of the Hebrew University of Jerusalem.
Employment during the last five years:
Attorney, owning an independent legal office dealing in Corporate Affairs, Contracts and Civil matters (from 1970).
- (10) Is she a family member of another interested person of the corporation: No.

- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Adv. Tova (Kariv) Kagan, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Adv. Tova (Kariv) Kagan as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (j): Election of Mr. Eliezer Carmel as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Eliezer Carmel (1A) ID No. 005366414
- (2) Date of Birth: January 19, 1943
- (3) Address for serving Court Documents: Fishman Maimon 7, Tel-Aviv, 64236.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Political Science, the Hebrew University of Jerusalem (Tel Aviv branch in Ramat-Aviv).
MBA, specializing in Finance, Tel-Aviv University.
Licensed Investment Consultant.
Employment during the last five years:
External Director of Harel Funds, Harel Pension Funds and member of Investment Committee – Members (2003 – 2009)
Director, Dr. Fischer Pharmaceutical Industries, Ltd. (from 2005).
Director, Meshulam Levinstein Contracting & Engineering, Ltd. and Tamir Fishman Realty Fund (from 2007).

Financial Investment Consultant, Postal Authority (2002 – 2006).
External Consultant, IDF Continuing Education Savings Fund (1996 – 2008).
Chairman of the Investment Committee and Member of the Board of Trustees, Ben-Gurion University (from 1996).
External Consultant, Continuing Education Savings Fund for the Union of Academics in Social Sciences & Philosophies and Afeka Engineering College (from 2005).
External Consultant, Atarim – Municipal Government Company for Development (from 2006).
External Consultant, Hever, Career and Retired Military, Ltd. (from 2008).
Chairman, Finance Committee and member of the Friends of Diaspora House.
Member of the Board of Trustees for Afeka Engineering College.

- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Eliezer Carmel, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Eliezer Carmel as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (k): Election of Mr. Eitan Levy, CPA. as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Eitan Levy (1A) ID No. 057402299
- (2) Date of Birth: December 29, 1961
- (3) Address for serving Court Documents: Haim Laskov 16, Herzlia, 46364.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.

- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Accounting, Tel-Aviv University
Graduated Capital Market and Financial Instruments studies at the Tel-Aviv University Executive Education Programs (LAHAV).
Accountant
Employment during the last five years:
Active Chairman, Migdalor Energy (S.R.I.) Ltd. (from 2010).
Partner and co-CEO, Migdalor Investments (SRI Global Group) (from 2009).
Deputy CEO, The Phoenix Investments and Finances (2006 – 2009).
CEO, The Phoenix Pensions, Ltd. (2004 – 2005).
Deputy CEO for Investments, Phoenix Insurance Company, Ltd. (2002 – 2006).
Past Director for Excellence Investments, Excellence Stock Market Services and Phoenix Pensions and CEO, Migdalor Investments, Ltd. (from 2009).
Structured Products Manager, Tamir Fishman Group (from 2009).
Major Accounts Manager, E4X Inc. (2006 – 2008).
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Eitan Levy, CPA., as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Eitan Levy, CPA. as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (1): Election of Mr. Dov Naveh, CPA. as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Dov Naveh (1A) ID No. 007599053
(2) Date of Birth: February 15, 1943
(3) Address for serving Court Documents: POB 731, Ramat-Gan, 52106.

- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
Certified Public Accountant (from 1970).
Accounting Certificate – School of Economics and Social Sciences, the Hebrew University of Jerusalem.
Studies as a "Special Program Student" for MBA without degree in the field of financing, The Wharton School of Business, University of Pennsylvania.
Employment during the last five years:
16 years of activity in the United Mizrahi Bank, Ltd. In various fields.
Owner of an Economics, Finance and Organizational Consulting firm (from 1997).
External Director, Leumi Start, Ltd. (2003 – 2008).
External Director, C.A.L. Ltd., (from September 2008).
Director, Isras Group Investments, Ltd. (from 2002).
Director, OCIF Investments and Development, Ltd. (from 2008).
Director, Arco Holdings, Ltd. (from 2007).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Dov Naveh, CPA., as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Dov Naveh, CPA. as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (m): Election of Mr. Yaron Kimhe as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Yaron Kimhe (1A) ID No. 056410764
- (2) Date of Birth: April 9, 1960
- (3) Address for serving Court Documents: Yasmine264, Zur Hadassah, POB 82, 99875.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics, the Hebrew University of Jerusalem.
MBA, specializing in Information Systems and Accounting, the Hebrew University of Jerusalem.
Doctoral Student in the Faculty for Natural Resource and Environmental Management, Haifa University.
Employment during the last five years:
Chairman of the Local Industrial Council, Migdal Teffen (from 2005).
Director, Local Government Economic Services, Ltd.
Member of Investment Committee, Clal Pensions, Ltd.
Sub-committee Chairman for the Union of Local Authorities in the area of Municipal Bonds.
Public Representative at the Antitrust Tribunal.
Formerly, Chairman of the Israel Wine Institute (Government Company).
Director in public and private companies.
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Yaron Kimhe, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Yaron Kimhe as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (n): Election of Mr. Jonathan Yehoshua Ross as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Jonathan Yehoshua Ross (1A) ID No. 308587617
- (2) Date of Birth: October 31, 1964
- (3) Address for serving Court Documents: Sami Vered 17, Ramat Hasharon 47249.
- (4) Nationality: Israeli, US American
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Liberal Arts, University of Michigan.
Investment Manager and Licensed Dealer.
Employment during the last five years:
Partner-Manager, Migdalor Investments and Migdalor Bond Fund (from 2009).
Director and CEO, Migdalor Energy (SRI) Ltd. (from 2009).
Structured \Products Manager, Tamir Fishman Group, Ltd. (2006 – 2008).
Major Accounts Manager, E4X Inc. (2002 – 2006).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Jonathan Yehoshua Ross, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Jonathan Yehoshua Ross as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4: Election of an External Director

Description of Item: On 8 March 2011 the Bank's Board of Directors resolved that one of the Directors elected at the Annual General Meeting will be an External Director according to the Companies Law, 1999 ("External Director"), in light of the increasing requirements of the Banking Supervision Department and additional authorities requiring the presence of an External Director for many resolutions and committee compositions.

As noted above, in Resolution No. 4 on the agenda, a number of candidates are standing for election as an External Director, and only one External Director will be chosen from among them.

Shlomo Eliahu Holdings, Ltd. (an interested person in the Bank) has nominated Ms. Zipporah Samet for election as an External Director.

The Shares Committee of the Bank, which votes by virtue of the shares owned by the State, informed the Bank that it is proposing to the General Meeting, pursuant to the Bank Shares (Arrangement Shares) (Temporary Provision) Law, 1993, to elect Ms. Iris Stark, CPA., to serve as an External Director.

In addition, pursuant to Article 87 of the Bank's Articles of Association, applications were received from the stockholders of the Bank, as detailed below, to the effect that the said stockholders are offering themselves for election as an External Director of the Bank at the General Meeting.

The stockholders offering themselves for election as the External Director are: Mr. Binyamin Ben Shoham, Mr. David Shmuel Dotan, Dr. Asher Halperin, Mr. Menachem Inbar, Mr. Mordechai (Moddi) Keret and Prof. Israel Zang.

The term of office of the External Director is contingent upon the consent or non-objection of the Supervisor of Banks, pursuant to Section 11A of the Banking Ordinance, 1941.

A separate vote will be held in respect of the election of each candidate proposed as detailed above; voters may vote for each of the candidates, and their voting is not limited to one candidate. Of the number of candidates for election as an External Director, only one will be elected, as detailed below.

The CVs of the candidates who have provided same may be examined at the Secretariat of the Bank, at the registered office of the Bank, Leumi House (11th

floor), 34 Yehuda Halevi Street, Tel Aviv, Tel: 972-3-5149716 between 08:00 and 15:00.

Voting Procedure for Resolution No. 4

Regarding Resolution 4 (electing an external Director), details of the procedure for voting at the General Meeting are as follows:

1. Pursuant to section 239 of the Companies Law, the majority required to adopt Resolution No. 4 of the agenda is an ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy ("**ordinary majority**", the "**Voters**" or the "**Votes Cast by the Voters**," as relevant), and only if one of these conditions exists – (1) the quorum of majority votes includes a majority of the votes of stockholders who are not controlling stockholders of the Bank or do not have a personal interest in approving the appointment, except for a personal interest not resulting from his connection to the abovementioned controlling stockholders, participating in the voting ("**Independent Stockholder**") (in the overall quorum of votes noted above, the abstentions will not be counted); or (2) the total of dissenting votes among the Independent Stockholders does not exceed 2% of the total voting rights in the Bank (all the voting conditions required above, including the ordinary majority will be termed together as a – "**special majority**").

It is emphasized that the stockholder participating in the voting for Resolution No. 4 of the agenda must notify the Bank prior to the voting at the Meeting or, if he is voting by voting paper, on the voting paper, whether or not he has a personal interest in approving the appointment. It is further emphasized that a stockholder who does not notify as described above – will not vote and his vote will not be counted (see sub-sections b and c of "Additional Details Regarding the Election of Directors (Resolution Nos. 3 and 4)" below).

Regarding Resolution No. 4 on the agenda, the Government of Israel in the name of the State of Israel and/or the Shares Committee of the Bank will not be considered an Independent Stockholder.

2. For the purpose of determining whether or not a "Special Majority" has been obtained, the Votes cast by the Voters who voted "for" or "against" will be counted. "Abstain" votes that were cast among the Votes Cast by the Voters will not be counted.
3. A candidate who does not receive a "special majority" as described above, out of the Votes Cast by the Voters, will not be elected or move on to Stage B (to the extent that a Stage B is held).
4. If there is more than one candidate who receives a "special majority" as described above, all of them will move on to Stage B. At this Stage B, the candidate who is elected, pursuant to the provisions of Article 85B of the

Bank's Articles of Association (see sub-section f of "Additional Details Regarding the Election of Directors (Resolution Nos. 3 and 4 of the agenda)" below) will be the candidate who receives the highest number of Votes cast by the Voters.

5. The count of the highest number of the Votes Cast by the Voters will include only the "for" votes. At this stage, the count will not include the "against" votes (i.e., there are no "offsets.") The count will also not include the abstaining votes. For purposes of the count of the highest number of Voters, the number of Voters for the purposes of determining an ordinary majority will be counted (and not the number of Independent Stockholders). In other words, the candidate who received the highest number of "for" votes will be elected (the "**Elected Candidates**"). If a determination needs to be made between more than one candidate who received an identical number of "for" votes, the determination shall be made by lot.
6. If the elected candidate is disqualified for any reason, including being disqualified by the Supervisor of Banks, whoever received a "special majority" and the most votes after the disqualified candidate as described above ("the next in line") will be considered the candidate elected.
7. The term of office of the Elected Candidate is contingent upon the approval of the Supervisor of Banks. The Elected Candidate will begin to serve on the Board of Directors together with the Elected Candidates to serve as Directors according to Item 3 on the agenda, immediately after receipt of the approval or non-objection of the Supervisor of Banks regarding the last of the candidates (the "**All-Inclusive Approval of the Supervisor**"). Should the All-Inclusive Approval of the Supervisor not be received by 24 July 2011, the terms of office of the Elected Candidates who have been approved by the Supervisor of Banks by that time will commence on 25 July 2011, and the terms of office the others shall commence at the time that the Supervisor of Banks' approval is received.

Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)

- a. **Attention is drawn to the provisions of Section 34 (A1) of the Banking (Licensing) Law, 1981: "No person may come to an agreement with another regarding their voting for the election of a director of a banking corporation or a bank holding corporation, except in accordance with a permit granted by the Governor [of the Bank of Israel], following consultation with the Licenses Committee; this provision will not apply to a holder of means of control* who comes to an agreement with another, that the other shall vote in the name of and on behalf of the holder for such person as the holder of means of control directs him, provided that the other shall not vote in the name of and on behalf of more than one other holder."**

* - i.e. any stockholder

Therefore, as regards the election of the Directors, a proxy holder who is himself a stockholder of the Bank may vote in the name of and on behalf of one additional stockholder only. As regards the other matters on the agenda of the General Meeting, there is nothing to prevent such a proxy holder from representing more than one stockholder.

- b. Section 276 of the Companies Law determines: “A stockholder participating in a vote under section 275 shall notify the company prior to the vote in the meeting, or, if the vote is by way of voting papers, on the voting paper, whether or not he has a personal interest in the approval of the transaction; where a stockholder does not so notify, he shall not vote and his vote shall not be counted.”
- c. Section 1 of the Companies Law determines that it will also be seen as a personal interest of a participant in a vote when: “the personal interest of the person voting by power of attorney given him by another person, even if the other person has no personal interest, so that the vote of the person who received the power of attorney will be seen as the vote of a person with a personal interest in the vote of the personally interested party, whether the discretion of voting is in the hands of the voter or not”.
- d. **Pursuant to Article 82 of the Bank’s Articles of Association, four directors are retiring by rotation. In Resolution No. 3 on the agenda, a number of candidates are standing for election as Director, from among whom only three Directors will be elected. In Resolution No. 4 on the agenda, several candidates are standing for election as an external Director pursuant to the Companies Law, from among whom only one external Director will be elected.**
- e. Article 76 of the Bank’s Articles of Association provides as follows: “Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven, nor more than fifteen in number.” However, in accordance with the Proper Banking Management Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- f. Article 85B of the Bank’s Articles of Association provides as follows: “Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of stockholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between more than one candidate who received the same number of votes, the determination as to who shall be elected shall be made by lot.”

- g. Article 86 of the Bank's Articles of Association provides as follows: "If at any General Meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled, he shall, if willing, continue in office until the Regular Meeting in the next year and so on from year to year, until his place is filled, unless it shall be determined at such a meeting to reduce the number of Directors in office."

Item 4 (a): Election of Ms. Tsipporah Samet as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Tsipporah Samet (1A) ID No. 008962581
- (2) Date of Birth: March 5, 1946
- (3) Address for serving Court Documents: Even Shmuel 29, Jerusalem, 97234.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director:: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Mathematics – the Hebrew University of Jerusalem.
MA in Economics – the Hebrew University of Jerusalem.
Employment during the last five years:
External Director (for part of the period, Chairperson of the Audit Committee), Israel Discount Bank, B.M. (2002 – 2009).
External Director and Chairperson for the Audit Committee, Menorah Mivtachim Pension and Menorah Mivtachim Severance (2003 – 2010).
External Director and Chairperson for the Audit Committee, Ophir Optronics Ltd. (from 2007).
Director, Africa-Israel Investments, Ltd., Shachar-Hadash Ltd. and Capital – The Company for Tracking Capital, Ltd.
President of Adif College for Insurance, Pension and Capital Market studies.
Consultant to Bank Leumi for the matter of establishing a pension consultancy system.

- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Ms. Tsipporah Samet as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Ms. Tsipporah Samet as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (b): Election of Ms. Iris Stark, CPA as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Iris Stark (1A) ID No. 057224735
- (2) Date of Birth: June 27, 1961
- (3) Address for serving Court Documents: POB 2600, Ra'anana, 43663.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: No.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Accounting – Bar-Ilan University.
MA in Extended Economics – Bar-Ilan University.
Accountant
Employment during the last five years:
Managing partner, Accounting firm "Stark & Stark" (from 1989).

- Director, Israel Electric Company Ltd. (from 2010).
- Director and Chairperson of the Auditing Committee of Bank Massad, of the First International Group (from 2010).
- Director and Audit Committee member of the Pension & Severance Fund for the Jewish Agency's Employees (from 2009).
- Management Committee Member for the Kibbutz Seminar – The College for Technology and Studies (from 2007).
- Chairperson of the Economics and Taxation Committee, Tel-Aviv & Central Israel Chamber of Commerce (2009 – 2010).
- Chairperson of the Board of Directors (active), Ashdod Port Company, Ltd. (2004 – 2007).
- Director and Chairperson of the Audit Committee, Maxima Center for Air Separation, Ltd. (2003 – 2009).
- Director and Chairperson of the Balance Sheet Committee, M.I. Holdings Ltd. (2003 – 2006).
- Member of the International Women's Forum in Israel (2008 – 2010).
- Director, Team Computers and Systems, Ltd. (2003 – 2005).
- Director and Member of the Audit Committee, Israel's Financial Levers (Mapal) Ltd. (2002 – 2005).
- Director, Aryat Industries, Ltd. (2001 – 2005).
- Director, Shemesh Fund – Founded by the Rashi and Safra Funds for Encouraging Young Entrepreneurs (from 2007).
- Vice-President (from 1997) and Management member (from 2009), Institute of CPAs in Israel.
- Chairperson of the Committee for the Management of Non-profit organizations, associations and the voluntary sector - Institute of CPAs in Israel (from 1998).
- Member of various Committees in the Civil Service Commission (from 2009).
- Member of the Board of Trustees and Chairperson for the Audit Committee, College for Technical Education, Jerusalem (from 2007).
- Member of the Board of Trustees and the Management Committee, Bar-Ilan University (from 2005).
- Lecturer, the Academic Center for Law & Business (from 2009).
- Senior Lecturer in the field of training directors for public and government companies within the framework of LAHAV, Tel-Aviv University, the Israel Center for Management and Masters degree program in Law and Business Management of the Israel Bar Association and more (from 1999).
- Chairperson for the Directors Department and Academic Coordinator for the course for association and non-profit organization managers, the Israel Center for Management (from 2001).
- Academic coordinator of the senior management course for managers at the Israeli Management Institute (2008 – 2010).
- Academic coordinator of the senior business management course for managers at the Israeli Management Center (2008 – 2010).
- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Ms. Iris Stark, CPA. as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Ms. Iris Stark, CPA. as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (c): Election of Mr. Binyamin Ben Shoham as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Binyamin Ben Shoham (1A) ID No. 007283567
- (2) Date of Birth: April 16, 1941
- (3) Address for serving Court Documents: Jabotinski 40, Givatayim, 53318.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Social Sciences - the Hebrew University of Jerusalem (Tel-Aviv Branch).
MBA, the Israel Productivity Institute.
Employment during the last five years:
Director, Ortam-Sahar Engineering Ltd.
Director, Bank Dexia (Israel), Ltd.
Member, Committee, Herzog Hospital, Jerusalem.
Committee Member of the Association of National Security for Youth.

- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Binyamin Ben Shoham, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Binyamin Ben Shoham as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (d): Election of Mr. David Shmuel Dotan as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: David Shmuel Dotan (1A) ID No. 047851837
- (2) Date of Birth: September 14, 1946
- (3) Address for serving Court Documents: Harav Ephriam 22, Ra'anana, 43203.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in General History and Sociology, the Hebrew University of Jerusalem.
MBA, Tel-Aviv University.

Employment during the last five years:

Director and Chairman of the Audit Committee, Poalim Sahar (from 2004).

Member of the Credit Committee, Menorah Mivtachim Insurance (from 2008).

Over 30 years of rich experience in a range of banking fields in Bank Hapoalim.

- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. David Shmuel Dotan, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. David Shmuel Dotan as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (e): Election of Dr. Asher Halperin as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Dr. Asher Halperin (1A) ID No. 002066330
- (2) Date of Birth: July 29, 1925
- (3) Address for serving Court Documents: Uri 6, Tel-Aviv, 64954.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of

- the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA – School of Law & Economics (now Tel-Aviv University).
MA – Economics, Banking & International Economics, University of California at Berkley, U.S.A.
Ph.D. – Economics, Banking & Finance, Balance of Payments, Princeton University, N.J., U.S.A.
Employment during the last five years:
Lecturer for 15 years, to present, at the College of Management, Academic Studies.
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Dr. Asher Halperin, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Dr. Asher Halperin as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (f): Election of Mr. Menachem Inbar as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Menachem Inbar (1A) ID No. 000483982
- (2) Date of Birth: September 3, 1948
- (3) Address for serving Court Documents: Gilad 5, Ramat-Gan, 52515.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.

- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Social Sciences, Bar-Ilan University.
MA in Law, Bar-Ilan University.
Employment during the last five years:
Managing the family company, Arkin Holdings.
Director, Bezeq, Israel Telecommunications Company, Ltd. (2005 – 2010).
Director, Bank Poalei Agudat Israel, Ltd. (First International Bank Group) (2008 – 2010).
Director, Alrov (Israel), Ltd. (2004 – 2010).
Director, Carmel Group, Ltd. (2007 – 2010).
Director, OIS – Ophthalmic Imaging Systems, Exalenz Bioscience and MCS – Medical Compression Systems (from 2009).
Managing Partner, Shifman Inbar Ltd. (from 2009).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Menachem Inbar, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Menachem Inbar as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (g): Election of Mr. Mordechai (Moddi) Keret, CPA as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Mordechai (Moddi) Keret (1A) ID No. 054759915
- (2) Date of Birth: May 7, 1957
- (3) Address for serving Court Documents: Hanurit 12, Tel Mond 40600.
- (4) Nationality: Israeli

- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
Licensed CPA
BA in Economics and Accounting, Tel-Aviv University.
Employment during the last five years:
External Director and Chairman of the Audit Committee, Bezeq, Israel Telecommunications Company, Ltd.
External Director, Taya Investments, Ltd.
Director, Issta Lines, Ltd.
Director, Prioritech, Ltd.
Owner of Keret Management & Holdings, Ltd. (from 2007)
Senior Vice-President and CFO of the Arison Group (up to the end of 2006).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Mordechai (Moddi) Keret, CPA. as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Mordechai (Moddi) Keret, CPA. as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (h): Election of Prof. Israel Zang as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Israel Zang (1A) ID No. 007947161
- (2) Date of Birth: March 2, 1946
- (3) Address for serving Court Documents: Uri Zvi Greenberg 4/23, Tel-Aviv, 69379.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BSc in Chemical Engineering, The Technion.
PhD in Chemical Engineering, The Technion.
Employment during the last five years:
Director, Wings Holdings (2004 – 2010).
Director, Electra Realty (from 2005).
Professor Emeritus for Management, Faculty of Management, the Recanati Postgraduate Business Management School, Tel-Aviv University (from 2006).
Professor of Management, the Tel Aviv-Yaffo Academic College (from 2006).
Professor for Management, Faculty of Management, the Recanati Postgraduate Business Management School, Tel-Aviv University (1975 - 2006).
Deputy Rector, Tel-Aviv University (2001 – 2005).
Academic Manager – MBA program for Managers, Kellogg Recanati Management School, Tel-Aviv University (2005 – 2007).
Vice-President for Academics and Head of the School of Economic Management, Tel Aviv-Yaffo Academic College (2006 – 2008).
President, Tel Aviv-Yaffo Academic College (2008 – 2011).
Member of the Audit Committee, Bank of Israel (from 2007).
Founding Chairman of the Impact Scholarship Program (2001 – 2008).
- (12) Is he a family member of another interested person of the corporation: No.
- (13) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Prof. Israel Zang, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Prof. Israel Zang as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 5: Dividend Payment Approval.

Description of Item: The Board of Directors resolved, at its meeting of 29 March 2011, to recommend to the General Meeting of the Bank the distribution of an additional dividend to stockholders of NIS 400 million, which is in addition to the cash dividend of NIS 1.0 billion that was distributed by the Bank in two parts totaling NIS 500 million each, on 30 November 2010 and on 27 January 2011, after receiving approval from the Board of Directors and the General Meeting, as required.

The additional dividend to be distributed constitutes some 17% of the Bank's Net Profit for 2010, while the total dividend distributed for 2010, NIS 1.4 billion, constitutes some 59% of the Bank's Net Profit for 2010 (the "**Distribution**").

Subject to the approval of the General Meeting, a dividend of some 27 agorot per share will be paid on 28 June 2011 to the stockholders who hold the Bank's shares as of 12 June 2011 (the record date). The shares will be traded "ex" dividend on 13 June 2011.

The resolution of the Board of Directors to recommend the distribution as described above was approved, among other reasons, in light of the background material placed before the Board of Directors and the follows details:

1. The Bank's audited Financial Statements as at 31 December 2010.
2. An opinion from the Accounting Department (which was reviewed by the auditors) according to which the Distribution meets the tests specified by law, including compliance with the profit test and the Bank's solvency test, and is in compliance with the Supervisor of Banks' Proper Banking Management directives regarding the matter. The opinion included details and information regarding the Bank's compliance with the liquidity directives and regarding the Distribution's impact on the Bank's capital

- and on its compliance with the ratio of capital to risk assets – all taking note of the Bank's capital adequacy policy.
3. An opinion from the Bank's Chief Legal Adviser regarding pending claims against the Bank.
 4. An opinion from the Head of the Bank's Finance and Economics Division regarding the impact of the dividend distribution on the Bank's capital planning.
 5. Details of the distribution of a dividend in respect of the year 2010.
 6. The Distribution is in compliance with the legal provisions regarding the distribution of a dividend, including with respect to the profit test and the solvency test, and is in compliance with the Proper Banking Management directives dealing with this issue, and with the Bank's interim period capital policy.
 7. As a result of the distribution, the Bank's capital adequacy ratio has decreased by 0.15% from 15.10% to 14.95%, and its core capital has decreased from 8.57% to 8.43%, and these ratios are in excess of those required by the Supervisor of Banks.
 8. The Board of Directors believes that the Distribution will not affect the operations of the Bank in its current form, the Bank's ability to achieve its objectives for the coming year or the Bank's strategic plans, and it wishes that the Bank's shareholders share in the Bank's ample profitability, as described above.

Text of the Resolution:

To approve an additional dividend to Bank shareholders in the amount of NIS 400 million. The additional dividend constitutes some 17% of the Bank's net profit for 2010, while the total dividend distributed by the Bank for the year 2010, NIS 1.4 billion, constitutes some 59% of the Bank's net profit for 2010. On the basis of the issued and paid-up capital as of 31 December 2010, the additional dividend is at the rate of 27% of the paid-up capital and the dividend per share will be NIS 0.27 for each share, nominal value NIS 1.0.

The additional dividend will be paid on 28 June to the shareholders who hold the Bank shares on 12 June 2011 (the record date). The shares will trade "ex" dividend on 13 June 2011.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 6: Payment of a Bonus to the Former Chairman of the Board of Directors, Mr. Eitan Raff

Description of Item: The Audit Committee, at its meeting of 22 March 2011, and afterwards, the Board of Directors at its meeting of 29 March 2011, approved the bonus to the former Chairman of the Board of Directors, after the bonus was examined, calculated and approved by the Audit Committee and the Board of Directors in accordance with the determination of the bonus plan for senior officers of the Bank and considering his important contribution to the Bank's achievements and business results, including considering the transitional stage being undergone leading up to replacement of the Chairman

of the Board (after a period of 15 years). The bonus approved for the former Chairman of the Board was calculated and approved with due attention to the fact that the former Chairman of the Board served through part of 2010, up to 22 July 2010.

Regarding the conditions for the senior bank officers' bonus plan, see the Bank's Immediate Report of 10 March 2010, reference 2010-01-409548. For additional details and the manner of approval for the bonus for 2010, see the Bank's Periodic Report as of 31 December 2010, pages 274 – 278, which was published on 30 March 2011, reference 2011-01-098910.

Text of the Resolution: To approve the payment of a bonus to the former Chairman of the Board of Directors, Mr. Eitan Raff, in respect of the financial results for part of 2010, in the amount of NIS 1,961,000.

The Audit Committee and following it, the Board of Directors (subject to the approval of the General Meeting) received and approved the sum of the bonus for the Chairman of the Board of Directors in respect of 2010.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 7: Payment of a Bonus to the Chairman of the Board, Mr. David Brodet

Description of Item: The employment contract of the Chairman of the Board of Directors determines that the granting of a bonus to the Chairman of the Board for 2010 and its amount will be decided upon at the discretion of the Board of Directors (and approved by the General Meeting). The Board of Directors resolved, after receiving the recommendation of the Board's Administration Committee and after approval by the Audit Committee (and subject to approval by the General Meeting of the Bank), to grant an annual bonus to the Chairman of the Board of Directors, Mr. Brodet, in respect of 2010, in the sum of NIS 650,000. This is due to the great appreciation of the Board members of his activities and successful performance as Chairman of the Board to the benefit of the Bank and its prosperity, as well as his rapid integration into the position, and, *inter alia*, considering that he replaced a Chairman who served for the extended term of 15 years with the Bank. The Board and the Committees took into account the fact that the Chairman served for only part of 2010 in determining the amount of the annual bonus.

For additional details on the conditions of employment for the Chairman, see the Bank's Periodic Report for 31 December 2010, pages 274 – 278, as well as the explanation in 15(B)(4)(b) of the Bank's Financial Reports that were published on 30 March 2011, reference 2011-01-098910.

Text of the Resolution: To approve the payment of a bonus to the present Chairman of the Board of Directors, Mr. David Brodet, in respect of the financial results for part of 2010, in the amount of NIS 650,000.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 8: Approval of the Chairman of the Board's Participation in the State's Share Offer to Employees and Granting of a Loan by the Bank to Finance their purchase

Item Description: In accordance with the agreements regarding the Bank's privatization and in accordance with the understandings between the Accountant General at the Ministry of Finance and the Bank's employees, the Bank's Audit Committee and its Board of Directors approved, on 13 March 2011 and on 17 March 2011, respectively, an outline of an offer of the Bank's shares by the State of Israel to the employees of the Bank, of Arab Israel Bank Ltd., of Leumi Mortgage Bank Ltd., and of the Bank Leumi le-Israel Employees Catering Organization (Registered Non-Profit Organization) ("the Participants"), in accordance with the Securities Regulations (Details of an Outline of an Offer of Securities to Employees), 2000.

The outline was published on the Israel Securities Authority Magna website on 6 April 2011, reference 2011-01-112953.

According to the outline, an offer will be made to the Participants in accordance with and subject to the arrangements and conditions described in the outline, of 6,734,777 shares held by the State of Israel, which constitute 0.457% of the Bank's outstanding and fully paid capital, as it is as of the date of the outline's publication.

The share price for the purpose of the offer to the Participants will be NIS 13.20825 as of 19 January 2011, with this price being linked to the Consumer Price Index ("the CPI") in accordance with the last known CPI method, with the base CPI being the CPI for December of 2010, published on 14 January 2011. The share price is subject to various adjustments through the date of the actual payment, which include an adjustment for the distribution of dividends – all as described in the outline.

The distribution of the shares among the Participants and the determination of the number of the shares to be offered to each participant will be in relation to the salary that constitutes the basis for provisions made for social benefits for the relevant Participants for the month of January 2011. All this will be in accordance with what is described in the outline. The Chairman of the Board of Directors and the President and Chief Executive Officer of the Bank have been included among the Participants.

The shares will be locked-up for a period of 4 years from the record date (as defined in the outline), and will be deposited with a trustee to hold in trust.

In addition, the Audit Committee and the Board of Directors approved a grant of loans to the Participants for the purchase of the shares being offered in the outline. The loan principal will be linked to increases in the CPI, with the base

CPI being the known CPI on the date on which the loan is received, and the new CPI being the known CPI on the date of the loan's repayment, and will bear annual interest at the rate of 1.55%, or, in the alternative, the loan principal will bear interest at a rate equal to the prime (Leumi) interest rate minus 0.75%, without being linked to the CPI.

The offering of the shares to the Chairman of the Board of Directors and the grant of the loan for their purchase in accordance with the outline are subject to the approval of the Bank's General Meeting.

Text of the Resolution:

- A. To approve the participation of the Chairman of the Board of Directors in the offer of 0.457% of the Bank's share capital by the government to employees of the Bank and certain of its subsidiaries, in accordance with the outline from 6 April 2011, subject to changes in the outline up to the date of the actual offer;
- B. To approve the granting of a loan by the Bank to the Chairman of the Board of Directors for the purpose of purchasing the shares offered in the above offer, where the offer and the loan are subject to conditions that are identical to those offered to the other participants.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 9: Resolutions concerning Approval of Holding Positions and Disclosure by Officers

Description of Item: The General Meeting is requested to approve resolutions regarding the approval of holding positions and disclosure by the Bank's officers. Similar resolutions were approved by the Annual General Meeting held on 2 June 2010.

The Companies Law imposes on the officers of the Bank a duty to refrain from any act that may constitute a conflict of interests between holding their positions in the Bank and holding another position, including a position with companies in the Leumi Group, or their personal interests. However, the Bank may approve the existence of such a conflict of interests; that is to say, the Bank may agree that its officer hold a position in addition to his positions in the Bank, after the officer has disclosed to the Bank the positions he holds outside the Bank.

It is clarified that the approval set out in the proposed resolutions does not constitute approval of a specific act or transaction in which an officer of the Bank is involved through his position outside the Bank, if such specific act or transaction requires approval under the Companies Law.

In addition, the Companies Law imposes on officers the obligation to disclose existing or proposed transactions of the Bank in which the officer has a personal interest. Where such personal interest also includes a personal interest of a corporation in which the officer or his relative has an interest (such as acting as a director of such corporation) such a duty of disclosure is imposed

on the officer, whether or not the transaction is in the ordinary course of business. The Companies Law also sets out the manner of approval of such transactions of the Bank and provides that the Bank may approve transactions in the ordinary course of business in the manner provided in its Articles of Association.

It is therefore proposed that these resolutions be approved, following their approval by the Audit Committee and subsequently by the Board of Directors, as required by the Companies Law.

Text of the Resolution: To approve the resolutions concerning approval of holding positions and disclosure by officers, pursuant to the text presented to the Meeting.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

BANK LEUMI LE-ISRAEL B.M.

NOTICE TO ORDINARY STOCKHOLDERS

Notice is hereby given that the Annual General Meeting of the Bank will be held at Lyn House, 35 Yehuda Halevi Street, Tel Aviv, on 24 May 2011 at 10:30 am, for the following purposes:

1. To receive and discuss the Financial Statements and the Reports of the Directors and Auditors for the year ending 31 December 2010;
2. To reelect the Auditors Somekh Chaikin and Kost, Forer, Gabbay & Kasierer, and to authorize the Audit Committee of the Board of Directors to fix their remuneration;
3. To elect three Directors out of the following list of candidates:

Candidates proposed by Shlomo Eliahu Holdings Ltd. (Interested Person in the Bank):

(a) Adv. Moshe Gavish; (b) Dr. Ra'anana Cohen; (c) Mr. Shlomo Maoz; (d) Mr. Amos Sapir; (e) Mr. Reuven Covent;

Candidates proposed by the Bank's Shares Committee:

(f) Adv. Miriyam (Miri) Katz (Director retiring by rotation); (g) Mr. David Avner; (h) Ms. Miri Lent-Sharir;

Candidates who are Bank shareholders and who are offering themselves for election:

(i) Adv. Tova (Kariv) Kagan; (j) Mr. Eliezer Carmel; (k) Mr. Eitan Levy, CPA.; (l) Mr. Dov Naveh, CPA.; (m) Mr. Yaron Kimhi; (n) Mr. Jonathan Yehoshua Ross;

A separate vote will be held for the election of each proposed candidate noted above, voters may vote for each of the candidates and their voting is not limited to three candidates. From among the candidates for election as a Director, only three will be elected, as specified below.

The terms of office of the Directors elected at the Meeting are contingent upon the approval or non-objection from the Supervisor of Banks, pursuant to Section 11A of the Banking Ordinance, 1941 (the "Banking Ordinance"). For additional details, see "Voting Procedure for Resolution No. 3" below.

4. To elect an external Director pursuant to Clause 239 of the Companies Law, 1999 (the "Companies Law") for a term of three years, from among the following list of candidates:

Candidate proposed by Shlomo Eliahu Holdings Ltd. (Interested Person in the Bank):

(a) Ms. Tsipporah Samet;

Candidates proposed by the Bank's Shares Committee:

(b) Ms. Iris Stark, CPA.;

Candidates who are Bank shareholders and who are offering themselves for election:

(c) Mr. Binyamin Ben Shoham; (d) Mr. David Shmuel Dotan; (e) Dr. Asher Halperin; (f) Mr. Menachem Inbar; (g) Mr. Mordechai (Moddi) Keret, CPA. (h) Prof. Israel Zang.

A separate vote will be held for the election of each proposed candidate noted above, voters may vote for each of the candidates and their voting is not limited to one candidate. From among the candidates for election as a Director, only one will be elected, as specified below.

The terms of office of the external Director elected at the Meeting are contingent upon the approval or non-objection from the Supervisor of Banks, pursuant to Section 11A of the Banking Ordinance. For additional details, see "Voting Procedure for Resolution No. 4" below.

5. To approve an additional dividend to Bank shareholders in the amount of NIS 400 million. The additional dividend constitutes some 17% of the Bank's net profit for 2010, while the total dividend distributed by the Bank for the year 2010, NIS 1.4 billion, constitutes some 59% of the Bank's net profit for 2010. On the basis of the issued and paid-up capital as of 31 December 2010, the additional dividend is at the rate of 27% of the paid-up capital and the dividend per share will be NIS 0.27 for each share, nominal value NIS 1.0.
The additional dividend will be paid on 28 June to the shareholders who hold the Bank shares on 12 June 2011 (the record date). The shares will trade "ex" dividend on 13 June 2011.
6. To approve the payment of a bonus to the former Chairman of the Board of Directors, Mr. Eitan Raff, in respect of the financial results for part of 2010, in the amount of NIS 1,961,000.
7. To approve the payment of a bonus to the present Chairman of the Board of Directors, Mr. David Brodet, in respect of the financial results for part of 2010, in the amount of NIS 650,000.
8.
 - A. To approve the participation of the Chairman of the Board of Directors in the offer of 0.457% of the Bank's share capital by the government to employees of the Bank and certain of its subsidiaries, in accordance with the outline from 6 April 2011, subject to changes in the outline up to the date of the actual offer;
 - B. To approve the granting of a loan by the Bank to the Chairman of the Board of Directors for the purpose of purchasing the shares offered in the above offer, where the offer and the loan are subject to conditions that are identical to those offered to the other participants.
9. To approve the resolutions concerning approval of holding positions and disclosure by officers, according to the text presented to the Meeting.

The majority required to approve all of the resolutions on the agenda, other than Resolutions Nos. 3 and 4, is an ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper with respect to the items regarding which it is possible to vote by means of a voting paper) or by proxy. For purposes of removal of doubt, it is clarified that abstentions will not be counted among the said votes.

Voting Procedure for Resolution No. 3

Regarding Resolution 3 (election of Directors who are not external Directors), details of the procedure for voting at the General Meeting are as follows:

1. The majority required to approve Resolution No. 3 on the agenda, concerning the election of directors, is an “ordinary majority” of the total voting rights of the stockholders entitled to vote and who voted in person or by proxy (including by means of a voting paper) (the “**Voters**” or the “**Votes Cast by the Voters**,” as relevant).
2. For the purpose of determining whether or not an “ordinary majority” has been obtained, the Votes Cast by the Voters who voted “for” or “against” will be counted. “Abstain” votes that were cast among the Votes Cast by the Voters will not be counted.
3. A candidate who does not receive an “ordinary majority” as described above, out of the Votes Cast by the Voters, will not be elected or move on to Stage B (to the extent that a Stage B is held).
4. If there are more than three (3) candidates who receive an “ordinary majority” as described above, all of them will move on to Stage B. At this Stage B, the candidates who are elected, pursuant to the provisions of Article 85B of the Bank’s Articles of Association (see sub-section (f) below of “Additional Details Regarding the Election of Directors” (Resolution Nos. 3 and 4)), will be the three who receive the largest number of the Votes Cast by the Voters.
5. The count of the highest number of the Votes Cast by the Voters will include only the “for” votes. At this stage, the count will not include the “against” votes (i.e., there are no “offsets.”) The count will also not include the abstaining votes. In other words, the three candidates who received the highest number of “for” votes will be elected (the “**Elected Candidates**”). If a determination needs to be made between more than one candidate who received an identical number of “for” votes, the determination shall be made by lot.
6. The terms of office of the Elected Candidates are contingent upon the approval of the Supervisor of Banks. The Elected Candidates will begin to serve together simultaneously, along with the Elected Candidate to serve as an External Director according to Item 4 of the agenda, immediately after receipt of the approval or non-objection of the Supervisor of Banks regarding the last of the candidates (the “All-Inclusive Approval of the Supervisor”). Should the All-Inclusive Approval of the Supervisor not be received by 24 July 2011, the terms of office of the Elected Candidates who have been approved by the Supervisor of Banks by that time will commence on 25 July 2011, and the terms of office of the others shall commence at the time that the Supervisor of Banks’ approval is received.
7. If there are not three candidates who pass the first stage (receipt of an “ordinary majority,” as stated), a place on the Board of Directors will remain vacant unless one of the Directors who is retiring by rotation agrees to continue to serve until the next Annual General Meeting for the election of Directors.

If more than one of the retiring Directors agrees to continue to serve, the one with the least amount of seniority as a Director will remain, and if the amount of seniority is the same, they will agree amongst themselves as to who will remain or, alternatively, one will be chosen by lot (an “**Interim Arrangement.**”)

8. It is emphasized that if any of the Elected Candidates is disqualified for any reason, including by the Supervisor of Banks, the candidate receiving the highest number of votes cast after such disqualified candidate (the “next in line”) will be considered to have been elected.
9. Until such time as the Elected Candidates are approved by the Supervisor of Banks, a place on the Board of Directors will remain vacant, unless an Interim Arrangement is implemented for this interim period.
10. A separate vote will be held in respect of the election of each Director. Voters may vote for each of the candidates and their voting is not limited to three candidates.

Voting Procedure for Resolution No. 4

Regarding Resolution 4 (electing an external Director), details of the procedure for voting at the General Meeting are as follows:

1. Pursuant to section 239 of the Companies Law, the majority required to adopt Resolution No. 4 of the agenda is an ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy (“**ordinary majority**”, the “**Voters**” or the “**Votes Cast by the Voters,**” as relevant), and only if one of these conditions exists – (1) the quorum of majority votes includes a majority of the votes of stockholders who are not controlling stockholders of the Bank or do not have a personal interest in approving the appointment, except for a personal interest not resulting from his connection to the abovementioned controlling stockholders, participating in the voting (“**Independent Stockholder**”) (in the overall quorum of votes noted above, the abstentions will not be counted); or (2) the total of dissenting votes among the Independent Stockholders does not exceed 2% of the total voting rights in the Bank (all the voting conditions required above, including the ordinary majority will be termed together as a – “**special majority**”).

It is emphasized that the stockholder participating in the voting for Resolution No. 4 of the agenda must notify the Bank prior to the voting at the Meeting or, if he is voting by voting paper, on the voting paper, whether or not he has a personal interest in approving the appointment. It is further emphasized that a stockholder who does not notify as described above – will not vote and his vote will not be counted (see sub-sections b and c of “Additional Details Regarding the Election of Directors (Resolution Nos. 3 and 4)” below).

Regarding Resolution No. 4 on the agenda, the Government of Israel in the name of the State of Israel and/or the Shares Committee of the Bank will not be considered an Independent Stockholder.

2. For the purpose of determining whether or not a “Special Majority” has been obtained, the Votes cast by the Voters who voted “for” or “against” will be counted. “Abstain” votes that were cast among the Votes Cast by the Voters will not be counted.
3. A candidate who does not receive a “special majority” as described above, out of the Votes Cast by the Voters, will not be elected or move on to Stage B (to the extent that a Stage B is held).
4. If there is more than one candidate who receives a “special majority” as described above, all of them will move on to Stage B. At this Stage B, the candidate who is elected, pursuant to the provisions of Article 85B of the Bank’s Articles of Association (see subsection f of “Additional Details Regarding the Election of Directors (Resolution Nos. 3 and 4 of the agenda)” below) will be the candidate who receives the highest number of Votes cast by the Voters.
5. The count of the highest number of the Votes Cast by the Voters will include only the “for” votes. At this stage, the count will not include the “against” votes (i.e., there are no “offsets.”) The count will also not include the abstaining votes. For purposes of the count of the highest number of Voters, the number of Voters for the purposes of determining an ordinary majority will be counted (and not the number of Independent Stockholders). In other words, the candidate who received the highest number of “for” votes will be elected (the “**Elected Candidates**”). If a determination needs to be made between more than one candidate who received an identical number of “for” votes, the determination shall be made by lot.
6. If the elected candidate is disqualified for any reason, including being disqualified by the Supervisor of Banks, whoever received a “special majority” and the most votes after the disqualified candidate as described above (“the next in line”) will be considered the candidate elected.
7. The term of office of the Elected Candidate is contingent upon the approval of the Supervisor of Banks. The Elected Candidate will begin to serve on the Board of Directors together with the Elected Candidates to serve as Directors according to Item 3 on the agenda, immediately after receipt of the approval or non-objection of the Supervisor of Banks regarding the last of the candidates (the “**All-Inclusive Approval of the Supervisor**”). Should the All-Inclusive Approval of the Supervisor not be received by 24 July 2011, the terms of office of the Elected Candidates who have been approved by the Supervisor of Banks by that time will commence on 25 July 2011, and the terms of office the others shall commence at the time that the Supervisor of Banks’ approval is received.

Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)

- a. **Attention is drawn to the provisions of Section 34 (A1) of the Banking (Licensing) Law, 1981: “No person may come to an agreement with another regarding their voting for the election of a director of a banking corporation or a bank holding corporation, except in accordance with a permit granted by the Governor [of the Bank of Israel], following consultation with the Licenses Committee; this provision will not apply to a holder of means of control* who comes to an agreement with**

* - i.e. any stockholder

another, that the other shall vote in the name of and on behalf of the holder for such person as the holder of means of control directs him, provided that the other shall not vote in the name of and on behalf of more than one other holder.”

Therefore, as regards the election of the Directors, a proxy holder who is himself a stockholder of the Bank may vote in the name of and on behalf of one additional stockholder only. As regards the other matters on the agenda of the General Meeting, there is nothing to prevent such a proxy holder from representing more than one stockholder.

- b. Section 276 of the Companies Law determines: “A stockholder participating in a vote under section 275 shall notify the company prior to the vote in the meeting, or, if the vote is by way of voting papers, on the voting paper, whether or not he has a personal interest in the approval of the transaction; where a stockholder does not so notify, he shall not vote and his vote shall not be counted.”
- c. Section 1 of the Companies Law determines that it will also be seen as a personal interest of a participant in a vote when: “the personal interest of the person voting by power of attorney given him by another person, even if the other person has no personal interest, so that the vote of the person who received the power of attorney will be seen as the vote of a person with a personal interest in the vote of the personally interested party, whether the discretion of voting is in the hands of the voter or not”.
- d. **Pursuant to Article 82 of the Bank’s Articles of Association, four directors are retiring by rotation. In Resolution No. 3 on the agenda, a number of candidates are standing for election as Director, from among whom only three Directors will be elected.**
In Resolution No. 4 on the agenda, several candidates are standing for election as an external Director pursuant to the Companies Law, from among whom only one external Director will be elected.
- e. Article 76 of the Bank’s Articles of Association provides as follows: “Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven, nor more than fifteen in number.” However, in accordance with the Proper Banking Management Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- f. Article 85B of the Bank’s Articles of Association provides as follows: “Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of stockholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between more than one candidate who received the same number of votes, the determination as to who shall be elected shall be made by lot.”
- g. Article 86 of the Bank’s Articles of Association provides as follows: “If at any General Meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled, he shall, if willing, continue in office until the Regular

Meeting in the next year and so on from year to year, until his place is filled, unless it shall be determined at such a meeting to reduce the number of Directors in office.”

If the meeting is postponed, it will convene on 31 May 2011, at the same time and place.

The record date for determining the entitlement of all stockholders to vote at the General Meeting is 20 April 2011.

A stockholder entitled to attend and vote may vote by means of a voting paper, pursuant to the Companies Law and the Companies (Written Voting and Position Papers) Regulations, 2005 (the "Regulations"), such being in respect of Items 3, 4, 6, 7, 8 and 9 on the agenda.

The addresses of the distribution website of the Israel Securities Authority (the "Securities Authority") and of the website of the Tel Aviv Stock Exchange Ltd. (the "Stock Exchange"), at which the text of the voting paper and the position papers (as defined in section 88 of the Companies Law) are obtainable are:

Distribution website of the Securities Authority: <http://www.magna.isa.gov.il/>

Website of the Stock Exchange: <http://maya.tase.co.il/>

Voting by means of a voting paper is to be done on the Second Part of the voting paper as published on the distribution website of the Securities Authority.

In addition, for additional information on the General Meeting, the Immediate Report regarding convening of the General Meeting submitted on 11 April 2011 may be viewed on the Magna web site.

A stockholder may apply to the Bank directly and receive the text of the voting paper and the position papers.

A Stock Exchange member will send via electronic mail, free of charge, the link to the voting paper and the position papers on the distribution site of the Securities Authority to all stockholders not registered in the Register of Stockholders and whose stock is registered with such Stock Exchange member, unless the stockholder has given notice that he/she does not wish to receive same, provided that the notice was given in respect of a particular securities account and at a date prior to the record date.

A stockholder whose stock is registered with a Stock Exchange member is entitled to receive a certificate of ownership from the Stock Exchange member through which he holds his stock, at a branch of the Stock Exchange member or via mail to his address against payment of the delivery charge only, if so requested. Such a request is to be made in advance in respect of a particular securities account.

The final date for delivery of position papers to the Bank is 1 May 2011.

The final date for delivery of voting papers to the Bank is 22 May 2011, at 10:30 am.

Apart from the option of voting by means of a voting paper in respect of the items specified above, a stockholder entitled to attend and vote may appoint a proxy or proxies to attend and vote on his or her behalf. A proxy need not be a stockholder of the Bank.

To be effective, the proxy, together with the power of attorney (if any) under which it is signed, must reach the registered office of the Bank no less than 48 hours prior to the time of the Meeting – i.e., by 22 May 2011 at 10:30 am. In the case of stockholders who are not registered in the Register of Stockholders, he/she must attach a certificate of ownership from a Stock Exchange member, in accordance with the Companies (Proof of Ownership of Shares for the Purpose of Voting at a General Meeting) Regulations, 2000 to the proxy.

Documents regarding the Resolutions on the agenda may be examined at the Secretariat of the Bank at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, tel: 972-3-514-9716, between 08:00 and 15:00.

It is clarified that a stockholder or his empowered representative requesting to be present and/or vote in the General meeting is required to be in possession of the following documents, which he will be required to present:

- i. A valid Identity Card or Passport or Driver's License.
- ii. An ownership certificate valid as of the record date – 20 April 2011.

Anyone who is not a stockholder or is a stockholder without a certificate of ownership valid as of 20 April 2011 will not be allowed to be present and vote at the General Meeting.

A stockholder whose shares are listed in his name in the Register of Stockholders of the Bank is not required to be in possession of the abovementioned certificate of ownership.

Tel Aviv, 11 April 2011

By Order of the Board of Directors

Yael (Ben Moshe) Rudnicki, Adv.
Group Secretary

BANK LEUMI LE-ISRAEL B.M.

Voting Paper pursuant to the Companies (Written Voting and Position Papers) Regulations, 2005 (the "Regulations") for the Annual General Meeting to be held on 24 May 2011.

First Part

2. Name of Company: Bank Leumi le-Israel B.M. (the "Bank").
3. Type of General Meeting, Date and Place at which to be Held: Annual General Meeting. The General Meeting will be held on 24 May 2011 at 10:30 am at the offices of the Bank at Lyn House, 35 Yehuda Halevi Street, Tel Aviv. Should the Meeting be postponed, it will be held on 31 May 2011, at the same place and time.
4. Details of the items on the agenda in relation to which one may vote by means of a Voting Paper:

Item 3: Election of Directors

Description of Item: Pursuant to the Articles of Association of the Bank, at the Annual General Meeting, four members of the Board of Directors will retire: Adv. Miriyam (Miri) Katz, Mr. Rami Avraham Guzman, Adv. Jacob Mishal and Mr. Zvi Koren.

Four Directors stand to be elected in this General Meeting: three Directors in accordance with Resolution No. 3 of the agenda and one external Director in accordance with Resolution No. 4 of the Agenda.

In Resolution No. 3 of the agenda, a number of candidates are standing for election as a Director, of which only three Directors will be chosen from among them.

Shlomo Eliahu Holdings, Ltd. (an interested person of the Bank) has nominated the following stockholders for election as Directors: Adv. Moshe Gavish, Dr. Ra'anah Cohen, Mr. Shlomo Maoz, Mr. Amos Sapir and Mr. Reuven Covent.

The Shares Committee of the Bank, which votes by virtue of the shares owned by the State, informed the Bank that it is proposing to the General Meeting, pursuant to the Bank Shares (Arrangement Shares) (Temporary Provision) Law, 1993, to elect three candidates to serve as Directors, as follows: Adv. Miriyam (Miri) Katz (Director retiring by rotation), Mr. David Avner and Ms. Miri Lent-Sharir.

In addition, pursuant to Article 87 of the Bank's Articles of Association, applications were received from the stockholders of the Bank, as detailed below, to the effect that the said stockholders are offering themselves for election as Directors of the Bank at the General Meeting.

The stockholders offering themselves for election as Directors: Adv. Tova Kagan, Mr. Eliezer Carmel, Mr. Eitan Levy, CPA., Mr. Dov Naveh, CPA., Mr. Yaron Kimhi and Mr. Jonathan Yehoshua Ross.

The terms of office of the Directors are contingent upon the consent or non-objection of the Supervisor of Banks, pursuant to Section 11A of the Banking Ordinance, 1941.

A separate vote will be held in respect of the election of each candidate proposed as detailed above; voters may vote for each of the candidates, and their voting is not limited to three candidates. Of the number of candidates for election as a Director, only three will be elected, as detailed below.

The CVs of the candidates who have provided same may be examined at the Secretariat of the Bank, at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, Tel: 972-3-514-9716 between 08:00 and 15:00.

Voting Procedure for Resolution No. 3

Regarding Resolution 3 (election of Directors who are not external Directors), details of the procedure for voting at the General Meeting are as follows:

1. The majority required to approve Resolution No. 3 on the agenda, concerning the election of directors, is an “ordinary majority” of the total voting rights of the stockholders entitled to vote and who voted in person or by proxy (including by means of a voting paper) (the “**Voters**” or the “**Votes Cast by the Voters**,” as relevant).
2. For the purpose of determining whether or not an “ordinary majority” has been obtained, the Votes Cast by the Voters who voted “for” or “against” will be counted. “Abstain” votes that were cast among the Votes Cast by the Voters will not be counted.
3. A candidate who does not receive an “ordinary majority” as described above, out of the Votes Cast by the Voters, will not be elected or move on to Stage B (to the extent that a Stage B is held).
4. If there are more than three (3) candidates who receive an “ordinary majority” as described above, all of them will move on to Stage B. At this Stage B, the candidates who are elected, pursuant to the provisions of Article 85B of the Bank’s Articles of Association (see sub-section (f) below of “Additional Details Regarding the Election of Directors” (Resolution Nos. 3 and 4)), will be the three who receive the largest number of the Votes Cast by the Voters.
5. The count of the highest number of the Votes Cast by the Voters will include only the “for” votes. At this stage, the count will not include the “against” votes (i.e., there are no “offsets.”) The count will also not include the abstaining votes. In other words, the three candidates who

received the highest number of “for” votes will be elected (the “**Elected Candidates**”). If a determination needs to be made between more than one candidate who received an identical number of “for” votes, the determination shall be made by lot.

6. The terms of office of the Elected Candidates are contingent upon the approval of the Supervisor of Banks. The Elected Candidates will begin to serve together simultaneously, along with the Elected Candidate to serve as an External Director according to Item 4 of the agenda, immediately after receipt of the approval or non-objection of the Supervisor of Banks regarding the last of the candidates (the “All-Inclusive Approval of the Supervisor”). Should the All-Inclusive Approval of the Supervisor not be received by 24 July 2011, the terms of office of the Elected Candidates who have been approved by the Supervisor of Banks by that time will commence on 25 July 2011, and the terms of office of the others shall commence at the time that the Supervisor of Banks’ approval is received.
7. If there are not three candidates who pass the first stage (receipt of an “ordinary majority,” as stated), a place on the Board of Directors will remain vacant unless one of the Directors who is retiring by rotation agrees to continue to serve until the next Annual General Meeting for the election of Directors.
If more than one of the retiring Directors agrees to continue to serve, the one with the least amount of seniority as a Director will remain, and if the amount of seniority is the same, they will agree amongst themselves as to who will remain or, alternatively, one will be chosen by lot (an “**Interim Arrangement.**”)
8. It is emphasized that if any of the Elected Candidates is disqualified for any reason, including by the Supervisor of Banks, the candidate receiving the highest number of votes cast after such disqualified candidate (the “next in line”) will be considered to have been elected.
9. Until such time as the Elected Candidates are approved by the Supervisor of Banks, a place on the Board of Directors will remain vacant, unless an Interim Arrangement is implemented for this interim period.
10. A separate vote will be held in respect of the election of each Director. Voters may vote for each of the candidates and their voting is not limited to three candidates.

Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)

- a. **Attention is drawn to the provisions of Section 34 (A1) of the Banking (Licensing) Law, 1981: “No person may come to an agreement with another regarding their voting for the election of a director of a banking corporation or a bank holding corporation, except in accordance with a permit granted by the Governor [of the Bank of Israel], following consultation with the Licenses Committee; this**

provision will not apply to a holder of means of control* who comes to an agreement with another, that the other shall vote in the name of and on behalf of the holder for such person as the holder of means of control directs him, provided that the other shall not vote in the name of and on behalf of more than one other holder.”

Therefore, as regards the election of the Directors, a proxy holder who is himself a stockholder of the Bank may vote in the name of and on behalf of one additional stockholder only. As regards the other matters on the agenda of the General Meeting, there is nothing to prevent such a proxy holder from representing more than one stockholder.

- b. Section 276 of the Companies Law determines: “A stockholder participating in a vote under section 275 shall notify the company prior to the vote in the meeting, or, if the vote is by way of voting papers, on the voting paper, whether or not he has a personal interest in the approval of the transaction; where a stockholder does not so notify, he shall not vote and his vote shall not be counted.”
- c. Section 1 of the Companies Law determines that it will also be seen as a personal interest of a participant in a vote when: “the personal interest of the person voting by power of attorney given him by another person, even if the other person has no personal interest, so that the vote of the person who received the power of attorney will be seen as the vote of a person with a personal interest in the vote of the personally interested party, whether the discretion of voting is in the hands of the voter or not”.
- d. **Pursuant to Article 82 of the Bank’s Articles of Association, four directors are retiring by rotation. In Resolution No. 3 on the agenda, a number of candidates are standing for election as Director, from among whom only three Directors will be elected. In Resolution No. 4 on the agenda, several candidates are standing for election as an external Director pursuant to the Companies Law, from among whom only one external Director will be elected.**
- e. Article 76 of the Bank’s Articles of Association provides as follows: “Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven, nor more than fifteen in number.” However, in accordance with the Proper Banking Management Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- f. Article 85B of the Bank’s Articles of Association provides as follows: “Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of stockholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes

* - i.e. any stockholder

at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between more than one candidate who received the same number of votes, the determination as to who shall be elected shall be made by lot.”

- g. Article 86 of the Bank’s Articles of Association provides as follows: “If at any General Meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled, he shall, if willing, continue in office until the Regular Meeting in the next year and so on from year to year, until his place is filled, unless it shall be determined at such a meeting to reduce the number of Directors in office.”

Item 3 (a): Election of Adv. Moshe Gavish as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Moshe Gavish (1A) ID No. 008081770
- (2) Date of Birth: June 22, 1948
- (3) Address for serving Court Documents: Balfour 13, Tel-Aviv.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics – the Hebrew University of Jerusalem.
LLB Law – the Hebrew University of Jerusalem
MBA – the Hebrew University of Jerusalem.
Employment during the last five years:
Attorney, Economic Consultant, Arbitrator and Mediator.
Chairman and Director of private and public companies.
Member of various organizations and associations for public benefit.
Founder and Chairman of the public companies MediPower (2005 – 2010) and Valium (from 2003).
Director and alternate Chairman, Israel Electric Company (2003 – 2007).
Administrative Committee Chairman, Israel Broadcasting Authority (2006 – 2009).
Administrative Committee Chairman, Haifa University (2006 – 2008).
Member of the Public Advisory Committee to the Government Companies Authority.

- Member of the Public Advisory Committee to the Tel-Aviv Fund.
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Adv. Moshe Gavish, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Moshe Gavish as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (b): Election of Dr. Ra'an Cohen as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Ra'an Cohen (1A) ID No. 048316954
- (2) Date of Birth: February 28, 1941
- (3) Address for serving Court Documents: Tirtzeh 26, Ramat-Gan, 52364.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA – Tel Aviv University
MA in Middle East History – Tel Aviv University.
Ph.D. – Tel Aviv University
Financial Management Studies for Managers, Risk Management, Company Recovery Laws, Theory of Securities Investments and Financial Instruments, Director Training and Mediation.
Employment during the last five years:

Chairman of the Board of Directors of the Industrial Development Bank of Israel (2002 – 2010).

Director and member of the Strategic Committee, Finance Committee and Investment Committee, "Raphael" Advanced Weapons Systems, Ltd. (from 2010).

Director and member of the Credit and Nostro Committees, Bank Otsar Hahayal (from 2010).

Director from the Public, Chairman of the Balance Committee, member of the Finance Committee and Auditing Committee, Queenco Ltd. (from 2010).

Director, Investment Committee Chairman, member of the Finance Committee and Auditing Committee, S. Shlomo Insurance Company, Ltd. (from 2007).

Director from the Public, Chairman of the Auditing Committee and member of the Finance Committee, Neto Melinda Trading, Ltd. (from 2007).

Director from the Public, Chairman of the Balance Committee, member of the Auditing Committee and Finance Committee, B. Gaon Holdings, Ltd. (from 2007).

Director, member of Investment and Finance Committees, Zerah Oil & Gas Explorations – Limited Partnership, Ltd. (from 2006).

- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Dr. Ra'anah Cohen, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website..

Text of the Resolution: To elect Dr. Ra'anah Cohen as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (c): Election of Mr. Shlomo Maoz as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Shlomo Maoz (1A) ID No. 047536974
- (2) Date of Birth: October 2, 1946
- (3) Address for serving Court Documents: Habesor 84, P.O.B. 87, Shoham 60850.
- (4) Nationality: Israeli

- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics – the Hebrew University of Jerusalem
MSc in Economics – London School of Economics
Employment during the last five years:
Chairman, Excellence Nessuah Trust Funds, Ltd. (from 2010).
Director, Sano, Bruno's Enterprises, Ltd. (from 2009).
Chairman of the Board of Directors, Israel Land Development, Ltd. (from 2008).
External Director, Afcon Industries Group (from 2007).
Director, Dafna, Teacher's Pension and Severance Fund (2007 – 2011).
Director, Zim Integrated Shipping Services, Ltd. (from 2006).
Director, Discount Underwriting and Issuing, Ltd. (from 2006).
Director, Israel Land Development, Ltd. (2004 – 2008).
Director, Ma'ariv holdings, Ltd. (2004 – 2010).
Chairman, Israel Land Development Insurance Holdings (from 2006).
Director, Bromine Compounds Ltd. (from 2003)
Director, ACME Trading (A.T.) Ltd. (from 2002)
Chief Economist, Nessuah Zanex/Excellence Nessuah Investment House (from 2001).
Director, Dead Sea Industries Ltd. (from 2000).
Economic and Financial Consultant to multiple institutions and investment companies in Israel and abroad, in the fields of foreign currency, pricing indexes, pricing, macro and micro economics (from 1997).
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Shlomo Maoz, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Shlomo Maoz as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (d): Election of Mr. Amos Sapir as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Amos Sapir (1A) ID No. 003139300
- (2) Date of Birth: July 4, 1937
- (3) Address for serving Court Documents: Michael Ne'eman Blvd 22, Tel-Aviv, 69581.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and International Relations – the Hebrew University of Jerusalem
MBA with a specialization in Financing – Columbia University, New York, U.S.A.
Doctorate Studies specializing in Financing and Banking – Columbia University, New York, U.S.A.
Employment during the last five years:
Chairman of the Board of Directors, Maalot – Israel Securities Rating Company Ltd. (1999 – 2008).
Chairman of the Board of Directors, Standard & Poor's, Ltd. (2008 – 2009).
Chairman of the Board of Directors, N. Feldman & Son, Ltd. (from 2003).
Director, Israel Amlat Investments (1993) Ltd. (from 2001; from 2011, serving as Chairman of the Board of Directors).
External Director, Hot Communications Systems, Ltd. (from 2007).
Director, LOG – Plastic Products Company Ltd. (from 2007).
External Director, A. Dori Group Ltd. (from 2010).
Director and Owner: Sixace Holdings, Ltd. and Sixace Management (1997) Ltd. (from 2010).

Member of the Board of Trustees, Tel Aviv University.
Member of the Administrative Committee, Tel Aviv-Yaffo Academic College.
Council Member, The Center for Educational Technology.
Member of the Board of Trustees, Bezalel Academy of Arts and Design.
Chairman of the Administrative Committee, Olim Beyahad, Leadership and Employment Excellence for Ethiopian-Israeli University Graduates.
Member of the Public Council, Midot – Reflecting and Rating NPOs Ltd.
Management bodies of various charitable associations and associations for scholarships and research grants.

- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Amos Sapir, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Amos Sapir as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (e): Election of Mr. Reuven Covent as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Reuven Covent (1A) ID No. 052005923
- (2) Date of Birth: August 21, 1953
- (3) Address for serving Court Documents: Yosef Milo 11 A, Tel-Aviv, 69643.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.

- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Social Sciences, Tel-Aviv University.
MBA, Tel-Aviv University.
Employment during the last five years:
CEO of Dun & Bradstreet Israel, Ltd.
Management Committee Chairman, Micromedical Technologies, Ltd. (from 2008).
Director, Green Mountain Holdings and D. & B. Credit Management Company.
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Reuven Covent, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Reuven Covent as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (f): Election of Adv. Miryiam (Miri) Katz as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Miriyam (Miri) Katz (1A) ID No. 050568070
- (2) Date of Birth: March 4, 1951
- (3) Address for serving Court Documents: Michael Ne'eman Blvd. 18/32, Tel-Aviv, 69581.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Chairperson of the Prospectus Committee, member of the Audit Committee, Guidelines Committee and Investments Committee.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: 5.6.2008.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:
LLB – the Hebrew University of Jerusalem.

Licensed Advocate.

Employment during the last five years:

Attorney, Consultant, Manager and Director of companies.

Director, Chairperson of the Prospectus Committee and member of the Audit Committee, Management Committee and Investment Committee, Bank Leumi (from 2008).

External Director, Itamar Medical (from 2007).

CEO of the Ima Foundation

Member of the Board of Trustees of the Hebrew University of Jerusalem and The Technion, Israel Institute of Technology.

Director, Edmond Benjamin de Rothschild Caesaria Development Company Ltd. and the Edmond Benjamin de Rothschild Casearia Foundation (2003 – 2009).

External Director, Tower Semiconductors (2007 – 2008).

External Director and Chairmperson of the Audit Committee, Bank of Jerusalem (2003 – 2006)

- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Adv. Miriam (Miri) Katz, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Adv. Miriam (Miri) Katz as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (g): Election of Mr. David Avner as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: David Avner (1A) ID No. 050782184
- (2) Date of Birth: August 29, 1951
- (3) Address for serving Court Documents: Saar 146, Nofit, 36001.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.

- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Mathematics, Computer Sciences and Philosophy, Haifa University.
MBA specializing in Financial Strategy and Management, The Technion.
Employment during the last five years:
CEO, Partner Communications, Ltd. (2007 – 2010).
Deputy CEO, Partner Communications, Ltd. (2005 – 2007).
COO, Amdocs (2003 -2005).
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. David Avner, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. David Avner as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (h): Election of Ms. Miri Lent-Sharir as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Miri Lent-Sharir (1A) ID No. 05407523
- (2) Date of Birth: August 28, 1956
- (3) Address for serving Court Documents: Zvia Lovotkin 2, Kfar Saba 44397.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.

- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:
BA in Economics, Tel-Aviv University.
MBA, specializing in Accounting and Financing – Tel-Aviv University.
Employment during the last five years:
Director – Bank Igud le-Israel, Ltd., Shomrah Insurance Company, Ltd., Geffen Biomed Investments Ltd., Rosebud Real Estate, Ltd., Taya Investments, Ltd., M.A. Sharir Management, Ltd., and Brimag Digital Age Ltd. (2005 – 2010).
Director, Discount Bank Pension Management Company, Lachish Industries Ltd., Newlog Ltd. (up to 2006).
Director from the Public, American-Israeli Paper Mills, Ltd. (1999 – 2005).
- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Ms. Miri Lent-Sharir, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Ms. Miri Lent-Sharir as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (i): Election of Adv. Tova (Kariv) Kagan as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Tova (Kariv) Kagan (1A) ID No. 009982695
- (2) Date of Birth: April 20, 1937
- (3) Address for serving Court Documents: Pinchas 62, Tel-Aviv, 62157.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.

- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:
LLB., the Tel-Aviv branch of the Hebrew University of Jerusalem.
Employment during the last five years:
Attorney, owning an independent legal office dealing in Corporate Affairs, Contracts and Civil matters (from 1970).
- (10) Is she a family member of another interested person of the corporation: No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Adv. Tova (Kariv) Kagan, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Adv. Tova (Kariv) Kagan as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (j): Election of Mr. Eliezer Carmel as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Eliezer Carmel (1A) ID No. 005366414
- (2) Date of Birth: January 19, 1943
- (3) Address for serving Court Documents: Fishman Maimon 7, Tel-Aviv, 64236.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the

approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.

- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Political Science, the Hebrew University of Jerusalem (Tel Aviv branch in Ramat-Aviv).
MBA, specializing in Finance, Tel-Aviv University.
Licensed Investment Consultant.
Employment during the last five years:
External Director of Harel Funds, Harel Pension Funds and member of Investment Committee – Members (2003 – 2009)
Director, Dr. Fischer Pharmaceutical Industries, Ltd. (from 2005).
Director, Meshulam Levinstein Contracting & Engineering, Ltd. and Tamir Fishman Realty Fund (from 2007).
Financial Investment Consultant, Postal Authority (2002 – 2006).
External Consultant, IDF Continuing Education Savings Fund (1996 – 2008).
Chairman of the Investment Committee and Member of the Board of Trustees, Ben-Gurion University (from 1996).
External Consultant, Continuing Education Savings Fund for the Union of Academics in Social Sciences & Philosophies and Afeka Engineering College (from 2005).
External Consultant, Atarim – Municipal Government Company for Development (from 2006).
External Consultant, Hever, Career and Retired Military, Ltd. (from 2008).
Chairman, Finance Committee and member of the Friends of Diaspora House.
Member of the Board of Trustees for Afeka Engineering College.
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Eliezer Carmel, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Eliezer Carmel as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (k): Election of Mr. Eitan Levy, CPA. as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Eitan Levy (1A) ID No. 057402299
- (2) Date of Birth: December 29, 1961
- (3) Address for serving Court Documents: Haim Laskov 16, Herzlia, 46364.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Accounting, Tel-Aviv University
Graduated Capital Market and Financial Instruments studies at the Tel-Aviv University Executive Education Programs (LAHAV).
Accountant
Employment during the last five years:
Active Chairman, Migdalor Energy (S.R.I.) Ltd. (from 2010).
Partner and co-CEO, Migdalor Investments (SRI Global Group) (from 2009).
Deputy CEO, The Phoenix Investments and Finances (2006 – 2009).
CEO, The Phoenix Pensions, Ltd. (2004 – 2005).
Deputy CEO for Investments, Phoenix Insurance Company, Ltd. (2002 – 2006).
Past Director for Excellence Investments, Excellence Stock Market Services and Phoenix Pensions, and CEO, Migdalor Investments, Ltd. (from 2009).
Structured Products Manager, Tamir Fishman Group (from 2009).
Major Accounts Manager, E4X Inc. (2006 – 2008).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Eitan Levy, CPA., as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Eitan Levy, CPA. as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (1): Election of Mr. Dov Naveh, CPA. as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Dov Naveh (1A) ID No. 007599053
- (2) Date of Birth: February 15, 1943
- (3) Address for serving Court Documents: POB 731, Ramat-Gan, 52106.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
Certified Public Accountant (from 1970).
Accounting Certificate – School of Economics and Social Sciences, the Hebrew University of Jerusalem.
Studies as a "Special Program Student" for MBA without degree in the field of financing, The Wharton School of Business, University of Pennsylvania.
Employment during the last five years:
16 years of activity in the United Mizrahi Bank, Ltd. In various fields.
Owner of an Economics, Finance and Organizational Consulting firm (from 1997).
External Director, Leumi Start, Ltd. (2003 – 2008).
External Director, C.A.L. Ltd., (from September 2008).
Director, Isras Group Investments, Ltd. (from 2002).
Director, OCIF Investments and Development, Ltd. (from 2008).
Director, Arco Holdings, Ltd. (from 2007).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Dov Naveh, CPA., as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Dov Naveh, CPA. as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (m): Election of Mr. Yaron Kimhe as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Yaron Kimhe (1A) ID No. 056410764
- (2) Date of Birth: April 9, 1960
- (3) Address for serving Court Documents: Yasmine264, Zur Hadassah, POB 82, 99875.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics, the Hebrew University of Jerusalem.
MBA, specializing in Information Systems and Accounting, the Hebrew University of Jerusalem.
Doctoral Student in the Faculty for Natural Resource and Environmental Management, Haifa University.
Employment during the last five years:
Chairman of the Local Industrial Council, Migdal Teffen (from 2005).
Director, Local Government Economic Services, Ltd.
Member of Investment Committee, Clal Pensions, Ltd.
Sub-committee Chairman for the Union of Local Authorities in the area of Municipal Bonds.
Public Representative at the Antitrust Tribunal.
Formerly, Chairman of the Israel Wine Institute (Government Company).

- Director in public and private companies.
- (10) Is he a family member of another interested person of the corporation:
No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Yaron Kimhe, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Yaron Kimhe as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 3 (n): Election of Mr. Jonathan Yehoshua Ross as Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Jonathan Yehoshua Ross (1A) ID No. 308587617
- (2) Date of Birth: October 31, 1964
- (3) Address for serving Court Documents: Sami Vered 17, Ramat Hasharon 47249.
- (4) Nationality: Israeli, US American
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: No.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to the approval of the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 6 of the "Voting Procedure for Resolution No. 3" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Liberal Arts, University of Michigan.
Investment Manager and Licensed Dealer.
Employment during the last five years:
Partner-Manager, Migdalor Investments and Migdalor Bond Fund (from 2009).
Director and CEO, Migdalor Energy (SRI) Ltd. (from 2009).

Structured \Products Manager, Tamir Fishman Group, Ltd. (2006 – 2008).

Major Accounts Manager, E4X Inc. (2002 – 2006).

(10) Is he a family member of another interested person of the corporation:
No.

(11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Jonathan Yehoshua Ross, as required pursuant to section 224B of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Jonathan Yehoshua Ross as a Director.

Required Majority: See the "Voting procedure for Resolution No. 3" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4: Election of an External Director

Description of Item: On 8 March 2011 the Bank's Board of Directors resolved that one of the Directors elected at the Annual General Meeting will be an External Director according to the Companies Law, 1999 ("External Director"), in light of the increasing requirements of the Banking Supervision Department and additional authorities requiring the presence of an External Director for many resolutions and committee compositions.

As noted above, in Resolution No. 4 on the agenda, a number of candidates are standing for election as an External Director, and only one External Director will be chosen from among them.

Shlomo Eliahu Holdings, Ltd. (an interested person in the Bank) has nominated Ms. Zipporah Samet for election as an External Director.

The Shares Committee of the Bank, which votes by virtue of the shares owned by the State, informed the Bank that it is proposing to the General Meeting, pursuant to the Bank Shares (Arrangement Shares) (Temporary Provision) Law, 1993, to elect Ms. Iris Stark, CPA., to serve as an External Director.

In addition, pursuant to Article 87 of the Bank's Articles of Association, applications were received from the stockholders of the Bank, as detailed below, to the effect that the said stockholders are offering themselves for election as an External Director of the Bank at the General Meeting.

The stockholders offering themselves for election as the External Director are: Mr. Binyamin Ben Shoham, Mr. David Shmuel Dotan, Dr. Asher Halperin, Mr. Menachem Inbar, Mr. Mordechai (Moddi) Keret and Prof. Israel Zang.

The term of office of the External Director is contingent upon the consent or non-objection of the Supervisor of Banks, pursuant to Section 11A of the Banking Ordinance, 1941.

A separate vote will be held in respect of the election of each candidate proposed as detailed above; voters may vote for each of the candidates, and their voting is not limited to one candidate. Of the number of candidates for election as an External Director, only one will be elected, as detailed below.

The CVs of the candidates who have provided same may be examined at the Secretariat of the Bank, at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, Tel: 972-3-5149716 between 08:00 and 15:00.

Voting Procedure for Resolution No. 4

Regarding Resolution 4 (electing an external Director), details of the procedure for voting at the General Meeting are as follows:

1. Pursuant to section 239 of the Companies Law, the majority required to adopt Resolution No. 4 of the agenda is an ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy ("**ordinary majority**", the "**Voters**" or the "**Votes Cast by the Voters**," as relevant), and only if one of these conditions exists – (1) the quorum of majority votes includes a majority of the votes of stockholders who are not controlling stockholders of the Bank or do not have a personal interest in approving the appointment, except for a personal interest not resulting from his connection to the abovementioned controlling stockholders, participating in the voting ("**Independent Stockholder**") (in the overall quorum of votes noted above, the abstentions will not be counted); or (2) the total of dissenting votes among the Independent Stockholders does not exceed 2% of the total voting rights in the Bank (all the voting conditions required above, including the ordinary majority will be termed together as a – "**special majority**").

It is emphasized that the stockholder participating in the voting for Resolution No. 4 of the agenda must notify the Bank prior to the voting at the Meeting or, if he is voting by voting paper, on the voting paper, whether or not he has a personal interest in approving the appointment. It is further emphasized that a stockholder who does not notify as described above – will not vote and his vote will not be counted (see sub-sections b and c of "Additional Details Regarding the Election of Directors (Resolution Nos. 3 and 4)" below).

Regarding Resolution No. 4 on the agenda, the Government of Israel in the name of the State of Israel and/or the Shares Committee of the Bank will not be considered an Independent Stockholder.

2. For the purpose of determining whether or not a “Special Majority” has been obtained, the Votes cast by the Voters who voted “for” or “against” will be counted. "Abstain" votes that were cast among the Votes Cast by the Voters will not be counted.
3. A candidate who does not receive a “special majority” as described above, out of the Votes Cast by the Voters, will not be elected or move on to Stage B (to the extent that a Stage B is held).
4. If there is more than one candidate who receives a “special majority” as described above, all of them will move on to Stage B. At this Stage B, the candidate who is elected, pursuant to the provisions of Article 85B of the Bank’s Articles of Association (see sub-section f of “Additional Details Regarding the Election of Directors (Resolution Nos. 3 and 4 of the agenda)” below) will be the candidate who receives the highest number of Votes cast by the Voters.
5. The count of the highest number of the Votes Cast by the Voters will include only the “for” votes. At this stage, the count will not include the “against” votes (i.e., there are no “offsets.”) The count will also not include the abstaining votes. For purposes of the count of the highest number of Voters, the number of Voters for the purposes of determining an ordinary majority will be counted (and not the number of Independent Stockholders). In other words, the candidate who received the highest number of “for” votes will be elected (the “**Elected Candidates**”). If a determination needs to be made between more than one candidate who received an identical number of “for” votes, the determination shall be made by lot.
6. If the elected candidate is disqualified for any reason, including being disqualified by the Supervisor of Banks, whoever received a “special majority” and the most votes after the disqualified candidate as described above (“the next in line”) will be considered the candidate elected.
7. The term of office of the Elected Candidate is contingent upon the approval of the Supervisor of Banks. The Elected Candidate will begin to serve on the Board of Directors together with the Elected Candidates to serve as Directors according to Item 3 on the agenda, immediately after receipt of the approval or non-objection of the Supervisor of Banks regarding the last of the candidates (the “**All-Inclusive Approval of the Supervisor**”). Should the All-Inclusive Approval of the Supervisor not be received by 24 July 2011, the terms of office of the Elected Candidates who have been approved by the Supervisor of Banks by that time will commence on 25 July 2011, and the terms of office the others shall commence at the time that the Supervisor of Banks’ approval is received.

Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)

- a. **Attention is drawn to the provisions of Section 34 (A1) of the Banking (Licensing) Law, 1981: “No person may come to an agreement with another regarding their voting for the election of a director of a banking corporation or a bank holding corporation, except in accordance with a permit granted by the Governor [of the Bank of Israel], following consultation with the Licenses Committee; this provision will not apply to a holder of means of control* who comes to an agreement with another, that the other shall vote in the name of and on behalf of the holder for such person as the holder of means of control directs him, provided that the other shall not vote in the name of and on behalf of more than one other holder.”**
Therefore, as regards the election of the Directors, a proxy holder who is himself a stockholder of the Bank may vote in the name of and on behalf of one additional stockholder only. As regards the other matters on the agenda of the General Meeting, there is nothing to prevent such a proxy holder from representing more than one stockholder.
- b. Section 276 of the Companies Law determines: “A stockholder participating in a vote under section 275 shall notify the company prior to the vote in the meeting, or, if the vote is by way of voting papers, on the voting paper, whether or not he has a personal interest in the approval of the transaction; where a stockholder does not so notify, he shall not vote and his vote shall not be counted.”
- c. Section 1 of the Companies Law determines that it will also be seen as a personal interest of a participant in a vote when: “the personal interest of the person voting by power of attorney given him by another person, even if the other person has no personal interest, so that the vote of the person who received the power of attorney will be seen as the vote of a person with a personal interest in the vote of the personally interested party, whether the discretion of voting is in the hands of the voter or not”.
- d. **Pursuant to Article 82 of the Bank’s Articles of Association, four directors are retiring by rotation. In Resolution No. 3 on the agenda, a number of candidates are standing for election as Director, from among whom only three Directors will be elected.**
In Resolution No. 4 on the agenda, several candidates are standing for election as an external Director pursuant to the Companies Law, from among whom only one external Director will be elected.
- e. Article 76 of the Bank’s Articles of Association provides as follows: “Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven, nor more than fifteen in number.”
However, in accordance with the Proper Banking Management Directives

* - i.e. any stockholder

of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.

- f. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of stockholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between more than one candidate who received the same number of votes, the determination as to who shall be elected shall be made by lot."
- g. Article 86 of the Bank's Articles of Association provides as follows: "If at any General Meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled, he shall, if willing, continue in office until the Regular Meeting in the next year and so on from year to year, until his place is filled, unless it shall be determined at such a meeting to reduce the number of Directors in office."

Item 4 (a): Election of Ms. Tsipporah Samet as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Tsipporah Samet (1A) ID No. 008962581
- (2) Date of Birth: March 5, 1946
- (3) Address for serving Court Documents: Even Shmuel 29, Jerusalem, 97234.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director:: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:

BA in Economics and Mathematics – the Hebrew University of Jerusalem.

MA in Economics – the Hebrew University of Jerusalem.

Employment during the last five years:

External Director (for part of the period, Chairperson of the Audit Committee), Israel Discount Bank, B.M. (2002 – 2009).

External Director and Chairperson for the Audit Committee, Menorah Mivtachim Pension and Menorah Mivtachim Severance (2003 – 2010).

External Director and Chairperson for the Audit Committee, Ophir Optronics Ltd. (from 2007).

Director, Africa-Israel Investments, Ltd., Shachar-Hadash Ltd. and Capital – The Company for Tracking Capital, Ltd.

President of Adif College for Insurance, Pension and Capital Market studies.

Consultant to Bank Leumi for the matter of establishing a pension consultancy system.

- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Ms. Tsipporah Samet as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Ms. Tsipporah Samet as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (b): Election of Ms. Iris Stark, CPA as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Iris Stark (1A) ID No. 057224735
- (2) Date of Birth: June 27, 1961
- (3) Address for serving Court Documents: POB 2600, Ra'anana, 43663.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: No.
- (6) Is she an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual

General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.

- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Economics and Accounting – Bar-Ilan University.
MA in Extended Economics – Bar-Ilan University.
Accountant
Employment during the last five years:
Managing partner, Accounting firm "Stark & Stark" (from 1989).
Director, Israel Electric Company Ltd. (from 2010).
Director and Chairperson of the Auditing Committee of Bank Massad, of the First International Group (from 2010).
Director and Audit Committee member of the Pension & Severance Fund for the Jewish Agency's Employees (from 2009).
Management Committee Member for the Kibbutz Seminar – The College for Technology and Studies (from 2007).
Chairperson of the Economics and Taxation Committee, Tel-Aviv & Central Israel Chamber of Commerce (2009 – 2010).
Chairperson of the Board of Directors (active), Ashdod Port Company, Ltd. (2004 – 2007).
Director and Chairperson of the Audit Committee, Maxima Center for Air Separation, Ltd. (2003 – 2009).
Director and Chairperson of the Balance Sheet Committee, M.I. Holdings Ltd. (2003 – 2006).
Member of the International Women's Forum in Israel (2008 – 2010).
Director, Team Computers and Systems, Ltd. (2003 – 2005).
Director and Member of the Audit Committee, Israel's Financial Levers (Mapal) Ltd. (2002 – 2005).
Director, Aryat Industries, Ltd. (2001 – 2005).
Director, Shemesh Fund – Founded by the Rashi and Safra Funds for Encouraging Young Entrepreneurs (from 2007).
Vice-President (from 1997) and Management member (from 2009), Institute of CPAs in Israel.
Chairperson of the Committee for the Management of Non-profit organizations, associations and the voluntary sector - Institute of CPAs in Israel (from 1998).
Member of various Committees in the Civil Service Commission (from 2009).
Member of the Board of Trustees and Chairperson for the Audit Committee, College for Technical Education, Jerusalem (from 2007).
Member of the Board of Trustees and the Management Committee, Bar-Ilan University (from 2005).
Lecturer, the Academic Center for Law & Business (from 2009).

Senior Lecturer in the field of training directors for public and government companies within the framework of LAHAV, Tel-Aviv University, the Israel Center for Management and Masters degree program in Law and Business Management of the Israel Bar Association and more (from 1999).

Chairperson for the Directors Department and Academic Coordinator for the course for association and non-profit organization managers, the Israel Center for Management (from 2001).

Academic coordinator of the senior management course for managers at the Israeli Management Institute (2008 – 2010).

Academic coordinator of the senior business management course for managers at the Israeli Management Center (2008 – 2010).

- (10) Is she a family member of another interested person of the corporation:
No.
- (11) Does she possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Ms. Iris Stark, CPA. as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Ms. Iris Stark, CPA. as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (c): Election of Mr. Binyamin Ben Shoham as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Binyamin Ben Shoham (1A) ID No. 007283567
- (2) Date of Birth: April 16, 1941
- (3) Address for serving Court Documents: Jabotinski 40, Givatayim, 53318.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.

- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Social Sciences - the Hebrew University of Jerusalem (Tel-Aviv Branch).
MBA, the Israel Productivity Institute.
Employment during the last five years:
Director, Ortam-Sahar Engineering Ltd.
Director, Bank Dexia (Israel), Ltd.
Member, Committee, Herzog Hospital, Jerusalem.
Committee Member of the Association of National Security for Youth.
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Binyamin Ben Shoham, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Binyamin Ben Shoham as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (d): Election of Mr. David Shmuel Dotan as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: David Shmuel Dotan (1A) ID No. 047851837
- (2) Date of Birth: September 14, 1946
- (3) Address for serving Court Documents: Harav Ephriam 22, Ra'anana, 43203.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or

professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.

- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in General History and Sociology, the Hebrew University of Jerusalem.
MBA, Tel-Aviv University.
Employment during the last five years:
Director and Chairman of the Audit Committee, Poalim Sahar (from 2004).
Member of the Credit Committee, Menorah Mivtachim Insurance (from 2008).
Over 30 years of rich experience in a range of banking fields in Bank Hapoalim.
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. David Shmuel Dotan, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. David Shmuel Dotan as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (e): Election of Dr. Asher Halperin as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Dr. Asher Halperin (1A) ID No. 002066330
- (2) Date of Birth: July 29, 1925

- (3) Address for serving Court Documents: Uri 6, Tel-Aviv, 64954.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA – School of Law & Economics (now Tel-Aviv University).
MA – Economics, Banking & International Economics, University of California at Berkley, U.S.A.
Ph.D. – Economics, Banking & Finance, Balance of Payments, Princeton University, N.J., U.S.A.
Employment during the last five years:
Lecturer for 15 years, to present, at the College of Management, Academic Studies.
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Dr. Asher Halperin, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Dr. Asher Halperin as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (f): Election of Mr. Menachem Inbar as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Menachem Inbar (1A) ID No. 000483982
- (2) Date of Birth: September 3, 1948
- (3) Address for serving Court Documents: Gilad 5, Ramat-Gan, 52515.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BA in Social Sciences, Bar-Ilan University.
MA in Law, Bar-Ilan University.
Employment during the last five years:
Managing the family company, Arkin Holdings.
Director, Bezeq, Israel Telecommunications Company, Ltd. (2005 – 2010).
Director, Bank Poalei Agudat Israel, Ltd. (First International Bank Group) (2008 – 2010).
Director, Alrov (Israel), Ltd. (2004 – 2010).
Director, Carmel Group, Ltd. (2007 – 2010).
Director, OIS – Ophthalmic Imaging Systems, Exalenz Bioscience and MCS – Medical Compression Systems (from 2009).
Managing Partner, Shifman Inbar Ltd. (from 2009).
- (10) Is he a family member of another interested person of the corporation: No.
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Menachem Inbar, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Menachem Inbar as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (g): Election of Mr. Mordechai (Moddi) Keret, CPA as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Mordechai (Moddi) Keret (1A) ID No. 054759915
- (2) Date of Birth: May 7, 1957
- (3) Address for serving Court Documents: Hanurit 12, Tel Mond 40600.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
Licensed CPA
BA in Economics and Accounting, Tel-Aviv University.
Employment during the last five years:
External Director and Chairman of the Audit Committee, Bezeq, Israel Telecommunications Company, Ltd.
External Director, Taya Investments, Ltd.
Director, Issta Lines, Ltd.
Director, Prioritech, Ltd.
Owner of Keret Management & Holdings, Ltd. (from 2007)
Senior Vice-President and CFO of the Arison Group (up to the end of 2006).
- (10) Is he a family member of another interested person of the corporation:
No.

- (11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Mr. Mordechai (Moddi) Keret, CPA. as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Mr. Mordechai (Moddi) Keret, CPA. as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 4 (h): Election of Prof. Israel Zang as External Director.

Details regarding the candidate, to the best of the knowledge of the Bank:

- (1) Name: Israel Zang (1A) ID No. 007947161
- (2) Date of Birth: March 2, 1946
- (3) Address for serving Court Documents: Uri Zvi Greenberg 4/23, Tel-Aviv, 69379.
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an Independent Director or External Director as defined in the Companies Law/ possessing accounting and financial expertise or professional qualifications/ expert External Director: Yes. According to the candidate's declaration and subject to being elected by the Annual General Meeting and subject to the approval or non-objection of the Supervisor of Banks, and subject to the approval of the Board of Directors.
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested person: No.
- (8) Date of commencement of term as a director of the corporation: Subject to election at the Annual General Meeting and subject to the approval of the Supervisor of Banks – in accordance with Section 7 of the "Voting Procedure for Resolution No. 4" on the agenda, as stated above.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:
BSc in Chemical Engineering, The Technion.
PhD in Chemical Engineering, The Technion.
Employment during the last five years:
Director, Wings Holdings (2004 – 2010).
Director, Electra Realty (from 2005).

Professor Emeritus for Management, Faculty of Management, the Recanati Postgraduate Business Management School, Tel-Aviv University (from 2006).

Professor of Management, the Tel Aviv-Yaffo Academic College (from 2006).

Professor for Management, Faculty of Management, the Recanati Postgraduate Business Management School, Tel-Aviv University (1975 - 2006).

Deputy Rector, Tel-Aviv University (2001 – 2005).

Academic Manager – MBA program for Managers, Kellogg Recanati Management School, Tel-Aviv University (2005 – 2007).

Vice-President for Academics and Head of the School of Economic Management, Tel Aviv-Yaffo Academic College (2006 – 2008).

President, Tel Aviv-Yaffo Academic College (2008 – 2011).

Member of the Audit Committee, Bank of Israel (from 2007).

Founding Chairman of the Impact Scholarship Program (2001 – 2008).

(10) Is he a family member of another interested person of the corporation:
No.

(11) Does he possess accounting or financial expertise: Subject to the approval of the Board of Directors of the Bank.

The declaration of Prof. Israel Zang, as required pursuant to sections 224B and 241 of the Companies Law, 1999, is available in the Bank's Hebrew Immediate Report on Convening of the General Meeting, on the Israel Securities Authority's Magna website.

Text of the Resolution: To elect Prof. Israel Zang as an External Director, pursuant to Section 239 of the Companies Law, 1999 for a period of three years.

Required Majority: See the "Voting procedure for Resolution No. 4" on the agenda, as stated above.

Attention is also drawn to the "Additional Details Regarding the Election of Directors: (Resolution Nos. 3 and 4)", as stated above.

Item 6: Payment of a Bonus to the Former Chairman of the Board of Directors, Mr. Eitan Raff

Description of Item: The Audit Committee, at its meeting of 22 March 2011, and afterwards, the Board of Directors at its meeting of 29 March 2011, approved the bonus to the former Chairman of the Board of Directors, after the bonus was examined, calculated and approved by the Audit Committee and the Board of Directors in accordance with the determination of the bonus plan for senior officers of the Bank and considering his important contribution to the Bank's achievements and business results, including considering the transitional stage being undergone leading up to replacement of the Chairman of the Board (after a period of 15 years). The bonus approved for the former Chairman of the Board was calculated and approved with due attention to the

fact that the former Chairman of the Board served through part of 2010, up to 22 July 2010.

Regarding the conditions for the senior bank officers' bonus plan, see the Bank's Immediate Report of 10 March 2010, reference 2010-01-409548. For additional details and the manner of approval for the bonus for 2010, see the Bank's Periodic Report as of 31 December 2010, pages 274 – 278, which was published on 30 March 2011, reference 2011-01-098910.

Text of the Resolution: To approve the payment of a bonus to the former Chairman of the Board of Directors, Mr. Eitan Raff, in respect of the financial results for part of 2010, in the amount of NIS 1,961,000.

The Audit Committee and following it, the Board of Directors (subject to the approval of the General Meeting) received and approved the sum of the bonus for the Chairman of the Board of Directors in respect of 2010.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 7: Payment of a Bonus to the Chairman of the Board, Mr. David Brodet

Description of Item: The employment contract of the Chairman of the Board of Directors determines that the granting of a bonus to the Chairman of the Board for 2010 and its amount will be decided upon at the discretion of the Board of Directors (and approved by the General Meeting). The Board of Directors resolved, after receiving the recommendation of the Board's Administration Committee and after approval by the Audit Committee (and subject to approval by the General Meeting of the Bank), to grant an annual bonus to the Chairman of the Board of Directors, Mr. Brodet, in respect of 2010, in the sum of NIS 650,000. This is due to the great appreciation of the Board members of his activities and successful performance as Chairman of the Board to the benefit of the Bank and its prosperity, as well as his rapid integration into the position, and, *inter alia*, considering that he replaced a Chairman who served for the extended term of 15 years with the Bank. The Board and the Committees took into account the fact that the Chairman served for only part of 2010 in determining the amount of the annual bonus.

For additional details on the conditions of employment for the Chairman, see the Bank's Periodic Report for 31 December 2010, pages 274 – 278, as well as the explanation in 15(B)(4)(b) of the Bank's Financial Reports that were published on 30 March 2011, reference 2011-01-098910.

Text of the Resolution: To approve the payment of a bonus to the present Chairman of the Board of Directors, Mr. David Brodet, in respect of the financial results for part of 2010, in the amount of NIS 650,000.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 8: Approval of the Chairman of the Board's Participation in the State's Share Offer to Employees and Granting of a Loan by the Bank to Finance their purchase

Item Description: In accordance with the agreements regarding the Bank's privatization and in accordance with the understandings between the Accountant General at the Ministry of Finance and the Bank's employees, the Bank's Audit Committee and its Board of Directors approved, on 13 March 2011 and on 17 March 2011, respectively, an outline of an offer of the Bank's shares by the State of Israel to the employees of the Bank, of Arab Israel Bank Ltd., of Leumi Mortgage Bank Ltd., and of the Bank Leumi le-Israel Employees Catering Organization (Registered Non-Profit Organization) ("the Participants"), in accordance with the Securities Regulations (Details of an Outline of an Offer of Securities to Employees), 2000.

The outline was published on the Israel Securities Authority Magna website on 6 April 2011, reference 2011-01-112953.

According to the outline, an offer will be made to the Participants in accordance with and subject to the arrangements and conditions described in the outline, of 6,734,777 shares held by the State of Israel, which constitute 0.457% of the Bank's outstanding and fully paid capital, as it is as of the date of the outline's publication.

The share price for the purpose of the offer to the Participants will be NIS 13.20825 as of 19 January 2011, with this price being linked to the Consumer Price Index ("the CPI") in accordance with the last known CPI method, with the base CPI being the CPI for December of 2010, published on 14 January 2011. The share price is subject to various adjustments through the date of the actual payment, which include an adjustment for the distribution of dividends – all as described in the outline.

The distribution of the shares among the Participants and the determination of the number of the shares to be offered to each participant will be in relation to the salary that constitutes the basis for provisions made for social benefits for the relevant Participants for the month of January 2011. All this will be in accordance with what is described in the outline. The Chairman of the Board of Directors and the President and Chief Executive Officer of the Bank have been included among the Participants.

The shares will be locked-up for a period of 4 years from the record date (as defined in the outline), and will be deposited with a trustee to hold in trust.

In addition, the Audit Committee and the Board of Directors approved a grant of loans to the Participants for the purchase of the shares being offered in the outline. The loan principal will be linked to increases in the CPI, with the base

CPI being the known CPI on the date on which the loan is received, and the new CPI being the known CPI on the date of the loan's repayment, and will bear annual interest at the rate of 1.55%, or, in the alternative, the loan principal will bear interest at a rate equal to the prime (Leumi) interest rate minus 0.75%, without being linked to the CPI.

The offering of the shares to the Chairman of the Board of Directors and the grant of the loan for their purchase in accordance with the outline are subject to the approval of the Bank's General Meeting.

Text of the Resolution:

- A. To approve the participation of the Chairman of the Board of Directors in the offer of 0.457% of the Bank's share capital by the government to employees of the Bank and certain of its subsidiaries, in accordance with the outline from 6 April 2011, subject to changes in the outline up to the date of the actual offer;
- C. To approve the granting of a loan by the Bank to the Chairman of the Board of Directors for the purpose of purchasing the shares offered in the above offer, where the offer and the loan are subject to conditions that are identical to those offered to the other participants.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

Item 9: Resolutions concerning Approval of Holding Positions and Disclosure by Officers

Description of Item: The General Meeting is requested to approve resolutions regarding the approval of holding positions and disclosure by the Bank's officers. Similar resolutions were approved by the Annual General Meeting held on 2 June 2010.

The Companies Law imposes on the officers of the Bank a duty to refrain from any act that may constitute a conflict of interests between holding their positions in the Bank and holding another position, including a position with companies in the Leumi Group, or their personal interests. However, the Bank may approve the existence of such a conflict of interests; that is to say, the Bank may agree that its officer hold a position in addition to his positions in the Bank, after the officer has disclosed to the Bank the positions he holds outside the Bank.

It is clarified that the approval set out in the proposed resolutions does not constitute approval of a specific act or transaction in which an officer of the Bank is involved through his position outside the Bank, if such specific act or transaction requires approval under the Companies Law.

In addition, the Companies Law imposes on officers the obligation to disclose existing or proposed transactions of the Bank in which the officer has a personal interest. Where such personal interest also includes a personal interest of a corporation in which the officer or his relative has an interest (such as acting as a director of such corporation) such a duty of disclosure is imposed

on the officer, whether or not the transaction is in the ordinary course of business. The Companies Law also sets out the manner of approval of such transactions of the Bank and provides that the Bank may approve transactions in the ordinary course of business in the manner provided in its Articles of Association.

It is therefore proposed that these resolutions be approved, following their approval by the Audit Committee and subsequently by the Board of Directors, as required by the Companies Law.

Text of the Resolution: To approve the resolutions concerning approval of holding positions and disclosure by officers, pursuant to the text presented to the Meeting.

Required Majority: An ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

5. Place and Time at which the Full Text of the Proposed Resolutions may be Examined:

The full text of the documents related to the resolutions on the agenda may be examined at the Secretariat of the Bank, at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, between the hours of 8:00 and 15:00.

The full text of the proposed resolutions may be examined at the distribution website of the Israel Securities Authority and the website of the Tel Aviv Stock Exchange Ltd., or at the Secretariat of the Bank at the Bank's registered office, Leumi House, 34 Yehuda Halevi Street (11th floor), Tel Aviv, tel. 972-3-5149716, between the hours of 8:00 and 15:00.

5. The voting paper will only be valid if an unregistered shareholder's certificate of ownership as of the record date is attached thereto (that is, a person in whose name ordinary stock of the Bank is registered with a Stock Exchange Member, and such stock is included in the stock registered in the Register of Shareholders in the name of the nominee company (Hevra Le-Rishumim)). In the case of holders of shares (stock) registered in the Register of Shareholders of the Bank, the voting paper will only be valid if a copy of an identity document, passport or certificate of incorporation is attached thereto. This voting paper, together with the previously mentioned attachments, must reach the Bank by 22 May 2011 at 10:30 am).

6. Address of the Bank for the Delivery of Voting Papers and Position Papers: The Bank's registered office, Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546, for the attention of the Secretariat of the Bank (11th floor).

7. Final Date for the delivery of Voting Papers to the Bank: 22 May 2011 at 10:30 am

8. Final Date for the delivery of Position Papers to the Bank: 10 days following the record date i.e. by 1 May 2011.

9. Final Date for the delivery of the Response of the Board of Directors to the Position Papers: 12 days prior to the date of the General Meeting i.e. 12 May 2011.
10. Address of the distribution website of the Israel Securities Authority and of the website of the Tel Aviv Stock Exchange Ltd. (the "Stock Exchange"), at which voting papers and position papers are made available:
 - Distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>
 - Website of the Stock Exchange: <http://maya.tase.co.il/>
11. A stockholder is entitled to receive the certificate of ownership at a branch of a Stock Exchange member or via mail, if so requested. Such a request is to be made in advance in respect of a particular securities account.
12. An unregistered stockholder is entitled to receive, via electronic mail and free of charge, the link to the voting paper and position papers on the distribution website of the Securities Authority from the Stock Exchange member through which he holds his stock, unless he notifies the Stock Exchange member that he does not wish to receive the said link or that he wishes to receive voting papers via mail for payment; notice with regard to voting papers also applies to the receipt of position papers.

One or more stockholders who, on the record date (20 April 2011), hold an amount constituting five or more per cent of the total voting rights in the Bank, and the holder of said amount out of the total voting rights that are not held by the controlling stockholder of the Bank (as defined in Section 268 of the Companies Law (the "Controlling Stockholder")), is entitled to examine the voting papers as detailed in Regulation 10 of the Regulations, following the holding of the General Meeting, either personally or through a representative, at the registered office of the Bank during normal business hours.

The amount of stock constituting 5% of the total voting rights of the Bank is NIS 73,677,561* par value ordinary stock of the Bank.

The amount of stock constituting 5% of the total voting rights of the Bank that are not held by the Controlling Stockholder is NIS 68,918,564* par value ordinary stock of the Bank.

* As of 7 April 2011.

Voting Paper – Second Part

Companies (Written Voting and Position Papers) Regulations, 2005 (the "Regulations")

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

Address of the Company (for delivery and sending of voting papers): Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546 (11th floor), for the attention of the Secretariat of the Bank

Company No.: 52-001807-8

Date of Meeting: 24 May 2011, at 10:30 am

Type of Meeting: Annual

Record Date: 20 April 2011.

(Until here, to be completed by the Company)

Details of Stockholder

Name of Stockholder (Ordinary Stock): _____

Identity No.: _____

If the stockholder is not a holder of an Israeli Identity Document –

Passport No.: _____

Country of Issue: _____

Expiry Date: _____

If the stockholder is a corporation –

Registered No.: _____

Country of Registration: _____

Manner of Voting

Item Number on the Agenda	Manner of Voting ¹			With regard to the appointment of an external Director (section 239(b) of the Companies Law – Are you a controlling shareholder and/or do you have a personal interest in the approval of the appointment of the appointment (Item 4) ²		With regard to the approval of a transaction pursuant to section 255 of the Companies Law – Do you have a personal interest in the Resolution (Item 9) ²	
	For	Against	Abstain	Yes*	No	Yes*	No
3(a)							
3(b)							
3(c)							
3(d)							
3(e)							
3(f)							
3(g)							
3(h)							
3(i)							
3(j)							
3(k)							
3(l)							
3(m)							
3(n)							
4(a)							
4(b)							
4(c)							
4(d)							
4(e)							
4(f)							
4(g)							
4(h)							
6							
7							
8							
9							

_____ Date _____ Signature

Stockholders who hold stock through a Stock Exchange member (pursuant to Section 177(1) of the Companies Law) – the voting paper is only valid together with a certificate of ownership.

Stockholders registered in the Register of Stockholders of the Bank – the voting paper is only valid together with a copy of an identity document/passport/certificate of incorporation.

¹ Failure to complete will be considered abstention from voting with regard to the relevant Item

² **A stockholder who does not complete this column or who marks “Yes” without providing details will not be counted within the quorum. It is emphasized that the stockholder participating in the vote for Item 4 of the agenda must notify the bank prior to the vote at the meeting or, if he votes by voting paper, on the voting paper, whether he has a personal interest in confirming the appointment or not. It is further emphasized that a stockholder who does not notify as mentioned above will not vote and his vote will not be counted.**

* Provide details.