

Bank Leumi Le-Israel B.M.
Deed of Trust for Debentures (Series 179)

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Deed of Trust for Debentures (Series 179)

Signed in Tel Aviv-Jaffa on June 19, 2018

between

Bank Leumi le-Israel B.M., Public Comp. 52-001807-8

At 34 Yehuda Halevy Street, Tel Aviv 6513616

(hereinafter: "**the Bank**")

of the first part;

and

Strauss, Lazar Trust Company (1992) Ltd., Priv. Comp. 51-174206-6

At Yigal Alon Street 94, Alon 2 Tower, Tel Aviv

(hereinafter: "**the Trustee**")

of the second part;

WHEREAS: The Bank issued a Shelf Prospectus dated May 25, 2018 (hereinafter: "**the Shelf Prospectus**"), by virtue of which the Bank can offer to the public and issue, inter alia, series of Debentures;

AND WHEREAS: On May 31, 2018, the Board of Directors of the Bank resolved in principle to issue Debentures (Series 179), which will be made by publishing a Shelf Offering Report under the Shelf Prospectus and that the Debentures will be listed for trading on the Stock Exchange (subject to compliance with Stock Exchange requirements for such listing);

AND WHEREAS: On May 31, 2018, Midroog Ltd. and S&P Maalot announced the granting of a rating of "Aaa.il" and a rating of "ilAAA", respectively, for the issuance of Debentures (Series 179) in the amount of up to NIS 1 billion par value, to be issued by the Bank;

AND WHEREAS: The Bank has approached the Trustee with a request to serve as Trustee for the holders of the Debentures (Series 179) issued by the Bank, and the Trustee has consented thereto, subject to and in accordance with the terms of this Deed of Trust;

AND WHEREAS: The Trustee is a company limited by shares incorporated in Israel under the Companies Law, the main purpose of which is to engage in trusteeship;

AND WHEREAS: The Trustee declares that there is no impediment under the Securities Law or any other law to its engagement with the Bank pursuant to this Deed of Trust and that it meets the requirements and qualification conditions set out in the Securities Law to act as Trustee for the issuance of the Debentures that are the subject of this Deed;

AND WHEREAS: The Trustee has no material interest in the Bank and the Bank has no personal interest in the Trustee;

AND WHEREAS: The Bank declares that there is no impediment under any law and / or agreement to enter into an agreement with the Trustee pursuant to this Deed of Trust and to issue the Debentures, and that on the date of the issuance of Debentures (Series 179), all the approvals required under any law for executing the issuance will be received, and insofar as any of the said approvals are not received, the issuance will not take place;

Therefore, it was agreed, declared and stipulated between the parties as follows:

1. Introduction, Interpretation and Definitions

- 1.1 The preamble to this Deed of Trust and the Appendices and Schedules attached thereto constitute a material and integral part thereof. In any case of contradiction between the Deed of Trust and the Appendices and Schedules attached thereto, the provisions of the Deed of Trust shall prevail.
- 1.2 The division of this Deed of Trust into sections as well as the providing of headings to the sections was made for reasons of convenience and as a reference only, and may not be used for interpretation.
- 1.3 Any term or expression in this Deed of Trust and its Appendices shall have the meaning given in this Deed, unless otherwise specifically specified in the relevant Appendix.
- 1.4 In any place in this Deed, in which it is stated "subject to any law" (or a similar expression), the intention is subject to any law that cannot be made conditional, and everywhere in this Deed, in which it is stated "notwithstanding any law" (or a similar expression) the intention is except for a law that cannot be made conditional.
- 1.5 Anything stated in the Deed of Trust in the plural also means the singular and vice versa, and anything stated in the masculine also means the feminine and vice versa, and anything stated about a person also means a corporation, provided there is in this Deed no other specific expression and / or implied provision and / or unless the contents and their context requires otherwise.
- 1.6 In this Deed of Trust and in the Debentures, the following expressions shall have the meaning next to them unless another intention is implied from the content or context thereof, or if otherwise expressly stated in this Deed:

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| "Prospectus" or "Shelf Prospectus" | The Bank's Shelf Prospectus bearing the date of May 25, 2018; |
| "Shelf Offering Report" or "Offering Report" | A Shelf Offering Report to be published under the Shelf Prospectus, in accordance with the provisions of the Securities Law, whereby the Debentures will be offered to the public while determining all the special details of the offer of the Debentures; |
| "Debentures (Series 179)" | Debentures (Series 179), registered in the name of a Debenture Holder, which shall be issued by the Bank in the manner and on the terms specified in this Deed; |
| "Debentures" | Debentures (Series 179); |
| "Debenture Certificate" | The Debenture Certificate whose wording appears in the First Schedule to this Deed, including the conditions overleaf attached to the certificate; |

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| "Debenture Holders" | The persons whose names are registered at the time in question in the Register, and in the case of a number of joint holders, the joint holder registered first in the Register; |
| "the Trustee" | Strauss, Lazar Trust Company (1992) Ltd., or any trustee who replaces it in accordance with the terms of the Deed of Trust for the Debentures and the provisions of the Law; |
| "Register" | Register of Debenture Holders as stated in Section 2626 of this Deed; |
| "Deed of Trust" or "this Deed" | This Deed of Trust, including the Schedules attached to it and forming an integral part hereof; |
| "The Companies Law" | The Companies Law, 5759-1999, in its version as may be from time to time; |
| "the Securities Law" or "the Law" | The Securities Law, 5728-1968, and the regulations thereunder, in their version as may be from time to time; |
| "the Stock Exchange" | The Tel-Aviv Stock Exchange Ltd.; |
| "Principal of the Debentures" | The total par value of the Debentures; |
| "Business Day" | Every day on which most of the banks in Israel are open for executing transactions; |
| "Trading day" | Every day on which trading in securities is carried out on the Stock Exchange; |
| "Special Resolution" | A Resolution adopted at a Meeting of Debenture Holders, in which they or their representatives attending, hold at least fifty percent (50%) of the balance of the par value of the Debentures in circulation on the date of record for the Meeting or at a postponed meeting of that Meeting, in which they or their representatives, holders of at least twenty percent (20%) of the said balance, which was adopted (whether at the original Meeting or at the postponed Meeting) by a majority of the Holders of at least three quarters (75%) of the par value of the Debentures represented in the voting, excluding abstentions; |
| "Ordinary Resolution" | A Resolution adopted at a Meeting of Debenture Holders, in which they or their representatives attending, hold at least twenty-five percent (25%) of the balance of the par value of the Debentures in circulation on the date of record for the Meeting or at a postponed meeting of this Meeting, where any number of participants is present, unless the Meeting is convened at the request of holders, at which time the legal quorum at the postponed Meeting shall be at least five percent (5%) of the balance of the par value of the Debentures in circulation, which was adopted (whether at the original Meeting or at the postponed Meeting) by a majority of the Holders of at least three quarters (50%) of the par value of the Debentures represented in the voting, excluding abstentions. |

- 1.7 Wherever the Stock Exchange Rules and Regulations apply or will apply to any transaction under this Deed of Trust, and to the extent that they cannot be made conditional, they shall have preference over that stated in this Deed of Trust, and the dates of such action shall be determined in accordance with the Stock Exchange Rules and Regulations.
- 1.8 In any matter not mentioned in this Deed of Trust and in any event of contradiction between the provisions of the Securities Law and its regulations as they may be from time to time or other provisions of Israeli law that cannot be made conditional, and the provisions of this Deed, the parties shall act in accordance with the provisions of the Securities Law or other Israeli legal provisions, as applicable.
- 1.9 In the event of a contradiction between the provisions described in the Prospectus and in the Shelf Offering Report in connection with this Deed and / or the Debentures, the provisions of this Deed shall prevail. From the examination of the Bank, there is no contradiction between the provisions described in the Prospectus and the Shelf Offering Report and the provisions described in this Deed and / or the Debentures. If such contradiction arises, the provisions of this Deed shall prevail.
- 1.10 This Deed of Trust shall enter into effect on the date of issuance of the Debentures by the Bank. It is agreed that in the event of cancellation of the issuance of the Debentures for any reason whatsoever, this Deed of Trust shall be void, without either party having any claim against the other, and the Trust shall not enter into force.

2. Issuance of the Debentures

The Bank will issue Debentures (Series 179) in accordance with the Prospectus and the Shelf Offering Report, which will be of the same repayment preference as the repayment preference of all deposits from the public deposited with the Bank from time to time.

The terms of the Debentures will be as specified in the Debenture Certificate and the terms on the other side of the page attached to this Deed and constitute an integral part thereof.

Upon the completion of the issuance, and subject to the fulfillment of all conditions for listing for trade on the Stock Exchange, the Debentures will be listed for trading on the Stock Exchange.

3. Appointment, obligations and duties of the Trustee

- 3.1 The Bank hereby appoints Strauss Lazar Trust Company (1992) Ltd. as Trustee for the Debenture Holders, in accordance with Section 35b of the Securities Law (hereinafter: "**the First Trustee**"). The period of appointment of the First Trustee will be until the date of the meeting of the Holders convened by the First Trustee no later than 14 days from the date of submitting the second annual report on matters of the Trust, in accordance with Section 35H(1)(a) of the Securities Law (hereinafter: "**the First Appointment Meeting**"). Insofar as the First Appointment Meeting approved by a simple majority the continuation of the term of the First Trustee, he shall continue to serve as Trustee until the end of the additional appointment period prescribed in the resolution of the First Appointment Meeting (which may be until the final redemption date of the Debentures).
- 3.2 Insofar as the First Appointment Meeting and / or any subsequent meeting fixed the period of the additional appointment of the Trustee, the term of his appointment shall end in accordance with the decision of the Holders to continue his tenure and / or the appointment of another Trustee in his place.
- 3.3 Should the Trustee be replaced by another Trustee, the other Trustee shall be a Trustee for the Debenture Holders by virtue of the provisions of Chapter E1 of the Securities Law,

including for those entitled to payments by virtue of the Debentures that have not been paid after the date of their payment has arrived.

- 3.4 The duties of the Trustee, his powers and the manner of fulfilling its duties shall be in accordance with this Deed and subject to the provisions of any law.

4. The Bank's Undertaking

The Bank undertakes to the Trustee, as Trustee for the Debenture Holders, to pay, on the dates specified, all amounts of principal, interest and linkage differentials to be paid in accordance with the terms of the Debentures and to comply with all the other terms and obligations imposed on it pursuant to the Debentures and pursuant to this Deed.

5. Lack of Collateral for the Debentures; Issuance of Additional Debentures

- 5.1 The Debentures are not secured by collateral (as this term is defined in the Securities Law). The aforesaid does not derogate from the Bank's undertaking as stated in Section 4 above.
- 5.2 The Bank will be entitled to pledge and transfer its property and to make transactions as it deems appropriate without any limitation in amount or otherwise.
- 5.3 The Bank reserves the right to undertake, at any time, additional obligations of any kind, as the Bank deems appropriate, including obligations whose repayment has preference and / or is equal to and / or inferior to that of the Debentures, without obtaining the consent of the Trustee and / the Debenture Holders to carry out the aforementioned operations.
- 5.4 Without derogating from the generality of the foregoing, subject to the provisions of any law, the Bank reserves the right to issue additional series of Debentures at any time, on such terms as the Bank may deem appropriate (whether in a private offering, or under the Shelf Prospectus or otherwise) including Debentures which will be offered under the Prospectus under other terms, which the Bank shall deem appropriate, including Debentures whose repayment has preference and / or is equal to and / or inferior to that of Debentures (Series 179), and from time to time to expand each of the said series of Debentures, without receiving approval from the Trustee and / or the Debenture Holders.
- 5.5 Furthermore, and in addition to the aforesaid, the Bank reserves the right, subject to the provisions of any law, without the need to obtain approval from the Trustee and / or the Debenture Holders, to expand the series of Debentures (Series 179) at any time and to offer, in a private offering or private offerings, or pursuant to an additional Offering Report or other Offering Reports, or pursuant to a Prospectus or Prospectuses, as the case may be and at its discretion, additional Debentures of Series 179 (hereinafter: "**the Additional Debentures**"). The Trustee undertakes to serve as Trustee for the holders of the Additional Debentures, if issued as stated above. The Debentures (Series 179) that will be in circulation and Additional Debentures (Series 179) that will be issued (if any), as aforesaid, shall constitute one series for all intents and purposes. The provisions of the Deed of Trust shall also apply to the Additional Debentures that will be issued as aforesaid. The Bank reserves the right to issue the Additional Debentures at their nominal value, at a premium or at a discount, at its discretion. The Bank will apply to the Tel Aviv Stock Exchange Ltd. to register the Additional Debentures, when they are offered.
- 5.6 If the discount rate to be determined for the Additional Debentures due to the expansion of the series will be different from the discount rate of the Debentures (Series 179) in circulation at that time, the Bank shall, prior to the expansion of the Debentures (Series 179), apply to the Israel Tax Authority to obtain its approval that for the purposes of deduction of tax at source from the discount fees in respect of the said Debentures, a

uniform discount rate will be determined for the said Debentures according to a formula that weights the various discount rates in the Debentures (Series 179), if any. In the event that such approval is received, the Bank will calculate the weighted discount rate for all the Debentures (Series 179) before the expansion of the series, and will publish them in an Immediate Report together with the results of the issuance the uniform weighted discount rate for the whole series, and deduct tax on the maturity dates of the Debentures (Series 179) according to the weighted discount rate as aforesaid and in accordance with the provisions of the law. In the event that such approval is not received, the Bank shall give, in an Immediate Report of the results of the issuance, notice of non-receipt of such approval and of the fact that the uniform discount rate shall be the highest discount rate created for the Debentures (Series 179). Stock Exchange members will withhold tax at the time of repayment of the Debentures (Series 179), in accordance with the discount rate to be reported as aforesaid. Therefore, there may be cases in which the Bank deducts tax at source in respect of discount fees at a rate higher than the discount fees determined for the Holder of the Debentures (Series 179) prior to the increase in the series. In this case, a taxpayer who held the Debentures (Series 179) before the expansion of the series until the redemption of the Debentures will be entitled to submit a tax report to the Israel Tax Authority and to receive a refund of the tax deducted from the discount fees, to the extent that he is entitled to such repayment according to law.

- 5.7 For the avoidance of doubt, it is hereby clarified that the Trustee does not have an obligation to examine, and in fact the Trustee has not examined, the need to provide collateral to secure the payments to the Debenture Holders. By entering into this Deed of Trust, and with the consent of the Trustee to act as Trustee for the Debenture Holders, the Trustee does not express its opinion, explicitly or implicitly, regarding the Bank's ability to meet its obligations to the Debenture Holders.
- 5.8 It is also clarified that the Trustee's signature on the Deed of Trust does not express an opinion on its part as to the nature of the securities offered or the profitability of the investment therein.

6. Purchase of Debentures by the Bank and / or by a Controlled Corporation

- 6.1 Subject to the provisions of any law, the Bank (including companies under its control) reserves the right to purchase the Debentures (Series 179) on the open market at any time and on any terms and conditions it sees fit, without prejudice to the repayment obligation of the Debentures (Series 179) still in circulation.
- 6.2 The Bank shall give notice in an Immediate Report of the purchase of the Debentures it has executed as aforesaid, to the extent required by law. The Debentures purchased by the Bank will be automatically canceled and delisted from trading on the Stock Exchange and the Bank will not be permitted to reissue them. In the event the Debentures are purchased during trading on the Stock Exchange, the Bank shall apply through the Nominee Company to the Stock Exchange Clearing House with a request to withdraw the Debenture Certificates.
- 6.3 Subject to any laws, a corporation controlled by the Bank (hereinafter: "**Controlled Corporation**") will be entitled to buy and / or sell from time to time, on the Stock Exchange or outside it, including as part of an issuance by the Bank, Debentures (Series 179) at its discretion and at any price that it sees fit. The Debentures purchased, if purchased, by a controlled corporation, shall be deemed to be an asset of the controlled corporation, shall not be canceled or deleted from trading on the Stock Exchange, unless subject to the rules of the Stock Exchange, and shall be transferable like the rest of the Debentures (subject to the provisions of the Deed of Trust and the Debenture). With regard to the participation of a controlled corporation as stated at the Meetings of the Debenture

Holders, the provisions of the Second Schedule to the Deed of Trust shall apply. The Bank will make an Immediate Report regarding any purchase by such a controlled corporation, to the extent required by law. As long as the Debentures are owned by a controlled corporation, they will not grant it voting rights at the General Meetings of the Debenture Holders and will not be counted for the purpose of determining the existence of the legal quorum required to open these Meetings, and shall not be included in the "balance of the par value of the Debentures in circulation" in connection with the votes and the number of those present and the votes in the Meetings.

- 6.4 Nothing in paragraphs 6.1 to 6.3 above in and of themselves obligates the Bank and / or a controlled corporation to purchase Debentures or to sell the Debentures held by them.

7. Right to Call for Immediate Repayment of the Debentures

- 7.1 Upon the occurrence of one or more of the events listed below, the Trustee and / or the Debenture Holders may call for immediate repayment of the outstanding balance of the Debentures, in whole or in part. For the avoidance of doubt, no grounds for immediate repayment as aforesaid shall derogate from any relief and / or right of the Debenture Holders pursuant to the Deed of Trust and / or the law.
- 7.1.1 If a temporary or permanent liquidator is appointed by the court or if an order is issued by a court or if a valid decision is made to liquidate the Bank (excluding liquidation for purposes of a merger with another company) and such appointment or such order or decision will not be revoked 45 days from the day of their giving. Notwithstanding the foregoing, if the Bank makes a liquidation decision (except for dissolution as a result of a merger with another company) or if a permanent and final liquidation order is issued by the court or if a permanent liquidator is appointed for the Bank, then no period of relief will apply. In addition, the Bank will not be given any period of relief in respect of the applications or orders that will be submitted or given, as the case may be, by the Bank or with its consent.
- 7.1.2 If a temporary and / or permanent receiver is appointed for the Bank and / or its assets, all or a substantial part thereof, or if a special manager is appointed by the Court, and such appointment shall not be canceled within 45 days, except in the case of a permanent receiver, then no period of relief will apply. Notwithstanding the foregoing, the Bank shall not be given any period of relief in respect of the applications or orders submitted or given, as the case may be, by the Bank or with its consent.
- 7.1.3 If the Bank has submitted an application for receivership or the appointment of a receiver (temporary or permanent) on the assets of the Bank, whether all or a substantial part thereof.
- 7.1.4 If an attachment is imposed on material assets of the Bank or an enforcement action is carried out against them, in whole or in part, and the attachment will not be removed, and the action will not be canceled within 45 days. Notwithstanding the foregoing, the Bank shall not be given any period of relief in respect of the applications or orders submitted or given, as the case may be, by the Bank or with its consent.
- 7.1.5 A fundamental breach of the terms of the Debentures and / or Deed of Trust took place, and the Bank did not remedy this breach within 14 days from the date of receiving notice from the Trustee of the breach.

- 7.1.6 The Bank did not make any of the payments it owes to the Debenture Holders or has not fulfilled any other material obligation given in favor of the Holders, and the Bank has not rectified this breach within 14 days from the date of receiving notice from the Trustee of the breach.
 - 7.1.7 The Bank has not published a financial report that it must publish in accordance with the law, within 30 days of the last date it must publish.
 - 7.1.8 The Debentures were delisted from trading on the Stock Exchange.
 - 7.1.9 The Bank has discontinued or announced its intention to discontinue its payments.
 - 7.1.10 A stay of proceedings order was issued to the Bank or the Bank submitted an application to make a compromise or an arrangement with its creditors pursuant to Section 350 of the Companies Law (except for the purpose of a merger with another company and subject to the provisions of Section 7.1.11 below and / or a structural change of the Bank, including a split and excluding making arrangements between the Bank and its shareholders that do not affect the repayment ability of the Debentures), or if an application is filed under Section 350 of the Companies Law against the Bank (and without its consent) which was not rejected or canceled within 45 days from the date of its submission.
 - 7.1.11 A merger of the Bank was carried out without the prior approval of the Debenture Holders, unless the acquiring entity declared to the Debenture Holders, including through the Trustee, at least ten business days prior to the date of the merger, that there is no reasonable concern that due to the merger, the receiving entity will not be able to fulfill its obligations to the Holders.
 - 7.1.12 The Stock Exchange suspended the trading of the Debentures, except for a suspension on the grounds of lack of clarity, within the meaning of this cause in Section IV of the Stock Exchange Regulations, and the suspension was not canceled within 60 days.
- 7.2 Upon the occurrence of one or more of the events in Section 7.1 of this Deed:
- 7.2.1 The Trustee will be required to summon a meeting of Debenture Holders, whose date of convening shall be twenty-one (21) days from the date of its convening and on its agenda shall be a resolution regarding the immediate repayment of the entire unpaid balance of the Debentures due to the occurrence of any of the events specified in section 7.1 above.
 - 7.2.2 The decision of the holders to call the Debentures for immediate repayment as aforesaid shall be taken at a meeting of Holders who were present, by themselves or by proxy, holding at least fifty percent (50%) of the balance of the par value of the Debentures in circulation on the said date of record, by a simple majority of the holders participating in the vote, or by a majority as aforesaid, at a postponed meeting of Holders present therein holding at least twenty percent (20%) of the said balance.
 - 7.2.3 In the event that by the date of the convening of the Meeting, none of the events specified in Section 7.1 of this Deed was canceled or removed, and the resolution of the Meeting of the Debenture Holders as aforesaid was adopted in accordance with Section 7.2.2 above, the Trustee will be obliged, within a reasonable time, to call for immediate repayment of the entire unpaid balance of the Debentures.

- 7.2.4 If it was determined in any of the Sections in 7.1 above, a period in which the Bank is permitted to take action or make a decision that results in the grounds for a call for immediate repayment to be canceled, the Trustee or the Holders may order the Debentures to be immediately repaid as provided in this Section 7, only if the said stipulated period has finished and the grounds have not been removed; however, the Trustee is entitled to shorten the period prescribed in the Deed of Trust if it believes that it would have a material adverse effect on the rights of the Holders.
- 7.3 Notwithstanding that stated in the provisions of Section 7.1 above, and without derogating from the provisions of Section 7.2.4 above, the Trustee or the Debenture Holders shall not make the Debentures immediately payable, even upon the occurrence of one or more of the events referred to in Section 7.1 above before seven days have elapsed after they notified the Bank of their intention to do so, but the Trustee or the Holders may shorten the said number of days and are not required to provide the Bank with such notice if there is reasonable suspicion that the delivery of the notice will prejudice the possibility of calling for the immediate repayment of the Debentures.
- 7.4 It is to be clarified, for the avoidance of doubt, that no immediate repayment under this Section above shall derogate from and / or prejudice any relief and / or right of the Debenture Holders under any law and / or the terms of the Deed of Trust.
- 7.5 This Deed of Trust is for Debentures that do not constitute a capital instrument issued by a banking corporation, as set out in the Third Schedule A1 of the Securities Law, and therefore the provisions of subsection (a) (1) of Section 35II of the Securities Law shall not apply to them.
- 7.6 In this Section 7, regarding the expressions "material assets", "material part" of the Bank's assets, etc., this means assets exceeding 50% of the total assets of Bank Leumi Group, as reported in the Bank's consolidated balance sheet.

8. Claims and Proceedings by the Trustee

- 8.1 In addition to any other provision of this Deed, the Trustee shall be entitled, at its discretion, and shall be obliged to do so, if required by an ordinary resolution, after giving written notice to the Bank of 7 days in advance, to take all such legal proceedings as it sees fit and subject to the law, to exercise the rights of the Debenture Holders, to protect their rights and to enforce the performance of any other undertaking of the Bank pursuant to this Deed of Trust. Notwithstanding the aforesaid, the Trustee has the right to shorten the period of advance notice if the Trustee is of the opinion that any postponement of the taking of such proceedings poses a real risk to the rights of the Debenture Holders. The Trustee will be entitled to commence legal and / or other proceedings even if the Debentures were not called for immediate repayment, so as to protect the rights of the Debenture Holders, subject to any law. To avoid any doubt, it is clarified that the right to demand immediate repayment of the Debentures will be established only in accordance with the provisions of Section 7 of the Deed, and not by virtue of this Section 8.
- 8.2 For the avoidance of doubt it is hereby clarified that none of the provisions set forth in this Section 8 shall prejudice and / or derogate from the right of the Trustee hereby granted, at its sole discretion and without the need for notice to the Bank, to apply to the appropriate court with a petition to receive instructions in any related matter and / or arising from this Deed and / or the performance of the Trust thereunder, at any time and even prior to the call for immediate repayment of the Debentures.

- 8.3 Subject to the provisions of this Deed, the Trustee may, but is not required, to convene at any time a General Meeting of the Debenture Holders to discuss and / or accept its provisions in any matter relating to the Deed of Trust.
- 8.4 The Trustee may, at its sole discretion, delay the execution of any action by it under the Deed of Trust, for the purpose of calling for a Meeting of the Debenture Holders and / or the Court until it receives instructions from a Meeting of the Debenture Holders and / or instructions from the Court how to act, provided that this does not harm the Debenture Holders. Notwithstanding the foregoing, the Trustee is not entitled to delay proceedings for the call for immediate repayment decided upon by the Meeting of the Debenture Holders, except if the event for which the decision to call for immediate repayment has been canceled or removed. It should be clarified that in circumstances where urgent action is required of the Trustee, whose avoidance of taking place prior to convening the Meetings of the Debenture Holders by the Trustee will cause substantial damage and / or loss to the Debenture Holders, the Trustee shall not be entitled to refrain from taking such urgent action until the convening of a Meeting of the Debenture Holders.

9. Trusteeship over Receipts

- 9.1 All receipts received and / or held from time to time by the Trustee, other than its fees and the repayment of any debt to it, in any manner whatsoever, including but not limited to resulting from the call for immediate repayment of the Debentures and / or as a result of proceedings it takes, if applicable, against the Bank, will be held by it in trust and will serve it to settle the payments, levies and liabilities paid by the Trustee, imposed on it or caused due to or as a result of performance of the Trust or otherwise in connection with the terms of the Deed of Trust, including its remuneration (provided that the Trustee has not previously received its remuneration from the Bank or from the Debenture Holders), after the Trustee instructs the Bank in writing to transfer to the Trustee any payment that the Bank owes to the Trustee. It should be clarified that if the Bank has to bear some of the expenses, including the Trustee's remuneration, but has not done so, the Trustee will act to receive the said amounts from the Bank and in the event it succeeds in receiving them, they will be held by it in trust and will serve it for the purposes and in order of preference specified in the Section below. The aforesaid does not release the Bank from its obligation to bear the said expenses and remuneration, where it must bear them under this Deed or by law, and the Trustee shall continue to act to collect them from the Bank.

The balance will be used, unless otherwise decided in a Special Resolution at a Meeting of the Debenture Holders for the following purposes and in the following order of preference: First - to pay the holders who have made payments under Section 23.2 below; Second - to pay the Debenture Holders the interest arrears due to them under the terms of the Debentures and subject to the linkage terms of the Debentures, *pari passu* and in proportion to the amount of the interest in arrears due to each of them without preference or priority in respect of any of them; Third - in order to pay the Debenture Holders the amounts of interest due to them in accordance with the terms of the Debentures, *pari passu* and subject to the linkage terms of the Debentures; Fourthly - in order to pay the Debenture Holders the principal amounts due to them according to the Debentures held by them, *pari passu* and subject to the linkage terms of the Debentures, whether it is the due date or not to settle the amounts of the principal and proportionally to the amounts owed to them without any preference in respect of precedence of timing of the issuance of the Debentures by the Bank or otherwise; Fifth - the surplus, if any, shall be paid by the Trustee to the Bank or its alternates, as the case may be. The payment of the amounts by the Trustee to the Debenture Holders is subject to the rights of the Debenture Holders issued by the Bank to date, and to the rights of the Debenture Holders to be issued by the Bank in the future and the provisions of any law.

- 9.2 Notwithstanding the provisions of Section 9.1 above, if the monetary amount that will be received as a result of taking the aforementioned proceedings, which will be at any time for distribution, as stated in that section, shall be less than NIS 1 million, the Trustee shall not be required to distribute it and shall be entitled to distribute the said sum or alternatively, to invest all or part of the said amount in investments permitted under Section 13 of the Deed of Trust only, but in any event the Trustee shall distribute the other monies deposited with it under the provisions of Section 9.1 above at the earlier of the following dates: (1) if the balance of the amount deposited is NIS 1 million or more; (2) together with the first payment of the interest or principal to the Debenture Holders, paid after receipt of the monetary amount to be received as a result of taking the aforementioned proceedings; (3) immediately after the end of the calendar year following the last date in which funds were received for distribution by the Trustee; (4) where a resolution at a Meeting of Debenture Holders was adopted by a simple majority for such payment, all subject to the provisions of the Stock Exchange and its Articles of Association.

10. Notice of Distribution

The Trustee will notify the Debenture Holders of the day and place in which any payment of the above payments will be made, with advance notice of 14 days to be delivered in the manner prescribed in Section 24 below. After the day stipulated in the notice, the Debenture Holders will be entitled to interest in respect of them at the rate determined in the Debentures, solely on the balance of the principal amount (if any) after deduction of the amount paid or offered to pay them as aforesaid.

11. Avoiding Paying for a Reason that is not Dependent on the Bank

- 11.1 Any amount due to a Debenture Holder that has not actually been paid on the date set for the payment, for a reason that is not dependent on the Bank while it is ready and able to pay it on time, shall cease to bear interest and linkage differentials from the date set for its payment and the said Holder shall be entitled only to the amounts he was entitled to on the date set for payment on account of principal, interest and / or linkage differentials, as the case may be.
- 11.2 If such sum is not paid within 14 days from the date set for the performance of such payment, the Bank shall deposit the same amount with the Trustee, who shall hold the sum in trust for the Debenture Holder, and such deposit shall be deemed to be the settlement of such payment. If said amount is the last payment - the deposit of this sum with the Trustee in trust will be deemed as redemption of the said Debentures.
- 11.3 All the monies that the Trustee is permitted to invest under this Deed shall be invested by it, on its behalf or to its order in securities of the Government of Israel or in any other securities in which the laws of the State of Israel will allow investing trust funds, as the Trustee deems appropriate and subject to the provisions of any law, and subject to the provisions of Section 13 below.

If the Trustee did so, it shall not be liable to the entitled person in respect of such amounts, except for the proceeds received from the realization of the investments, less the related expenses. The Trustee will hold the said amounts and invest them in the aforesaid manner up to the end of one year from the redemption date of the Debentures. After this date, the Trustee will return the amounts accrued by it (including their profits, if any), net of its expenses, to the Bank who will hold these amounts in trust for the Debenture Holders for an additional period of one year from the date they were transferred to the Bank by the Trustee. The Bank shall give to the Trustee, in respect of the monies to be refunded to it, a confirmation for the refund of the said amounts and the receipt thereof in Trust for the

Debenture Holders and such confirmation shall release the Trustee in absolute release in connection with the amounts specified in the confirmation.

11.4 The Trustee shall transfer to every Debenture Holder for whom amounts and / or monies owed to the Debenture Holders were deposited with the Trustee, the amounts due to him out of the same monies deposited as aforesaid, less all the expenses and compulsory payments that apply to the Trust Account in which the Trustee deposited such monies, against the presentation of such proof which will be required by the Trustee to its complete satisfaction.

12. Receipts as Proof

12.1 Without derogating from any other condition of these terms, a receipt signed by an individual registered holder of the Debentures by any of the Holders jointly registered in the Debentures shall constitute proof of the settlement in full of any payment made by the Bank and / or the Trustee in respect of the Debentures and shall release the Trustee in absolute release in all matters relating to payment of the amounts specified in the receipt.

12.2 A receipt from the Trustee regarding the deposit of amounts of principal, interest and linkage differentials with it to the credit of the Debentures Holders as stated in Section 11 above, shall be considered as a receipt from the Debenture Holder for the purpose stated in Section 12.1 above.

13. Investment of Funds

All the monies that the Trustee is permitted to invest under this Deed will be invested and / or deposited by it with one of the five largest banks in Israel, on behalf of or to the order of the Trustee, in shekel bank deposits or in securities of the Government of Israel, as the Trustee deems fit and subject to the provisions of the Deed of Trust and any law. The Trustee will not be liable to the entitled parties in respect of such amounts, but rather the consideration received from the realization of the investments less the related expenses.

14. The Bank's Obligations to the Trustee

The Bank accepts the following obligations to the Trustee, as long as the Debentures are in circulation:

14.1 To maintain and manage the Bank's business in a regular and proper manner.

14.2 To give the Trustee a copy of the documents and information that the Bank has provided to the Debenture Holders, inasmuch as so provides.

14.3 To provide the Trustee or its authorized representative who may be an attorney or an accountant in his profession (and whose notice of appointment is given by the Trustee to the Bank upon his appointment), additional information regarding the Bank within a reasonable time from the date of the Trustee's demand, insofar as this information may be essential and / or is required in order to protect the rights of the Debenture Holders, provided that the Trustee acted in good faith. Any information that is not in the public domain that will be transferred to the Trustee or its authorized representative, including an external authorized representative, shall be kept confidential by them, shall not be transferred by them to another and will not be used unless the disclosure or use of the information is required for the purpose of carrying out their duties under the Securities Law, the Deed of Trust, or an order of the Court, and the authorized external representative for the Trustee shall sign a letter of confidentiality for the satisfaction of the Bank. It is hereby clarified that the provision of information by the Trustee to the Debenture Holders

shall not be deemed to be a breach of the Trustee's undertaking to maintain confidentiality, provided that only the information required for protecting the rights of the Debenture Holders is provided, and that the Trustee will coordinate with the Bank in advance, to the extent possible and permitted, the content and timing of the disclosure, in order to leave the Bank with reasonable time to apply to the Court and prevent the transfer of such information, and in any case, only the necessary information will be delivered.

- 14.4 To maintain regular books of account in accordance with generally accepted accounting principles and in respect of the books that were maintained as aforesaid, to keep the books, including the documents used as references (including Deeds of Pledge, mortgages, accounts and receipts) and other documents related to its business in its offices.
- 14.5 To notify the Trustee, immediately after becoming aware of it, of any event in which a receiver was appointed to all or part of its assets, and to immediately take all necessary measures at its expense to remove such attachment or cancel the receiver in such a case.
- 14.6 In addition to the aforesaid in Section 14.5, to notify the Trustee, within two trading days, of one or more of the events enumerated in Section 7.1 above, without taking into account the periods of relief mentioned in Section 7.1, if any.
- 14.7 To deliver to the Trustee, at its request and no later than 30 days from the date of issuance of the Debentures (Series 179) pursuant to the Shelf Offering Report and / or from the date of expansion of the Debentures (Series 179), a true copy of the Debenture Certificate.
- 14.8 To deliver to the Trustee, at its request and no later than 30 days from the date of issuance of Debentures under this Deed, a repayment schedule for the payment of the Debentures (principal and interest) in an Excel file.
- 14.9 To provide the Trustee with the documents enumerated in Section 35j of the Securities Law, 5728-1968.
- 14.10 Proper Conduct of Banking Business Directive No. 332 of the Banking Supervision Department prescribes restrictions on a banking corporation (and a corporation controlled by it) to purchase securities issued by it (the definition of "securities" in Regulation No. 332 above - "the shares of the banking corporation or securities convertible to shares of the banking corporation"). It is clarified that, excluding the provision at the beginning of this Section, no restriction applies to the Bank with respect to the right of the Bank to distribute a dividend to its shareholders and / or to buy back its own shares and / or to make any other distribution in accordance with the provisions of the Companies Law.
- 14.11 The Bank does not undertake that it will not replace a rating company over the life of the Debentures. If the Bank replaces the rating company or ceases its work, including in the event where there is more than one rating company, the Bank shall immediately publish the reasons and explanations for such replacement or the termination of its work, as the case may be. In addition, the Bank undertakes that in so far as the matter depends on it, the Debentures will be rated by at least one rating company until their final and absolute repayment.
- 14.12 It is hereby clarified that in order to comply with the provisions of this Deed, the publication of a report in MAGNA shall be deemed to be its delivery to the Trustee.
- 14.13 Insofar as the Bank ceases to be a reporting corporation, it shall deliver to the Trustee the reports as specified in Section 4.3.1(c)(5)(c) of Chapter 4 of Part 2 (Management of Investment Assets and Provision of Credit) in Section 5 (Principles of Business Conduct) in the Consolidated Circular, in accordance with the dates prescribed in that Section, in

accordance with the provisions of the Consolidated Circular that will be in force from time to time. For this purpose, "**the Consolidated Circular**" is the Consolidated Circular of the Supervisor of the Capital Market, Insurance and Savings for Institutional Bodies, that will be in effect from time to time. Notwithstanding the aforesaid, if it is possible to continue to publish these reports through the MAGNA and / or MAYA systems, the reports will be made by means of these systems, in lieu of reporting to the Trustee as stated.

15. Additional Liabilities

If and to the extent that the Debentures are called for immediate repayment in accordance with the provisions of Section 7.1 above, the Bank shall perform from time to time and at any time required by the Trustee all reasonable actions in order to enable the exercise of all the powers vested in the Trustee, and the Bank will perform especially the following actions:

- 15.1 Make declarations and / or sign all documents and / or perform and / or cause to performance all necessary or required actions to be performed in accordance with the law to give effect to the operation of the Trustee's authorities, powers and authorizations.
- 15.2 All the notices and instructions that the Trustee shall consider productive in connection with the execution of immediate repayment.
- 15.3 Perform or cause to perform all necessary required actions and matters, in accordance with the law, to give effect to exercising the authorities, powers and permissions of the Trustee.

16. Applications to Court

The Trustee shall be entitled, at any time and subject to any law, to apply to the competent court with applications in connection with the Trust. It will also be entitled to give its consent or approval to any application to the court, which follows the demand of the Debenture Holder, and the Bank shall compensate the Trustee for all the expenses incurred by it by such application from actions taken as a result thereof or in connection therewith. In the event that the application to the court is in accordance with a decision of the Debenture Holders, the Debenture Holders will indemnify the Trustee for all reasonable expenses incurred by such an application, from actions taken as a result thereof or in connection with it, and, in accordance with the provisions of the law, this indemnity shall be taken from the deposit to be deposited in accordance with the provisions of the law.

17. Proxies

- 17.1 The Bank hereby irrevocably appoints the Trustee as its proxy to perform and execute in its name and in its place all the actions it must perform under the terms contained in this Deed, and generally act on its behalf with respect to such actions that the Bank must perform under this Deed and did not perform them, or to perform part of the powers vested in him, subject to the Bank not performing the actions it must perform under the terms of this Deed within a reasonable period of time from the date of the Trustee's written demand, and also giving the Bank reasonable notice in advance and in writing of its intention to exercise its powers under this Section.
- 17.2 The appointment under Section 17.1 above does not obligate the Trustee to perform any action and the Bank hereby exempts the Trustee in the event that it does not take any action in a timely or correct manner, and the Bank waives in advance any claim against the Trustee and its agents for any damage caused or liable to be caused to the Bank, directly or indirectly, in respect of this, on the basis of any action taken or not made as aforesaid.

18. Reporting by the Trustee

- 18.1 If the Trustee becomes aware of a material breach of the Deed of Trust, he shall notify the Debenture Holders within a reasonable time and without delay, subject to the provisions of the law, of the breach. This obligation shall not apply if the event is published by the Bank under the law.
- 18.2 The Trustee shall prepare an annual report on Trust matters (hereinafter: "**the Annual Report**"), on a date to be determined by law and in the absence of such a date until the end of the second quarter of each calendar year.

The annual report shall include the details to be determined from time to time in the Law, and to the extent that it has not yet been prescribed by law, the Annual Report shall include a report on exceptional events in connection with the Trust that occurred during the past year and additional particulars as required by law. Submission of the Annual Report to the Israel Securities Authority and to the Stock Exchange is similar to the presentation of the Annual Report to the Debenture Holders.

- 18.3 Upon demand by the Holders of more than five percent (5%) of the balance of the par value of the Debentures, the Trustee shall provide the Holders with data and details of its expenses in connection with the Trust that is the subject of the Deed of Trust.
- 18.4 The Trustee must submit a report regarding the actions it performed pursuant to the provisions of Chapter E1 of the Law, at the reasonable demand of Holders of at least ten percent (10%) of the balance of the par value of the Debentures of that Series, within a reasonable time from the date of the demand, subject to duty of confidentiality that the Trustee owes to the Company as stated in Section 35(d) of the Law.
- 18.5 The Trustee declares that as of the date of signing this Deed, it is insured under professional liability insurance in the amount of US\$ 10 million for the period (hereinafter: "**the Amount of Cover**"). In the event that before the full repayment of the Debentures, the amount of the cover will be reduced to less than US\$ 8 million, for any reason, then the Trustee shall update the Bank no later than 7 business days from the date on which the abovementioned reduction was received from the Insurer in order to publish an Immediate Report on the matter. The provisions of this section shall apply until the date of entry into force of the regulations of the Securities Law that will regulate the duty of the insurance cover of the Trustee. After the said regulations take effect, the Trustee will be required to update the Bank only in the event that the Trustee fails to comply with the requirements of the regulations.

19. The Trustee's Remuneration

- 19.1 The Bank will pay the Trustee remuneration for its services as Trustee in the first year of the Trust, and as long as there are outstanding Debentures in circulation and for each subsequent year, an amount of NIS 6,000 plus VAT by law for the Debentures (Series 179) that will be published pursuant to the Prospectus and for which the Trustee will serve as Trustee.
- 19.2 A Special Trustee Remuneration in shekels equivalent to NIS 300 per hour, plus VAT by law, in respect of special events / works:
- 19.2.1 Reasonable actions arising from a breach of this Deed by the Bank;

- 19.2.2 Reasonable actions in connection with the call for immediate repayment of the Debentures or the concern of immediate repayment or concern of infringement of the rights of the Holders;
- 19.2.3 Reasonable special work (such as, but not limited to, reasonable work required due to a change in the structure of the Bank) or due to the need to perform other reasonable actions in order to fulfill its function as a reasonable Trustee, due to future changes in laws and / or other binding instructions applying to the Trustee's actions and responsibility under this Deed, provided that it obtains the prior approval of the Bank, which shall not be unreasonably withheld.
- 19.3 The Trustee will also be paid fees in respect of all related activities (including, without derogating from the generality of the aforesaid, its participation) in meetings of Debenture Holders (other than General and Special Meetings of the Bank's shareholders) in the amount of NIS 300 plus VAT for each Meeting.
- 19.4 In addition, the Trustee will be entitled to reimbursement of reasonable expenses it will spend in the course of fulfilling its duties and / or by virtue of the powers granted to it under this Deed, including in respect of publications in the press and the appointment of experts, provided that it obtains prior approval from the Bank which will not be unreasonably withheld.
- 19.5 If there are changes in the provisions of the law according to which the Trustee will be required to perform actions and / or to examinations and / or prepare additional reports, the Bank undertakes to bear all the reasonable expenses incurred by the Trustee for this purpose, including reasonable fees for these actions, provided that it obtains the prior approval of the Bank which will not be unreasonably withheld.
- 19.6 All of the amounts stated in this item are linked to the Consumer Price Index, which will be known on the date of issuance of the Debentures, but in any event no amount will be paid that is less than the stated amounts.
- 19.7 Where a Trustee has been appointed in the place of a Trustee whose term of office has ended pursuant to Sections 35B(a1) or 35D(d) of the Securities Law, the Debenture Holders shall bear the difference by which the remuneration of the appointed Trustee as set forth above was more than the remuneration paid to the Trustee in whose place it was appointed, if the said difference is unreasonable and the relevant provisions of the law apply at such time of exchange.
- 19.8 Insofar as the Bank will be required to make a deposit to secure the Bank's bearing of special expenses of the Trustee, the Bank shall act in accordance with such instructions.

20. Special Powers

- 20.1 The Trustee shall be entitled to deposit all the notes and documents attesting, representing and / or determining its right in connection with any asset at the time in its possession, in a safe deposit or in any other place it chooses, with any banker or any banking institution or with an attorney, to the extent reasonable and in coordination with the Bank. If the Trustee does so, it shall not be responsible for any loss incurred in connection with such deposit, provided that it did not act negligently.
- 20.2 The Trustee may, in the framework of carrying out Trusteeship matters under this Deed, act according to the opinion or advice of an attorney, accountant, appraiser, assessor, surveyor, broker or other expert. Whether such opinion or advice has been prepared at the request of the Trustee or by the Bank or otherwise, the Trustee shall not be liable for any

loss or damage caused as a result of any action or omission performed by it on the basis of such advice and / or opinion provided that it did not act negligently.

- 20.3 Any such advice or opinion may be given, sent or received by letter, telegram, telephone, facsimile or any other electronic means of transmission of information.
- 20.4 The Trustee shall not be entitled to intervene in any manner whatsoever in the management of the Bank's business or affairs, subject to the provisions of any law that cannot be made conditional, and unless otherwise expressly stated in this Deed.
- 20.5 The Trustee shall use the powers, authorizations and authorities granted to it under this Deed, at its absolute discretion, and except in the event of fraud or negligence, it shall not bear liability for damage caused due to errors of judgment made in good faith.
- 20.6 Any exemption from liability given to the Trustee under the provisions of this Deed, to the extent possible, is subject to the fact that the act (or omission) of the Trustee, including the exercise of its discretion, for which the exemption was granted, was not carried out with gross negligence or breach of a duty of trust or malice or breach of the provisions of the Deed of Trust and the Debentures.

21. The Trustee's Authority to Employ Agents

The Trustee will be entitled, within the framework of the management of the Trusteeship business, to appoint an agent to act in its stead and to pay its salary on account of the Bank, whether an attorney or another, in order to perform or participate in the execution of various businesses and to perform or participate in various actions to be performed in connection with the Trust, and without derogating from the generality of the aforesaid with regard to the taking of legal proceedings, to the extent reasonable under the circumstances and with prior coordination with the Bank, and the Trustee shall cause the agent to sign a Deed of Confidentiality to the satisfaction of the Bank. The Trustee shall also be entitled to settle the reasonable fees of any such agent, in so far as it is authorized to do so in accordance with this Deed or in accordance with the remuneration agreement with the Bank, and the Bank shall refund to the Trustee upon its demand any such expense, provided that the Trustee has given the Bank advance notice regarding the appointment of agents as stated and that the said expenses are reasonable under the circumstances. The appointment of an agent shall not derogate from the duties of the Trustee under this deed or under any law, and from the responsibility of the Trustee in respect of its activities and the activities of its agents.

22. Powers of the Trustee

- 22.1 The Trustee shall not be obligated to notify any party of the signing of this Deed.
- 22.2 Subject to the provisions of any law, the Trustee is not obligated to act in a manner that is not explicitly specified in this Deed of Trust, so that any information, including about the Bank and / or in connection with the Bank's ability to meet its obligations to the Debenture Holders will come to its attention and it is not its duty.
- 22.3 Subject to the provisions of any law and to the aforesaid in this Deed of Trust, the Trustee undertakes, by signing this Deed, to keep confidential all information given to it by the Bank, not to disclose it to another and not to make any use of it unless its disclosure or use is required in order to fulfill its function under the Securities Law pursuant to the Deed of Trust, or pursuant to a court order.

- 22.4 The Trustee may rely on the presumption stated in Section 2626 below and rely on the correctness of the identity of an unregistered Holder of Debentures as shall be delivered to the Trustee by a person whose name is registered as a holder of a power of attorney issued by a nominee company, to the extent that the identity of the Holder has not been recorded in the power of attorney.
- 22.5 The Trustee may rely on any written document including a written instruction, notice, application, consent or approval in the framework of its Trusteeship, which is presumed to be signed or issued by any person or body which the Trustee believes in good faith has been signed or issued by it.

23. Indemnity of the Trustee

- 23.1 The Trustee's remuneration and expenses shall be paid by the Bank in accordance with the provisions of the Deed of Trust. In addition, in special matters that do not fall within the scope of the Bank's obligation to pay the Trustee fees and expenses as specified in Section 19 above, the Trustee will be entitled to indemnification from the Debenture Holders or the Bank, as the case may be, including in respect of reasonable expenses incurred in connection with the activities performed by it by virtue of its obligation under the terms of this Deed, or by law or on the demand of a competent authority or at the demand of the Debenture Holders provided that:
- 23.1.1 It shall not be entitled to demand the indemnification in advance for a matter that cannot be delayed.
- 23.1.2 An undertaking to indemnify may include indemnification in respect of liability in tort for which the Trustee was obligated pursuant to a final judgment or according to a compromise agreed by the indemnifying party against a third party that does not hold the Debentures and provided that this undertaking of indemnification will apply under the following conditions:
- 23.1.2.1 Torts' expenses incurred and / or incurred are reasonable.
- 23.1.2.2 The Trustee acted in good faith and this action was performed in the course of fulfilling its duties, provided that the Trustee did not act with malice or gross negligence.
- 23.1.3 Without prejudice to the rights to compensation granted to the Trustee pursuant to the Law and subject to the provisions of this Deed and / or the Bank's obligations pursuant to this Deed, the Trustee, its representative, manager, agent or other person appointed by the Trustee pursuant to this Deed shall be entitled to indemnification from the funds and investments received by the Trustee from the proceedings it has taken or otherwise received in respect of the obligations they have assumed in respect of expenses incurred in connection with the performance of the Trust or in connection with such actions which they believe were necessary for the performance of the aforesaid and / or in connection with the exercise of the powers and authorizations given by virtue of this Deed and is also in connection with all kinds of legal proceedings, opinions of attorneys and other experts, negotiations, arguments, claims and demands in respect of any matter and / or anything that has been and / or has not been done in any manner in relation to the matter, and the Trustee will be able to withhold the monies in its possession and to pay from them the amounts necessary for the payment of the said indemnification. All of the said amounts will have preference over the rights of the Debenture Holders and subject to the provisions of any law, provided that the Trustee acted in good faith and in accordance with the obligations imposed

upon it under any law and pursuant to this Deed, and that the Trustee did not act with malice or gross negligence.

- 23.2 It is to be clarified that if the expenses were incurred by the Trustee in connection with an action performed at the demand of the Debenture Holders of a certain Series issued by the Bank or in connection with actions relating to a certain Series only, the indemnification shall be given by the Debenture Holders of that series, if the expenses were incurred in connection with the actions of the Trustee that do not relate to a certain Series only, the indemnification will be given by the Debenture Holders *pari passu* to the amounts of the par value in circulation from each Series.
- 23.3 Notwithstanding the provisions of this Section 23 above, whenever the Trustee deems fit, for the purpose of protecting and / or exercising the rights of the Debenture Holders and / or shall be obliged, under the terms of this Deed and / or pursuant to the law and / or the a directive of a competent authority and / or any law and / or at the demand of the Bank and / or the Debenture Holders, to take legal proceedings and various actions by virtue of its obligation under the Deed of Trust, the Trustee will immediately convene a Meeting of the Debenture Holders to confirm their responsibility to cover the expenses involved in the proceedings and actions that the Trustee shall take, and then the amount to be deposited by each Holder shall bear annual interest at a rate equal to the fixed interest on the Debentures (as stated in the First Schedule) and shall be paid at the precedence stated in Section 9.1 above. In the event that the Debenture Holders refuse to bear the expenses involved in taking the various proceedings and actions by the Trustee, the Trustee will bear no duty to take the various proceedings and actions, provided this is not an issue that cannot be delayed. It is hereby clarified that the consent of the Debenture Holders as aforesaid to release the Bank from its undertakings, if there are any, under this Deed and / or under the law to bear and cover the costs involved in taking such proceedings and actions, without such stipulation imposing on the Bank the responsibility to bear the expense in circumstances in which the Debenture Holders refused to bear the expenses involved in taking the proceedings. In addition, all monies received from realization proceedings and various actions will also be used for reimbursement and coverage of expenses incurred by the said Debenture Holders. This does not detract from the duty of the Trustee to act to collect the money from the Bank, in so far as the Bank had to pay these monies. It should be clarified that in circumstances where an urgent action is required of the Trustee when refraining from taking it, prior to convening the Meetings of the Debenture Holders by the Trustee, will cause substantial damage and / or loss to the Debenture Holders, the Trustee shall not be entitled to refrain from taking such urgent action until convening a Meeting of the Debenture Holders.

24. Notices

- 24.1 Any notice to the Debenture Holders on behalf of the Bank or the Trustee shall be given by a report in the Israel Securities Authority's MAGNA system. The Trustee may instruct the Bank and the Bank will be required to report in the Magna system on behalf of the Trustee any report in the version transmitted in writing by the Trustee to the Bank, at the request of the Trustee. In cases where this is required by law, notice shall also be given in addition to publication of an advertisement in accordance with the provisions of the law. Any notice published or sent as aforesaid shall be deemed to have been delivered to the Debenture holder on the date of its publication as stated (in the MAGNA system or notice, as the case may be).
- 24.2 Any notice or demand on behalf of the Trustee to the Bank or on behalf of the Bank to the Trustee may be given by: (1) a registered letter according to the address specified in the Deed of Trust or any other address to which the Bank shall give written notice to the Trustee or the Trustee shall give written notice to the Bank; (2) e-mail or facsimile; or (3) by a

messenger. Any such notice or demand shall be deemed to have been received by the Bank: (a) in the case of dispatch by registered mail - three business days after it is sent by mail; (b) in the case of e-mail or facsimile (with the addition of a telephone confirmation of its receipt) - one business day after its dispatch; (c) in the case of its sending by messenger - by its delivery by the messenger to the addressee or by proposal to the addressee to accept it, as the case may be.

- 24.3 Copies of notices and invitations sent by the Bank to the Debenture Holders shall also be sent by the Bank to the Trustee. It is hereby clarified that in order to comply with the provisions of this Deed, the publication of a report in MAGNA shall be deemed to have been sent to the Trustee.

25. Waiver, Compromise and Changes in the Deed of Trust

- 25.1 Subject to the provisions of the Securities Law, the Trustee may from time to time and at any time, if it will not, in its opinion, harm the rights of the Debenture Holders, waive any breach or non-fulfillment of any of the terms of the Deed of Trust by the Bank, except with regard the date of payment of principal of the Debentures, the amount of the principal of the Debentures, the rate of interest in respect of the Debentures and a call for Immediate Repayment of the Debentures.
- 25.2 Subject to the provisions of the Securities Law and the Companies Law and the regulations promulgated thereunder, including Section 350 of the Companies Law, and with prior approval to be adopted at a Meeting of the Debenture Holders, at which the Holders themselves or their proxies present hold at least fifty percent (50%) of the balance of the par value of the principal of the Debentures, or at a postponed Meeting, at which at least twenty percent (20%) of the said balance was present, and which was adopted by a majority of at least two thirds of the par value of the Debentures represented in the vote, the Trustee shall be entitled, whether before or after the principal of the of the Debentures will be repayable, to reach a compromise with the Bank in connection with any right or claim of the Debenture Holders and to agree with the Bank to any arrangement of its rights, including waiver of any of its rights or the rights of the Debenture Holders or its claim and / or that of the Debenture Holders towards the Bank and to agree to a change in the terms of the Debentures, provided that this is not a debt arrangement as defined in Section 350q of the Companies Law.
- 25.3 Subject to the provisions of the Securities Law, the Trustee and the Bank may, before or after the principal of the Debentures is repayable, agree to change the Deed of Trust if one of the following applies:
- 25.3.1 The Trustee is convinced that the change does not harm the Debenture Holders. The provisions of this paragraph shall not apply to a change relating to payments (including their dates and amounts) according to the Debentures or grounds for Immediate Repayment, or for changing the identity of the Trustee or its remuneration in the Deed of Trust or for the appointment of a Trustee in the place of a Trustee whose term of office ended.
- 25.3.2 The Debenture Holders have agreed to the proposed change, by a resolution passed at a Meeting of Holders present in which they hold at least fifty percent (50%) of the balance of the par value of the Debentures, by a majority of at least two thirds of the par value of the Debentures represented in the vote or by the said majority in a postponed Meeting of the Holders in which the Holders who are present hold at least twenty percent (20%) of the said balance.

- 25.4 The Bank shall provide an Immediate Report of any such change and / or waiver immediately upon its execution.
- 25.5 Should the Trustee compromise with the Bank after obtaining the prior approval of the General Meeting of the Debenture Holders as aforesaid, the Trustee shall be exempt from liability in respect of this action, as approved by the General Meeting, provided that the Trustee has not breached a duty of trust and has not acted in bad faith or willfully in implementing the resolution of the General Meeting.
- 25.6 In any case of use of the Trustee's right under this Section, the Trustee may, but is not obligated, demand that the Debenture Holders provide it with the Debenture Certificate in order to make a note regarding any such compromise, waiver, modification or amendment, and the Bank will make a note as such on the demand of the Trustee.

26. Register of Debenture Holders

- 26.1 The Bank shall maintain in its office a separate Register of Debenture Holders (Series 179), in accordance with the provisions of the Securities Law, which shall be open for inspection by any person. The Bank will be entitled to close the register of Debenture Holders from time to time, at such times and for such periods as it deems fit, for periods that will not exceed 30 days each year.
- 26.2 The Register of Debenture Holders shall constitute prima facie evidence of the correctness recorded therein. In the event of a contradiction between that recorded in the Register of the Debenture Holders and the Debenture Certificate, the evidentiary value of the Register of the Debenture Holders is preferable to the evidentiary value of the Debenture Certificate.
- 26.3 The Bank shall not be required to record in the Register of Debenture Holders any notice of express, implied or presumptive trust, or pledge or charge of any kind whatsoever or any right, claim or offset or any other right in connection with the Debentures. The Bank shall recognize only the ownership of the person in whose name the Debentures were registered. The legal heirs, the executors of the estate or the executors of the will of the Registered Holder and any person entitled to the Debentures due to the bankruptcy of a Registered Holder (and if it is a corporation - due to its dissolution) may be recorded as its Holders after providing proof that in the Bank's opinion provide proof of their right to be registered as their Holders.

27. Replacement of the Trustee and Termination of its Office

- 27.1 The provisions of the Securities Law shall apply to the term of office of the Trustee and its expiration and the appointment of a new Trustee.
- 27.2 A decision by the Holders to terminate the tenure of the Trustee and replace it with another trustee shall be made at a Meeting attended by at least two Holders of 50% of the balance of the par value of the Debentures or a Postponed Meeting attended by at least 10% of the said balance, by a majority of the vote required for purposes of a Special Resolution.
- 27.3 Subject to the provisions of any law, the Trustee whose tenure has expired shall continue to hold office until the appointment of another Trustee. The Trustee shall transfer to the new Trustee all the documents and amounts accumulated in connection with the Trust that is the subject of the Deed of Trust, and shall sign any document required for this purpose. Every new Trustee shall have the same powers, duties and authorities, and shall be able to act for all intents and purposes, as if it had been appointed as a Trustee in the first place.

27.4 The Bank shall publish an Immediate Report in any case of the resignation of the Trustee and / or the appointment of another Trustee.

28. Meeting of Debenture Holders

Meetings of Debenture Holders will be conducted as stated in the Second Schedule to this Deed.

29. Reporting to the Trustee

The Bank will deliver to the Trustee, as long as the Debentures continue to be in circulation in respect of which the Trustee serves as Trustee and as long as any payment is to be made pursuant to them:

29.1 The audited financial statements of the Bank for the fiscal year ending on December 31 of the past year, immediately after their publication and no later than the times set forth in the Securities Law.

29.2 Every quarterly report, shortly after its publication, together with a review of the Bank's External Auditors regarding them.

29.3 No later than two weeks after the publication of annual financial statements, the Bank's approval of the execution of the interest payments due before the date of approval and the date of payment, as well as the balance of the Debentures in circulation on the date of record for payment of the interest, and confirmation from the Bank that there is no violation of this Deed on the part of the Bank.

29.4 A copy of any document that the Bank shall transfer to the Debenture Holders and details of any information that the Bank shall transmit to them in a different manner, and any additional information on reasonable demand of the Trustee and subject to the provisions of any law and an undertaking to maintain confidentiality.

29.5 Any other report according to the law that the Bank must deliver to the Trustee.

29.6 A report shall be given of any change in the rating of the Debentures or of the termination of the rating by the rating company.

It is hereby clarified that in order to comply with the provisions of this Deed, the publication of a report in the Magna system shall be deemed to be delivered to the Trustee.

30. Addresses

The addresses of the parties for the purpose of this Deed shall be as stated in the Preamble to this Deed, or any other address for which notice is given in writing.

31. Certification for MAGNA

By signing this Deed, the Trustee authorizes the authorized electronic signatories of the Bank to sign in its name and in its place an electronic copy of the Deed of Trust for the purpose of broadcasting it in Magna as required in the Securities (Electronic Signature and Reporting) Regulations, 5763-2003.

32. Exercise of Rights according to the Deed and the Debentures

The provisions of this Deed of Trust shall apply to Debentures held from time to time by any Holder of Debentures (Series 179), unless otherwise stated.

Subject to the provisions of any law, the Debenture Holders will be entitled to exercise their rights under the Debentures and the Deed of Trust only through the Trustee or by Resolution of the General Meeting of the Debenture Holders in the ways specified in the Debenture and in the Deed of Trust. Notwithstanding the foregoing, if the Trustee is to act in accordance with the provisions of the Deed of Trust and the Debenture, the Debenture Holders may exercise their rights, including in accordance with the Resolution of the General Meeting.

33. Liability of the Trustee

33.1 Notwithstanding the provisions of any law and in any place in the Deed of Trust, if the Trustee acted to fulfill its duty in good faith and within a reasonable period of time and also clarified the facts that a reasonable Trustee would have investigated in the circumstances of the case, it shall not be liable to the Debenture Holder for damage caused to him as a result of the Trustee exercising its discretion pursuant to the provisions of Section 35h(d1) or 35I1 of the Law, unless the plaintiff proves that the Trustee acted with gross negligence. It is hereby clarified that if a contradiction arises between the provisions of this Section 33.1 and another provision in the Deed of Trust, the provision of this Section 33.1 shall prevail.

33.2 If the Trustee acted in good faith and without negligence in accordance with the provisions of Section 35h(d2) or 35h(d3) of the Law, it shall not be liable for carrying out such action.

34. Other Agreements

Subject to the provisions of any law and the restrictions imposed on the Trustee by law, the performance of the Trustee's function under this Deed, or the fact of its status as a Trustee, shall not prevent it from entering into agreement with the Bank in various contracts or from executing transactions with it in the ordinary course of its business.

35. Applicability of Law and Place of Jurisdiction

The law applicable to this Deed of Trust, together with its Appendices and Schedules, is Israeli law only. In any matter not mentioned in this Deed and in any case of contradiction between the provisions of the law and this Deed, the parties shall act in accordance with the provisions of Israeli law.

The only Court that will be authorized to adjudicate in matters related to the Deed of Trust will be the competent Court in Tel Aviv-Jaffa.

IN WITNESS WHEREOF THE PARTIES HAVE SIGNED:

Bank Leumi le-Israel B.M.

Strauss, Lazar Trust Company (1992) Ltd.

I, the undersigned, Liat Gan-Or, Attorney of Bank Leumi le-Israel B.M. ("**the Bank**"), certify that the Deed of Trust was duly signed by the authorized signatories of the Bank.

Liat Gan-Or, Adv.

I, the undersigned, Inbar Lazar, Attorney of Strauss, Lazar Trust Company (1992) Ltd. ("**the Trustee**"), certify that the Deed of Trust was duly signed by the authorized signatories of the Trustee.

Inbar Lazar, Adv.

FIRST SCHEDULE TO THE DEED OF TRUST - DEBENTURE

Bank Leumi Le-Israel B.M.

Registered Debenture (Series 179) of NIS 1 each par value

Number ____
Par Value _____

1. This Certificate attests that Bank Leumi le-Israel B.M. (hereinafter: "**the Bank**") will pay the person who will be the Registered Holder (as defined in the terms overleaf) of this Debenture the amounts that he undertook as specified in the terms overleaf and the Deed of Trust dated June 19, 2018 prepared and signed between the Bank of the first part and Strauss Lazar Trust Company (1992) Ltd. as Trustee of the second part (hereinafter: "**the Deed of Trust**"), with its appendices. It is hereby clarified that the provisions of the Deed of Trust constitute an integral part of the terms of the Debenture.
2. The Debentures are not secured by collateral, as stated in Section 5 of the Deed of Trust.
3. The Debentures will be repayable pari passu between themselves without any preferential right over one another.
4. This Debenture is issued according to and subject to the conditions listed overleaf and in the Deed of Trust.

Issued with the Official Stamp of the Bank on: _____

Bank Leumi Le-Israel B.M.

Attorney's Certification

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

_____, Adv.

The Conditions Listed Overleaf

1. General

- 1.1 This Debenture (Series 179) is issued pursuant to a Deed of Trust that was prepared and signed on June 19, 2018 between the Bank of the first part and Strauss Lazar Trust Company (1992) Ltd. as Trustee of the second part (hereinafter: "**the Deed of Trust**").
- 1.2 In respect of each of the Debentures (Series 179), the Debentures shall be of equal ranking pari passu between themselves, without priority or preference over the other.
- 1.3 The terms of the Debentures (Series 179) (the conditions listed overleaf) are an integral part of the provisions of the Deed of Trust and the provisions of the Deed of Trust shall be deemed to have been expressly included in the terms of these Debentures. In any case of contradiction between the contents of the Debenture and the provisions of the Deed of Trust, the provisions of the Deed of Trust shall prevail.

2. Definitions

- 2.1 The expressions in this Debenture shall have the meaning given to them in the Deed of Trust, unless another intention is implied from the content or context thereof, or if otherwise stated in this Debenture.
- 2.2 Anything stated in the Debenture in the plural also means the singular and vice versa, and anything stated in the masculine also means the feminine and vice versa, and anything stated about a person also means a corporation, provided there is in this Debenture no other specific expression and / or implied provision and / or unless the contents or the context requires otherwise.
- 2.3 In this Debenture, the following expressions shall have the meaning next to them unless another intention is implied from the content or context thereof, or if otherwise expressly stated in the Debenture:

| | |
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| "Debentures" | Debentures (Series 179); |
| "First Offering Report" | - the first Shelf Offering Report according to which the Debentures will be offered and issued for the first time; |
| "The Tender" | - The tender on the interest rate of the Debentures to be held in the manner and on the date to be specified in the First Offering Report; |
| "The Consumer Price Index" or "the Index" | - The price index known as the "Consumer Price Index" which includes fruit and vegetables and is published by the Central Bureau of Statistics and includes the same index even if published by any other body or institution replacing the Central Bureau of Statistics, and includes any official index that will replace it, on the same data and calculations on which the current index is based or not; If the index is replaced by any such body or institution, that body or institution shall determine the ratio between the other index and the replaced one, and if this ratio is not determined by it, it shall be determined by the Central Bureau of Statistics, and in the event the ratio is not determined as afore said, it shall be determined by the Trustee, in consultation with economic experts |

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| | chosen by it, and whose identity will be approved by the Bank; |
| "The Base Index" | - The Consumer Price Index published on June 15, 2018 in respect of May 2018; |
| "The Known Index" | - The last known index; |
| "The Payment Index" | - The index known on the date of payment; |
| "Entitled Person" | - A Holder of a Debenture entitled to payment of principal or interest in accordance with the terms of the Debentures. |

3. The Repayment Date of the Principal of the Debentures

- 3.1** The principal of the Debentures will be repaid in two equal installments on June 30, 2024 and on June 30, 2026, such that each of the payments will be 50% of the principal of the Debentures.
- 3.2** The repayment of the principal shall be made against delivery of certificates of the Debentures to the Bank on the date of payment, at its registered office or at any other place to be notified by the Bank, no later than five (5) business days before the date of payment. It is hereby clarified that a person who is not registered in the Register of Holders of the Bank's Certificates of Indebtedness on the date of record of the entitlement to any payment shall not be entitled to such payment.
- 3.3** Payments of the principal shall be made subject to the linkage terms as stated in Section 5 below.

4. Interest on the Debentures

- 4.1** The outstanding principal of the Debentures will bear annual interest at a rate to be determined in the tender (hereinafter: "**the annual interest rate**").
- 4.2** The interest will be paid to the Debenture Holders once a year on June 30 of each of the years from 2019 to 2026 (inclusive) for the period of the twelve months ended on the day preceding the date of payment, except for the first payment of the interest to be paid on June 30, 2019 for the period beginning on the first trading day after the date of the tender until June 29, 2019 (hereinafter: "**the first interest payment**").
- 4.3** The interest rate on the first interest payment date will be calculated according to the number of days in the period beginning on the first trading day following the auction date and ending on June 29, 2019, on the basis of 365 days a year (hereinafter: "**the interest rate for the first interest payment**").
- 4.4** On the first trading day following the tender day, the Bank will publish, in the framework of an Immediate Report on the results of the tender, the annual interest rate and interest rate for the first interest payment.
- 4.5** Interest payments will be paid to persons whose names will be registered in the Register of Debenture Holders on June 24 of each of the relevant years (hereinafter: "**the date of record**"), except for the last interest payment to be paid to persons whose names will be registered in the Register on the date of payment, and will be made with payment of the principal of the Debentures against delivery of the Debenture Certificates to the Bank at its registered office or at any other place to be notified by the Bank no later than five (5) business days before the payment date. It is clarified that whoever is not registered in the

Register of Debentures on the date of record, shall not be entitled to payment of interest in respect of the period preceding that date.

4.6 The Debentures will be issued for the first time at par value, and therefore without a discount.

4.7 Interest payments will be made subject to the linkage terms as stated in Section 5 below.

5. **Linkage of the Principal and Interest**

The unpaid principal of the Debentures and the interest in respect of the Debentures will be linked to the base index as defined above, as follows: If it transpires on the date of payment of principal or interest, as the case may be, that the payment index has increased or decreased in comparison to the base index, the Bank will pay the increased or decreased payment of principal or interest, as the case may be, relative to the rate of increase or decrease of the payment index compared with the base index. It should be noted that the linkage method of the principal and interest will not change over the lifetime of the Debentures.

6. **Provisions regarding Payments**

6.1 The payment to those persons entitled will be made by checks or by bank transfer to the credit of the bank account of the persons whose names will be registered in the Register of Debentures (Series 179) and which shall be stated in details that will be delivered in writing to the Bank in time, in accordance with Section 6.2 below. If the Bank is unable to pay any amount to those entitled thereto, for any reason not dependent on it, the provisions of Section 11 of the Deed of Trust shall apply.

6.2. The Debenture Holder (Series 179) shall notify the Bank of the details of the bank account for crediting the payments to that Holder pursuant to Debentures (Series 179) as aforesaid or of a change in the particulars of the said account or his address, as the case may be, by written notice to be sent by registered mail to the Bank, but the Bank shall be required to act in accordance with the notice of the Holder of such change only if it reaches its registered office at least fifteen (15) business days prior to the date fixed for payment of any payment under the Debenture. In the event that the notice is received by the Company late, the Bank will act accordingly only in respect of payments due after the date of payment close to the date of receipt of the notice.

6.3 If the Debenture Holder entitled to payment as aforesaid did not inform the Bank in advance of details regarding his bank account, any payment on the account of the principal and interest shall be made by check sent by registered mail to his last address recorded in the Register of Debentures (Series 179). Sending a check to the entitled person by registered mail as aforesaid shall be deemed, for all intents and purposes, as payment of the amount stated on it on the date of its dispatch to the post office, provided that it is paid when it is presented properly for it.

6.4 In any case where the date of payment on account of the amount of the principal and / or interest falls on a day that is not a business day, the date of payment shall be postponed to the next business day without any additional payment, and the date of record for determining entitlement to redemption or interest shall not change as a result thereof.

6.5 From every payment in respect of the Debentures (Series 179), all mandatory payments shall be deducted as required by law.

7. **Early Redemption of the Debentures**

In the event that the Stock Exchange decides on the delisting of the Debentures because the value of the Series of Debentures has fallen below the amount stipulated in the Stock Exchange's instructions regarding delisting of Debentures, the Bank will not make early redemption. The Debentures will be delisted from trading and all the resulting tax implications will apply to the Debentures.

It is hereby clarified that in any event the Bank will not be entitled to call for early redemption of the Debentures on its own initiative.

8. Immediate Repayment

For details regarding the right to demand immediate repayment of the Debentures (Series 179), see Section 7 of the Deed of Trust.

9. Debenture Certificates and Splitting them

- 9.1** Each Debenture Certificate may be split into several Debenture Certificates, in which the total amount of the principal specified therein is equal to the nominal principal amount of the Certificate whose split is requested, provided that such Certificates shall be issued only with a minimum quantity of NIS 1,000 (one thousand) par value or multiples of this amount together with one additional certificate for the balance (if any).
- 9.2** The splitting of the Debenture Certificate will be made on the basis of a request for splitting signed by the Debenture Holder in the certificate or his legal representatives, which will be delivered to the Bank at its registered office, together with the Certificate of Debentures whose split is requested.
- 9.3** The split shall be executed within seven (7) days from the end of the month in which the certificate was delivered at the registered office of the Bank. The new Debenture Certificates that will be issued following the split will be in nominal value amounts in whole new shekels each.
- 9.4** All expenses involved in the split, including taxes and levies, if any, shall apply to the applicant for the split.

10. Transfer of the Debenture

- 10.1** The Debentures may be transferred for any nominal value, provided that they are in whole shekels. Any transfer of the Debentures that is not executed on the Stock Exchange shall be made in accordance with a Deed of Transfer prepared in the accepted format for the transfer of shares duly signed by the Holder or his legal representatives, as well as by the transferee or his legal representatives, to be delivered to the Bank at its registered office, together with the Debenture Certificates transferred under it, and any other reasonable evidence required by the Bank in order to prove the transferor's right to transfer them.
- 10.2** Subject to the aforesaid, the provisions applicable to the manner of transfer of shares shall apply, mutatis mutandis, as regards the manner of transferring the Debentures and their conversion.
- 10.3** If any mandatory payment applies to the Deed of Transfer of the Debentures, the Bank shall be given reasonable proof of payment by the party requesting the transfer, which shall be to the satisfaction of the Bank.

10.4 In the event of the transfer of only part of the nominal principal amount of the Debentures in this Certificate, the Certificate will be split first in accordance with the provisions of Section 9 above, into a number of Debenture Certificates as required, so that the total amount of the principal specified therein shall be equal to the nominal principal amount of the aforesaid Debenture Certificate.

10.5 After all of these conditions are met, the transfer will be recorded in the Register and the transferee will be subject to all the conditions specified in the Deed of Trust and the Debenture in respect of that Series.

10.6 All expenses and fees involved in the transfer shall be borne by the applicant for the transfer.

11. Replacement of Debenture Certificate

In the event that the Debenture Certificate is worn out, lost or destroyed, the Bank may issue a new Debenture Certificate in its place, in accordance with the conditions required by the Bank with respect to the proof, indemnity and coverage of the expenses incurred by the Bank for clarification as to the right of ownership of the Debentures, as the Bank sees fit, on the condition that in the event of its wearing out, the worn out Debenture Certificate will be returned to the Bank before the new certificate is issued. Levies and other expenses involved in the issuance of the new Certificate shall apply to the applicant of the said Certificate.

12. Changes in the Terms of the Debenture

There shall be no validity to a change, waiver and / or compromise with respect to the terms of the Debenture and the rights deriving from it, unless they were made in accordance with the provisions of Section 25 of the Deed of Trust.

13. Applicable Law and Jurisdiction

Regarding the applicable law and jurisdiction, see Section 35 of the Deed of Trust.

14. Notices

Notices shall be given in accordance with section 24 of the Deed of Trust.

15. Register of Debenture Holders

For provisions regarding the Register of Debenture Holders, see Section 26 of the Deed of Trust and provisions of the Securities Law.

SECOND SCHEDULE TO THE DEED OF TRUST – MEETINGS OF THE DEBENTURE HOLDERS

The provisions of the Securities Law shall apply to the Meetings of the Holders, as well as the following provisions:

1. The Trustee shall convene a Meeting of Holders on the demand of one or more Holders, who have at least five percent of the balance of the par value of the Debentures. In addition, the Trustee or the Bank may, if they deem it necessary, convene the Debenture Holders to a Meeting of Debenture Holders. If the Bank convenes this Meeting, it shall send written notice to the Trustee of the place, the day and time at which the Meeting will be held, as well as the matters that will be brought before it, and the Trustee or a representative on its behalf shall be entitled to participate in such Meeting without having the right to vote. In the event that the persons requesting the convening of the Meeting are the Debenture Holders, the Trustee may demand indemnification from the applicants for the reasonable expenses involved.

It is hereby clarified that the demand for indemnification by the Trustee shall not prejudice the convening of a Meeting convened for the purpose of taking action intended to prevent an infringement of the rights of the Debenture Holders and this indemnification requirement shall not derogate from the Bank's obligation to bear the expenses involved in convening the Meeting.

A Trustee who is required to convene a Meeting of Holders by Holders as stated above shall summon the Meeting of Holders within 21 days from the date on which the demand for convening was submitted to it, of the date determined for convening, provided that the date of the Meeting shall not be earlier than seven days and not later than 21 days from the date of convening; but the Trustee may bring forward the convening of the Meeting, for at least one day after the date of the invitation, if it deems it necessary to protect the rights of the Holders.

2. All Debenture Holders' Meetings shall be held in Israel, at the registered office of the Bank or at any other place to be notified by the Bank and / or the Trustee, and the Bank shall bear reasonable costs of convening the Meeting, whether or not the Meeting takes place at the registered office of the Bank.
3. A summons to the Meeting on behalf of the Trustee for consultation only with the Debenture Holders shall be published at least one day before the date of its convening ("**Consultation Meeting**"). A Consultation Meeting shall not publish an agenda and resolutions shall not be adopted.
4. The Nominee Company shall not make use of the voting rights in respect of the Debentures registered in its name in the Register of Debenture Holders, and such voting rights shall be granted to a Holder or to a person to be determined by him, provided that the Holder has received power of attorney for voting from the Nominee Company.
5. Any resolution duly adopted at a Meeting convened as aforesaid shall not be disqualified even if due to an error notice has not been given to all Debenture Holders or that such notice has not been received by all the Debenture Holders. The provisions of this Section shall apply to the extent that the summons to the Meeting (or a Postponed Meeting, as the case may be) was also sent to the MAGNA system.
6. Any notice on behalf of the Bank and / or the Trustee to the Debenture Holders shall be given in accordance with the provisions of Section 24 of the Deed of Trust.

7. A Meeting of Debenture Holders shall be opened after it is proved that there is a legal quorum required for the commencement of the discussion, as follows:
 - 7.1 Subject to the provisions of the Securities Law and other provisions regarding a legal quorum set out in the Deed of Trust, a legal quorum will be constituted at any other Meeting if at least two (2) Debenture Holders present in person or by proxy are present or holding together at least 25% of the unpaid balance of the par value of the Debentures in circulation at that time; and at a postponed Meeting - if two (2) such Holders were present therein, without taking into account the par value held by them.
 - 7.2 At a Meeting convened for the adoption of a Special Resolution, a legal quorum will be constituted if the Debenture Holders present in person or by proxy represent at least 50% of the outstanding balance of the Debentures in circulation at the Meeting and at a postponed Meeting, if such Holders of at least twenty percent (20%) of the par value of the said balance.
8. The provisions of Section 7 of the Deed of Trust shall apply to Meetings convened for the purpose of making a decision to call for Immediate Repayment.
9. A Holder who is a controlling shareholder of the Bank, a member of his family or a corporation controlled by any of them ("**Related Holder**") shall not be taken into account for the purpose of determining the legal quorum at a Meeting of the Holders and his votes shall not be counted in the number of votes at the said Meeting.
10. If no legal quorum is present at the Meeting of the Holders, at the end of half an hour from the hour set for the commencement of the Meeting, the Meeting shall be postponed to another date not later than two business days after the date of record set for the original Meeting or after one business day, if the Trustee believes that this is necessary to protect the rights of the Holders; if the Meeting is postponed, the Trustee shall explain in a report regarding the convening of the Meeting the reasons for such, and may do so in the notice of convening the original Meeting.
11. If a legal quorum is not present at the Postponed Meeting of the Holders as stated in Section 10 above, half an hour after the time set for it, the Meeting shall be held with any number of participants, unless otherwise stipulated in the Securities Law.
12. In accordance with a decision of the Trustee or a Resolution by a simple majority of the voters at a Meeting at which a legal quorum is present, the continuation of the Meeting ("**the Original Meeting**") shall be postponed from time to time, the discussion or the passing of a resolution on a matter specified in the agenda, to another date and to a place to be determined as such Trustee or the Meeting shall decide ("**Continuing Meeting**"). In the Continuing Meeting, only a matter on the agenda for which no decision has been made shall be considered.
13. The Trustee may declare that the original Meeting and / or the Continuing Meeting will continue to be divided into Class Meetings for discussion. The determination of the classes shall be at the exclusive discretion of the Trustee.
14. If a Meeting of Holders is postponed without changing its agenda, invitations shall be given regarding the new date for the Continuing Meeting, as soon as possible, and not later than 12 hours prior to the Continuing Meeting; the said invitations will be issued in accordance with the provisions of Section 24 of the Deed of Trust.
15. A person or persons appointed by the Trustee, the Bank and any other person or persons so authorized by the Bank shall be entitled to be present at Meetings of the Debenture Holders without the right to vote. In the event that at the discretion of the Trustee, part of the Meeting will

require a discussion without the presence of representatives of the Bank, then that part of the discussion will not be attended by the Bank or anyone acting on its behalf. Notwithstanding the provisions of this Section 15, the Bank may in any case participate in the opening of the Meeting in order to express its position in connection with any matter on the agenda of the Meeting and / or presentation of a specific subject (as the case may be).

16. Every resolution shall be adopted by the counting of votes.
17. At any Meeting of the Holders, the Trustee or whoever it appoints shall serve as Chairman of that Meeting. The Chairman may determine that the vote shall be by way of a voting paper or by voting during the Meeting. In case the Trustee determines that the voting shall be done by way of a voting paper, the Trustee shall ensure that the text of the voting paper shall be published in the Magna system and shall determine the date of the closing of the voting by which the Holders are to send the voting paper duly completed and signed to the Trustee. The Trustee is entitled to require the Holder to declare in the framework of the voting paper regarding the existence or absence of an opposing interest that he has. A Holder who will not complete the voting paper and / or who will not prove his entitlement to participate and vote at the Meeting according to instructions and dates determined by the Chairman of the Meeting, shall be deemed not to have submitted a voting paper, and therefore has chosen not to vote on the issue/s in the voting paper. Accordingly, the Trustee will be entitled, at its discretion and subject to the law, to hold Meetings through voting papers and without convening, and to hold a vote by means of voting papers at a postponed Meeting where the required legal quorum is not present for the purpose of passing a Resolution, provided that, by the date set for this in the notice of the convening of the Meeting or the holding of the vote, as the case may be, voting papers from the Holders constituting a legal quorum required for the purpose of passing the Resolution at an Original Meeting or Postponed Meeting, as the case may be.
18. If a Meeting of Debenture Holders is convened (whether called by the Bank, the Holders or the Trustee), the Trustee shall examine the existence of a conflict of interests with the Debenture Holders, whether an interest deriving from their holding in the Debentures or any other matter thereof, as determined by the Trustee ("**other interest**"). The Trustee may demand that the Holder participating in the Meeting inform it, prior to the vote, of another interest of his and if he has such a conflict of interests.

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

- 18.1. A Holder who is a controlled corporation (as this term is defined in Section 6.3 of the Deed of Trust);
- 18.2. A Holder who served as an office holder of the Company near the date of the event at the basis of the Resolution at the Meeting;
- 18.3. Any Holder who the Trustee has determined as having a "conflicting interest" in accordance with the following, subject to any law and / or directive of a competent authority, including: any Holder who will make an affidavit in writing to the Trustee that he has any material personal interest that deviates from the interest of all Debenture Holders at the Meeting of Holders of the relevant Debentures. A Holder who does not give a written declaration after being requested to do so by the Trustee shall be deemed to have declared that he has a personal interest as aforesaid, and in respect of which the relevant Trustee shall determine that he has a conflicting interest. Without derogating from the provisions of this Section 18, the Trustee shall examine whether a Holder is a Holder with a "conflicting interest", even taking into account the holdings of that Holder in other securities of the Company and / or securities of any other relevant corporation for the

resolution submitted for approval at the Meeting (as specified in the voting paper), in accordance with the declaration of the Holder.

19. It should be clarified that the examination of the aforesaid conflict of interests, as required in the opinion of the Trustee, will be held separately with respect to each Resolution on the agenda of the Meeting, as well as with respect to each Meeting separately. It should also be clarified that the declaration of a Holder as having another interest in any resolution or Meeting, in itself, does not indicate another interest of that Holder in any other decision on the agenda of the Meeting or another interest at other Meetings.
20. For the purpose of examining such a conflict of interests, the Trustee may rely on a legal opinion that it will request, and the provisions of the Deed of Trust shall apply to it in respect of bearing the expenses.
21. In counting the number of votes in a vote held at a Meeting of Holders, the Trustee shall not take into account the votes of Holders who did not comply with his demand as stated in Section 18 above or of Holders for whom he found a conflict of interests as stated in that Section. Notwithstanding the aforesaid, if the total holdings of the participants in the vote, that are not holders with a conflicting interest, shall be less than five (5) percent of the balance of the par value of the Debentures of the relevant Series, the Trustee shall also take into account the votes of the Holders of conflicting interests.
22. In the vote, each Holder present in person or by proxy shall have one vote for each NIS 1 par value of the total outstanding principal of the Debentures by virtue of which he is entitled to vote.
23. In the case of joint Holders of a Debenture, only the vote of the person registered first in the Register shall be accepted.
24. A Debenture Holder may vote in respect of part of his votes in favor of a Resolution, in respect of another part against, and in respect of another part to abstain, as he sees fit.
25. In the Resolutions of the Meeting, with regard to abstaining votes, no distinction shall be made between those who have a "conflicting interest" and those who do not.
26. A letter of appointment appointing an agent shall be in writing and signed by the appointing party or by his representative who has the authority to do so duly in writing. If the appointing party is a corporation, the appointment shall be in writing and shall be signed with the corporation's stamp, together with the signature of the authorized signatories of the corporation, and the appointee shall be entitled to act on behalf of the corporation he represents.
27. An appointment of an agent shall be made in any form acceptable to the Trustee.
28. An agent does not have to own a Debenture himself.
29. The letter of appointment and the power of attorney or other certificate according to which the letter of appointment is signed or a certified copy of such power of attorney shall be delivered to the Trustee by the time of the opening of the Meeting, unless otherwise provided in the notice convening the Meeting.
30. A vote made in accordance with the terms of the document appointing an agent shall be valid even if the appointing party had passed away or has been declared an incompetent person or the letter of appointment has been canceled or the Debenture for which the vote has been given has been transferred, unless written notice of the death, the decisions regarding incompetence, cancellation or transfer, as the case may be, was received in the registered office of the Bank prior to the Meeting.

31. A vote given and / or a vote made in accordance with the terms of the document appointing a representative shall be valid even if: (1) the appointee has passed away or has been declared an incompetent person; or (2) after the vote, the letter of appointment has been canceled; or (3) after the vote, the Debenture for which the vote was given was transferred unless there was received at the registered office of the Bank or at any other address notified by the Bank or by Trustee, before the Meeting or vote, notice in writing of the death of the appointee, his being an incompetent person, or of the cancellation or transfer, as stated above.
32. The Trustee shall prepare Minutes of the Meeting of the Debenture Holders, to be recorded in the Register of Minutes and to be kept in the registered office of the Trustee for a period of seven years from the date of the Meeting. Any such Minutes shall be signed by the Chairman of the Meeting, and any such signed Minutes shall serve as prima facie evidence of its contents, and as long as the contrary is not proven, any Resolution adopted at such Meeting shall be deemed to have been duly adopted. The Trustee shall be entitled to prepare Minutes of a Meeting or parts thereof by way of a recording.
33. The Register of Minutes of the Shareholders' Meetings shall be kept in the office of the Trustee and shall be available for review by the Debenture Holders.
34. The declaration of the Chairman of the Meeting regarding the adoption or rejection of a Resolution and the recording of this matter in the Register of Minutes shall serve as prima facie proof of this fact.

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