

**Summary Translation of Immediate Report**

**Bank Leumi le-Israel B.M.**

Registration No. 520018078

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

Abbreviated Name: Leumi

Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546

Phone: + 972 3 5148111, + 972 3 5149419; Facsimile: + 972 3 5149732

Electronic Mail: Yaelru@bll.co.il

2 July 2013

Reference: 2013-01-081108

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

**Immediate Report**

Nature of Event: Intention to Convene a General Meeting

See Annex attached hereto.

Date and time at which the corporation first became aware of the matter being the subject of the report: 2 July 2013 Time: 13:10.

The report was signed on behalf of the corporation, in accordance with regulation 5 of the Securities (Periodic and Immediate Reports), 1970, by Adv. Yael (Ben Moshe) Rudnicki, Secretary of the Group and of the Bank.

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Name of Electronic Reporter: Yael Rudnicki, Position: Group Secretary  
POB 2 Tel Aviv 61000, Phone: + 972 3 5149419, Facsimile: + 972 3 5149732, Electronic Mail:  
Yaelru@bll.co.il

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

**The Hebrew report also contains sections of certain relevant legal provisions which have not been included in the English translation. For further information, see the Hebrew report, as detailed below.**

**In addition, persons entitled to present candidates for election as a Director or an External Director at the Annual General Meeting, as detailed in this Immediate Report, is required to do so pursuant to the requirements detailed and forms included in the original Hebrew version of the report. The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>**

**Preliminary Notice regarding the Intention to Convene an Annual General Meeting the Agenda of which will include the Appointment of Directors**

Pursuant to the provisions of sections 11C(a)(4) and 11E(a)(2) of the Banking Ordinance, 1941, Bank Leumi le-Israel B.M. (the “**Bank**”) hereby announces that the Bank’s Board of Directors intends to convene the Bank’s Annual General Meeting (the “**Annual Meeting**”). The agenda of the Annual Meeting, will include, *inter alia*, the following two items: (1) the election of five Directors to the Bank’s Board of Directors, and (2) the election of one external director to the Bank’s Board of Directors pursuant to the provisions of the Companies Law, 1999 (“the **Companies Law**”), who also fulfills the requirements of an external director pursuant to Directive 301 of the Proper Banking Management Directives (“**External Director**”), to the Bank’s Board of Directors:

1. **The Bank’s Secretariat shall accept, up to 25 August 2013 at 16:00 (the “Final Date for Submission of Candidacy”) nominations of candidates to be elected as a Director or as an External Director (as defined above) at the Bank.**

The following are entitled to nominate candidates to serve as directors as provided in section 11D of the Banking Ordinance, 1941: (1) The Committee for the Appointment of Directors in Banking Corporations, appointed pursuant to section 36A of the Bankinf (Licensing) Law, 5741-1981 (the “Committee”) and (2) a holder or association of holders (as defined in section 11D(a)(3) of the Banking Ordinance), subject to the provisions of the Banking Ordinance. The language of section 11D of the Ordinance is attached as an appendix to this Notice.

**(It is hereby clarified that pursuant to the Committee’s notice, the last date for submitting the questionnaire by a party seeking to submit his candidacy to the Committee is 12 July 2013. See the Committee’s Notice regarding this matter below).**

Such candidates must meet all the requirements specified by law to serve as a Director in a Bank without a controlling core.

2. Following the Final Date for Submission of Candidacy, the Board of Directors will resolve to convene the Annual Meeting, and the Bank will publish an immediate report, a notice and an announcement, as required by law, regarding the calling of the Annual Meeting, which will include details regarding the date and time of the meeting and its full agenda, which shall include the names of the candidates for election as a Director and as an External Director of the Bank.
3. The service of the Directors who are elected at the Annual Meeting will be subject to the approval or non-objection of the Supervisor of Banks, which shall be provided within 60 days from the date on which notice is delivered to the Supervisor of Banks.

4. Such nominations shall be delivered in writing through the Final Date for Submission of Candidacy, to the Bank's registered office – Leumi House, 34 Yehuda Halevi Street, Tel Aviv on Sundays through Thursdays, between the hours 8:00 – 16:00, for the attention of the Secretariat of the Bank (11<sup>th</sup> Floor), along with the documents listed below. A nomination to which the above-mentioned documents are not attached will not be considered to have been submitted.
5. The following must be attached to the written application: (1) **Appendix A**, as attached to this report, including all the details required pursuant to Regulation 7(a)(5)(a) of the Companies Regulations (Written Voting and Position Papers), 2005, which also refers to additional details that are required pursuant to Regulation 26 of the Securities Regulations (Periodic and Immediate Reports), 1970, along with a curriculum vitae; and (2) The candidate's declaration, the text of which is attached to this Report – it is emphasized that candidates must sign the appropriate Declaration, as follows: (a) **candidates for the position of Director** must sign the declaration in the text included as **Appendix B**, as attached to this report, and (b) **candidates for the position of External Director** must sign the declaration in the text included as **Appendix C**, as attached to this report.

These appendices are to be completed in full and in accordance with the instructions included in them, and they are to be **submitted in typed form**, and they will be attached, in the form that they are submitted, to the notices that the Bank will send to convene the Annual Meeting.

If the nominating party is the Committee, the written application should have added and attached to it the candidate's questionnaire that was submitted to the Committee.

If the nominating party is a "holder" or "association of holders" as described in section 1 above, the written application should have added and attached to it also: (1) A copy of the nominating shareholder's identification card, passport or certificate of incorporation; (2) An updated certificate of ownership of shares in the Bank in the percentage required by law, as of the date of the delivery of the nomination of the candidate for service as a director.

6. A nominating party who is a "holder" or "association of holders" as described in section 1 above, must also continue to hold shares in the Bank in the percentage required by law on the record date for the purpose of voting at the General Meeting, as detailed in section 182 of the Companies Law, 1999, and as will be published in the notice and announcement regarding the convening of the Annual Meeting.

We note that as provided by law, at least one fifth of all the directors serving on the Board of Directors of the Bank must have “proven banking experience.”<sup>1</sup>

*Notice from the Committee:* We wish to inform you that the Committee for the Appointment of Directors in Banking Corporations, appointed pursuant to Section 36A of the Banking Law (Licensing), 5741-1981, headed by the honorable Justice Emeritus Ms. Ayala Procaccia, has published an announcement to the public concerning the possibility of submitting applications for candidacy to serve as Directors at Bank Leumi le-Israel B.M.

Such an application should be addressed to the Committee in accordance with the Committee’s work procedure, published on the Bank of Israel’s website. Candidacy forms may be downloaded from the Bank of Israeli’s website at [www.bankisrael.gov.il](http://www.bankisrael.gov.il), which are to be sent after they are completed, signed and scanned, no later than 12 July 2013, to the Committee at [vaadat.bll@gmail.com](mailto:vaadat.bll@gmail.com).

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<sup>1</sup> A person having “proven banking experience” is one who has served in a senior position in a banking corporation, or one whom the Supervisor of Banks has confirmed as having comparable experience.

Text of section 11D of the Banking Ordinance:

- 11D. (A) With respect to a Banking Corporation Without a Controlling Core, the following provisions will apply to the nomination of candidates to serve as directors:
- (1) The Committee for the Appointment of Directors of Banking corporations, which has been appointed pursuant to section 36A of the Banking Law (Licensing) (in this section – the Committee) will nominate candidates to serve as directors, to the banking corporation’s General Meeting;
  - (2) The Committee will nominate, pursuant to the provisions of paragraph (1), as many candidates as there are available positions in order to complete the maximum number of directors permitted pursuant to the Proper Banking Management Directives regarding the Board of Directors, issued by the Supervisor of Banks pursuant to section 5(c1), and an additional three quarters of the said number of available positions, rounded upwards, regarding whom the conditions described in section 11E(b) are met;
  - (3) Only the following may, in addition to the Committee, nominate candidates for service as directors to the banking corporation’s General Meeting:
    - (a) A holder of more than two and a half percent of a particular type of the means of control in the banking corporation (in this section – a holder);
    - (b) Two or three holders of the means of control in the banking corporation, each one of which holds more than one percent and not more than two and a half percent of a particular type of the means of control in the banking corporation, who together hold not less than two and a half percent and not more than five percent of a particular type of such means of control (in this section – an association of holders), provided that each member of the association of members has provided the banking corporation with a report of his holdings as described in section 36(b)(1) of the Banking Law (Licensing), and that for at least three years prior to the notice regarding the convening of the General Meeting, there has been no objection in effect from such member of the association of holders regarding a disclosure, as described in section 36(b)(1)(c);

- (4) A holder or association of holders, including any member of an association of holders, may not nominate more than one candidate for service as a director pursuant to the provisions of paragraph (3), and may not nominate additional candidates to serve as a director so long as a director who was appointed pursuant to the nomination of such holder or association or member of an association continues to serve, unless the Governor grants permission for such after consulting with the Licenses Committee; the provisions of this paragraph will not apply to the nomination of a candidate to replace a serving director who was appointed pursuant to the nomination of a holder or association of holders, whichever is relevant;
  - (5) The percentages of holdings held by holders, as described in paragraph (3), will be calculated as of the date of the delivery of the nomination of the candidate to serve as a director, although for the purpose of making a nomination at the General Meeting, the said holders must also hold the said percentages on the record date, as described in section 182(b) and (c) of the Companies Law.
- (B) The provisions of this section will be controlling over any contrary provision in the law.

## Appendix A

### Details regarding a Candidate to serve as a Director Bank Leumi le-Israel B.M. (the “Bank”)

(1) Name: \_\_\_\_\_

(2) Identification Number: \_\_\_\_\_

(3) Date of Birth: \_\_\_\_\_

(4) Address for service of court documents:

\_\_\_\_\_  
\_\_\_\_\_

(5) Nationality: \_\_\_\_\_

(6) Membership on Committee or Committees of the Board of Directors:

\_\_\_\_\_  
\_\_\_\_\_

(7) Is he an Independent Director or External Director as defined in the Companies Law/ a director possessing accounting and financial expertise or professional qualifications/ an expert External Director: \_\_\_\_\_

(8) Is he an employee of the Bank, its subsidiary or associated company, or of an interested party therein (and if so, indicate the position or positions that he holds as stated): \_\_\_\_\_

(9) Date of commencement of term as a director of the Bank: \_\_\_\_\_

(10) Education and employment during the **last five years** and details of the corporations where he serves as a director (in the specification of the candidate's education, indicate the professions or fields in which his education was acquired, the institution at which it was acquired and the academic title or professional certificate that the candidate holds), **in accordance with the curriculum vitae attached to this Appendix.**<sup>2</sup>

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<sup>2</sup> The candidate must attach a curriculum vitae to this Appendix which will include, at least, details of his education and employment in the last five years, as required in section 10 above.



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(11) Is he a family member of another interested person of the Bank (if so, give details): \_\_\_\_\_

(12) Is he a director that the Bank views as having accounting or financial expertise for the purpose of complying with the minimal number of directors that the Board of Directors has determined pursuant to Section 92(a)(12) of the Companies Law:  
\_\_\_\_\_

**Appendix B**

**Declaration to Serve as a Director of Bank Leumi who is not an External Director**

I the undersigned \_\_\_\_\_, ID Number \_\_\_\_\_, of \_\_\_\_\_, hereby declare in writing as follows:

I make this declaration as a candidate for election to serve as an External Director of Bank Leumi le-Israel B.M., (the “**Bank**”).

1. I am an individual and a resident of Israel.
2. I am not an employee of the Bank.
3. I have the qualifications that are required for service as a Director of the Bank and in particular, I have knowledge, experience or expertise in one or more of the following fields: banking, financial activity, economic or business activity, law, finance, accounting, risk management, regulatory compliance and/or information technology and that I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank’s activity and of its size.

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

- 3.1 \_\_\_\_\_
- 3.2 \_\_\_\_\_
- 3.3 \_\_\_\_\_
- 3.4 \_\_\_\_\_
- 3.5 \_\_\_\_\_
- 3.6 \_\_\_\_\_
- 3.7 \_\_\_\_\_

4.
  - 4.1 In light of my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above. The following are additional details beyond those stated in section 3 above which are relevant to the matter of my education and experience, which indicate that I fulfill the conditions and meet the tests which establish that I have such qualifications:

\_\_\_\_\_  
\_\_\_\_\_

4.2 In light of my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above. The following are additional details beyond those stated in section 3 above which are relevant to the matter of my education and experience, which indicate that I fulfill the conditions and meet the tests which establish that I have such expertise:

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

For the purpose of the above provisions of this section:

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

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

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

In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects: (1) accounting issues and the issues of accounting supervision typical to the banking sector and to companies of the size and complexity of the Bank; (2) the tasks of the auditor, and the duties imposed on him; (3) the procedures for preparing financial statements and their approval according to the Securities Law, 1968 and the Companies Law.

5. I have not, during the past five years, been convicted in any final ruling of any of the offences described below, as determined in section 226 of the Companies Law:
  - 5.1 Offences pursuant to sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 1977, and pursuant to sections 52C, 52D, 53(a) and 54 of the Securities Law. A specification of these offenses is attached as Annex A to the Hebrew Declaration contained in the Hebrew Immediate Report.
  - 5.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
  - 5.3 A conviction in a court regarding any other offence, in relation to which the court has determined that because of its substance, severity or circumstances, I am not fit to serve as a director of a public company.
6. No enforcement measures have been imposed on me by an administrative enforcement committee<sup>3</sup> which prohibit me from serving as a director of a public company.
7. My other positions or occupations do not create nor are they likely to create any conflict of interest with my position as a Director of the Bank, and they do not have the potential to adversely affect my ability to serve as a Director of the Bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:
  - 8.1 Neither I nor my relatives hold shares in the Bank, or traded shares in a corporation which is controlled by the Bank, or traded shares in a “substantial holder” in a percentage exceeding one fourth of a percent of the issued and paid-up capital of any of them.
  - 8.2
    - 8.2.1 I **have/do not have (strike out the option that is not relevant)**, from the date of the appointment and onward or in the two years preceding the date of the appointment, any connection to the Bank or to a corporation controlled by the Bank, to an officer of the Bank or to a “substantial holder”, and neither does any party who has a “close association” to me;

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<sup>3</sup> A committee appointed to section 52FF(a) of the Securities Law, 1968.

- 8.2.2 From the date of the appointment and onward, I **have/do not have (strike out the option that is not relevant)** a connection to a relative of an officer of the Bank, to a relative of a “substantial holder” or to a partner of a “substantial holder”; it is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.
- 8.3 I **have/do not have (strike out the option that is not relevant)** a business or professional association with the Bank or with a corporation controlled by the Bank or with an officer of the Bank, or with a “substantial holder” who nominated me as a candidate for service as a director of the Bank, even if such association is not in the ordinary course, and does/neither does any party who has a “close association” with me;
- 8.4 A director whose candidacy was nominated by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance (“the **Committee**”) hereby further declares that:
- 8.4.1 I **have/do not have (strike out the option that is not relevant)** a connection to a member of the Committee at the time of the appointment;
- 8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a statutory corporation;
- 8.4.3 I have not been convicted of any offense which, because of its substance, severity or circumstances, renders me not fit to serve in the position and I am not the subject of any pending indictment relating to such an offense is pending;

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a person who is either directly or indirectly subject to him, or with a corporation of which he is a controlling shareholder;

“**Connection**” –an employment relationship, business or professional association in the ordinary course other than a minor association, and service as an officer, although a retail business association between a corporation and a customer will not be considered to be a connection;

“**Substantial holder**” – a party holding more than two and one half percent of a particular type of means of control in a banking corporation, a party controlling such a

holder, a party controlled by any of these, a member of an association of holders as defined in Clause 11D(A)(3)(b), a party controlling a member of such an association of holders, and a party that is controlled by any of them. For a list of substantial holders in the Bank, see the Bank's website, at [www.leumi.co.il](http://www.leumi.co.il).

“**Officer**” – as defined in the Companies Law, and any other employee directly subject to an officer.

9. Without detracting from the above, I **have/do not have** either private or business accounts at the Bank and to the extent that loans have been given to me or to a corporation which I control – details regarding the above-mentioned loans and the balance thereof are attached hereto:

\_\_\_\_\_  
\_\_\_\_\_

10. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to any of the above, including if any condition required by law with respect to my service as an External Director of the Bank ceases to apply.

11. This is my name, this is my signature and the content of my above declaration is the truth.

Date: \_\_\_\_\_ Signature of declarant: \_\_\_\_\_

**Confirmation:**

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

Date \_\_\_\_\_ Name and Signature of Advocate: \_\_\_\_\_

[Attached are the following statutory provisions, in the original Hebrew:  
Sections 290 through 297, 392, 415, 418 through 420, 422 through 428 of the Penal Code; Sections 52C, 52D, 53 and 54 of the Securities Law and Sections 11E(b)-(e) of the Banking Ordinance]

**Appendix C**

**Declaration to Serve as an External Director of Bank Leumi**

I the undersigned \_\_\_\_\_, ID Number \_\_\_\_\_, of \_\_\_\_\_, hereby declare in writing as follows:

I make this declaration as a candidate for election to serve as an External Director (ED) in accordance with the provisions of Companies Law, 5759-1999 (hereinafter: “the **Companies Law**”) (an ED who also meets the conditions for the qualification of an External Director in accordance with Directive 301 of the Proper Banking Management Directives) of Bank Leumi le-Israel B.M. (the “**Bank**”).

1. I am an individual and a resident of Israel.
2. I am not an employee of the Bank.
3. I have the qualifications that are required for service as a Director of the Bank and in particular, I have knowledge, experience or expertise in one or more of the following fields: banking, financial activity, economic or business activity, law, finance, accounting, risk management, regulatory compliance and/or information technology and that I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank’s activity and of its size.

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

- 3.1 \_\_\_\_\_
- 3.2 \_\_\_\_\_
- 3.3 \_\_\_\_\_
- 3.4 \_\_\_\_\_
- 3.5 \_\_\_\_\_
- 3.6 \_\_\_\_\_
- 3.7 \_\_\_\_\_

4.
  - 4.1 In light of my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above. The following are additional details beyond those stated in section 3 above which are relevant to the matter of my education and experience, which indicate that I fulfill the conditions and meet the tests which establish that I have such qualifications:

\_\_\_\_\_  
\_\_\_\_\_

4.2 In light of my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above. The following are additional details beyond those stated in section 3 above which are relevant to the matter of my education and experience, which indicate that I fulfill the conditions and meet the tests which establish that I have such expertise:

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

For the purpose of the above provisions of this section:

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

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

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

In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects: (1) accounting issues and the issues of accounting supervision typical to the banking sector and to companies of the size and complexity of the Bank; (2) the tasks of the auditor, and the duties imposed on him; (3) the procedures for preparing financial statements and their approval according to the Securities Law,



1968 and the Companies Law.

5. I have not, during the past five years, been convicted in any final ruling of any of the offences described below, as determined in section 226 of the Companies Law:
  - 5.1 Offences pursuant to sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 1977, and pursuant to sections 52C, 52D, 53(a) and 54 of the Securities Law. A specification of these offenses is attached as Annex A to the Hebrew Declaration contained in the Hebrew Immediate Report.
  - 5.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
  - 5.3 A conviction in a court regarding any other offence, in relation to which the court has determined that because of its substance, severity or circumstances, I am not fit to serve as a director of a public company.
6. No enforcement measures have been imposed on me by an administrative enforcement committee<sup>4</sup> which prohibit me from serving as a director of a public company.
7. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt.<sup>5</sup>
8. I **have/do not have (strike out the option that is not relevant)**, on the date of the appointment or in the two years preceding the date of the appointment, any connection to the Bank or to a corporation controlled by the Bank – including a minor connection – nor to the Chairman of the Board of Directors of the Bank, to its Chief Executive Officer, a substantial shareholder of the Bank or to the most senior officer of the Bank who works in the field of finance, and neither do any of my relatives, partners, employers, any parties to whom I am either directly or indirectly subject, or any corporation in which I am a controlling shareholder;

The following is the definition of the term “connection” from the Companies Law for the purpose of this section:

**"connection"** – an employment relationship, commercial or professional association in the ordinary course, or control, as well as service as an officer, other than service as a Director appointed to serve as External Director in a company about to offer shares to the public for the first time; the Minister may, in consultation with the Securities Authority,

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<sup>4</sup> A committee appointed to section 52FF(a) of the Securities Law, 1968.

<sup>5</sup> So long as I was not discharged.

determine that – on conditions he prescribed – certain matters shall not constitute a connection.

(For this purpose, see also the Companies Regulations (Matters that Do Not Constitute a Connection), 5767-2006).

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

- 9.1 Neither I nor my relatives hold shares in the Bank, or traded shares in a corporation which is controlled by the Bank, or traded shares in a “substantial holder” in a percentage exceeding one fourth of a percent of the issued and paid-up capital of any of them.

- 9.2

- 9.2.1 I **have/do not have (strike out the option that is not relevant)**, from the date of the appointment and onward or in the two years preceding the date of the appointment, any connection to the Bank or to a corporation controlled by the Bank, to an officer of the Bank or to a “substantial holder”, and neither does any party who has a “close association” to me;

- 9.2.2 From the date of the appointment and onward, I **have/do not have (strike out the option that is not relevant)** a connection to a relative of a officer of the Bank, to a relative of a “substantial holder” or to a partner of a “substantial holder”; it is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

- 9.3 I **have/do not have (strike out the option that is not relevant)** a business or professional association with the Bank or with a corporation controlled by the Bank or with an officer of the Bank, or with a “substantial holder” who nominated me as a candidate for service as a director of the Bank, even if such association is not in the ordinary course, and neither does any party who has a “close association” with me;

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

- 9.4.1 I **have/do not have (strike out the option that is not relevant)** a connection to a member of the Committee at the time of the appointment;
- 9.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a statutory corporation;
- 9.4.3 I have not been convicted of any offense which, because of its substance, severity or circumstances, renders me not fit to serve in the position and I am not the subject of any pending indictment relating to such an offense is pending;

For the purpose of section 8 above:

**“Close Association”** – the relationship between a person and his relative, partner, employer, or a relationship with a person who is either directly or indirectly subject to him, or with a corporation of which he is a controlling shareholder;

**“Connection”** – an employment relationship, business or professional association in the ordinary course other than an association that is minor, and service as an officer, although a retail business association between a corporation and a customer will not be considered to be a connection;

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

**“Officer”** – as defined in the Companies Law, and any other employee directly subject to an officer.

10. Without detracting from the above, I **have/do not have** either private or business accounts at the Bank and to the extent that loans have been given to me or to a corporation which I control – details regarding the above-mentioned loans and the balance thereof are attached hereto:

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11. My other positions or occupations do not create nor are they likely to create any conflict of interest with my position as a Director of the Bank, and they do not have the potential to adversely affect my ability to serve as a Director of the Bank.

12. I do not serve as a director of any other corporation in which one of the Bank's directors serves as an external director.

13. I am not an employee of the Israel Securities Authority or of an Israeli Stock Exchange.

11. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to any of the above, including if any condition required by law with respect to my service as an External Director of the Bank ceases to apply.

12. This is my name, this is my signature and the content of my above declaration is the truth.

Date: \_\_\_\_\_ Signature of declarant: \_\_\_\_\_

Confirmation:

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

Date \_\_\_\_\_ Name and Signature of Advocate: \_\_\_\_\_

[Attached are the following statutory provisions, in the original Hebrew:  
Sections 290 through 297,392, 415, 418 through 420, 422 through 428 of the Penal Code; Sections 52C, 52D, 53(A) and 54 of the Securities Law and Sections 11E(b)-(e) of the Banking Ordinance]