

**Translation of Immediate Report to Israel Securities Authority**

**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

31 January 2010

Reference: 2010-01-369918

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

**Immediate Report on Convening of General Meeting**

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

1. On 31 January 2010, it was resolved to call a Special General Meeting.  
Registration No. of the security with the Tel Aviv Stock Exchange entitling the holders thereof to participate in the General Meeting: 604611  
The General Meeting is to be held on 11 March 2010 at 10:30 am at Beit Lyn, 35 Yehuda Halevi Street, Tel Aviv.
2. The date for determining the right to participate in and vote at the General Meeting is 8 February 2010.
3. Items on the agenda:
  1. Approval of actions or transactions which require authorization according to sections 255, 262 or 268-275 of the Companies Law, 1999 (the "Companies Law").
  2. Appointment or dismissal of a Director.

Details of the items on the agenda:

See Annex 1 attached hereto

The text of the proposed resolutions or summary of their main points:

See Annex 2 Attached hereto

To the best of the Company's knowledge, the controlling shareholder of the Company will not hold, on the date for determining the right to participate in and vote at the General Meeting, shares granting it the percentage necessary to approve all resolutions on the agenda of the General Meeting, assuming that the remaining shareholders participate in the vote and vote against such resolutions.

4. The texts of the Voting Paper and of the Declarations of the Candidates for Directors of the Corporation are attached hereto - See Annex 3.

Address of the website at which one may vote, in a case where the company is permitting voting through the internet: N/A

E-mail address of the company for statutory submissions required by a Stock Exchange Member in a case where the company is allowing voting through the internet: N/A

5. Required legal quorum for holding the Meeting: Three members present in person.
6. In the absence of a legal quorum, the adjourned Meeting will be held on: 18 March 2010 at 10:30 am at Beit Lyn, 35 Yehuda Halevi Street, Tel Aviv.
7. Time and place for viewing each proposed resolution whose text is not fully presented in the above agenda: The registered office of the Bank, Leumi House (11<sup>th</sup> floor), the Secretariat of the Bank, 34 Yehuda Halevi Street, Tel Aviv, Sunday to Thursday between the hours of 8:00 and 15:00.

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

## Annex 1

### **BANK LEUMI LE-ISRAEL B.M.**

#### NOTICE TO HOLDERS OF ORDINARY STOCK

Notice is hereby given that a Special General Meeting of the Bank will be held at Lyn House, 35 Yehuda Halevi Street, Tel Aviv, on 11 March 2010 at 10:30 am, for the following purposes:

1. To elect four Directors who are retiring by rotation and offering themselves for re-election: (a) Ms. Nurit Segal, (b) Mr. Yaacov Goldman, (c) Mr. Moshe Dovrat, (d) Mr. Moshe Vidman.
2. To elect Mrs. Galia Maor as a Director.
3. To elect Dr. David Klein as a director.

A separate vote will be held in respect of the election of each Director proposed as detailed in sections 1-3 above; of the six candidates for election as a Director, only five will be elected, as specified below; the terms of office of the Directors who are elected at the Meeting will take effect on the date of the Bank's Annual General Meeting for 2010.

4. To approve the purchase of a new insurance policy, in respect of the liability of the Directors and other officers of the Bank and the Group, for a period of 12 months, commencing on 1 November 2009, including coverage of up to \$260 million, at a premium that shall not exceed \$1.7 million.
5. To approve the terms of retirement of the Chairman of the Board of Directors, Mr. Eitan Raff.

The majority required to approve the resolutions on the agenda is an ordinary majority of the total voting rights of the stockholders entitled to vote and who voted in person (including by means of a voting paper) or by proxy.

It is noted that with respect to the election of Directors (Items 1, 2 and 3 on the Agenda):

- a. **Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors**

**will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.**

Mr. Eitan Raff, Chairman of the Board of Directors, has decided not to offer himself for re-election.

- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

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

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

The date for determining the entitlement of all stockholders to vote at the General Meeting is 8 February 2010.

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\* i.e. any stockholder

A stockholder entitled to attend and vote may vote by means of a voting paper, pursuant to the Companies Law and the Companies (Written Voting and Position Papers) Regulations, 2005 (the "Regulations"), such being in respect of all items on the agenda.

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

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

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

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

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

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

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

The final date for delivery of position papers to the Bank is 18 February 2010.

The final date for delivery of voting papers to the Bank is 8 March 2010, at 10:30 am.

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

To be effective, the proxy, together with the power of attorney (if any) under which it is signed, must reach the registered office of the Bank no less than 48 hours prior to the time of the Meeting, i.e. by 10:30 am on 9 March 2010. In the case of stockholders who are not registered in the Register of Shareholders, he/she must attach to the proxy a certificate of ownership from a Stock Exchange member, in accordance with the Companies (Proof of Ownership of Shares for the Purpose of Voting at a General Meeting) Regulations, 2000.

The details of the insurance policy, the approval of which is on the agenda, may be examined at the Secretariat of the Bank at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, tel: 972-3-5149716, between 08:00 and 15:00.

Tel Aviv, 31 January 2010

By Order of the Board of Directors  
Yael (Ben Moshe) Rudnicki, Adv.  
Group Secretary

## **Annex 2**

### **Details of the Items on the Agenda of the General Meeting**

#### **Items 1 – 3 Election of Directors:**

##### **Description of the Item:**

On 11 January 2010, a letter was received from Shlomo Eliahu Holdings Ltd. (“Eliahu Holdings”), an interested person in the Bank, in relation to which the Bank filed an Immediate Report on 11 January 2010, according to which Eliahu Holdings is requesting, pursuant to the provisions of section 63(b)(2) of the Companies Law, 1999, that the Bank’s Board of Directors convene a special General Meeting of the shareholders of the Bank, to discuss a proposal for the appointment of Dr. David Klein to serve as a Director of the Bank, with his term of office to begin at the time of the rotation of the Directors, which is expected at the Bank within the coming months.

Taking into consideration the time-frame created for the holding of the special General Meeting, as a result of the process initiated by Eliahu Holdings, the Committee has concluded that given the situation that has developed, it must make use of the process for the election of the Directors who will replace those who are retiring, so as to also present to the shareholders the Committee’s candidates to serve as Directors, at the same time as the General Meeting to be held to consider the candidacy of Dr. David Klein.

Therefore, the Bank’s Shares Committee notified the Bank of its intention to propose to the General Meeting, in accordance with the Bank Shares (Arrangements Shares) (Temporary Provision) Law, 1993, to re-elect the four Directors: Ms. Nurit Segal, Mr. Yaacov Goldman, CPA, Mr. Moshe Dovrat and Mr. Moshe Vidman, and of its intention to propose to the Meeting the election of Mrs. Galia Maor as a Director.

In addition, pursuant to Article 87 of the Bank's Articles of Association, Mrs. Maor offered herself for election as a Director of the Bank.

Mr. Eitan Raff, Chairman of the Board of Directors of the Bank since 1995, has announced that he does not intend to offer himself for re-election at the General Meeting. Mr. Raff has contributed significantly to the advancement of the Bank’s business and to its betterment.

The Board of Directors expressed its appreciation to Mr. Raff, and thanked him for his major contribution to the Bank.

The continued service of the four Directors offering themselves for re-election, and the election of Mrs. Galia Maor as a Director of the Bank, as well as the

election of Dr. David Klein as a Director of the Bank, are subject to the approval of the Supervisor of Banks.

A separate vote will be held in respect of the election of each Director who is being proposed, as described in Items 1-3; of the six candidates for election as Directors, only five will be elected, as specified below; the service of the Directors who are elected by the Meeting will take effect on the date of the Bank's Annual General Meeting for 2010.

It is noted that with respect to the election of Directors (Items 1, 2 and 3 on the agenda):

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.

Mr. Eitan Raff, Chairman of the Board of Directors, has decided not to offer himself for re-election.

- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1:

Item 1(a): Re-election of Ms. Nurit Segal as a Director

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

(1) Name: Nurit Segal (1A) Identity Number: 007134794



- (2) Date of Birth: 10 January 1943  
(3) Address for Service of Court Documents: 27 Mapu Street, Tel Aviv 63434  
(4) Nationality: Israeli  
(5) Membership of Committees of the Board of Directors: Member of the Credit Committee, Risk Management Committee, and Guidelines Committee.  
(6) Is she an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No  
(7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested party: No  
(8) Date of commencement of term as a director of the corporation: 24 July 2003  
(9) Education and employment during the last five years and details of the corporations where she serves as a director:  
Education: M.Sc. in Operations Research, Case Western Reserve University, Cleveland, Ohio, USA; B.A. in Economics and Statistics, The Hebrew University of Jerusalem.  
Employment during the last five years: Company Director.  
External Director, King Ltd.  
Director, Aspen Group Ltd.  
Until May of 2009, Director, Aspen Real Estate Ltd.  
Member of the Management and Chairman of the Finance Committee of the Helicon Society for the Advancement of the Poetry in Israel (Registered Non-Profit Association).  
(10) Is she a family member of another interested party of the corporation: No  
(11) Does she possess accounting or financial expertise: Yes

**The declaration of the Director, Ms. Nurit Segal, as required pursuant to section 224B of the Companies Law, 1999, is attached hereto.**

Text of the Resolution: To re-elect Ms. Nurit Segal as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.

- b. Article 76 of the Bank's Articles of Association provides as follows:  
"Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number."  
However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows:  
"Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1(b): Re-election of Mr. Yaacov Goldman as a Director

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

- (1) Name: Yaacov Goldman (1A) Identity Number: 053515409
- (2) Date of Birth: 10 July 1955
- (3) Address for Service of Court Documents: 39 Nachlieli Street, Hod Hasharon 45355
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Member of the Credit Committee, Financial Statements Review Committee, Prospectuses Committee and Guidelines Committee.
- (6) Is he an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No
- (8) Date of commencement of term as a director of the corporation: 24 July 2003
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:  
Education: B.A. in Accounting and Economics – Tel Aviv University.  
C.P.A. (Isr.), Business Consultant and Company Director.  
Employment during the last five years: C.P.A., business consultant and company director.  
Director, CEO and Shareholder, Maanit-Goldman Management and Investments (2002) Ltd.

Director and Shareholder, Sigma Capital Partners Company Ltd. (in voluntary liquidation)

External Director, Elron Electronic Industries Ltd., Isrotel Ltd. and Negev Ceramics, Ltd.

Director, Mer Telemanagement Solutions Ltd., Golden House Ltd., Tagor Capital Ltd., Renewable Water Minerals Ltd. and Renewable Resources Ltd. and its affiliated companies: Renewable Resources Technologies (2008) Ltd. and Recursos – Renobables Hidricos S.L.

Until June 2009, served as Chairman of the Board of Directors at I.T.G.I. Medical Ltd., and its affiliated companies: I.T.G.I. Med (2008) Ltd. and Design & Performance (Cyprus) Ltd.

Until September 2008, Professional Secretary, the Peer Review Institute of the Israeli Institute of Certified Public Accountants.

Until May 2006, member of Special Committee for Control Matters, Premier Club Ltd.

Member of the Management and Honorary Treasurer, Israel Canada Chamber of Commerce.

Member and Audit Committee Member of the "Round-Up" (Registered Non-Profit Association).

Member of the Action Committee of the Shevach Mofet School in Tel Aviv and member of the Action Committee of the Bialik Rogozin School.

Member of the "Ofanim" society for the promotion of children and youth in Israel.

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

(11) Does he possess accounting or financial expertise: Yes

**The declaration of the Director, Mr. Yaacov Goldman, as required pursuant to section 224B of the Companies Law, 1999, is attached hereto.**

Text of the Resolution: To re-elect Mr. Yaacov Goldman as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.

- b. Article 76 of the Bank's Articles of Association provides as follows:  
 "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number."  
 However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows:  
 "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1(c): Re-election of Mr. Moshe Dovrat as a Director

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

- (1) Name: Moshe Dovrat (1A) Identity Number: 007209646
- (2) Date of Birth: 11 January 1945
- (3) Address for Service of Court Documents: 32/5 Uri Zvi Greenberg Street, Tel Aviv 69379
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Credit Committee, Administration Committee, and the Prospectuses Committee.
- (6) Is he an External Director as defined in the Companies Law possessing accounting and financial expertise or professional qualifications: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No
- (8) Date of commencement of term as a director of the corporation: 20 May 2007
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:  
 Education: MBA and B.A. in Economics and Political Science – The Hebrew University of Jerusalem.  
 Employment during the last five years: Company Director.  
 CEO, Director and Owner of Beit Meniv Funding Ltd. and Dovrat (M.H.) Investments and Business Initiatives, Ltd.  
 Director and shareholder in Beit Meniv Israel Ltd.  
 Chairman of the Board of Directors of Kibbutz Kfar Blum Tourism.

Member of Management of Kfar Blum Holdings – Agricultural Cooperative Society Ltd.

Until May 2007, Director of Leumi Gemel Ltd. (now Leumi Capital Market Services Ltd.) and of Israel Discount Capital Markets and Investments Ltd.

Until October 2006, External Director of Ilex (Israel) Ltd.

Member of the Management Committee, Ranana Symphony Orchestra

Member of the Coordinating Management, the Arab-Jewish Center for Economic Development.

Member of the General Assembly and Member of the Founders of the Macroeconomic Political Center.

Member of the General Assembly and Member of the Founders of the Ecological Tourism Non-profit Organization.

Member of the Public Council of the Bat-Sheva Dance Company.

Member of the Public Council and Member of the Finance Committee of the Council for a Beautiful Israel.

Member of the General Assembly of the Ramat Gan College.

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

(11) Does he possess accounting or financial expertise: Yes

**The declaration of the Director, Mr. Moshe Dovrat, as required pursuant to section 224B of the Companies Law, 1999, is attached hereto.**

Text of the Resolution: To re-elect Mr. Moshe Dovrat as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.

- c. Article 85B of the Bank's Articles of Association provides as follows:  
"Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1(d): Re-election of Mr. Moshe Vidman as a Director

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

- (1) Name: Moshe Vidman (1A) Identity Number: 00690875 (2) Date of Birth: 19 December 1943  
(3) Address for Service of Court Documents: 14 Megadim Street, Jerusalem 96185  
(4) Nationality: Israeli  
(5) Membership of Committees of the Board of Directors: Member of the Audit Committee, Risk Management Committee, Administration Committee and Prospectuses Committee.  
(6) Is he an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No  
(7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No  
(8) Date of commencement of term as a director of the corporation: 28 June 2004  
(9) Education and employment during the last five years and details of the corporations where he serves as a director:  
Education: MBA, Specializing in Finance, and BA in Economics and Political Science – The Hebrew University of Jerusalem.  
Employment during the last five years: Company Manager, Representative in Israel of Revlon.  
Owner, Moshe Vidman Ltd. and Moshe Vidman Holdings (2004) Ltd.  
Member of the Management Committee of The Hebrew University of Jerusalem.  
Chairman of the Board of Directors, Hebrew University Assets Ltd.  
Director, The Israel Corporation Ltd. and subsidiaries: The Israel Corporation – Technologies (Istech) Ltd., Israel Chemicals Ltd., The Dead Sea Works Ltd. and Rotem Ampert Negev Ltd.

Director, Ofer Bros. Properties (1957) Ltd., Jafora Ltd., Jafora-Tabori Ltd., Melisron Ltd. and Rosebud Real Estate Ltd. and Alrov Properties and Lodgings Ltd.

Until October 2009, External Director, Partner Communications Ltd.

Until February 2009, Chairman of the Board of Directors, Gibor Sport Active Wear (G.S.A.W) Ltd.

Until October 2007, Director, Ex-Libris Ltd.

Until March 2006, Director, Rotem Industries Ltd.

Until November 2006, Permanent Consultant to Gibor Sport Alpha Socks Ltd. (currently Gibor Sport Active Wear (G.S.A.W) Ltd.).

Member of the Management Committee of the Jerusalem Fund.

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

(11) Does he possess accounting or financial expertise: Yes

**The declaration of the Director, Mr. Moshe Vidman, as required pursuant to section 224B of the Companies Law, 1999, is attached hereto.**

Text of the Resolution: To re-elect Mr. Moshe Vidman as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number

of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot.”

Item 2: Election of Mrs. Galia Maor as a Director

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

- (1) Name: Galia Maor (1A) Identity Number: 001154780
- (2) Date of Birth: 11 February 1943
- (3) Address for Service of Court Documents: 10 Haparsa Street, Ramat Gan 52425
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined
- (6) Is she an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested party: Yes, President and Chief Executive Officer of the Corporation, Chairman of the Board of Directors, Bank Leumi (Switzerland) Limited.
- (8) Date of commencement of term as a director of the corporation: Date of the Annual General Meeting of the Corporation for 2010, subject to the approval of the present General Meeting.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:  
Education: MBA and BA in Economics and Statistics – The Hebrew University of Jerusalem.  
Employment during the last five years: President and Chief Executive Officer of Bank Leumi le-Israel B.M., Chairman of the Board of Directors of Bank Leumi (Switzerland) Limited.  
Member of the Advisory Committee on Banking Matters, Bank of Israel.  
Member of the Board of the Association of Banks in Israel.  
Member of the Board of Trustees of the Hebrew University, Jerusalem.  
Member of the Finance Committee Council of the Open University.  
Member of the Board of Trustees of the Israel Cancer Association.  
Chairman of the Friends of Children at Risk Society, the Council for Children in Boarding Schools (Registered Non-Profit Association).  
Chairman of the Friends of the Academy of the Hebrew Language.  
Chairman of the INSEAD Israeli Council.  
Until October 2009, member of the Advisory Committee and of the Advisory Council, Bank of Israel.
- (10) Is she a family member of another interested party of the corporation: No



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

**The declaration of Mrs. Galia Maor, as required pursuant to section 224B of the Companies Law, 1999, is attached hereto.**

Text of the Resolution: To elect Mrs. Galia Maor as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 3: Election of Dr. David Klein as a Director

Description of the Item: On 11 January 2010, a letter was received from Shlomo Eliahu Holdings Ltd. ("Eliahu Holdings"), an interested person in the Bank, in relation to which the Bank filed an Immediate Report on 11 January

2010, according to which Eliahu Holdings is requesting, pursuant to the provisions of section 63(b)(2) of the Companies Law, 1999, that the Bank's Board of Directors convene a special General Meeting of the shareholders of the Bank, to discuss a proposal for the appointment of Dr. David Klein to serve as a Director of the Bank, with his term of office to begin at the time of the rotation of the Directors, which is expected at the Bank within the coming months.

Dr. Klein's appointment is subject to the consent of the Supervisor of Banks.

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

- (1) Name: David Klein (1A) Identity Number: 007256647
- (2) Date of Birth: 15 July 1935
- (3) Address for Service of Court Documents: 30 Jabotinsky Street, Kfar Saba 44404
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No
- (8) Date of commencement of term as a director of the corporation: Date of the Annual General Meeting of the Corporation for 2010, subject to the approval of the current General Meeting.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:  
Education: BA in Economics and General History, Hebrew University, Jerusalem; Ph.D. in Economics: George Washington University, Washington, United States, 1971.  
Employment in the past five years:  
2000-2004 – Seventh Governor of the Bank of Israel.  
2005-date - Chairman of the Advisory Board of Directors, Meitav Investment House (not a director)
- (10) Is he a family member of another interested party of the corporation: No
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Bank's Board of Directors.

**The declaration of Dr. David Klein, as required pursuant to section 224B of the Companies Law, 1999, is attached hereto.**

Text of the Resolution: To elect Dr. David Klein as a new director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 4: Approval of the Purchase of a New Directors' and other Officers' Liability Insurance Policy (D&O)

Description of Item: The General Meetings of the Bank have from time to time approved the renewal and purchase of insurance policies in respect of the liability of the Directors and other officers of the Bank and the Group. The Annual General Meeting of the Bank held on 5 June 2008 approved the purchase of an insurance policy in respect of the liability of the Directors and other officers of the Bank and the Group for a period of 18 months commencing 30 April 2008, which includes cover of up to \$260 million at a premium of no more than \$1.8 million.

The Audit Committee, and thereafter the Board of Directors of the Bank, approved the purchase of an insurance policy in respect of the liability of the Directors and other officers of the Bank and the Group, for a period of 12

months commencing 1 November 2009, which includes cover of up to \$260 million (with a right of reinstatement of \$250 million) at a premium not exceeding \$1.7 million.

Text of the Resolution: To approve the purchase of a new insurance policy in respect of the liability of the Directors and other officers of the Bank and the Group, for a period of 12 months commencing 1 November 2009, which includes cover of up to \$260 million, at a premium not exceeding \$1.7 million.

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

Item 5: Approval of the Terms of Retirement of the Chairman of the Board of Directors, Mr. Eitan Raff

Description of the Item: On 24 January, Mr. Eitan Raff, the Chairman of the Board of Directors announced to the Bank's Board of Directors that after a period of 15 years during which he served as Chairman of the Bank's Board of Directors, he does not intend to offer himself for re-election at the Bank's General Meeting.

On 31 January 2010, the Audit Committee, and thereafter the Board of Directors, approved the terms of retirement of the Chairman of the Board of Directors, subject to the approval of the General Meeting.

The terms for the retirement of the Chairman of the Board of Directors were discussed at a number of meetings of the Administration Committee of the Board of Directors, and were thereafter discussed and approved by the Audit Committee of the Board of Directors and by the Board of Directors.

The terms of employment of the Chairman of the Board of Directors were presented to the said organs of the Bank. They were also presented with the terms of employment for the Bank's senior employees during recent years, and comparative data for similar corporations within the economy (salary and terms of employment and of retirement for chairmen of boards of directors, to the extent such were available and public).

After the Audit Committee and the Board of Directors had discussed the subject of the terms of retirement of the Chairman of the Board of Directors, taking into consideration, *inter alia*, the background material presented to them, and following examination of the recommendations of the Administration Committee of the Board of Directors, and the report regarding the standpoint of the Bank's Shares Committee regarding this issue, the Audit Committee, and following it the Board of Directors resolved to approve and recommend to the Bank's General Meeting to adopt the resolution the text of which is indicated below.

The justifications for the approval of the terms for the retirement of the Chairman of the Board of Directors:

The Chairman of the Board of Directors' contribution to the Bank's business and to its betterment, including his contribution to the Bank in the area of its non-banking investments and the activities of its subsidiaries in Israel and abroad.

The many years of service of the Chairman of the Board of Directors with the Bank's Board of Directors, and the terms of his employment (salary, grants and options), compared with the standard in the Israeli banking and financial system.

The standard at the Bank with respect to senior managers has been that upon dismissal, managers have been entitled to compensation of 250% (in addition to the compensation fund) or to a pension from the Bank, commencing at retirement age. Managers with an especially high number of years of service with the Bank, or of an appropriate age, are entitled, at the time of dismissal to severance pay of 200% (in addition to the provident fund) or to an immediate pension from the Bank.

The amendment, over the years, of the Chairman of the Board of Directors' employment contract, such that the Chairman would be entitled to 100% of severance pay up to the date of the amendment (in addition to the provident fund), as described above.

The customary practice at the Bank regarding voluntary retirement programs for employees.

Text of the Resolution:

To approve the terms for the retirement of the Chairman of the Board of Directors, Mr. Eitan Raff, as described below:

1. The retirement compensation to which the Chairman of the Board of Directors will be entitled to upon retirement, either voluntary or involuntary, will be at the rate of 100% of the Chairman of the Board of Directors' last salary, for each year of service i.e., a salary in respect of each year of service. The amount of the retirement compensation constitutes a total of 15 salaries, corresponding to the number of years of employment of the Chairman of the Board of Directors with the Bank, instead of retirement compensation of 9 salaries, as laid down in the current employment contract, and which was determined after the Chairman of the Board of Directors had served for 9 years. The above-mentioned retirement compensation will be in addition to the Chairman of the Board of Directors' entitlement to monies from the provident and severance pay fund which is maintained in his name.

2. In light of the long period of service of the Chairman of the Board of Directors, and his substantial contribution to the Bank, its success and advancement, the Chairman of the Board of Directors' will also receive a special retirement grant in the amount of 7.5 salaries.
3. It is clarified that nothing in this resolution will affect the Chairman of the Board of Directors' right to receive an annual bonus for the period of his service as the Bank's Chairman of the Board of Directors, pursuant to the resolutions of the Audit Committee, the Board of Directors, and the Bank's General Meeting, to the extent such resolutions are approved.
4. To extend the Chairman of the Board of Directors' "cooling-off" period to 9 months (for which salary and accompanying payments will be made), instead of 6 months, and to expand the "cooling-off" undertaking such that the Chairman of the Board of Directors' may not be employed by and may not provide services to insurance companies.

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

## Annex 3

### **BANK LEUMI LE-ISRAEL B.M.**

**Voting Paper pursuant to the Companies (Written Voting and Position Papers) Regulations, 2005 (the "Regulations") in respect of the Annual General Meeting to be held on 11 March 2010.**

#### First Part

1. Name of Company: Bank Leumi le-Israel B.M. (the "Bank").
2. Type of General Meeting, Date and Place at which to be Held: Special General Meeting. The General Meeting will be held on 11 March 2010 at 10:30 am at the offices of the Bank at Lyn House, 35 Yehuda Halevi Street, Tel Aviv. Should the Meeting be adjourned, the adjourned Meeting will be held on 18 March 2010, at the same place and time.
3. Details of the Items on the Agenda in relation to which one may vote by means of a Voting Paper:

#### Items 1 – 3 Election of Directors:

##### Description of the Item:

On 11 January 2010, a letter was received from Shlomo Eliahu Holdings Ltd. ("Eliahu Holdings"), an interested person in the Bank, in relation to which the Bank filed an Immediate Report on 11 January 2010, according to which Eliahu Holdings is requesting, pursuant to the provisions of section 63(b)(2) of the Companies Law, 1999, that the Bank's Board of Directors convene a special General Meeting of the shareholders of the Bank, to discuss a proposal for the appointment of Dr. David Klein to serve as a Director of the Bank, with his term of office to begin at the time of the rotation of the Directors, which is expected at the Bank within the coming months.

Taking into consideration the time-frame created for the holding of the special General Meeting, as a result of the process initiated by Eliahu Holdings, the Committee has concluded that given the situation that has developed, it must make use of the process for the election of the Directors who will replace those who are retiring, so as to also present to the shareholders the Committee's

candidates to serve as Directors, at the same time as the General Meeting to be held to consider the candidacy of Dr. David Klein.

Therefore, the Bank's Shares Committee notified the Bank of its intention to propose to the General Meeting, in accordance with the Bank Shares (Arrangements Shares) (Temporary Provision) Law, 1993, to re-elect the four Directors: Ms. Nurit Segal, Mr. Yaacov Goldman, CPA, Mr. Moshe Dovrat and Mr. Moshe Vidman, and of its intention to propose to the Meeting the election of Mrs. Galia Maor as a Director.

In addition, pursuant to Article 87 of the Bank's Articles of Association, Mrs. Maor offered herself for election as a Director of the Bank.

Mr. Eitan Raff, Chairman of the Board of Directors of the Bank since 1995, has announced that he does not intend to offer himself for re-election at the General Meeting. Mr. Raff has contributed significantly to the advancement of the Bank's business and to its betterment.

The Board of Directors expressed its appreciation to Mr. Raff, and thanked him for his major contribution to the Bank.

The continued service of the four Directors offering themselves for re-election, and the election of Mrs. Galia Maor as a Director of the Bank, as well as the election of Dr. David Klein as a Director of the Bank, are subject to the approval of the Supervisor of Banks.

A separate vote will be held in respect of the election of each Director who is being proposed, as described in Items 1-3; of the six candidates for election as Directors, only five will be elected, as specified below; the service of the Directors who are elected by the Meeting will take effect on the date of the Bank's Annual General Meeting for 2010.

It is noted that with respect to the election of Directors (Items 1, 2 and 3 on the agenda):

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.

Mr. Eitan Raff, Chairman of the Board of Directors, has decided not to offer himself for re-election.

- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number."



However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.

- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1:

Item 1(a): Re-election of Ms. Nurit Segal as a Director

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

- (1) Name: Nurit Segal (1A) Identity Number: 007134794
- (2) Date of Birth: 10 January 1943
- (3) Address for Service of Court Documents: 27 Mapu Street, Tel Aviv 63434
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Member of the Credit Committee, Risk Management Committee, and Guidelines Committee.
- (6) Is she an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested party: No
- (8) Date of commencement of term as a director of the corporation: 24 July 2003
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:  
Education: M.Sc. in Operations Research, Case Western Reserve University, Cleveland, Ohio, USA; B.A. in Economics and Statistics, The Hebrew University of Jerusalem.  
Employment during the last five years: Company Director.  
External Director, King Ltd.  
Director, Aspen Group Ltd.  
Until May of 2009, Director, Aspen Real Estate Ltd.  
Member of the Management and Chairman of the Finance Committee of the Helicon Society for the Advancement of the Poetry in Israel (Registered Non-Profit Association).
- (10) Is she a family member of another interested party of the corporation: No

(11) Does she possess accounting or financial expertise: Yes

Text of the Resolution: To re-elect Ms. Nurit Segal as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1(b): Re-election of Mr. Yaacov Goldman as a Director

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

- (1) Name: Yaacov Goldman (1A) Identity Number: 053515409
- (2) Date of Birth: 10 July 1955
- (3) Address for Service of Court Documents: 39 Nachlieli Street, Hod Hasharon 45355
- (4) Nationality: Israeli

(5) Membership of Committees of the Board of Directors: Member of the Credit Committee, Financial Statements Review Committee, Prospectuses Committee and Guidelines Committee.

(6) Is he an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No

(7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No

(8) Date of commencement of term as a director of the corporation: 24 July 2003

(9) Education and employment during the last five years and details of the corporations where he serves as a director:

Education: B.A. in Accounting and Economics – Tel Aviv University.

C.P.A. (Isr.), Business Consultant and Company Director.

Employment during the last five years: C.P.A., business consultant and company director.

Director, CEO and Shareholder, Maanit-Goldman Management and Investments (2002) Ltd.

Director and Shareholder, Sigma Capital Partners Company Ltd. (in voluntary liquidation)

External Director, Elron Electronic Industries Ltd., Isrotel Ltd. and Negev Ceramics, Ltd.

Director, Mer Telemanagement Solutions Ltd., Golden House Ltd., Tagor Capital Ltd., Renewable Water Minerals Ltd. and Renewable Resources Ltd. and its affiliated companies: Renewable Resources Technologies (2008) Ltd. and Recursos – Renobables Hidricos S.L.

Until June 2009, served as Chairman of the Board of Directors at I.T.G.I. Medical Ltd., and its affiliated companies: I.T.G.I. Med (2008) Ltd. and Design & Performance (Cyprus) Ltd.

Until September 2008, Professional Secretary, the Peer Review Institute of the Israeli Institute of Certified Public Accountants.

Until May 2006, member of Special Committee for Control Matters, Premier Club Ltd.

Member of the Management and Honorary Treasurer, Israel Canada Chamber of Commerce.

Member and Audit Committee Member of the "Round-Up" (Registered Non-Profit Association).

Member of the Action Committee of the Shevach Mofet School in Tel Aviv and member of the Action Committee of the Bialik Rogozin School.

Member of the "Ofanim" society for the promotion of children and youth in Israel.

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

(11) Does he possess accounting or financial expertise: Yes

Text of the Resolution: To re-elect Mr. Yaacov Goldman as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1(c): Re-election of Mr. Moshe Dovrat as a Director

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

- (1) Name: Moshe Dovrat (1A) Identity Number: 007209646
- (2) Date of Birth: 11 January 1945
- (3) Address for Service of Court Documents: 32/5 Uri Zvi Greenberg Street, Tel Aviv 69379
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Credit Committee, Administration Committee, and the Prospectuses Committee.
- (6) Is he an External Director as defined in the Companies Law possessing accounting and financial expertise or professional qualifications: No

(7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No

(8) Date of commencement of term as a director of the corporation: 20 May 2007

(9) Education and employment during the last five years and details of the corporations where he serves as a director:

Education: MBA and B.A. in Economics and Political Science – The Hebrew University of Jerusalem.

Employment during the last five years: Company Director.

CEO, Director and Owner of Beit Meniv Funding Ltd. and Dovrat (M.H.) Investments and Business Initiatives, Ltd.

Director and shareholder in Beit Meniv Israel Ltd.

Chairman of the Board of Directors of Kibbutz Kfar Blum Tourism.

Member of Management of Kfar Blum Holdings – Agricultural Cooperative Society Ltd.

Until May 2007, Director of Leumi Gemel Ltd. (now Leumi Capital Market Services Ltd.) and of Israel Discount Capital Markets and Investments Ltd.

Until October 2006, External Director of Ilex (Israel) Ltd.

Member of the Management Committee, Ranana Symphony Orchestra

Member of the Coordinating Management, the Arab-Jewish Center for Economic Development.

Member of the General Assembly and Member of the Founders of the Macroeconomic Political Center.

Member of the General Assembly and Member of the Founders of the Ecological Tourism Non-profit Organization.

Member of the Public Council of the Bat-Sheva Dance Company.

Member of the Public Council and Member of the Finance Committee of the Council for a Beautiful Israel.

Member of the General Assembly of the Ramat Gan College.

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

(11) Does he possess accounting or financial expertise: Yes

Text of the Resolution: To re-elect Mr. Moshe Dovrat as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms

of service will commence on the date of the Bank's upcoming Annual General Meeting.

- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 1(d): Re-election of Mr. Moshe Vidman as a Director

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

- (1) Name: Moshe Vidman (1A) Identity Number: 00690875 (2) Date of Birth: 19 December 1943
- (3) Address for Service of Court Documents: 14 Megadim Street, Jerusalem 96185
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Member of the Audit Committee, Risk Management Committee, Administration Committee and Prospectuses Committee.
- (6) Is he an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No
- (8) Date of commencement of term as a director of the corporation: 28 June 2004
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:  
Education: MBA, Specializing in Finance, and BA in Economics and Political Science – The Hebrew University of Jerusalem.

Employment during the last five years: Company Manager, Representative in Israel of Revlon.

Owner, Moshe Vidman Ltd. and Moshe Vidman Holdings (2004) Ltd.

Member of the Management Committee of The Hebrew University of Jerusalem.

Chairman of the Board of Directors, Hebrew University Assets Ltd.

Director, The Israel Corporation Ltd. and subsidiaries: The Israel Corporation – Technologies (Istech) Ltd., Israel Chemicals Ltd., The Dead Sea Works Ltd. and Rotem Ampert Negev Ltd.

Director, Ofer Bros. Properties (1957) Ltd., Jafora Ltd., Jafora-Tabori Ltd., Melisron Ltd. and Rosebud Real Estate Ltd. and Alrov Properties and Lodgings Ltd.

Until October 2009, External Director, Partner Communications Ltd.

Until February 2009, Chairman of the Board of Directors, Gibor Sport Active Wear (G.S.A.W) Ltd.

Until October 2007, Director, Ex-Libris Ltd.

Until March 2006, Director, Rotem Industries Ltd.

Until November 2006, Permanent Consultant to Gibor Sport Alpha Socks Ltd. (currently Gibor Sport Active Wear (G.S.A.W) Ltd.).

Member of the Management Committee of the Jerusalem Fund.

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

(11) Does he possess accounting or financial expertise: Yes

Text of the Resolution: To re-elect Mr. Moshe Vidman as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.

- c. Article 85B of the Bank's Articles of Association provides as follows:  
"Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 2: Election of Mrs. Galia Maor as a Director

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

- (1) Name: Galia Maor (1A) Identity Number: 001154780
- (2) Date of Birth: 11 February 1943
- (3) Address for Service of Court Documents: 10 Haparsa Street, Ramat Gan 52425
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined
- (6) Is she an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is she an employee of the corporation, its subsidiary or associated company, or of an interested party: Yes, President and Chief Executive Officer of the Corporation, Chairman of the Board of Directors, Bank Leumi (Switzerland) Limited.
- (8) Date of commencement of term as a director of the corporation: Date of the Annual General Meeting of the Corporation for 2010, subject to the approval of the present General Meeting.
- (9) Education and employment during the last five years and details of the corporations where she serves as a director:  
Education: MBA and BA in Economics and Statistics – The Hebrew University of Jerusalem.  
Employment during the last five years: President and Chief Executive Officer of Bank Leumi le-Israel B.M., Chairman of the Board of Directors of Bank Leumi (Switzerland) Limited.  
Member of the Advisory Committee on Banking Matters, Bank of Israel.  
Member of the Board of the Association of Banks in Israel.  
Member of the Board of Trustees of the Hebrew University, Jerusalem.  
Member of the Finance Committee Council of the Open University.  
Member of the Board of Trustees of the Israel Cancer Association.  
Chairman of the Friends of Children at Risk Society, the Council for Children in Boarding Schools (Registered Non-Profit Association).  
Chairman of the Friends of the Academy of the Hebrew Language.



Chairman of the INSEAD Israeli Council.

Until October 2009, member of the Advisory Committee and of the Advisory Council, Bank of Israel.

(10) Is she a family member of another interested party of the corporation: No

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

Text of the Resolution: To elect Mrs. Galia Maor as a Director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 3: Election of Dr. David Klein as a Director

Description of the Item: On 11 January 2010, a letter was received from Shlomo Eliahu Holdings Ltd. ("Eliahu Holdings"), an interested person in the

Bank, in relation to which the Bank filed an Immediate Report on 11 January 2010, according to which Eliahu Holdings is requesting, pursuant to the provisions of section 63(b)(2) of the Companies Law, 1999, that the Bank's Board of Directors convene a special General Meeting of the shareholders of the Bank, to discuss a proposal for the appointment of Dr. David Klein to serve as a Director of the Bank, with his term of office to begin at the time of the rotation of the Directors, which is expected at the Bank within the coming months.

Dr. Klein's appointment is subject to the consent of the Supervisor of Banks.

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

- (1) Name: David Klein (1A) Identity Number: 007256647
- (2) Date of Birth: 15 July 1935
- (3) Address for Service of Court Documents: 30 Jabotinsky Street, Kfar Saba 44404
- (4) Nationality: Israeli
- (5) Membership of Committees of the Board of Directors: Not yet determined.
- (6) Is he an External Director as defined in the Companies Law and possessing accounting and financial expertise or professional qualifications: No
- (7) Is he an employee of the corporation, its subsidiary or associated company, or of an interested party: No
- (8) Date of commencement of term as a director of the corporation: Date of the Annual General Meeting of the Corporation for 2010, subject to the approval of the current General Meeting.
- (9) Education and employment during the last five years and details of the corporations where he serves as a director:  
Education: BA in Economics and General History, Hebrew University, Jerusalem; Ph.D. in Economics: George Washington University, Washington, United States, 1971.  
Employment in the past five years:  
2000-2004 – Seventh Governor of the Bank of Israel.  
2005-date - Chairman of the Advisory Board of Directors, Meitav Investment House (not a director)
- (10) Is he a family member of another interested party of the corporation: No
- (11) Does he possess accounting or financial expertise: Subject to the approval of the Bank's Board of Directors.

Text of the Resolution: To elect Dr. David Klein as a new director, with such term of office to take effect on the date of the Bank's Annual General Meeting for 2010.

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

It is noted that with respect to the election of directors:

- a. Pursuant to Article 82 of the Bank's Articles of Association, five Directors are retiring by rotation at the Bank's Annual General Meeting for 2010. At the current General Meeting, six candidates for election as Directors are being presented, of which only five Directors will be elected, whose terms of service will commence on the date of the Bank's upcoming Annual General Meeting.
- b. Article 76 of the Bank's Articles of Association provides as follows: "Unless otherwise determined by the Company in General Meeting, the Directors shall not be less than seven nor more than fifteen in number." However, in accordance with the Proper Banking Directives of the Banking Supervision Department, the Board of Directors may not include more than fifteen Directors.
- c. Article 85B of the Bank's Articles of Association provides as follows: "Should the number of people being proposed for election as Directors at the General Meeting, and receiving an ordinary majority of the total voting rights of shareholders entitled to vote and who voted (by themselves, by their proxies or by voting papers) at a General Meeting, exceed the number of available positions for Directors due to be filled pursuant to the agenda of the General Meeting, the candidates receiving a higher number of votes at the General Meeting than the other candidates will be elected as Directors for the available positions. Should a determination need to be made between a number of candidates who received the same number of votes, the determination as to who shall be elected shall be made by lot."

Item 4: Approval of the Purchase of a New Directors' and other Officers' Liability Insurance Policy (D&O)

Description of Item: The General Meetings of the Bank have from time to time approved the renewal and purchase of insurance policies in respect of the liability of the Directors and other officers of the Bank and the Group. The Annual General Meeting of the Bank held on 5 June 2008 approved the purchase of an insurance policy in respect of the liability of the Directors and other officers of the Bank and the Group for a period of 18 months commencing 30 April 2008, which includes cover of up to \$260 million at a premium of no more than \$1.8 million.

The Audit Committee, and thereafter the Board of Directors of the Bank, approved the purchase of an insurance policy in respect of the liability of the Directors and other officers of the Bank and the Group, for a period of 12 months commencing 1 November 2009, which includes cover of up to \$260 million (with a right of reinstatement of \$250 million) at a premium not exceeding \$1.7 million.

Text of the Resolution: To approve the purchase of a new insurance policy in respect of the liability of the Directors and other officers of the Bank and the Group, for a period of 12 months commencing 1 November 2009, which includes cover of up to \$260 million, at a premium not exceeding \$1.7 million.

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

Item 5: Approval of the Terms of Retirement of the Chairman of the Board of Directors, Mr. Eitan Raff

Description of the Item: On 24 January, Mr. Eitan Raff, the Chairman of the Board of Directors announced to the Bank's Board of Directors that after a period of 15 years during which he served as Chairman of the Bank's Board of Directors, he does not intend to offer himself for re-election at the Bank's General Meeting.

On 31 January 2010, the Audit Committee, and thereafter the Board of Directors, approved the terms of retirement of the Chairman of the Board of Directors, subject to the approval of the General Meeting.

The terms for the retirement of the Chairman of the Board of Directors were discussed at a number of meetings of the Administration Committee of the Board of Directors, and were thereafter discussed and approved by the Audit Committee of the Board of Directors and by the Board of Directors.

The terms of employment of the Chairman of the Board of Directors were presented to the said organs of the Bank. They were also presented with the terms of employment for the Bank's senior employees during recent years, and comparative data for similar corporations within the economy (salary and terms of employment and of retirement for chairmen of boards of directors, to the extent such were available and public).

After the Audit Committee and the Board of Directors had discussed the subject of the terms of retirement of the Chairman of the Board of Directors, taking into consideration, *inter alia*, the background material presented to them, and following examination of the recommendations of the Administration Committee of the Board of Directors, and the report regarding the standpoint of the Bank's Shares Committee regarding this issue, the Audit Committee, and following it the Board of Directors resolved to approve and recommend to the Bank's General Meeting to adopt the resolution the text of which is indicated below.

The justifications for the approval of the terms for the retirement of the Chairman of the Board of Directors:

The Chairman of the Board of Directors' contribution to the Bank's business and to its betterment, including his contribution to the Bank in the area of its non-banking investments and the activities of its subsidiaries in Israel and abroad.

The many years of service of the Chairman of the Board of Directors with the Bank's Board of Directors, and the terms of his employment (salary, grants and options), compared with the standard in the Israeli banking and financial system.

The standard at the Bank with respect to senior managers has been that upon dismissal, managers have been entitled to compensation of 250% (in addition to the compensation fund) or to a pension from the Bank, commencing at retirement age. Managers with an especially high number of years of service with the Bank, or of an appropriate age, are entitled, at the time of dismissal to severance pay of 200% (in addition to the provident fund) or to an immediate pension from the Bank.

The amendment, over the years, of the Chairman of the Board of Directors' employment contract, such that the Chairman would be entitled to 100% of severance pay up to the date of the amendment (in addition to the provident fund), as described above.

The customary practice at the Bank regarding voluntary retirement programs for employees.

Text of the Resolution:

To approve the terms for the retirement of the Chairman of the Board of Directors, Mr. Eitan Raff, as described below:

1. The retirement compensation to which the Chairman of the Board of Directors will be entitled to upon retirement, either voluntary or involuntary, will be at the rate of 100% of the Chairman of the Board of Directors' last salary, for each year of service i.e., a salary in respect of each year of service. The amount of the retirement compensation constitutes a total of 15 salaries, corresponding to the number of years of employment of the Chairman of the Board of Directors with the Bank, instead of retirement compensation of 9 salaries, as laid down in the current employment contract, and which was determined after the Chairman of the Board of Directors had served for 9 years. The above-mentioned retirement compensation will be in addition to the Chairman of the Board of Directors' entitlement to monies from the provident and severance pay fund which is maintained in his name.
2. In light of the long period of service of the Chairman of the Board of Directors, and his substantial contribution to the Bank, its success and advancement, the Chairman of the Board of Directors' will also receive a special retirement grant in the amount of 7.5 salaries.

3. It is clarified that nothing in this resolution will affect the Chairman of the Board of Directors' right to receive an annual bonus for the period of his service as the Bank's Chairman of the Board of Directors, pursuant to the resolutions of the Audit Committee, the Board of Directors, and the Bank's General Meeting, to the extent such resolutions are approved.
4. To extend the Chairman of the Board of Directors' "cooling-off" period to 9 months (for which salary and accompanying payments will be made), instead of 6 months, and to expand the "cooling-off" undertaking such that the Chairman of the Board of Directors' may not be employed by and may not provide services to insurance companies.

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

4. Place and Time at which the Full Text of the Proposed Resolutions may be Examined: The details of the insurance policy, the approval of which is on the agenda, may be examined at the Secretariat of the Bank at the registered office of the Bank, Leumi House (11th floor), 34 Yehuda Halevi Street, Tel Aviv, tel: 972-3-5149716, between 08:00 and 15:00.

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

5. The voting paper will only be valid if an unregistered shareholder's certificate of ownership is attached thereto (that is, a person in whose name ordinary stock of the Bank is registered with a Stock Exchange Member, and such stock is included in the stock registered in the Register of Shareholders in the name of the nominee company (Hevra Le-Rishumim)). In the case of holders of shares (stock) registered in the Register of Shareholders of the Bank, the voting paper will only be valid if a copy of an identity document, passport or certificate of incorporation is attached thereto. This voting paper, together with the previously mentioned attachments, must reach the Bank at least 72 hours before the time of the vote (by 8 March 2010 at 10:30 am).
6. Address of the Bank for the Delivery of Voting Papers and Position Papers: The Bank's registered office, Leumi House, 34 Yehuda Halevi Street, Tel Aviv 65546, for the attention of the Secretariat of the Bank (11<sup>th</sup> floor).
7. Final Date for the delivery of Voting Papers to the Bank: 8 March 2010 at 10:30 am
8. Final Date for the delivery of Position Papers to the Bank: 10 days following the record date i.e. by 18 February 2010.

9. Final Date for the delivery of the Response of the Board of Directors to the Position Papers: 12 days prior to the date of the General Meeting i.e. 27 February 2010.
10. Address of the distribution website of the Israel Securities Authority and of the website of the Tel Aviv Stock Exchange Ltd. (the "Stock Exchange"), at which voting papers and position papers are made available:
  - Distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>
  - Website of the Stock Exchange: <http://www.maya.tase.co.il/>
11. A stockholder is entitled to receive the certificate of ownership at a branch of a Stock Exchange member or via mail, if so requested. Such a request is to be made in advance in respect of a particular securities account.
12. An unregistered stockholder is entitled to receive, via electronic mail and free of charge, the link to the voting paper and position papers on the distribution website of the Securities Authority from the Stock Exchange member through which he holds his stock, unless he notifies the Stock Exchange member that he does not wish to receive the said link or that he wishes to receive voting papers via mail for payment; notice with regard to voting papers also applies to the receipt of position papers.

One or more stockholders who, on the record date (8 February 2010), hold an amount constituting five percent or more of the total voting rights in the Bank, and the holder of said amount out of the total voting rights that are not held by the controlling shareholder of the Bank (as defined in Section 268 of the Companies Law (the "Controlling Shareholder")), is entitled to examine the voting papers as detailed in Regulation 10 of the Regulations, following the holding of the General Meeting, either personally or through a representative, at the registered office of the Bank during normal business hours.

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

The amount of stock constituting 5% of the total voting rights of the Bank that are not held by the Controlling Shareholder is NIS 63,218,001\* par value ordinary stock of the Bank.

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\* As of 25 January 2010.

## **Voting Paper – Second Part**

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

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

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

Company No.: 52-001807-8

Date of Meeting: 11 March 2010, at 10:30 am

Type of Meeting: Special

Record Date: 8 February 2010

(To here to be completed by the Company)

### **Details of Shareholder**

Name of Shareholder (Ordinary Stock):

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Identity No.:

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

Passport No.:

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Country of Issue:

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Expiry Date:

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If the shareholder is a corporation –

Registered No.:

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Country of Registration:

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**Manner of Voting**

Item Number on the Agenda	Manner of Voting <sup>1</sup>		
	In Favor	Against	Abstain
1(a)			
1(b)			
1(c)			
1(d)			
2			
3			
4			
5			

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

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

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

\_\_\_\_\_

<sup>1</sup> Failure to complete will be considered abstention from voting with regard to the relevant Item.

## Director's Declaration

I, the undersigned Nurit Segal, ID Number 007134794, of 27 Mapu Street, Tel Aviv, hereby declare in writing as follows:

I make this declaration as a candidate for election as a director of Bank Leumi Le-Israel B.M. (the "Bank").

1. I have the qualifications that are required and the time that is needed to fulfill the position as a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

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

- 1.1 BA in Economics and Statistics, Hebrew University.
  - 1.2 M.Sc. in Operations Research, Case Western Reserve University, Cleveland, Ohio, USA.
  - 1.3 More than 30 years of work in the field of banking, in a variety of positions.
  - 1.4 Served on the boards of directors of many companies in the economy, large and small, including as chairman of the Balance Sheet Committee.
2. 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:
    - 2.1 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.
    - 2.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
    - 2.3 A conviction for 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.
3. I am not a minor, nor am I legally incompetent.
  4. The following is my name and signature and all of the above is the truth.

Date: 31 January 2010

\_\_\_\_\_  
/s/  
Signature of the Declarant

Confirmation:

I, Adv. David Sackstein, hereby confirm that Nurit Segal, whom I know personally, after I cautioned her that she must declare the truth and that she will be subject to penalties laid down by law if she does not do so, confirmed the truthfulness of her above declaration, and signed it in my presence.

Date: 31 January 2010

\_\_\_\_\_  
/s/  
Name and signature of the Advocate

(Stamp) David Sackstein, Adv.  
34 Yehuda Halevy Street, Tel Aviv  
ID Number 320611353  
License Number 29797

## Director's Declaration

I, the undersigned Yaakov Goldman, ID Number 053515409, of 39 Nachlieli Street, Hod Hasharon, 45355, hereby declare in writing as follows:

I make this declaration as a candidate for election as a director of Bank Leumi Le-Israel B.M. (the "Bank").

1. I have the qualifications that are required and the time that is needed to fulfill the position as a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

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

- 1.1 Accountant by profession.
  - 1.2 Previously a partner in a large accounting firm, Kesselman & Kesselman (PWC representative in Israel) – 19 years with the firm.
  - 1.3 Director of other public companies.
  - 1.4 2004 to 2008, served as the Professional Secretary of the Peer Review Institute.
  - 1.5 BA in Economics and Accounting, Tel Aviv University.
2. 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:
    - 2.1 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.
    - 2.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
    - 2.3 A conviction for 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.
3. I am not a minor, nor am I legally incompetent.
  4. The following is my name and signature and all of the above is the truth.

Date: 31 January 2010

\_\_\_\_\_  
/s/  
Signature of the Declarant

Confirmation:

I, Adv. David Sackstein, hereby confirm that Yaakov Goldman, whom I know personally, after I cautioned him that he must declare the truth and that he will be subject to penalties laid down by law if he does not do so, confirmed the truthfulness of his above declaration, and signed it in my presence.

Date: 31 January 2010

\_\_\_\_\_  
/s/  
Name and signature of the Advocate

(Stamp) David Sackstein, Adv.  
34 Yehuda Halevy Street, Tel Aviv  
ID Number 320611353  
License Number 29797

## Director's Declaration

I, the undersigned Moshe Dovrat, ID Number 00720964/6, of 5 Uri Zvi Greenberg Street, Tel Aviv, hereby declare in writing as follows:

I make this declaration as a candidate for election as a director of Bank Leumi Le-Israel B.M. (the "Bank").

1. I have the qualifications that are required and the time that is needed to fulfill the position as a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

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

- 1.1 BA in Economics and MBA. Partial training in Accounting.
  - 1.2 Many courses and supplementary training in subjects such as: Analysis of Financial Statements; IFRS; Risk Management; Basel II; Directors and Corporate officers.
  - 1.3 Places of employment: Bank of Israel; Budgets Department, Ministry of Finance; Bank Hapoalim; various positions in industry; served twice as Director-General of a government ministries.
  - 1.4 Previously, served on many boards of directors in the following fields: capital markets; pension and provident funds; industry; tourism; holding companies; medicine and health.
  - 1.5 Membership in voluntary associations.
2. 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:
    - 2.1 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.
    - 2.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
    - 2.3 A conviction for 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.
  3. I am not a minor, nor am I legally incompetent.
  4. The following is my name and signature and all of the above is the truth.

Date: 31 January 2010

\_\_\_\_\_/s/\_\_\_\_\_  
Signature of the Declarant

Confirmation:

I, Adv. David Sackstein, hereby confirm that Moshe Dovrat, whom I know personally, after I cautioned him that he must declare the truth and that he will be subject to penalties laid down by law if he does not do so, confirmed the truthfulness of his above declaration, and signed it in my presence.

Date: 31 January 2010

\_\_\_\_\_/s/\_\_\_\_\_  
Name and signature of the attorney

(Stamp) David Sackstein, Adv.  
34 Yehuda Halevy Street, Tel Aviv  
ID Number 320611353  
License Number 29797

## Director's Declaration

I, the undersigned Moshe Vidman, ID Number 690875, of 14 Megadim Street, Jerusalem, hereby declare in writing as follows:

I make this declaration as a candidate for election as a director of Bank Leumi Le-Israel B.M. (the "Bank").

1. I have the qualifications that are required and the time that is needed to fulfill the position as a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

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

- 1.1 BA in Economics and MBA.
  - 1.2 Deputy Accountant General, Ministry of Finance.
  - 1.3 CEO, Aryt Industries Ltd., CEO Revlon (Israel) Ltd.
  - 1.4 Director of the following companies: Melisron Ltd., Israel Corporation Ltd., Israel Chemicals Ltd., Rosebud Ltd., Alrov Properties and Lodgings Ltd., Jafora-Tabori Ltd.
  - 1.5 Member of the Management Committee of The Hebrew University of Jerusalem.
2. 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:
    - 2.1 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.
    - 2.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
    - 2.3 A conviction for 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.
  3. I am not a minor, nor am I legally incompetent.
  4. The following is my name and signature and all of the above is the truth.

Date: 31 January 2010

\_\_\_\_\_  
/s/  
Signature of the Declarant

Confirmation:

I, Adv. David Sackstein, hereby confirm that Moshe Vidman, whom I know personally, after I cautioned him that he must declare the truth and that he will be subject to penalties laid down by law if he does not do so, confirmed the truthfulness of his above declaration, and signed it in my presence.

Date: 31 January 2010

\_\_\_\_\_  
/s/  
Name and signature of the Advocate

(Stamp) David Sackstein, Adv.  
34 Yehuda Halevy Street, Tel Aviv  
ID Number 320611353  
License Number 29797

## Director's Declaration

I, the undersigned Galia Maor, ID Number 01154780, of 10 Haparsa Street, Ramat Gan, hereby declare in writing as follows:

I make this declaration as a candidate for election as a director of Bank Leumi Le-Israel B.M. (the "Bank").

1. I have the qualifications that are required and the time that is needed to fulfill the position as a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

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

### Education:

- 1.1 BA in Economics and Statistics, Hebrew University, Jerusalem.
- 1.2 MBA in Business Administration, Hebrew University, Jerusalem.

### Training and Experience:

#### Positions currently held as of the date of this declaration:

- 1.3 President and Chief Executive Officer of Bank Leumi
- 1.4 Chairman of the Board of Directors of Bank Leumi (Switzerland) Limited.
- 1.5 Member of the Advisory Committee on Banking Matters, Bank of Israel.

#### Positions previously held:

- 1.6 Supervisor of Banks, Bank of Israel.
- 1.7 Deputy CEO, Bank Leumi.
- 1.8 Deputy Supervisor of Banks, Bank of Israel.
- 1.9 Member of the Advisory Committee and of the Advisory Council, Bank of Israel.
- 1.10 Member of the senior management of the Bank of Israel, responsible for legislation concerning banking, reorganization of the banking system and supervision of capital markets.
- 1.11 Chairman of the Advisory Committee on Banking Business, Bank of Israel.
- 1.12 Chairman of the Committee on Recommendations Regarding the Structure and Operation of the Israeli Banking System.
- 1.13 Chairman of the Kibbutzim Arrangement Group.
- 1.14 Advisor to the World Bank (Banking System in Turkey and Romania)
- 1.15 Advisor to the Aristobulo De Juan Y Asociados – reorganization of the Yugoslavian banking system and the supervision thereof.

2. 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:

- 2.1 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.
- 2.2 A conviction in a court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information.
- 2.3 A conviction for 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.

3. I am not a minor, nor am I legally incompetent.

4. The following is my name and signature and all of the above is the truth.

Date: 25 January 2010

\_\_\_\_\_/s/\_\_\_\_\_  
Signature of the Declarant

Confirmation:

I, Adv. David Sackstein, hereby confirm that Galia Maor, whom I know personally, after I cautioned her that she must declare the truth and that she will be subject to penalties laid down by law if she does not do so, confirmed the truthfulness of her above declaration, and signed it in my presence.

Date: 25 January 2010

\_\_\_\_\_/s/\_\_\_\_\_  
Name and signature of the Advocate

(Stamp) David Sackstein, Adv.  
34 Yehuda Halevy Street, Tel Aviv  
ID Number 320611353  
License Number 29797



To:

Bank Leumi Le-Israel B.M. (the "Company")

Re: **Declaration regarding Qualification to Serve as a Director in accordance with Section 224B of the Companies Law -1999**

I hereby confirm my agreement to serve as a Director of the Company, and I make the following declaration to you in accordance with Section 224B of the Companies Law -1999.

1. I have the qualifications that are required and I am able to dedicate the appropriate time to fulfill the position of a Director of the Company, taking note of, *inter alia*, the scope of the Bank's activity and of its size.
2. The following are the details of my education and of my qualifications and professional experience:

Name	David Klein
ID Number	007256647
Date of Birth	15 July 1935
Address for service of court papers	30 Jabotinsky Street, Kfar Saba 44404
Nationality	Israeli
Is the declarant an employee of the corporation, its subsidiary, affiliated company or interested party therein	No
Education	BA in Economics and General History, Hebrew University, Jerusalem  Phd in Economics: George Washington University, Washington, United States, 1971

Summary of main past employment, including employment during the last five years	<p>1959-1966 Budget Department, Ministry of Finance</p> <p>1966-1972 – International Monetary Fund, Washington, United States</p> <p>1976-1987 – Bank Leumi, Israel</p> <p>1987-1999 – Senior Manager, Head of Monetary Division and Foreign Currency Exchange Control Division, Bank of Israel</p> <p>2000-2004 Seventh Governor of the Bank of Israel</p> <p>2005 to date –Chairman of the Advisory Board of Directors, Meitav Investment House (not a director)</p>
Names of corporations in which the declarant serves as a director	None
Is the declarant a relative of another interested party in the corporation	No

3. I have not, within 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: (1) Offences pursuant to sections 290 to 297, 392, 415, 418 to 420 and 422 through 428 of the Penal Law – 1977, and pursuant to sections 52C, 52D, 53(a) and 54 of the Securities Law; (2) I have not been convicted in court outside of Israel for bribery, fraud, corporate director crimes or crimes involving exploitation of inside information; (3) A conviction for any other crime 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.
4. I am not a minor, nor am I legally incompetent, and I have not been declared bankrupt.
5. I undertake to notify the company if there is any change in the terms of my qualifications as described above.

And in witness thereof, I have signed this declaration:

Name: David Klein

Date: 13 January 2010

Signature: /s/