

Bank Leumi Le-Israel Ltd.
(“The Bank”)

August 28, 2017

To
 The Stock Exchange
 2 Ahuzat Bayit Street
Tel Aviv 65252-16

To
 The Stock Exchange
 22 Kanfei Nesharim Street
Jerusalem 95464

Dear Sirs/Madams,

Re: Immediate Report Regarding the Convening of an Annual General Meeting

In accordance with the Companies Law 5759-1999 (hereinafter: “**the Companies Law**”) and its Regulations, the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter: “**the Reports Regulations**”), the Companies Regulations (Notice of General Meetings and of Category Meetings in a Public Company and Adding an Item to the Agenda), 5760-2000 (hereinafter: “**Notice Regulations**”) and the Companies Regulations (Written Votes and Position Papers), 5760-2000 (hereinafter: “**Written Votes Regulations**”), Bank Leumi Le-Israel Ltd. (hereinafter: “**the Bank**”) is pleased to announce the convening of an Annual General Meeting of the Bank (hereinafter: “**the General Meeting**” or “**the Meeting**”) which shall take place on Tuesday, 3 October 2017, at 14:00, at the Bank’s offices in Beit Lynn, 35 Yehuda HaLevi St., Tel Aviv. The Items and decisions on its agenda are as specified in this Immediate Report.

1. **Items on the Agenda**

The agenda of the General Meeting shall include the items listed in this Section 1 below:

1.1. **Item No. 1 on the Agenda – Discussing the financial reports and the Bank Board of Directors report for the year that ended on 31 December 2016**

The Bank’s Periodic Report for 2016 (including said financial reports and the Board of the Directors report) can be reviewed, as was published on March 30, 2017 (Reference: 2017-01-033063) (“**the Periodic Report of the Bank for 2016**”), on the distribution website of the Securities Authority (the MAGNA website) and at the Bank’s website, www.leumi.co.il.

In addition, it is possible to receive a copy by contacting the Bank Secretariat, Beit Leumi, 34 Yehuda HaLevi St. (11th floor), Tel Aviv, Tel.: 076-8859419, Sunday-Thursday, between 8:00 and 15:00.

No decision is required in the item.

1.2. **Item No. 2 on the Agenda – The reappointment of the accounting firms of Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasierer (EY) as joint external auditors of the Bank and the authorizing the Bank Board of Directors to fix their salaries and report upon their salaries.**

Review of the Process for Selecting External Auditors for the Bank

Normative Framework:

- (1) Section 4 of Proper Conduct of Banking Business Directive No. 302 titled "Replacing the External Auditor" of a Banking Corporation stipulates that: "At least once every three years, or when the term for which the external auditor has been appointed ends, whichever is later, the audit committee shall discuss the possibility of replacing the banking corporation's external auditor."
- (2) Section 36 (d) (2) of Proper Conduct of Banking Business Directive No. 301 (hereinafter: "**Directive 301**") stipulates that the Auditing Committee shall voice its position before the General Meeting regarding the end of the external auditor's term or failure to renew his term.
- (3) Section 162 (b) of the provisions of the Companies Law stipulates that in a public company, which has the end of the external auditor's term or failure to renew his term on its agenda, the position of the Audit Committee shall be presented to the General Meeting, after granting the external auditor a reasonable opportunity to present his position before it.

Description of the Proceeding:

- (1) On August 30, 2016, a decision was passed by the Bank's Audit Committee to begin the proceeding for selecting an external auditor (hereinafter: "**the Proceeding**").
- (2) The Audit Committee decided that the five largest accounting firms (Deloitte, BDO, Ernst & Young, KPMG and PWC) shall be included in the proceeding and accordingly, the Bank sent an inquiry to these firms that constituted an invitation to participate in the proceeding. At an early stage of the proceeding, notification was received from the firm of Brightman, Almagor, Zohar & Co. (Deloitte) that they are not participating in the proceeding due to consulting work that they are providing the Bank, which does not enable compliance with the non-dependence rules.
- (3) Prior to the beginning of the proceeding, the Audit Committee stipulated that, for reasons of caution, since most of the Audit Committee's members could have a personal interest with regards to the external auditors selection proceeding, this in light of the various ties between firms that participate in the proceeding, the Audit Committee would submit to the Board of Directors its recommendation to the General Assembly with regards to the appointment of an external auditor to the Bank. The Bank Board of Directors approved the Audit Committee's decision regarding the proper proceeding as stated.
- (4) During the months of January to April 2017, the Audit Committee held a number of meetings, during which the Audit Committee heard presentations of the firms that participated in the proceeding and held discussions following those presentations.
- (5) Within the framework of the discussions held by the Audit Committee, the Committee examined, inter alia, whether it is to the Bank's benefit to continue a joint audit by two firms or transitioning to an audit by a single firm as well as examining each firm's practical experience in auditing of banks.
- (6) It should be noted that during the discussions and in accordance with the Audit Committee's request, the Chairman of the Board of Directors, the Chief Accountant, CFO and Acting Head of the Leumi Technologies Division appeared before the Audit Committee. These office-holders participated in some of the discussions, in the Presentation of Items and the Q&A stages but not at the decision-making stage. The Bank Board of Directors was also presented

with several position papers of some of the members of the Board of Directors and of the Bank President and CEO.

- (7) At the conclusion of said discussions, a recommendation was presented to the Board of Directors, which decided to ask the Audit Committee to examine additional aspects. Later on, the Audit Committee and the Board of Directors held a number of discussions while formulating various recommendations that were not approved by the Board of Directors. At the end of the proceeding, the Audit Committee submitted to the Board of Directors a majority recommendation on August 23, 2017 to reappoint KPMG and EY as the Bank's external auditors for 2017 (i.e. for the period commencing on the date of the Annual General Meeting for 2017 and until the date of approval of the Annual Financial Statements of the Bank for 2017). At the request of the Board of Directors, it also submitted two alternatives regarding the Bank's external auditors for 2018: (a) The appointment of the firm KPMG alongside the firm of RWC; (b) The continued service of KPMG alongside EY.
- (8) On August 28, 2017, after discussing the Audit Committee's recommendation, the Board of Directors decided by a majority of opinions to approve Alternative (b) above that was proposed by the Audit Committee i.e. maintaining the status quo and appointing the accounting firm of KPMG and the accounting firm of EY as the Bank's joint external auditors, this as of the date of the Bank's upcoming Annual General Meeting for 2017 and until the date of the Bank's following Annual General Meeting.

The recommendation is subject to the approval of the General Meeting of the Bank shareholders.

Regarding the report to the annual General Meeting on the salary of the external auditors, see page 291 of the Bank's Periodic Report for 2016.

The proposed decision:

To reappointment of the accounting firms of Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasierer (EY) as joint external auditors of the Bank, for the period of commencing on the date of the current Annual General Meeting and until the end of the next Annual General Meeting of the Bank and the authorizing the Bank Board of Directors to fix their salaries.

The majority necessary for making a decision:

A regular majority of the total voting rights of the shareholders that are entitled to vote and who voted in person or via their proxy. The vote count of said shareholders shall not take abstentions into consideration.

1.3. Items No. 3 and 4 on the Agenda – The appointment of one director with the status of “Other Director” to the Bank Board of Directors

In this General Meeting, one (1) director with the status of “other director” (a director that is not an external director as stated in Section 11D(a)(2) of the Banking Ordinance 1941 (hereinafter: “**the Banking Ordinance**”, “**A director with the status of other director**”)) are up for election for a term of three years, from among the candidates that were proposed by:

The Committee for the Appointment of Directors in Banking Corporations, which was appointed under Section 36A of the Banking Law, (Licensing), 5741-1981 and in accordance with that stipulated in Section 11D(a)(1) and (2) of the Banking Ordinance (hereinafter: “**the Committee**”

for the Appointment of Directors”). The candidates that were proposed by the Committee for the Appointment of Directors are as follows:

- 1.3.1. Dr. Samer Haj Yehia– a serving director, who is completing a first term on September 29, 2017 and is up for reappointment;
- 1.3.2. Dr. David Zvilichovski

For additional details regarding the appointment of directors to the Bank Board of Directors, including proposals for a decision on Items 3 and 4 on the Meeting’s agenda, see Section 2.1 of this Immediate Report.

The majority necessary for making a decision:

A regular majority of the total voting rights of the shareholders that are entitled to vote and who voted in person or via their proxy. The vote count of said shareholders shall not take abstentions into consideration.

1.4. Items No. 5 and 6 on the Agenda – The appointment of an external director to the Bank Board of Directors

In this General Meeting, one (1) external director is up for election, in accordance with the stipulations of Directive 301 (hereinafter: **“External Director”**) for a term of three years, from among the candidates that were proposed by the Committee for the Appointment of Directors, as follows:

- 1.4.1. Prof. Haim Levy – A serving external director, who is completing a first term on October 31, 2017 and is up for reappointment;
- 1.4.2. Ms. Zipporah Samet – A director who completed her second term as an external director on August 17, 2017¹, in accordance with the provisions of the Companies Law (hereinafter: **“External Director”**) and is reappointed as an external director who also meets the terms of qualification for an external director.

The Committee for the Appointment of Directors announced in its letters to the Bank dated August 9, 2017 and August 14, 2017 that Ms. Zipporah Samet is a candidate for the purpose of election by the Bank’s upcoming Annual General Meeting, in accordance with Directive 301 under an individual arrangement, which received the approval of the Ministry of Justice (in coordination with the Corporations Department in the Securities Authority), the Bank of Israel and of Ms. Samet as specified herein: If Ms. Samet is elected to serve as a director in the Bank, the following terms shall apply: 1) The Bank will commit to Ms Samet serving on the Audit Committee and on the Remuneration Committee of the Bank; 2) Ms. Samet shall not be appointed Chairwoman of the Board of Directors during her tenure; 3) The Supervisor will not allow the director’s removal from her position under Section 24 of Directive 301 in those cases in which it cannot be done in relation with an external director who was appointed under the Companies Law; 4) Ms. Samet’s terms of office shall be considered a third and final term permitted under Section 245 (a) of the Companies Law.

¹ For additional details, see Immediate Report regarding a senior office holder who ceased serving in his position, which was published by the Bank on August 20, 2017 (Reference No.: 2017-01-071932).

For additional details relating to the appointment of directors to the Bank Board of Directors, including proposed decisions on Items 5 and 6 on the Meeting's agenda – See Section 2.1 of this summons report for the Meeting.

The majority necessary for making a decision:

For the decision specified in Section 1.4.1 above – A regular majority of the total voting rights of the shareholders that are entitled to vote and who voted in person or via their proxy. The vote count of said shareholders shall not take abstentions into consideration.

For the decision specified in Section 1.4.2 above – As stipulated in Section 239 (b) of the Companies Law, taking note that the Bank is a corporation without a controlling core, the majority required to make a decision on the issue specified in Section 1.4.2 above is a regular majority of the total voting rights of the shareholders that are entitled to vote and who voted in person, provided that one of the following applies:

- (a) The majority vote count shall include a majority of those participating in the vote who do not have a personal interest in the approval of the appointment; or,
- (b) The total opposing votes among the shareholders specified in Subsection (a) above does not exceed a rate of 2% of the total voting rights in the Bank.

The vote count of said shareholders shall not take abstentions into consideration.

2. **Additional Details Regarding the Items on the Agenda:**

2.1. Additional Details Regarding the Appointment of Directors to the Bank Board of Directors (both a director with the status of "other director" and an external director) (Items 3 through 6 on the agenda)

- 2.1.1. Under the guidelines of the Supervisor of Banks, the number of members on the Bank Board of Directors shall decrease during 2017 and stand at 13 directors.
- 2.1.2. In this Meeting, the Committee for the Appointment of Directors proposed 4 candidates: 2 directors with the status of "**other director**", an external director in accordance with Directive 301 and an external director who shall also, if appointed, meet the terms of qualification for an external director and the individual arrangement as specified in Section 1.4.2 above.
- 2.1.3. The directors, Ms. Zipporah Samet (external director) who is a candidate for reelection in this Meeting and Mr. David Avner (a director with the status of "other director"), completed their tenure in the Bank on August 17, 2017 (see Immediate Reports from August 20, 2017, Reference No.: 2017-01-071932 and 2017-01-071923, respectively).
- 2.1.4. Dr. Samer Haj Yehia (a director with the status of "other director"), who is a candidate for reelection in this Meeting, is expected to complete his term on September 29, 2017. Prof. Haim Levy (external director), who is a candidate for reelection in this Meeting, is expected to complete his term on October 31, 2017.

- 2.1.5. Advanced notice, in accordance with Section 11C(a)(4) of the Banking Ordinance, was published on March 15, 2017 (Reference: 2017-01-024366).
- 2.1.6. The candidates for election must meet all of the legally established conditions for serving as directors in the Bank without a controlling core, as stated in Sections 11E(b)-(e) of the Banking Ordinance. The declarations of the candidates for Bank directors, in accordance with Section 224B of the Companies Law (to the extent this is a candidate for a tenure as an external director, in accordance with Section 241 of the Companies Law as well), are attached to this summons report for the Meeting.
- 2.1.7. The Bank must meet all the relevant requirements regarding the composition and qualifications of the Board of Directors, as stipulated in any law, including Directive 301 regarding, inter alia, the requirement for a minimum number of directors with proven banking experience, and additional requirements as specified in Section 25 and 26 of Directive 301.
- 2.1.8. It is emphasized that according to the directives of the Bank of Israel, at least a fifth of all of the Board members shall have “banking experience” as the term is defined in Directive 301. It is noted that as of July 1, 2020, the regulations of the Banking Supervision Department shall enter into effect within the framework of the new formula of Directive 301 under which, inter alia, 1) The number of Board members in a banking corporation shall not exceed 10 directors; 2) At least a third of the Board members shall have “banking experience”, as the term is defined in the new formula of Directive 301; 3) At least one director shall have proven knowledge and experience in the field of information technology.
- 2.1.9. The vote on each director shall be carried out separately. The participants in the election may vote for any of the candidates to serve as director.
- 2.1.10. We turn your attention to that which is stipulated in Section 34(a1) of the Banking Law (Licensing), 5741-1981: “A person shall not make an agreement with another in regard to their vote for the appointment of a director in a banking corporation or in a bank holding corporation, including in regard to their vote for his dismissal, except under a permit issued by the Governor, after consulting with the Licensing Committee; this provision shall not apply to a group of holders as per section 11D(a)(3)(b) of the Ordinance, in regard to a vote for the appointment of a director proposed by them under that section, or to a holder of means of control* who agrees with another that the other will vote in his name and on his behalf without any discretion, as the said holder of means of control instructs him, provided that if the other holds, on his own behalf, means of control in the banking corporation or in the bank holding corporation, as the case may be, he shall not vote in the name and on behalf of more than one other holder.”
- Therefore, regarding the election of a director with the status of other director and the election of an external director (Items No. 4 to 7 on the agenda), a proxy who is also a shareholder in the Bank may only vote in the name and on behalf of one additional shareholder. Regarding the remaining issues on the agenda of the General Meeting, there is no impediment that said proxy represent more than one shareholder.
- 2.1.11. For details regarding the majority necessary for making the decisions on Items 3 to 6 on the agenda, see Sections 1.3 and 1.4 above.

* i.e. a shareholder.

- 2.1.12. As stipulated in the Banking Ordinance (and the Bank Regulations), if the number of people who are up for election as directors in the General Meeting and which received a majority of the total voting rights of the shareholders, who are entitled to vote and who voted (in person or via their proxy or via a voting paper) in the General Meeting, should exceed the number of vacant positions for directors whose appointment is on the agenda of the General Meeting, then those candidates that received a higher number of supporting votes in the General Meeting shall be elected to that number of vacant positions for directors. In addition, pursuant to Regulation 85B of the Bank Regulations, if it becomes necessary to choose between a number of candidates who received an identical number of supporting votes, the election shall be by lottery (in this Section, the directors with the status of “other director” and the external director who are chosen as stated shall be called **“the Elected Directors”**).
- 2.1.13. The term of the elected directors is contingent upon the consent or non-objection of the Supervisor of Banks in accordance with Section 11A of the Banking Ordinance. The order of commencement of the elected directors’ tenures shall be in accordance with the order in which the consent or non-objection of the Supervisor of Banks is received as stated, in relation to those elected directors, while taking note of the number of vacant positions on the Bank Board of Directors and dates on which these positions became available and, in any event, said director shall not be appointed prior to term of the director who has ceased to serve. The term of directors, who served as directors during the Meeting and were elected for an additional term, shall begin after the receipt of the Supervisor of Banks’ consent to the appointment, and on a date that is no earlier than the end date of their current term.
- 2.1.14. Regulation 85C of the Bank Regulations stipulates that: “if prior to the beginning of the actual term of any of the elected directors, it was made clear that he would not begin his term for whatever reason, shall be considered the individual elected in his stead by the General Meeting from among the remaining candidates with the same type of qualification (an external director under the Companies Law, an external director under the Proper Conduct of Banking Business Directives of the Supervisor of Banks – Bank of Israel, another director) who received the necessary majority for election and if a number of candidates are found to have received said required majority, then the individual who received the highest number of supporting votes in the General Meeting shall be elected from among them (**“the Next in Line”**). The aforesaid in this Section shall also apply in relation to the next in line”.

Accordingly, if it was established that an elected candidate shall not begin his term in the Bank as stated, then the following candidate after him, with the same suitable qualifications and who received the required majority for election as a director in the Bank as part of the General Meeting, shall be considered as the elected candidate. The aforesaid shall apply with regards to any elected individual according to the relevant type of qualifications.

- 2.1.15. All the directors in the Bank (excluding the Chairman of the Board of Directors), are entitled to the payment of an annual honorarium and honorarium for participation in the meetings of the Board of Directors and its Committees at the “maximum amount” per external director or expert external director, as relevant, as stipulated in the Companies Regulations (Rules on Honorarium and Expenses of Outside Directors) 5760-2000, according to the Bank’s rank, in accordance with the decision of the Bank Board of Directors dated May 15, 2008 (see Immediate Report dated May 15, 2008, Reference: 2008-01-134607), and the Bank’s remuneration policy.

- 2.1.16. On August 6, 2014, after approval by the Remuneration Committee and the Board of Directors, the General Meeting approved the extension of the framework decision, which was previously approved by the General Meeting of the Bank on November 4, 2010, which preauthorizes the Bank to purchase an insurance policy for the liability of directors and other office holders in the Bank and the Group (hereinafter: **“the Policy”**), periodically and without requiring additional approval from the General Meeting. The period of the decision is no later than the end of the policy’s period that will be renewed in 2020. For additional details, see The immediate report regarding the General Meeting on June 30, 2014 (Reference: 2014-01-103521) and regarding the outcomes of the special General Meeting that were published on August 6, 2014 (Reference: 2014-01-128649). This framework decision was adopted within the framework of the new remuneration policy for office holders in the Bank, which was approved by the Special Meeting of the Bank’s shareholders on November 3, 2016. For details see the Immediate Report from November 8, 2016 (Reference: 2016-01-074676). Accordingly, on September 29, 2016, after having received the approval and recommendation of the Remuneration Committee, the Bank Board of Directors approved renewal of the insurance policy for liability of directors and other office holders in the Bank and the Group (D&O), which includes coverage in the amount of USD 260 million for a case and period with restoration in the same amount and all under the terms of the framework decision. The new policy period shall begin on November 1, 2016 and end on February 28, 2018. These references constitute a generalization by way of a referral to the information included in the aforesaid reports.
- 2.1.17. For details regarding decisions concerning exemption and indemnification for directors and office holders in the Bank, see Regulation 29A and Explanation Number 26 (f) of the Bank’s Periodic Report for 2016.

The following are the details regarding the candidates for positions on the Bank Board of Directors under Regulations 26 and 36B(a)(10) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970:

Regarding Item No. 3 on the Agenda – The Election of Dr. Samer Haj Yehia as Director with the Status of “Other Director”

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| Name of the Candidate | Samer Haj Yehia |
| ID Number | 024770364 |
| Date of Birth | September 28, 1969 |
| Address for Serving Court Documents | Beit Leumi, 34 Yehuda HaLevi St., Tel Aviv, 65136-16 |
| Citizenship | Israeli and American |
| Membership on the Committees of the Board of Directors | Member of the following committees: Credit, Prospectuses, Investments, Strategy, and the Committee that tracks implementation of the Strum Law. |
| An External Director as defined by the Companies Law / an External Director under | No |

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| Directive 301 of the Proper Banking Management Directives | |
| An Independent Director as defined by the Companies Law | No |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |
| Date on which he began to serve as director | September 30, 2014 |
| Education / Professional Certifications | In accordance with the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | In accordance with the curriculum vitae attached to this report |
| A relative of another interested party in the corporation | No |
| Does he possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | Yes |

The Proposed Decision:

To appoint Dr. Samer Haj Yehia as a director with the status of "other director", for a period of 3 years, and subject to the approval of the Supervisor of Banks, or her non-objection, and as of the date of receipt of said approval of non-objection.

Regarding Item No. 4 on the Agenda – The Election of Dr. David Zvilichovski as Director with the Status of "Other Director"

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| Name of the Candidate | David Zvilichovski |
| ID Number | 057056426 |
| Date of Birth | August 31, 1961 |
| Address for Serving Court Documents | 1 HaBanim St., Ramat HaSharon 47216 |
| Citizenship | Israeli |
| Membership on the Committees of the Board of Directors | No |
| An External Director as defined by the Companies Law / an External Director under | No |

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| Directive 301 of the Proper Banking Management Directives | |
| An Independent Director as defined by the Companies Law | No |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |
| Date on which he began to serve as director | - |
| Education / Professional Certifications | In accordance with the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | In accordance with the curriculum vitae attached to this report |
| A relative of another interested party in the corporation | No |
| Does she possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | See in accordance with the candidate declaration, subject to election by the annual General Meeting, subject to the approval or non-objection of the Supervisor of Banks and subject to the Bank Board of Directors. |

The Proposed Decision:

To appoint Dr. David Zvilichovski as a director with the status of "other director", for a period of 3 years, subject to the approval of the Supervisor of Banks, or her non-objection, and as of the date of receipt of said approval of non-objection.

Regarding Item No. 5 on the Agenda – The Election of Prof. Haim Levy as an External Director

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| Name of the Candidate | Haim Levy |
| ID Number | 005374269 |
| Date of Birth | April 1, 1939 |
| Address for Serving Court Documents | Beit Leumi, 34 Yehuda HaLevi St., Tel Aviv, 65136-16 |
| Citizenship | Israeli |

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| Membership on the Committees of the Board of Directors | Member of the Remuneration, Risk Management, Investments, Strategy, Digital Banking and Prospectuses Committees. |
| An External Director as defined by the Companies Law / an External Director under Directive 301 of the Proper Banking Management Directives | An external director under Proper Conduct of Banking Business Directive 301 |
| An Independent Director as defined by the Companies Law | Yes |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |
| Date on which he began to serve as director | November 1, 2014 |
| Education / Professional Certifications | In accordance with the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | In accordance with the curriculum vitae attached to this report |
| A relative of another interested party in the corporation | No |
| Does she possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | Yes |

Decision of the Audit Committee

On August 14, 2017, the Audit Committee confirmed, on the basis of facts that were presented to it and on the basis of the candidate's declarations, that the circumstances specified below with regards to the candidate and/or anyone closely associated with him do not constitute linkage under the Banking Ordinance and subject to the position of the Banking Supervision Department, or alternatively, that they constitute, at most, negligible linkages. In addition, and following a discussion, the Audit Committee decided that the circumstances specified below also do not constitute a linkage under Section 240 (b) of the Companies Law, or alternatively, that they constitute, at most, negligible linkages, under the Companies Regulations (Interests that Do Not Institute Linkage), 5767-2006 (hereinafter: "**Negligible Linkage Regulations**"):

- A. A Service Provider - customer retail relationship in the normal course of business, which can and includes management of a current account and securities, a credit facility and/or credit, management of investment portfolios, invest in provident funds and/or other financial products, in the Bank, in a company controlled by the Bank or a significant holder of the Bank.
- B. The term of the candidate as chairman of a public committee that determines the terms of employment of Knesset Members and their assistants on behalf of the State of Israel, which

is an interested party in the Bank. It is noted that the term of the committee chairman began prior to the appointment of the director in the Bank.

The Proposed Decision:

To appoint Prof. Haim Levy as a director with the status of external director, as defined in Proper Conduct of Banking Business Directive No. 301, for a period of 3 years, from the end date of his current term, on October 31, 2017, this subject to the consent of the Supervisor of Banks, or her non-objection.

Regarding Item No. 7 on the Agenda – The Election of Ms. Zipporah Samet as an External Director who also Meets the Terms of Qualification for an External Director and the Individual Settlement (for details see Section 1.4.2 above)

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| Name of the Candidate | Zipporah Samet |
| ID Number | 008962581 |
| Date of Birth | March 5, 1946 |
| Address for Serving Court Documents | Beit Leumi, 34 Yehuda HaLevi St., Tel Aviv, 65136-16 |
| Citizenship | Israeli |
| Membership on the Committees of the Board of Directors | Until the end date of her tenure as a director in the Bank (August 17, 2017), she served as Chairwoman of the Remuneration Committee and as a member of the Audit, Risk Management and Resources Committees |
| An External Director as defined by the Companies Law / an External Director under Directive 301 of the Proper Banking Management Directives | Until the end date of her tenure as a director in the Bank, Ms. Samet served as an external director as defined in the Companies Law and is up for reelection as an external director under Proper Conduct of Banking Business Directive 301 who also meets the terms of qualification for an external director and the individual arrangement (for details see Section 1.4.2 above). |
| An Independent Director as defined by the Companies Law | Until the end date of her tenure as a director in the Bank, she was defined as an independent director |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |

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| Date on which he began to serve as director | On July 25, 2011, Ms. Samet began serving as an external director. Her first term ended on July 25, 2014. On August 18, 2014, Ms. Samet began her second term as an external director, which ended on August 17, 2017. |
| Education / Professional Certifications | In accordance with the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | In accordance with the curriculum vitae attached to this report |
| A relative of another interested party in the corporation | No |
| Does she possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | Ms. Samet was defined as a director with accounting and financial expertise under Section 92(a)(12) of the Companies Law during her term as an external director in the Bank. The issue will be presented to the Bank Board of Directors for reapproval to the extent Ms. Samet is elected by the Meeting. |

Decision of the Audit Committee

On August 23, 2017, the Audit Committee confirmed, on the basis of facts that were presented to it and on the basis of the candidate's declarations, that the circumstances specified below with regards to her and/or anyone closely associated with her do not constitute linkage under the Banking Ordinance and subject to the position of the Banking Supervision Department, or alternatively, that they constitute, at most, negligible linkages. In addition, and following a discussion, the Audit Committee decided that the circumstances specified below also do not constitute a linkage under Section 240 (b) of the Companies Law, or alternatively, that they constitute, at most, negligible linkages, under the Negligible Linkage Regulations:

A Service Provider–customer retail relationship in the normal course of business, which can and includes management of a current account and securities, a credit facility and/or credit, management of investment portfolios, invest in provident funds and/or other financial products, in the Bank, in a company controlled by the Bank or a significant holder of the Bank.

The Proposed Decision:

To appoint Ms. Zipporah Samet as a director with the status of external director, as defined in Proper Conduct of Banking Business Directive No. 301, who also meets the terms of qualification for an external director and the individual settlement as specified in Section 1.4.2 of this report, for a period of 3 years.

The beginning date of the term shall be after receipt of the consent of the Supervisor of Banks, or her non-objection, and not before November 1, 2017.

3. Voting in the Meeting:

3.1. The Determining Date and Proof of Ownership

- 3.1.1. The determining date for determining the right of a shareholder in the Bank to vote in the General Meeting above, as stated in Section 182 of the Companies Law and Regulation 3 of the Written Votes Regulations, is Monday, September 4, 2017, on the end of the business day in the stock exchange.
- 3.1.2. In accordance with the Companies Regulation (Proving Ownership of a Share in order to Vote at a General Meeting), 5760-2000 (hereinafter: **"Proof of Ownership Regulations"**), a shareholder who has a share registered to his credit with a stock exchange member and that same share is included among the Bank's shares that are registered in the Registry of Shareholders under the name of a registration company (hereinafter: **"Unregistered Shareholder"**) and who is interested in voting at the General Meeting, shall produce for the Bank a certificate from the stock exchange member with whom the share is registered to his credit, regarding his ownership of the share, on the determining date, in accordance with Form 1 in the Addendum to the Regulations on proving ownership (hereinafter: **"Certificate of Ownership"**).
- 3.1.3. An unregistered shareholder is entitled to receive a certificate of ownership from the stock exchange member through whom he holds the share, at the branch of the stock exchange member or by mail to his address for a delivery fee only, if he requested it. A request on this item shall be given, in advance, to a specific securities account.
- 3.1.4. In addition, an unregistered shareholder may instruct the stock exchange member that his certificate of ownership be transferred to the Bank via the electronic voting system. Registration in the electronic voting system, which operates according to Article B of Chapter 7-B of the Securities Law, 5728-1968 (hereinafter: **"the Electronic Voting System"**) equates to a certification of ownership under the Proof of Ownership Regulations.

3.2. Legal Quorum and Date of a Postponed Meeting

- 3.2.1. In accordance with the Bank Regulations, the legal quorum for holding the Meeting is the presence of three or more shareholders, who are present in person or via a proxy, within half an hour of the time established for the beginning of the Meeting.
- 3.2.2. If a legal quorum is not found within half an hour of the time established for the beginning of the Meeting, it shall be postponed to 16 October 2017, at the same location, at the same time (14:00).
- 3.2.3. If a legal quorum is not found at said postponed Meeting, two shareholders who are present in person shall constitute a legal quorum, and they shall be entitled to deal with the Items for which the Meeting was convened.
- 3.2.4. In establishing the legal quorum, the votes of shareholders who voted via a voting paper, as defined in Section 87 of the Companies Law, shall be taken into consideration, as well as taking into consideration the votes of unregistered shareholders, who voted via the electronic voting system.

3.3. Methods of Voting in the Meeting

- 3.3.1. Shareholders who are entitled to participate in the Meeting and vote, may do so, per their choice, in one of the following methods: (1) To arrive at the Meeting and vote in it themselves or appoint a proxy to arrive at the Meeting and vote in their stead, according to a letter of appointment and power of attorney, as specified in Section 3.4 below; (2) To vote via a proxy statement, as specified in Section 3.5 below; (3) An unregistered shareholder shall also be permitted to vote via the electronic voting system, as specified in Section 3.7 below.
- 3.3.2. In accordance with Section 83(d) of the Companies Law, if a shareholder voted in more than one way, his later vote shall be counted; in regards to this, the vote of a shareholder in person or via a proxy, a vote via a voting paper or a vote via the electronic voting system shall be considered the later vote.

3.4. Participation in the Meeting and Vote by the Shareholder in Person or via a Proxy

- A. An unregistered shareholder, who is interested in arriving at the Meeting and voting in person, shall produce for the company the certificate of ownership, in the manner specified in Section 3.1.2 above and 3.9 below, by the time the system is locked down, as defined in Section 3.7 below. A shareholder whose shares are registered under his name in the Bank's Registry of Shareholders is not required to present said certificate of ownership.
- B. A shareholder who is entitled to be present and vote in the General Meeting may appoint a proxy or proxies, who shall be present and vote in his stead. A proxy is not required to be a shareholder himself. In order for the appointment of the proxy to be valid, the letter of appointment and the power of attorney under which the letter of appointment was signed (if the letter of appointment was sign according to the power of attorney) must reach the Bank's registered office no less than 48 hours prior to the General Meeting. In the case of an unregistered shareholder, a certificate of ownership from the stock exchange member, as specified in Section 3.1 above, must be attached to the letter of appointment, unless the certificate of ownership was transferred to the Bank via the electronic voting system.
- C. A shareholder or proxy who seek to be present and/or vote at the General Meeting shall be required to identify themselves upon arriving at the General Meeting, by presenting identification (an ID or passport or valid driver's license). An unregistered shareholder (or his proxy) shall additionally be required to present the certificate of ownership form, as stated above, unless his certificate of ownership was transferred to the Bank via the electronic voting system. The proxy of the shareholder whose shares are registered under his name in the Bank's Registry of Shareholders, is not required to present said certificate of ownership.
- D. Anyone who is not a shareholder or proxy, or a shareholder or proxy who fail to present said identification and a valid certificate of ownership by the time of the Meeting as of Monday, September 4, 2017, shall not be entitled to be present and vote in the General Meeting.
- E. The letter of appointment shall also be valid in regards to a postponed Meeting of the Meeting to which the letter of appointment relates, unless specified otherwise in the

letter of appointment, provided that the postponed Meeting convenes on the date stipulated in Section 3.2.2 above.

3.5. Voting Paper

- A. A shareholder (including an unregistered shareholder) of the Bank, who wish to vote in the General Meeting without arriving at the Meeting and without sending a proxy, may vote on the items on the agenda via a proxy statement.
- B. A shareholder (including an unregistered shareholder) who is interested in being present and voting in the Meeting, may vote via a voting paper regarding all of the items on the agenda, in accordance with the Companies Law and the Written Voting Regulations.
- C. The vote via a voting paper shall be carried out on the Second Part of the voting paper as publish on the distribution website of the Securities Authority.
- D. The following are the addresses of the distribution website of the Securities Authority and the website of the Tel Aviv Stock Exchange, where the text of the voting paper can be found:

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

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

- E. A shareholder may approach the Bank directly and receive from it the text of the voting paper.
- F. The vote of a shareholder via a voting paper shall be considered as if he was present at and participated in the General Meeting both of the purpose of the required legal quorum and for the purpose of calculating the results of the vote.

3.6. The Final Date for Producing a voting paper for the Bank:

- A. A shareholder (including an unregistered shareholder) who is interested in voting via a voting paper, shall produce for the Bank, in the manner specified in Section 3.3.1 above, the voting paper up to 4 hours prior to the time of the General Meeting (i.e., by 10:00 AM on Tuesday, October 3, 2017). The voting paper shall be valid – regarding an unregistered shareholder – only if accompanied by a certificate of ownership that was sent by the date the system was locked down (or if the certificate of ownership was sent via the electronic voting system), and regarding a shareholder registered in the Bank's Registry of Shareholders – only if accompanied by a photocopy of the ID, Passport or Certificate of Association.
- B. The stock exchange member shall send out, without consideration, a link to the text of the voting paper and the position papers, on the distribution website of the Authority, to any shareholder who is not registered in the Registry of Shareholders and whose share is registered with that same stock exchange member, unless the shareholder announced that he is uninterested in this, provided that the notice was given in regards to a specific securities account and on a date preceding the determining date.
- C. Up to 24 hours prior to the date on which the General Meeting convenes, a shareholder may contact the Bank's registered office and, after having proven his identity, withdraw his voting paper and certificate of ownership. Should he do so, he may only vote during

the General Meeting itself (to the extent that he is a shareholder registered in the Bank's Registry of Shareholders or to the extent that he is an unregistered shareholder) as well as via the electronic voting system and the aforesaid shall apply to Section 3.3.2 above mutatis mutandis and his later vote shall be counted.

3.7. The Electronic Voting System

- A. Unregistered shareholders may vote on all of the items on the agenda of the General Meeting, via an electronic voting paper as well, which shall be transferred to the Bank via the electronic voting system.
- B. An unregistered shareholder may announce by 12:00 PM of the determining date, by written notice to the stock exchange member, that he is uninterested in being included in the list of shareholders who are entitled to vote via the electronic voting system, which shall be transferred to the Bank by the stock exchange member via the electronic voting system.
- C. The stock exchange member shall send the information required for voting in the electronic voting system to each of said unregistered shareholders, including the access code and identification for voting in the electronic voting system.
- D. As of the end of the determining date and up to 6 hours prior to the time in which the General Meeting convenes (i.e. up to 8:00 AM on Tuesday, October 3, 2017) (hereinafter: **"Time of the System Lock Down"**), the electronic voting system shall allow said unregistered shareholders to access the electronic voting system, while identifying themselves and using a unique access code that was issued by the stock exchange member, and vote or alter or cancel their previous vote regarding the General Meeting convened under this summons report for a Meeting.
- E. The electronic vote may be altered or cancelled only until the time in which the system is locked down regarding the General Meeting convened under this summons report for a Meeting, and it shall not be possible to alter it via the system after this time. Nothing in the aforesaid may derogate from the right of an unregistered shareholder to alter his vote via participation in the Meeting and voting therein (including via a proxy) and in this regard, the aforesaid shall apply to Section 3.3.2 above mutatis mutandis and his later vote shall be counted.
- F. If the General Meeting is postponed to a time after the system is lock down or if a continuing Meeting is scheduled, the electronic voting system shall be reactivated and it will be possible to vote through it in the postponed or continuing Meeting, and accordingly, an unregistered shareholder who voted via the electronic voting system will be able to change his vote via the electronic voting system after the time of the system lock down.
- G. An unregistered shareholder, who transferred a certificate of ownership to the company via the electronic voting system and wishes to vote via other means of voting, is not required to transfer a new certificate of ownership to the company for the purpose of voting in the postponed or continued Meeting.
- H. The votes conducted via the electronic voting system by the date the system was locked down shall be counted (to the extent that they are not altered later on by the voter) as

part of the outcomes of the Meeting (including one postponed or continued), both of the purpose of the required legal quorum and for the purpose of calculating the results of the vote.

3.8. Position Papers

- A. The final date for producing position papers for the Bank, as defined in Section 88 of the Companies Law, is until Sunday, September 24, 2017 (inclusive). A position papers that includes the response of the Board of Directors, shall be publish (to the extent that its publication is decided upon) until Thursday, September 28, 2017 (inclusive).
- B. A shareholder may approach the Bank directly and receive from it the text of the position papers (to the extent there are any).
- C. It is possible to review the position papers on the distribution website of the Securities Authority and on the notices website of the Stock Exchange, as specified in Section 3.5 above.

3.9. Manner of Producing Documents for the Bank

The documents that the Shareholders must produce for the Bank in accordance with the above provisions (including a power of attorney, letter of appointment, certificate of ownership, voting papers, position papers and so forth), may be produced by the dates listed above, for the Bank's offices in Beit Lynn, 35 Yehuda HaLevi St., Tel Aviv, to be delivered in person or via registered mail.

3.10. Personal Interest, Interested Party in the Bank, Senior Office Holder and Institutional Investor

- A. Section 267A(b)(1) of the Companies Law stipulates, inter alia, that *"the provisions of Section 276 shall apply, mutatis mutandis, to anyone with a personal interest"*. Section 276 of the Companies Law stipulates: *"If a shareholder participates in a vote under section 275, then he shall inform the company before the vote or – if the vote is by a voting paper– on the voting paper - whether or not he has a personal interest in the Approval of the transaction; If the shareholder did not inform as Aforesaid, then he shall not vote and his vote shall not be counted"*.
- B. It is clarified that Section 1 of the Companies Law stipulates that a personal interest is also *"the personal interest of a person who votes according to a proxy document given to him by another person, even if the other person has no personal interest, and the vote of a person who was given a proxy document to vote on behalf of a person with a personal interest shall also be considered the vote of a person with a personal interest, regardless of whether or not the voter has discretion on the vote"*.
- C. Therefore, the shareholder participating in the vote must inform the Bank prior to the vote in the Meeting or, if the vote is via a voting paper, on the voting paper, that he has a personal interest in the approval of the decision in Item No. 6 on the agenda of the General Meeting – the election of Ms. Zipporah Samet as an external director who also meets the terms of qualification for an external director and the individual arrangement as specified in Section 1.4.2 above. **A shareholder who fails to inform as stated, shall not be considered as having voted regarding this Section and his vote shall not be counted.**

D. In addition, the shareholder participating in the vote must inform the Bank prior to the vote in the Meeting or, if the vote is via a voting paper, on the voting paper, that he is an interested party in the Bank (as the term "interested party" is defined in Section 1 of the Securities Law, 5728-1968), a senior office holder in the Bank (as the term "Senior Office holder" is defined in Section 37(d) of said law), an institutional entity as defined in Regulation 1 of the Supervision of Financial Services Law (Insurance), 5741-1981, or a fund manager as defined in the Joint Investment Trust Law, 5754-1994. If the participating shareholder is an interested party, senior office holder, institutional entity or fund manager, he must detail any additional ties, between him and the Bank or senior office holders in the Bank and the nature of the ties. If the vote is by proxy, said detailing shall be given for both the granter and recipient of the power of attorney.

3.11. Review of Documents

The documents concerning the decisions on the agenda of the General Meeting may be reviewed at the Bank Secretariat, in the Bank's registered office on 34 Yehuda HaLevi St. (Beit Leumi), 11th floor, Tel Aviv, Tel.: 076-8859419, Sunday-Thursday, between 8:00 and 15:00.

This report was signed on the Bank's behalf on August 28, 2017.

Sincerely,

Bank Leumi Le-Israel Ltd.

Name of the Signatories of the Report and their Positions:

Adv. Irit Rot, Chief Legal Advisor

Adv. Livnat Ein-Shay Vilder, Secretary of the Bank and Group

**Declaration to serve as a Director (that is not an External Director or ED)
of Bank Leumi Le-Israel Ltd**

I, the undersigned Samer HajYehia , ID Number 024770364, from Taibe,
make this declaration as a candidate for election to serve as a Director at Bank Leumi LeIsrael Ltd (hereunder "**The Bank**") after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

1. Personal Details

- 1.1. Name: Samer HajYehia
 1.2. ID: 024770364
 1.3. Date of Birth: September 28, 1969
 1.4. Address for service of legal documents: Taibe
 1.5. Citizenship: Israeli & US
 1.6. Residency: Israel
 1.7. Are you a relative of a stakeholder² in the Bank (If so – please indicate details): No.

2. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank.
-
-

3. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology or any other field approved by the supervisor of Banks , and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as follows³: (*education, qualification, experience*):

3.1 Education:

²Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

| Degree / Academic Diploma | Profession / Major | Academic Institution |
|----------------------------------|---------------------------|-----------------------------|
| PhD | Economics | MIT |
| MBA | Business Administration | Hebrew University |
| MA | Economics | Hebrew University |
| LLB | Law | Hebrew University |
| BA | Accounting and Economics | Hebrew University |
| Fourth Year | Accounting | Tel Aviv University |

3.2 **Professional Certificates:**

Certified Financial Analyst (CFA)

License to practice law

3.3 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)⁴:

Director (3.0), Bank Leumi Le-Israel Ltd (Committees: Strategy, Risk Management, Issues, Digital Banking, Credit, Strum Law, Investments, Procedure, and the Independent Committee)

ED (0.25), the Strauss Group Ltd (Chairman of the Audit Committee, Chairman of the Financial Statements Committee, Remuneration Committee, Finance and Investments Committee, Strategy Committee).

Chairman Audit Committee (2.0), the Hadassah Medical Organization (PBC) Chairman & CEO (2.0) S.H. Aden International Business Management and Consulting Ltd

Professor (2.0), IDC Herzliya (PBC)

Plenum member and Chairman of the Audit Committee (0.5), Council for Higher Education

Trading Strategist (2.0), GMO

VP Financial Engineering (6.0), Fidelity

3.4 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

⁴ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

I have expertise and rich practical experience, local and international, and multidisciplinary education cum laude or magna cum laude from leading universities in Israel and in the world in the core business lines of the Bank – Banking, Finance, Economics, Business Administration, Law, Accounting, Statistics, Financing, Risk Management, Portfolios Management, Management of Trade in Securities, Financial Information Technology, Trading Systems, Regulatory Compliance and Analysis of Financial Statements. Experience in innovation and strategic entrepreneurship, including at times of acute crisis such as the global financial crisis, preparation and submission of expert opinions in Israel and abroad regarding complex portfolios and in significant financial amounts in the banking and investments sector. Director at Bank Leumi, External Director and Chairman of the Audit and Financial Statements Committees at Strauss, Chairman of the Audit Committee at Hadassah, Plenum member and Chairman of the Audit Committee at the CHE.

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

- 3.5 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

Bachelor cum laude in Accounting, advanced studies in Public Accounting, Master summa cum laude in Business Administration, expertizing in Financing and Banking, PhD in Economics expertizing in Finance and a CFA certificate. Multiyear experience in analyzing financial statements, senior positions in the Israeli and international markets, Teaching (with excellence) and research (award winning) in leading universities in Israel and the world in the core areas of the banking business, Chairman of the Audit and Financial Statements Committees at Hadassah, Strauss, the CHE.

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

For the purpose of the above provisions of this section:

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

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;

(2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;

(3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

(1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;

(2) The tasks of the external auditor, and the duties imposed on him;

(3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

3.6 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].

3.7 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"⁵ ~~Yes/~~ No [delete the unwanted]

4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:

4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.

4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporate body or offences involving misuse of inside information.

4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company.

⁵ As required by "Proper Conduct of Banking Business", directive 301.

5. No enforcement measures have been imposed upon me, by an administrative enforcement committee⁶ which prohibit me from serving as a director of a public company.
6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt⁷
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the bank, or in a corporation which is controlled by the bank, or in a "substantial holder", except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.
~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an officer of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection).

~~Yes~~/**No** [delete the unwanted]

Specify:

- 8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/**No** (delete the unnecessary)

⁶ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

⁷ As long as I was not discharged

Specify:

8.3 **I do not have** a business or professional association with the Bank or with a corporation controlled by the Bank or with an officer of the Bank, or with a “substantial holder” who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and neither does any party who has a “close association” with me.
~~Yes/No~~ [delete the unwanted]

Specify:

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

8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;

8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;

8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

Please specify, as required:

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“**Connection**” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

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

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

“**Office-Holder**” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I hereby declare that there is nothing to prevent or limit my being appointed as a Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to positions in other organizations in which I serve.
10. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
11. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as a Director at the Bank.
12. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 8, 2017

Signature of Declarant: Samer HajYehia

Confirmation

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

Date: August 14, 2017

Name and Signature of advocate: Adv. David Sackstein

Adv. David Sackstein

ID 320611353

License No. 29797

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) [of the Banking Ordinance]

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection.

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holder; and a party controlled by any of them.

Dr. Samer HajYehia

Dr. Samer HajYehia has local and international experience in economics, banking, financial markets, trade, investments, strategy and management. He was an advisor to the Department of Economics at the Hebrew University and taught, with excellence, courses in economics and business administration in leading universities, including MIT, Harvard, the Interdisciplinary Center in Herzliya and the Hebrew University. Dr. HajYehia published leading research papers in the areas of options, investments and foreign exchange, which formulated the exchange rates policy of the Bank of Israel and won him prestigious prizes. He led innovation and financial engineering and held a series of senior positions in the United States at big consulting and investments firms, including at Fidelity Investments.

Today, Dr. HajYehia serves as a Director at the Bank Leumi Board of Directors and is a member in several of its committees, among them Credit, Strategy, Investments, Prospectus and the Committee for the implementation of the Strum Committee's recommendations (has until recently been a member in the committees for Risk Management, Digital Banking, Conclusions Drawing Lessons and the independent Committee in the matter of the US Customers). In addition, he serves as an ED at the Strauss Group and as a Chairman of the Audit and the Financial Statements Committees of the Board of Directors, as the Chairman of the Audit Committee of Hadassah University Hospital in Jerusalem, a member in the plenum of the Council for Higher Education (CHE) and is teaching at the Interdisciplinary Center in Herzliya. In addition, Dr. HajYehia is an entrepreneur and an advisor for economic strategies, business development, investments, banking and capital markets.

Dr. HajYehia has a PhD in Economics from MIT USA, MBA summa cum laude in Finance and Banking, MA cum laude in Economics, BA cum laude in Accounting and Economics and LLB from the Hebrew University. He has also completed four years in Accounting at the Tel Aviv University. Dr. HajYehia has a CFA certificate and has a license for practicing law after completing his apprenticeship at the Herzog, Fox, Ne'eman firm. He has also completed an apprenticeship in Accounting at Deloitte firm.

Dr. HajYehia is active socially and helps and contributes voluntarily to several social organizations.

Appendix B

Declaration to serve as a Director (that is not an External Director) of Bank Leumi Le-Israel Ltd

I, the undersigned David Zvilichovsky, ID Number 057056426, from 1 Habanim Str Ramat HaSharon

Make this declaration as a candidate for election to serve as a Director at Bank Leumi Le-Israel Ltd (hereunder "**The Bank**") after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

4. Personal Details

- 4.1. Name: David Zvilichovsky
 4.2. ID: 057056426
 4.3. Date of Birth: August 31, 1961
 4.4. Address for service of legal documents: 1 Habanim St. Ramat HaSharon 47216
 4.5. Citizenship: Israeli
 4.6. Residency: Israel
 4.7. **I am not** a relative of a stakeholder⁸ in the Bank.

5. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank.
-

6. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology or any other field approved by the supervisor of Banks, and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as follows⁹: (*education, qualification, experience*):

⁸Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

⁹ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

3.1 Education:

| Degree / Academic Diploma | Profession / Major | Academic Institution |
|---------------------------|--------------------|----------------------|
| PhD | Economics | Tel Aviv University |
| MSc (cum laude) | Computer Sciences | Tel Aviv University |
| Bachelor (cum laude) | Economics | Hebrew University |
| Bachelor (cum laude) | Computer Sciences | Hebrew University |

3.2 Professional Certificates:

3.3 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)¹⁰:

Member of Senior Faculty – Tel Aviv University, Faculty of Management.

From 2011 - today

Doing Research and teaching crowdfunding, entrepreneurship and innovation, economics, relationships between technological changes and capital markets, online financing platforms, technological innovation

Guest Professor, Cyprus International Institute of Management – Cyprus

From 2012 – Today

Teaching technological entrepreneurship at MBA and MSM programs.

Director and controlling shareholder – Innovent Israel, a private company

From 1999 - Today

Consulting services, with emphasize on advanced technologies

Curriculum Vitae attached herewith.

3.4 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

PhD in Economics, MSc in Computer Sciences.

Member of senior faculty at the Faculty of Management (since 2011)

¹⁰ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

Multiyear service in management and R&D roles, vast experience in areas of IT and advanced technologies (Including Eshed Robotec: 1985 – 1993, IP-Highway: 1997 – 1999; Atview: 2006 – 2011; and working with leading companies such as Comverse and Scitex.)

Experience as a Director in a venture capital fund and in a public reporting company (Alon Fund 2004 – 2012, Ramdor 2006 – 2008).

Experience as a senior economic advisor to the National Economic Council – at the Prime Minister's Office (2008 – 2009)

CV attached

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

- 3.5 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

Accounting and Financial expertize: PhD in Economics, member of senior faculty at the Faculty of Management, experience as a Director in reporting companies in Israel and abroad. Multiyear experience at the Innovent company and at the Alon Fund. Service as a senior advisor to the National Economic Council during the 2008 crisis, CV attached herewith.

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

For the purpose of the above provisions of this section:

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

- (1) An academic degree in one of the following subjects: economics, business administration, accounting, law and/or public administration;
- (2) Another academic degree, or the completion of another form of higher education studies, all within the field of the Bank's business or in an area which is relevant to the position;

(3) At least five years of experience in one of the following, or cumulative experience of five years in at least two or more of the following: (a) in a senior position in the area of business management of a corporation whose business is of a substantial size; or (b) in a senior public service position or in a senior position in the civil service; or (c) in a senior position in the banking field.

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director’s education, experience, and knowledge of the following subjects:

- (1) accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) the tasks of the external auditor, and the duties imposed on him;
- (3) the procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

- 3.6 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].
- 3.7 Considering my education, experience, past and current employment, and my skills, **I do not have**, to the best of my understanding, "banking experience"¹¹ ~~Yes/ No~~ [delete the unwanted]
4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
 - 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
 - 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporate body or offences involving misuse of inside information.
 - 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company.
5. No enforcement measures have been imposed upon me, by an administrative enforcement committee¹² which prohibit me from serving as a director of a public company.

¹¹ As required by "Proper Conduct of Banking Business", directive 301.

¹² A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt¹³
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:

- 8.1 Neither I nor my relatives hold any sort of control in the bank, or in a corporation which is controlled by the bank, or in a "substantial holder", except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.
~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an officer of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection).
~~Yes~~/**No** [delete the unwanted]

Specify:

- 8.2.2 From the date of the appointment and onwards I have a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes~~/**No** (delete the unnecessary)

Specify:

¹³ As long as I was not discharged

- 8.3 **I do not have** a business or professional association with the Bank or with a corporation controlled by the Bank or with an officer of the Bank, or with a “substantial holder” who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and neither does any party who has a “close association” with me.
~~Yes~~/No [delete the unwanted]
 Specify:
 Except for negligent retail connections.
- 8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance (“the **Committee**”) hereby further declares that:
- 8.4.1 I do not have** a connection to a member of the Committee at the time of the appointment;
- 8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;
- 8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

Please specify, as required:

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“**Connection**” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

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

“**Office-Holder**” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I hereby declare that there is nothing to prevent or limit my being appointed as a Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to tenure in other organizations in which I serve.
10. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
11. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as a Director at the Bank.
12. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 6, 2017

Signature of Declarant: David Zvilichovsky

Confirmation

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

Date: August 6, 2017

Name and Signature of advocate: Adv. Zvi Zohar _____

Adv. Zvi Zohar
License No. 4368

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) [of the Banking Ordinance]

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection.

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holder; and a party controlled by any of them.

Dr. David Zvilichovsky – Summary of CV 1

Dr. David Zvilichovsky

Faculty of Management, Tel Aviv University 69978

davidz@tau.ac.il

03-6408073

Private Address: 1 Habanim Str, Ramat Hasharon 47216

050-5301705

- 2011 - **Tel Aviv University, Member of senior faculty, School of Business Administration.**
Research Subjects: Crowdfunding, the connection between technological changes and financial markets, entrepreneurship and entrepreneurship funding, the economics of funding, online markets and internet platforms.
Teaching: Business economics, technological entrepreneurship: from idea to execution, innovation (including a joint course with Wharton School of Economics on the subject of Israeli innovativeness); Teaching at the MBA program as well as at the international programs of the EMBA and the IMBA.
- 2012 - **Cyprus International Institute of Management**
 Member of international faculty – Guest Professor – teaching at the MBA and MSM programs.
- 2004 – 2012 **Alon Fund – Director.** An investment fund managed by Jupiter International, a former subsidiary of Commerzbank.
- 2006 – 2011 **Atview Technologies, CEO and Head of Line at the parent company Ramdor Software** – a public company (TASE), supplies project management software based on cloud technology (Member of Ramdor's Board of Directors 2006 – 2008).
- 2008 – 2009 **A Senior Economic Advisor to the National Economic Council, Prime Minister's Office,** contribution to the design of the government's response to the 2008 crisis.
- 1999 – 2008 **Innovent** (Herzlia and San Joze, California), Manager. A consultancy firm specializing in technology companies and venture capital funds. Strategic and managerial consultancy to young technology companies and their investors, managing mergers and acquisitions. Among the companies in the portfolio: **Intervideo** (Investment, IPO), **Webango** (Multiple financing rounds), **Speedwise** (M&A) , **Ad4ever** (M&A - Aquantive Inc. now Microsoft), **Yazam** (M&A), **Ramdor**, **GWS Photonics**, **Memlink.**, **Teraop**, **Redwood Venture Partners**, **Alon Technology Ventures**, **Comverse Network Systems** and **Scitex Corp.**

Dr. David Zvilichovsky – Summary of CV 2

- 1997 – 1999 **IPHighway** (Jerusalem and San Jose California) **CEO, founder and member of the Board of Directors.** The company dealt with communication networks management solutions. Won: *Hot Product of the Year 1998 by the Journal of Data Communication*
- 1993 - 1997 **Consultancy and Projects Management** in the R&D and business development sectors, some of the customers: **Converse** – Business Development abroad; **Magach** – R&D management; **Electric Fuel** – Technological Manager in a joint project with the **German Post Office and Siemens.**
- 1985 – 1993 **Eshed Robotec – Head of R&D.** Research, development and management Development of machine vision systems, robotics, command & control The company had a public offering at the Tel Aviv Stock Exchange in 1989 and at NASDAQ in 1991.

EDUCATION

- 2008 **PhD in Economics**
Tel Aviv University

Dissertation: "Uncertainty, Innovation and External Influences – the Influence of Financial Bubbles"
Advisor: Prof. Manuel Trachtenberg
- 1990 Advanced studies at the Faculty of Management, Tel Aviv University, in the topics of Technological Management.
- 1989 **M.Sc. in Computer Sciences**
Tel Aviv University, **cum laude**

Thesis: "Quantization Correction Pyramids"
Advisor: Prof. Amir Averbuch
- 1985 **B.SC.in Economics and Computer Sciences,**
The Hebrew University, **cum laude**

Appendix A

Declaration to serve as an External Director or ED of Bank Leumi Le-Israel Ltd

I, the undersigned Prof. Haim Levy, ID Number 5374269, from 12 Shachar str., Jerusalem, make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "the **Companies Law**") (an "**ED**") and/or who also meets the conditions for the qualification of an External Director in accordance with Directive 301 of the Proper Conduct of Banking Business Directives) ("**External Director**") in Bank Leumi Le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

7. Personal Details

- 7.1. Name: Haim Levy
 7.2. ID: 5374269
 7.3. Date of Birth: April 1, 1939
 7.4. Address for service of legal documents: 12 Shachar Str, Jerusalem
 7.5. Citizenship: Israeli
 7.6. Residency: Israel
 7.7. Are you a relative of a stakeholder¹⁴ in the Bank (If so – please indicate details): No.

8. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank.
-
-

9. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology or any other field approved by the supervisor of Banks , and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

My said qualifications are as follows¹⁵: (*education, qualification, experience*):

¹⁴Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

¹⁵ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

3.1 Education:

| Degree / Academic Diploma | Profession / Major | Academic Institution |
|---------------------------|---|----------------------|
| PhD | Banking, Risk Management, Financing, Accounting | Hebrew University |
| | | |
| | | |
| | | |
| | | |
| | | |

3.2 Professional Certificates:

PhD in finance and economics, Master in statistics, The EMET prize (a prize under the Prime Minister's patronage) and the Israel Prize. The prizes have been awarded for research projects dealing with the performance of the capital markets in Israel and in the world. I have published around 250 papers and 19 books (in Hebrew and English), that have been widely cited. I have published papers with two Noble prize winners for economics. I authored the book "The Stock Market" (Schocken Publishing House) and the book "An Introduction to Finance: Financing Companies in Israel in Practice (Magnes Press, the Hebrew University)

3.3 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)¹⁶:

1. Dean, The Academic Center Ramat Gan, 2006 - 2013
2. Director, Harel Portfolio Management, March 2014 – June 2014
3. Chairman of the Public Committee determining the work conditions of the Knesset members.
4. Director, Bank Leumi, November 2014

3.4 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of

¹⁶ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

my education and experience, which indicate that the conditions and tests for my qualification are met:

I have advised to many business companies, to the Bank of Israel, to the Ministry of Economics, to the Ministry of Finance and to several banks. In view of my expertise on the connection between performance and remuneration, Bank Hapoalim hired me in order to define the bonuses of the CEO and the Chairperson. I have prepared a paper on the subject and presented it to the Board of Directors of Bank Haoalim in order to justify my recommendations. I was a member of the Board of Directors of former mutual funds (Pia and Menorah). For around six years I served as Chairman of the mutual funds "Emda" of Bank Mizrachi.

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

- 3.5 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

As a Finance Professor I have had many students, including the former Supervisor of Banks and the present Supervisor and the present Chairman of the Securities Authority.

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

For the purpose of the above provisions of this section:

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

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

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;
- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.

- 3.6 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].
- 3.7 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"¹⁷ Yes/ No [delete the unwanted]
4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
 - 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
 - 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporate body or offences involving misuse of inside information.
 - 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company.
5. No enforcement measures have been imposed upon me, by an administrative enforcement committee¹⁸ which prohibit me from serving as a director of a public company.
6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt¹⁹
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the bank.

¹⁷ As required by "Proper Conduct of Banking Business", directive 301.

¹⁸ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

¹⁹ As long as I was not discharged

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

- 8.1 Neither I nor my relatives hold any sort of control in the bank, or in a corporation which is controlled by the bank, or in a “substantial holder”, except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.
~~Yes~~/No [delete the unwanted]

Specify:

8.2

- 8.2.1 I, or parties who have a "close association" with me **do have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an officer of the Bank or to a “substantial holder” (It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection).
 Yes/No [delete the unwanted]
 Specify:

- 8.2.2 From the date of the appointment and onwards **I have** a connection to a relative of an office holder in the Bank, to a relative of a “substantial holder”, or to a partner of a “substantial holder”; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.
~~Yes~~/No (delete the unnecessary)
 Specify:

-
-
- 8.3 **I do not have** a business or professional association with the Bank or with a corporation controlled by the Bank or with an officer of the Bank, or with a “substantial holder” who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and neither does any party who has a “close association” with me.
~~Yes~~/No [delete the unwanted]

Specify:

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

8.4.1 I do not have a connection to a member of the Committee at the time of the appointment;

8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy Minister, nor am I a public servant or an employee of a legally established corporation;

8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

Please specify, as required:

I do not have a connections and I have not been convicted.

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“**Connection**” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

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

“**Office-Holder**” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company (“**The Second Company**”) in which one of the Directors of the Bank serves as an external Director.

10. If during my service as an External Director or ED in Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an External Director or ED in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. As far as I understand, I fulfill the terms for classifying me as an independent director²⁰
13. I hereby declare that there is nothing to prevent or limit my being appointed as a Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741 – 1981, and/or in accordance with any law, including, among others, due to positions in other organizations in which I serve.
14. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
15. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an External Director or as an ED at the Bank.
16. I am aware of the fact that if one of the required conditions for my service as an External Director or an ED of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
17. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 21, 2017

Signature of Declarant: Haim Levy

Confirmation

I, the undersigned, Adv. Livnat Ein-Shay Wilder, hereby confirm that Mr. Haim Levy, whom I know personally/who identified himself/herself to me with his/her ID No.-_5374269_, after I cautioned him/~~her~~ to declare the truth and that he/~~she~~ would be subject to penalties laid down by law if he/~~she~~ does not do so, confirmed the accuracy of his/~~her~~ above declaration and signed it in my presence.

Date: August 22, 2017 Name and Signature of advocate: Adv. Livnat Ein-Shay Wilder

Adv. Livnat Ein-Shay Wilder

²⁰ "An "Independent Director" – An external director or an individual serving as a director, who fulfills the following terms: (1) They fulfill the competency terms for the nomination of an external director according to chapter 240 (b) to (h) of the companies Law and the Audit Committee has confirmed it; (2) They do not serve as a director in the bank for more than 9 consecutive years (Companies Law, section 1)

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) [of the Banking Ordinance]

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection.

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holder; and a party controlled by any of them.

Prof. Haim LEVY- Hebrew
University, Jerusalem



Prof. Haim Levy was born in Jerusalem, 1939, married + 4 children.

He graduated as a B.A. in Economics and Statistics in 1963 and M.A. in Statistics and Business Administration in 1966. Received his PhD in 1969 – in Economics and Business Administration and has been promoted to Full Professor at the Hebrew University in 1976.

Served as a Guest Professor in many universities abroad, among them the Berkeley University in California and the Wharton School of Business Administration.

Dean at the Hebrew University 1973 – 1975

Dean at the Ramat Gan College, 2007 – 2012

Ever since his days as a student he has published papers in the leading newspapers in the world on financial economics and has to date published 19 books and hundreds of articles, among them papers he wrote with two Nobel Prize winners (Markowitz and Samuelson). He has developed a new field in Financial Economics, which is called *Stochastic Dominance*, and is being used as a foundation stone in the decision making process under conditions of uncertainty. This unique development has gained many implementations in economics, agriculture, medicine and other areas. He has also developed economic models for risks management and especially models for decreasing the risks of investments by international diversification and mergers.

His scientific achievements in the area of Financial Economics have won him a worldwide leading position in this area. In an article published in the international press, where 25 years of papers from all the Financial Economics community members in the world have been reviewed, he came out as the most prolific researcher **in the world** in this area. Two Nobel Prize winners in Economics for 1990 indicated that their work is leaning to a great extent on Professor Levy's pioneering work.

He has won many prizes, among others, the Prize for Scientific Excellence awarded by the Hebrew University in 1996, the EMET prize in 2006 (under the Prime Minister's patronage) and the Israel Prize in Business Administration, in 2014.

As an appreciation for his scientific achievements and for his contributions to the area of financial economics, a conference was held in his honor in London in 2005, on the subject which he is considered to be its founder, *Stochastic Dominance*. In 2016 a similar conference was held in his honor in Cambridge.

He served as an economic adviser to the Bank of Israel, to the Ministry of Finance, the Ministry of Commerce and Industry, the Ministry of Energy and other government ministries. In 2014 he was appointed to be the Chairman of the Public Committee discussing the wages of the Knesset members. In view of his expertise in the connection between performances and remuneration, he was asked by Bank Hapoalim to provide recommendation regarding the appropriate remuneration to the Chairperson and the CEO of Bank Hapoalim. He justified his recommendation to the plenum of the Board of Directors. He served as a member in the Board of Directors of the mutual funds of Bank Leumi ("Pia"), Menorah (Emda") and also as the Chairman of the mutual funds of the Bank Mizrahi for 6 years (2006 – 2012).

In 2014 he has been appointed to be a Director at the Bank Leumi.

Following are several additions:

- Ranked #64 in the Nobel list in Economics; Nobel list: publications 1969 – 2000.
- Ranked as the most prolific researcher in Finance in the World, based on Publications in 16 core journals in Finance during the half century (years 1953-2002). Appears in Philip Cooley and Jean Heck "Prolific Authors in Finance Literature: A Half Century Contribution", *Journal of Finance Literature*, winter 2005.
- Ranked as the most prolific researcher in the World in Finance during the Years 1945-1986. Appeared in *Financial Management*, autumn 1988
- Conference on "Testing Stochastic Dominance Restrictions" In the honor of the contributions of HAIM LEVY to Finance, London 2005. In 2016 such conference has been organized in the University of Cambridge.
- Ranked as the most cited in Richard Brealy and Helen Edwards, A Bibliography of Finance Cambridge, MA: The MIT Press 1991 (*The Journal of Finance*, June 1991)
- Among the top 100 researchers ranked by their citations (#47) in JF, JFQA, and JFE during the period 1974-1998 (out of 12,637 researchers who have published in these Journals). Appeared in "Citations in the Financial Literature: Evidence and Interpretation," by K.H. Chung, R.A.K. Cox and J. Mitchell, working paper, State University of Buffalo and Central Michigan 2000.

Appendix A

Declaration to serve as an External Director or ED of Bank Leumi Le-Israel Ltd

I, the undersigned Zipporah Samet , ID Number 008962581, from **29 Even Shmuel Str., Jerusalem 9723498**,

make this declaration as a candidate for election to serve as an External Director as defined in the Companies Law, 5759-1999 (hereinafter: "**The Companies Law**") (an "**ED**") and/or who also meets the conditions for the qualification of an External Director in accordance with Directive 301 of the Proper Banking Management Directives) ("**External Director**") in Bank Leumi le-Israel B.M. ("**The Bank**"), after being warned that I have to declare the truth and that I will be subject to the penalties as stated in the Law if I don't do that, as following:

10. Personal Details

- 10.1. Name: Zipporah Samet
- 10.2. ID: 008962581
- 10.3. Date of Birth: March 5, 1946
- 10.4. Address for service of legal documents: 29 Even Shmuel str., Jerusalem 9723498
- 10.5. Citizenship: Israeli
- 10.6. Residency: Israel
- 10.7. Are you a relative of a stakeholder²¹ in the Bank (If so – please indicate details):
No.

11. **I am not** an employee of the Bank, a subsidiary of the Bank, an affiliate company, or of a stakeholder in the Bank.
-
-

12. Qualifications

I have the qualifications that are required for service as a Director of the Bank and in particular, I have education, knowledge, experience or expertise in one or more of the following fields: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology or any other field approved by the supervisor of Banks , and I am able to dedicate the appropriate time to fulfill the position of a Director of the Bank, taking note of, *inter alia*, the scope of the Bank's activity and of its size.

²¹Stakeholder – A person holding 5% or more of the issued share capital of the corporation or of the voting power in it, a person authorized to appoint one or more of the directors in the corporation, or its General Manager, a person serving as a director in the corporation or as its General Manager, or a corporation that such a person holds 25% or more of its issued capital or its voting power, or is authorized to appoint 25% or more of its directors, for the purpose of this paragraph, will be seen manager of common investments fund in trust, as a holder of securities included in the fund's assets. If the securities are held via a trustee, then the trustee too will be seen as holder of the said securities. For this purpose: "Trustee" – except for a registration company and except for those who held the securities only as part of their role as a trustee in a settlement as defined in section 46(a)(2)(h) of the Securities Law 5728-1968, or as a trustee for the allocation of shares to employees as defined in section 102 of the Income Tax Ordinance. Also, a subsidiary of a corporation, except for a Registration Company.

My said qualifications are as follows²²: (*education, qualification, experience*):

3.1 Education:

| Degree / Academic Diploma | Profession / Major | Academic Institution |
|---------------------------|---------------------------|----------------------|
| B.A. | Economics and Mathematics | Hebrew University |
| M.A. | Economics | Hebrew University |
| | | |
| | | |
| | | |
| | | |

3.2 Professional Certificates:

- 3.3 Main occupations in the **last five years**, with details on corporations where serving as director (please specify the number of years in each position)²³:
- 2003 – Owner, Chairperson and CEO Merav Yaniv Financial Consulting Ltd**
2012 – 2013 Chairperson Bioplasmer Ltd, since 2013, member of the Board of Directors
2005 – 2014 – Shachar Hadash Group Ltd, member of the Board of Directors
2009 – 2015 – Africa-Israel Investments Ltd., member of the Board of Directors
2011 – 2017 – Bank Leumi Le-Israel, member of the Board of Directors

- 3.4 Considering my education, experience, past and current employment, and my skills, I have professional qualification, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:
- In addition to my academic education, I have taught economics in universities for 12 years, I have served as a senior economist at the Banking Supervision Department for 12 years, I was the Head of the Capital Market, Insurance and Savings at the Ministry of Finance in 1998 – 2002, I served as a Director in**

²² The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

²³ The candidate must attach to this annex his CV including at least details of his education and occupation in the last 5 years as required

many companies, among them, Bank Discount, Bank Leumi, Africa-Israel and more.

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

- 3.5 Considering my education, experience, past and current employment, and my skills, I have accounting and financial expertise, as defined below, on the basis of what has been specified above (comment: the Board of Directors shall assess the professional qualification of the candidate to serve as a director). The following are additional details beyond those stated in section 3.3 above, which are relevant to the matter of my education and experience, which indicate that the conditions and tests for my qualification are met:

In all the Boards of Directors where I have served, I have been recognized as an expert in accounting and finance. I am also known at the Banking Supervision Department as having banking experience.

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

For the purpose of the above provisions of this section:

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

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

“Director with accounting and financial expertise” shall mean a person who, in the view of the Board of Directors meets the following conditions: a director who due to his education, experience and skills, possesses a high level of expertise and understanding in the business-accounting matters and financial statements, in a manner that allows him to understand in detail the Bank's financial statements and to raise a discussion with respect to the manner in which the financial data is presented. In assessing the accounting and financial expertise, the Board of Directors will take the following considerations into account, inter alia: the director's education, experience, and knowledge of the following subjects:

- (1) Accounting and audit issues typical to the banking sector and to companies of the size and complexity of the Bank;
- (2) The tasks of the external auditor, and the duties imposed on him;

- (3) The procedures for preparing financial statements and their approval according to the Securities Law, 5728-1968 and the Companies Law.
- 3.6 A director that believes he does not possess an accounting and financial expertise, is required to state whether he has the capability to read and understand financial reports – yes/ No [delete the unwanted].
- 3.7 Considering my education, experience, past and current employment, and my skills, I have, to the best of my understanding, "banking experience"²⁴ Yes/ ~~No~~ [delete the unwanted]
4. During the past five years, I have not been convicted in any Peremptory ruling of any of the offences described below, as determined in section 226 of the Companies Law:
- 4.1 Offences under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Code, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law.
- 4.2 A conviction by a court outside of Israel of the offences of bribery, deceit, offences by manager of a corporate body or offences involving misuse of inside information.
- 4.3 A conviction by a court regarding any other offence, in relation to which the court holds that due to the substance, severity or circumstances of such offence, I am not fit to serve as a director of a public company.
5. No enforcement measures have been imposed upon me, by an administrative enforcement committee²⁵ which prohibit me from serving as a director of a public company.
6. I am not a minor, nor am I legally incompetent, nor have I been declared bankrupt²⁶
7. My roles or other occupations do not create or may create a conflict of interests with my service as a director in the Bank and they will not impair my ability to serve as a director in the bank.
8. I meet all the conditions for holding the position of a director in a banking corporation without a controlling core, in accordance with the provisions of the Banking Ordinance, including the following:
- 8.1 Neither I nor my relatives hold any sort of control in the bank, or in a corporation which is controlled by the bank, or in a "substantial holder", except for holding tradable shares in a percentage not exceeding one fourth of a percent of the issued and paid-up capital of any of them.
~~Yes~~/No [delete the unwanted]

²⁴ As required by "Proper Conduct of Banking Business", directive 301.

²⁵ A committee appointed pursuant to section 52FF(a) of the Securities Law, 5728-1968.

²⁶ As long as I was not discharged

Specify:

8.2

8.2.1 I, or parties who have a "close association" with me **do have**, from the date of the appointment and onward or in the two years preceding the date of the appointment, a connection to the Bank or to a corporation controlled by the Bank, to an officer of the Bank or to a "substantial holder" (It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection).

~~Yes/No~~ [delete the unwanted]

Specify:

8.2.2 From the date of the appointment and onwards **I have** a connection to a relative of an office holder in the Bank, to a relative of a "substantial holder", or to a partner of a "substantial holder"; It is hereby clarified that service as a director of the Bank of a candidate for an additional term will not be considered to be a connection.

~~Yes/No~~ (delete the unnecessary)

Specify:

8.3 **I do not have** a business or professional association with the Bank or with a corporation controlled by the Bank or with an officer of the Bank, or with a "substantial holder" who nominated me as a candidate for service as a director of the Bank, even if such association is not general, and neither does any party who has a "close association" with me.

~~Yes/No~~ [delete the unwanted]

Specify:

8.4 A director whose candidacy was suggested by the Committee for the Appointment of Directors pursuant to Section 11D(A)(1) of the Banking Ordinance ("the **Committee**") hereby further declares that:

8.4.1 **I do not have** a connection to a member of the Committee at the time of the appointment;

8.4.2 I am not a Minister, Deputy Minister or Member of the Knesset, nor do I have a personal, business or political connection to a Minister, Deputy

Minister, nor am I a public servant or an employee of a legally established corporation;

- 8.4.3 I have not been convicted of any offense which, due to its substance, severity or circumstances, renders me not fit to serve in the position and no criminal charges outstanding against me relating to such an offense is pending;

Please specify, as required:

I have served several times as a member in the Committee to Appoint Directors on behalf of Bank Leumi, two of the committee members are serving in the Board of Directors of the bank in which I served.

For the purpose of section 8 above:

“**Close Association**” – the relationship between a person and his relative, partner, employer, or a relationship with a direct or indirect superior, or with a corporation in which he is the controlling shareholder;

“**Connection**” – labor relationship, business or professional association generally, other than negligible association, and service as an office holder, although a retail business association between a corporation and a customer will not be considered to be a connection;

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

“**Office-Holder**” – as defined in the Companies Law, and any other employee directly subject to an office-holder.

9. I do not serve as a Director in another company ("**The Second Company**") in which one of the Directors of the Bank serves as an external Director.
10. If during my service as an External Director or ED in Bank, it turns out that I am not allowed by law to serve as an Office Holder in the Second Company, then I will resign from my office at the Second Company in order to continue serving as an External Director or ED in the Bank.
11. I am not an employee of the Israel Securities Authority or by the Stock Exchange in Israel.
12. As far as I understand, I fulfill the terms for classifying me as an independent director²⁷. Yes/No [Delete the unwanted]

²⁷ "An "Independent Director" – An external director or an individual serving as a director, who fulfills the following terms: (1) They fulfill the competency terms for the nomination of an external director according to chapter 240 (b) to (h) of the

13. I hereby declare that there is nothing to prevent or limit my being appointed as a Director of the Bank, including, among others, in accordance with Directive 301 of the Proper Banking Business Directives, Banking Ordinance 1941, Banking Law (License), 5741– 1981, and/or in accordance with any law, including, among others, due to positions in other organizations in which I serve.
14. The Bank has informed me about all details regarding Directors' salary as customary in the Bank and I agree and accept them.
15. I hereby undertake to notify the Bank's Secretariat immediately if any change takes place with respect to my eligibility to serve as an External Director or as an ED at the Bank.
16. I am aware of the fact that if one of the required conditions for my service as an External Director or an ED of the Bank ceases to be fulfilled, my service will expire when I notify the Bank as per the above.
17. This is my name, this is my signature and the content of my above declaration is the truth.

Date: August 14, 2017

Signature of Declarant: **Zipporah Samet**

Confirmation

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

Date: August 14, 2017

Name and Signature of advocate: Adv. David Sackstein

Adv. David Sackstein

ID 320611353

License No. 29797

Conditions for Service as a Director in a Bank
Without a Controlling Core

Sections 11E (b) – (e) [of the Banking Ordinance]

(b) (1) No person regarding whom one of the following is true may be appointed or serve as a director in a bank without a controlling core:

(a) They or their relatives hold any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of traded shares, in a percentage that does not exceed one quarter of one percent of the issued and paid-up capital of any of these;

(b) Persons who in the two years preceding the date of the appointment or from the date of the appointment and afterward, have, or persons to whom they are closely associated, have a connection to the banking corporation or to a corporation controlled by the banking corporation, to an office-holder of the banking corporation or to a substantial holder; or persons who, from the date of the appointment and onward have a connection to relatives of an office-holder in the banking corporation, relatives of a substantial holder or partners of a substantial holder; for this purpose, service as a director of a banking corporation without a controlling core by a candidate for an additional such term will not be considered to be a connection.

(2) Without derogating from the provisions of paragraph (1)(b), an individual may not serve as a director if they, or a person with whom they have a close association have business or professional ties with the banking corporation or with a corporation under the control of the banking corporation, with an office-holder in the banking corporation, or with a substantial holder who nominated that candidate to serve as a director, even if such ties are not ongoing, other than negligible ties;

(3) Without derogating from the provisions of paragraph (1) and (2), no person may be appointed as or may serve as a director, if they were nominated by the Committee pursuant to section 11D(a)(1), if one of the following are true with regard to them:

(a) They have a connection to a member of the Committee at the time of the appointment;

(b) Any matter described in section 36B(b)(3) of the Banking Law (Licensing) is true with regard to them;

(c) They have been convicted of an offense which due to its nature, severity or circumstances, they are rendered unfit to serve in the position, or if there is an indictment regarding such an offense pending against them;

(d) Any matter described in section 240(c) of the Companies Law is true with regard to them;

(4) A director who has been nominated by the Committee pursuant to section 11D(a)(1) shall have professional qualifications or accounting or financial expertise, in accordance with the provisions of section 240(a1) of the Companies Law.

(c) Notwithstanding the provisions of sub-section (b), directors who serve in a banking corporation just prior to its becoming a banking corporation without a controlling core may continue to serve until the end of their term of office even if they do not meet all the conditions established in the said sub-section, but not more than three years from the date on which the banking corporation became a banking corporation without a controlling core, whichever is earliest.

(c1) The Supervisor of Banks may approve the appointment or service as a director of persons who during the two years preceding the date of their appointment or after their appointment have, or persons to whom they are closely associated, have a connection to a substantial holder or to the partner of a substantial holder, even if such connection is not a negligible connection, if the Supervisor sees that under the circumstances, this connection does not give rise to a concern regarding a conflict of interests in the terms of the service.

(d) The provisions of this section will prevail over any contrary provision in the law.

(e) In this section –

“General meeting” “Special meeting” and “Annual Meeting” – as defined in the Companies Law;

“Close association” – as defined in section 36b(a) of the Banking Law (Licensing);

“Connection” – The existence of an employment relationship, the existence of ongoing business or professional ties – other than negligible ties, and service as an office-holder, although retail business ties between a corporation and a customer will not be considered to be a connection.

“Substantial holder” – A party holding more than two and one half percent of a particular type of means of control in the banking corporation; a party controlling such a holder, or who is controlled by any of these; a member of an association of holders as defined in section 11D(a)(3)(b); a person who controls a member of such an association of holder; and a party controlled by any of them.

Curriculum Vitae

Name: Zipporah Samet
 Address: 29 Even Shmuel str., Jerusalem 9723498
 Tel: 02-5667595
 Fax: 02-5860383
 Cell: 052-2711041
 E-mail: tsippis@gmil.com

Mother to four.

Professional Experience:

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| 1975-1983 | Teaching in the departments of Economics at the Hebrew University Jerusalem, at the Bar Ilan University in Ramat Gan and at the Queens College, New York. |
| 1983-1995 | Senior economist in the Research Unit of the Banking Supervision Department, Bank of Israel, Head of Costing, Follow-up and Control Team. |
| 1988-1989 | Coordinator of the Team to Review the Supervision in the Capital Market System |
| 1995-1997 | Senior Deputy to the Head of the Capital Market, Insurance and Savings in the Ministry of Finance. In charge of the field of the Capital Market, Capital Raising by the Government and of the Pension Section. |
| 1998-2002 | Head of the Capital Market, Insurance and Savings at the Ministry of Finance. |
| 2002-2003 | CEO, The Edmond Benjamin de Rothschild Caesarea Center for the Capital Market and Risk Management – Interdisciplinary Center Herzliya |
| 2005-2007 | President – Adif College for Insurance, Pension and Financial Studies |
| 2006-2007 | Consultant to Bank Leumi on the implementation of a Pension Advisory System. |

Boards of Directors:

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| 1996-1998 | Member of the management of the Securities Authority. |
| 1998-2002 | Member of the Board of Directors of M.I. Assets. |
| 2003-2010 | Chairperson of the Investments Committee, Avner Motor Vehicle Accident Victims Insurance Association. |
| 2003-2009 | Member of the Board of Directors (External Director) Bank Discount of Israel Ltd. (Chairperson of the Audit Committee). |
| 2003-2006 | Member of the Board of Directors (External Director) Hazera Genetics Ltd. |
| 2003-2004 | Member of the Board of Directors (External Director) Menora Gaon Capital Markets Ltd. |

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| 2004-2010 | Member of the Board of Directors (External Director) Menora- Mivtachim Pension Ltd. (Chairperson of the Audit Committee). |
| 2004-2010 | Member of the Board of Directors (External Director) Menora- Kupat Gemel Ltd. (Chairperson of the Audit Committee). |
| 2007-2012 | Member of the Board of Directors (External Director) Ophir Optronics Ltd. (Chairperson of the Audit Committee). |
| 2011-2012 | Chairperson of Capital, The Israeli Company for locating money |
| 2012-2013 | Chairperson Bioplasmer Ltd. up to 2013 and since then, member of the Board of Directors. |
| 2009-2015 | Shachar Hadash Group (Chairperson of the Audit Committee) |
| 2009-2015 | Member of the Board of Directors (External Director) Africa-Israel Investments (Chairperson of the Audit Committee) |
| 2011-2017 | Member of the Board of Directors (External Director) Bank Leumi Le-Israel Ltd., (Chairperson of the Audit Committee and since 2017, Chairperson of the Remuneration Committee) |
| 2012-2016 | In some of the years, member of the Committee to Appoint Directors in Bank Leumi. |

Present Tenure:

2003 – Owner and CEO of Merav Yaniv Financial Consulting Ltd

- 2012 Member of the Board of Directors Bioplasmer Ltd

Volunteer Work

Serves as a volunteer on various committees of the Civil Service Commission

Chairperson of the Or-Ad Association for the Diagnosis and Treatment of Dementia in elderly patients.

Member of the Board of Trustees of the Bait Ham Association

Education:

- B.A. Economics and Mathematics - The Hebrew University in Jerusalem.
- M.A. in economics (cum laude), The Hebrew University in Jerusalem.
- Research student (PhD) in The Hebrew University in Jerusalem under the guidance of Professor Menahem Yaari. The obligatory part of the PhD has been completed, but the thesis remains to be finished.

Publications:

1. The Israeli Banking System – annual survey; Banking Supervision Department, Bank of Israel. Author of a number of chapters in the years 1983-1998.
2. “Profit and Loss Statement adjusted for inflation”- with Yair Haim. The Banking Quarterly No. 16 (Feb. 1989).
3. “Analysis of the gap in interest rates in the non-linked shekel sector of the Banking System in Israel, July 1984 to May 1997,” with D. Geva and D. Rotenberg, Banking Issues No. 7 (March 1988).
4. “Policy of control on Banking Fees.” - The Banking Quarterly 116 (July 1991).
5. “Structure of the Banking System in Israel, degree of competition within it, and their influence on the financial margin in the non-linked shekel sector” – with Riki Elias. Banking Issues No. 12 (Nov. 1994).
6. “The Development of Competition in the Banking Sector and Capital Markets in Israel.” - with Riki Elias. The Banking Quarterly 128 (Aug. 1994).

Bank Leumi Le-Israel Ltd.

Voting paper pursuant to the Companies Regulations (Voting in writing and Position Notices), 2005 (hereinafter: "the Regulations") for the Special General Meeting that will convene on October 3, 2017

First Part

4. **Name of the Company:** Bank Leumi Le-Israel Ltd. ("the Bank").
5. **Type, date and location of the General Meeting:** Special General Meeting of the Bank. The Special General Meeting shall convene on Tuesday, October 3, 2017, at 2:00 p.m., at the Bank's offices in Beit Lin, 35 Yehuda HaLevi Street, Tel Aviv. If the Meeting is postponed, it shall be held on October 16, 2017, at the same place at the same time.
6. **Details of the items on the Agenda of the General Meeting, on which it will be possible to vote by means of a voting paper:**
 - 6.1. **Item No. 2 on the agenda – Re-appointment of the accounting firms, Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasirer (EY), as joint auditors of the Bank and the authorization of the Board of Directors of the Bank to determine their fees and the report on their fees.**

For further details in connection with the re-appointment of the joint auditors of the Bank, see Item 1.2 of the Immediate Report regarding the convening of the Annual General Meeting attached to this voting paper (hereinafter: "the Immediate Report")

Proposed resolution:

To re-appoint the accounting firms, Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasirer (EY), as joint auditors of the Bank for a period commencing the date of the approval of the current annual general meeting until the end of the next annual general meeting of the Bank, and to authorize the Board of Directors of the Bank to determine their fees.

- 6.2. **Items 3 and 4 on the Agenda – The appointment of one director with the status of "other director" to the Board of Directors of the Bank**

In this General Meeting, one (1) director with the status of "other director" (a director who is not an external director as stated in Section 11D(a)(2) of the Banking Ordinance 1941 (hereinafter: "the Banking Ordinance", "a Director with the Status of "Other Director")) is standing for election for a term of three years, from among the candidates who were proposed by the Committee for the Appointment of Directors in Banking Corporations, which was appointed under Section 36A of the Banking Law (Licensing), 5741-1981 (hereinafter: "the Banking Law"), and in accordance with the provisions of Sections 11D(a)(1) and (2) of the Banking Ordinance (hereinafter: "the Committee for the Appointment of Directors"). The candidates who were proposed by the Committee for the Appointment of Directors are as follows:

3.2.1 Dr. Samer Haj Yehia – an incumbent director whose first term of office finishes on September 29, 2017 and is a candidate for re-election.

3.2.1 Dr. David Zvilichovsky

For further details in connection with the appointment of the directors to the Board of Directors of the Bank, Items 3 and 4 on the agenda of the Meeting, see Items 1.3 and 2.1 to the Immediate Report.

The voting on each director shall be carried out separately. The participants in the election may vote for any of the candidates to serve as director.

Details regarding the candidates for election, to the best of the Bank's knowledge:

With regard to Item no. 3 of the Agenda, - Election of Dr. Samer Haj Yehia as director with the status of "Other Director"

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| Name of the Candidate | Samer Haj Yehia |
| ID Number | 024770364 |
| Date of Birth | September 28, 1969 |
| Address for serving court documents | Leumi House, 34, Yehuda HaLevi Street, Tel Aviv, 6513616 |
| Citizenship | Israeli and American |
| Membership on the Committees of the Board of Directors | Member of the following committees: Credit, Prospectuses, Investments, Strategy and the Committee for Monitoring The Implementation of the Strum Law. |
| External Director as defined by the Companies Law / External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives | No |
| Independent Director as defined by the Companies Law | No |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |
| Date on which he began to serve as director | September 30, 2014 |
| Education / professional certifications | As per the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | As per the curriculum vitae attached to this report |

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| A relative of another interested party in the corporation | No |
| Does he possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | Yes |

Proposed Resolution:

To appoint Dr. Samer Haj Yehia as a director with the status of "other director" for a period of 3 years, subject to the approval of the Supervisor of Banks, or her non-objection, and with effect from the date of receiving the approval of absence of objection, as aforesaid.

Regarding Item No. 4 on the Agenda – Election of Dr. David Zvilichovsky as director with the status of "Other Director"

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| Name of the Candidate | David Zvilichovsky |
| ID Number | 057056426 |
| Date of Birth | August, 31, 1961 |
| Address for serving court documents | 1, HaBanim Street, Ramat HaSharon, 47216 |
| Citizenship | Israeli |
| Membership on the Committees of the Board of Directors | No |
| External Director as defined by the Companies Law / External Director pursuant to Directive 301 of the Proper Conduct of Banking Business Directives | No |
| Independent Director as defined by the Companies Law | No |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |
| Date on which he began to serve as director | - |
| Education / professional certifications | As per the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | As per the curriculum vitae attached to this report |

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| A relative of another interested party in the corporation | No. |
| Does he possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | See in accordance with the candidate declaration, subject to election by the annual General Meeting, subject to the approval or non-objection of the Supervisor of Banks and subject to the Bank Board of Directors. |

Proposed Resolution:

To appoint Dr. David Zvilichovsky as a director with the status of "other director" for a period of 3 years, subject to the approval of the Supervisor of Banks, or her non-objection, and with effect from the date of receiving the approval of absence of objection, as aforesaid.

6.3. Items 5 and 6 on the Agenda –Appointment of an external director (pursuant to Regulation 301) to the Board of Directors of the Bank

In this General Meeting, one (1) director is standing for election, in accordance with the provisions of Regulation 301 of Proper Conduct of Banking Business Directives of the Supervisor of Banks (hereinafter "**External Director**", "**Regulation 301**"), for a term of three years, from among the candidates that were proposed by the Committee for the Appointment of Directors, as follows:

- 3.3.1 Professor Haim Levi – Incumbent External Director whose first term of office finishes on October 31, 2017 and a candidate for re-election;
- 3.3.2 Ms. Zipporah Samet – Director whose second term of office as External Director ("**E.D.**") pursuant to the provisions of the Companies Law finished on August 17 2017²⁸, and a candidate for re-election as External Director who also meets the E.D. eligibility conditions.

The Committee for the Appointment of Directors announced, in its letters to the Bank dated August 14, 2017, that Ms. Zipporah Samet is a candidate for election at the forthcoming annual general meeting of the Bank with the status of External Director pursuant to Regulation 301 under an individual arrangement, which received the approval of the Justice Ministry (in coordination with The Corporations Department in the Securities Authority), the Bank of Israel and Ms. Samet, as follows: If Ms. Samet is elected to office as a director in the Bank, the following conditions shall apply: 1) The Bank will undertake that Ms. Samet shall serve in the Audit Committee and the Remuneration Committee of the Bank, 2) Ms. Samet will not be appointed Chairman of the Board of Directors during her term of office; 3) The Supervisor will not permit the transfer of the director from her term of office pursuant to Clause 24 to Regulation 301 in those cases where it is not possible to do this in relation to an external director appointed pursuant

²⁸ For further details, see Immediate Report on the subject of a senior office-holder who ceased to serve in his position which was published by the Bank on August 20, 2017 (Ref. no. 2017-01-071932).

to the Companies Law; 4) the term of office of Ms Samet will be considered a third and last term of office permitted pursuant to Section 245(a) to the Companies Law.

For further details in connection with the appointment of the directors to the Board of Directors of the Bank on Items 5 and 6 on the Agenda of the Meeting – see Items 1.4 and 2.1 to the Immediate Report.

The voting on each director shall be carried out separately. The participants in the election may vote for any of the candidates to serve as director.

The following are the details regarding the candidates for election, to the best of the Bank's knowledge:

Regarding Item No. 5 on the Agenda – The Election of Professor Haim Levy as External Director

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| Name of the Candidate | Haim Levy |
| ID Number | 005374269 |
| Date of Birth | April 1, 1939 |
| Address for serving court documents | Leumi House, 34, Yehuda HaLevi Street, Tel Aviv, 6513616 |
| Citizenship | Israeli |
| Membership on the Committees of the Board of Directors | Member of the following committees: Remuneration, Risk Management, Investments, Strategy, Digital Banking and Prospectuses |
| External Director as defined by the Companies Law / an External Director under Directive 301 of the Proper Conduct of Banking Business Directives | External Director pursuant to Regulation 301 of the Proper Conduct of Banking Business Directives |
| Independent Director as defined by the Companies Law | Yes |
| An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank | No |
| Date on which he began to serve as director | November 1, 2014 |
| Education / professional certifications | As per the curriculum vitae attached to this report |
| Employment over the past five years and a breakdown of the corporations in which he served as director | As per the curriculum vitae attached to this report |
| A relative of another interested party in the corporation | No |

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| Does she possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law | Yes |
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Resolutions of the Audit Committee

On August 14, 2017, the Audit Committee approved, on the basis of facts that were presented to it and on the basis of the candidate's declarations, that the circumstances set forth below in relation to him and/or to whoever is in a close relationship with him, do not constitute an interest pursuant to the Banking Ordinance and subject to the position of the Banking Supervision Department, or alternatively, that they constitute, at most, negligible interests. In addition, and following a discussion, the Audit Committee resolved that the circumstances set forth below, do not constitute an interest pursuant to Section 240(b) of the Companies Law as well, or alternatively, that they constitute, at most, negligible interests, pursuant to the Companies Regulations (Matters Not Constituting an Interest), 5767-2006 (hereinafter "**the Negligible Interests Regulations**").

- a. Relationships of retail service provider –customer in the normal course of business, which can and do include the management of a current account and securities, credit facility and/or credit, management of investment portfolios, investment in provident funds and/or other financial products, in the Bank, in a company controlled by the Bank or a substantial shareholder of Bank Leumi.
- b. The term of office of the candidate as chairman of a public committee for determining the terms of employment of members of the Knesset and their assistants on behalf of the State of Israel, which is an interested party in the Bank. It should be noted that his term of office as chairman of the committee began before his appointment as director in the Bank.

Proposed Resolution

To appoint Mr. Haim Levy as a director as External Director, as defined in Proper Conduct of Banking Management Directive no. 301, for a period of 3 years, from the date of termination of the current term of office, December 31, 2017, subject to the receipt of the consent of the Supervisor of Banks, or her non-objection.

Regarding Item No. 6 on the Agenda –Election of Ms. Zipporah Samet as External Director who meets the E.D. eligibility conditions and in an individual arrangement (for details, see item 3.3.2 above)

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| Name of the Candidate | Zipporah Samet |
| ID Number | 008962581 |
| Date of Birth | March 5, 1946 |
| Address for serving court documents | Leumi House, 34, Yehuda HaLevi Street, Tel Aviv, 6513616 |
| Citizenship | Israeli |
| Membership on the Committees of the Board of Directors | Until the termination date of her term of office as a director in the Bank (August 17, |

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| | <p>2017), served as Chairman of the Remuneration Committee and member of the Audit, Risk Management and Resources committees.</p> <p>In accordance with the individual arrangement, Ms. Samet will serve, as long as she is elected at this meeting, as a member of the Audit Committee and Remuneration Committee.</p> |
| <p>External Director as defined by the Companies Law / an External Director under Directive 301 of the Proper Conduct of Banking Business Directives</p> | <p>Until the termination date of her term of office as a director in the Bank, Ms. Samet served as E.D. as defined in the Companies Law and is a candidate for re-election as External Director pursuant to Regulation 301 to the Proper Conduct of Banking Business Directives who also meets the E.D. eligibility conditions and an individual arrangement (for details, see Item 3.3.3 above).</p> |
| <p>Independent Director as defined by the Companies Law</p> | <p>Until the termination of the term of office as a director in the Bank, defined as an independent director.</p> |
| <p>An employee of the Bank, subsidiary, affiliated company or an interested party in the Bank</p> | <p>No</p> |
| <p>Date on which she began to serve as director</p> | <p>On July 25, 2011, Ms. Samet began to serve as E.D. in the Bank. The period of the first term of office finished on July 25, 2014. On August 18, 2014, Ms. Samet commenced the second term of office as E.D. in the Bank, which finished on August 17, 2017.</p> |
| <p>Education / professional certifications</p> | <p>As per the curriculum vitae attached to this report</p> |
| <p>Employment over the past five years and a breakdown of the corporations in which she served as director</p> | <p>As per the curriculum vitae attached to this report</p> |
| <p>A relative of another interested party in the corporation</p> | <p>No</p> |
| <p>Does she possess accounting and financial expertise according to Section 92(a)(12) of the Companies Law</p> | <p>Ms. Samet was defined as a director with accounting and financial expertise pursuant to Section 92(a)(12) to the Companies Law in her term of office as E.D. in the Bank. The matter will be brought for the re-approval</p> |

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| | of the Board of Directors of the Bank if Ms. Samet is re-elected at the Meeting. |
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Resolutions of the Audit Committee

On August 23, 2017, the Audit Committee approved, on the basis of facts presented to it and on the basis of the candidate's declarations, that the circumstances set forth below in relation to her and/or whoever is in a close relationship with her, do not constitute an interest in accordance with the Banking Ordinance and subject to the position of the Banking Supervision Department, or alternatively, that they constitute, at most, negligible interests. In addition, and following a discussion, the Audit Committee resolved that the circumstances set forth below, do not constitute an interest pursuant to Section 240(b) of the Companies Law as well, or alternatively, that they constitute, at most, negligible interests, in accordance with the Negligible Interests Regulations.

Relationships of retail service provider –customer in the normal course of business, which can and do include management of a current account and securities, credit facility and/or credit, management of investment portfolio, investment in provident funds and/or other financial products, in the Bank or a substantial shareholder of Bank Leumi.

Proposed resolution:

To appoint Ms. Zipporah Samet as a director with the status of an external director, as defined in Proper Conduct of Banking Business Directive no. 301, who also meets the E.D. eligibility conditions and under an individual arrangement as set forth in Item 3.3.2 of this voting paper, for a period of 3 years.

The commencement date of the term of office will be after receipt of the consent of the Supervisor of Banks or her non-objection, and not before November 1, 2017.

7. Place and time for inspecting full version of proposed resolutions

The documents concerning the resolutions on the Agenda of the General Meeting may be inspected at the Bank's registered office, Beit Leumi, 34 Yehuda HaLevi St. (11th floor), Tel Aviv, Tel.: 076-8859419, Sunday-Thursday, between 8:00 a.m. and 3:00 p.m., as well as on the distribution site of the Securities Authority and the website of the Tel Aviv Stock Exchange Ltd., at the addresses specified in Item 11 below.

8. Required majority for passing resolutions in the Meeting on items that can be voted upon by means of a voting paper

5.1 The required majority for passing each of the resolutions on the subjects of Items 2 to 5 on the agenda, regarding the re-appointment of the accounting firms, Somekh Chaikin (KPMG) and Kost Forer Gabbay & Kasirer (EY) as joint auditors of the Bank, the election of a director with the status of "Other Director" and the election of Mr. Haim Levy (who served as External Director in the Bank until October 31, 2017) as External Director pursuant to Regulation 301 is an "ordinary majority" of the total votes of the shareholders who are authorized to vote and who have voted in person or through representatives. The counting of the votes of the participants in the voting shall not take abstentions into consideration.

5.2 As stipulated in Section 239(b) of the Companies Law, and taking note of the fact that the Bank is a corporation without a controlling core, the majority required to pass resolutions on Item 6 on the Agenda, which concerns the appointment of Ms. Zipporah Samet (who served as E.D. in the Bank until August 17, 2017) as External Director pursuant to Regulation 301, who also meets the E.D. eligibility conditions and under an individual arrangement as set forth in Item 3.2.3 above, is an ordinary majority of the total voting rights of the shareholders who are authorized to vote and who voted in person, providing that one of the following applies: (1) the majority vote count shall include a majority of those participating in the vote who do not have a personal interest in approval of the appointment, or (b) the total objecting votes among the shareholders specified in sub-section A above does not exceed 2% of the total voting rights in the Bank. The counting of the votes of the said shareholders shall not take abstentions into consideration.

5.3 Personal interest, interested party in the Bank, senior office-holder and institutional investor

- A. Section 267A(b)(1) of the Companies Law provides, inter alia, that *“the provisions of Section 276, mutatis mutandis, shall apply to anyone who has a personal interest”*. Section 276 of the Companies Law provides: *“a shareholder participating in a vote under Section 275 shall notify the company prior to the vote at a meeting, or, if the vote is by way of a voting paper – on the voting paper, whether or not he has a personal interest in the approval of the transaction; where a shareholder does not so notify, he may not vote and his vote will not be counted”*.
- B. It is clarified that Section 1 of the Companies Law stipulates that a personal interest is also *“a personal interest of a person who votes according to a power of attorney granted to him by another person even if the other person had no personal interest, and the vote of anyone granted power of attorney to vote on behalf of anyone who has a personal interest shall be considered the vote of the individual with a personal interest, whether or not the voter held discretion in the vote”*.
- C. Accordingly, the shareholder participating in a vote must notify the Bank before the vote in the Meeting or, if he is voting by means of a voting paper, on the voting paper, that he has a personal interest in the approval of the resolutions regarding Item No. 6 on the Agenda of the General Meeting -election of Ms. Zipporah Samet as External Director who also meets the E.D. eligibility conditions and under an individual arrangement as set forth in Item 3.3.2 above. **The vote of a shareholder who fails to provide said notice will not be considered as having voted for the purpose of this item and his vote shall not be counted.**
- D. In addition, a shareholder participating in the vote must notify the Bank before the vote at the Meeting or, if he is voting by means of a voting paper, on the voting paper, whether he has a personal interest in the Bank (as the term *“interested party”* is defined in Section 1 of the Securities Law, 5728-1968), is a senior office-holder in the Bank (as the term *“senior office-holder”* is defined in Section 37(d) of said law), an institutional entity as defined in Regulation 1 of the Supervision of Financial Services (Insurance) Law, 5741-1981, or a fund manager as defined in the Joint Investment in Trust Law, 5756-1994. If the participating shareholder is an interested party, a senior office-holder, an institutional entity or a fund manager, he must specify additional relationships between him and the Bank or senior office-holders in the Bank and the nature of these relationships. If the vote is according to a power of attorney, the said details shall be given to both the empowering person and the empowered person.

9. A voting paper shall only be valid if accompanied by the confirmation of ownership of the unregistered shareholder on the determining day (i.e. an individual who has the Bank's shares registered to his credit with a stock exchange member and those shares are included among the shares registered in the Register of Shareholders under the name of a registration company) (hereinafter: "**unregistered shareholder**") or if the said confirmation of ownership was sent to the Bank via the electronic voting system, and in the case of a shareholder registered in the Bank's Register of Shareholders, the voting paper shall only be valid when accompanied by a photocopy of an identity document, passport or certificate of incorporation. This voting paper must be furnished to the Bank, to the address specified in Item 8 below, along with the documents attached therein, as stated above, no later than four hours prior to the time the Meeting is convened, i.e. until 10:00 a.m. on Tuesday, October 3, 2017.
10. Time of adjournment of the electronic voting system – Unregistered shareholders may vote on all of the items on the Agenda of the General Meeting, via an electronic voting paper as well, which shall be transferred to the Bank via the electronic voting system. Voting will only be possible from the end of the determining date and up to 6 hours prior to the convening of the General Meeting, i.e. by 8:00 a.m. on Tuesday, October 3, 2017.
11. Address of the Bank for the depositing of voting papers and position notices: The Bank's registered office, Beit Leumi, 34 Yehuda HaLevi Street., Tel Aviv, 6513616, for the attention of the Bank Secretariat (11th floor).
12. Last date for furnishing position notices for the Bank: Until Sunday, September 24, 2017 (inclusive).
13. Last Date for furnishing the response of the Board of Directors to position notices: Until September 28, 2017 (inclusive).
14. Address of the distribution website of the Securities Authority and the website of the Tel Aviv Stock Exchange Ltd. ("the Stock Exchange"), where the voting papers and position notices may be found:
 - Distribution website of the Securities Authority: <http://www.magna.isa.gov.il/>
 - Notices website of the Stock Exchange: <http://maya.tase.co.il/>
15. An unregistered shareholder is entitled to receive a confirmation of ownership at the branch of the stock exchange member or via mail delivery, if he has requested it. A request in this regard shall be given, in advance, to a specific securities account. An unregistered shareholder may instruct that his confirmation of ownership be forwarded to the Bank via the electronic voting system.
16. An unregistered shareholder is entitled to receive, without consideration, a link to the text of the voting paper and the position notices on the distribution website of the Securities Authority, via e-mail from a stock exchange member through whom he holds his shares, unless he has notified the stock exchange member that he is not interested in receiving the said link, or that he is interested in receiving voting papers by mail for a fee; a notice regarding the voting papers will also apply to the receipt of position notices.
17. One or more of the shareholders, who on the determining date (Monday, September 4, 2017) holds rate constituting five percent or more of the total voting rights in the Bank, as well as one who holds the said rate of the total voting rights which are not held by the controlling owners of the Bank, as defined in Section 268 of the Companies Law ("controlling owner"), is entitled to inspect the voting

papers in person or via a proxy acting on his behalf, after the convening of the General Meeting, at the Bank's registered office, as specified in Regulation 10 of the Regulations.

The number of shares constituting 5% of the total voting rights in the Bank is: NIS 76,175,776 (as of September 28, 2017) par value of ordinary shares of the Bank.

18. Following publication of the voting paper, there may be changes in the Agenda and position notices may be published. In such a case, it will be possible to inspect the revised agenda and the position notices that will be published in the Bank's reports on the distribution website stated in Item 11 above.

A shareholder shall specify how he votes with regard to the items on the agenda in the second part of this voting paper.

Voting paper – Second Part

The Companies Regulations (Voting by Ballot and Position Notices), 5766-2005 (“the Regulations”)

Name of Company: Bank Leumi Le-Israel Ltd.

Address of Company (for depositing and delivering voting papers): Beit Leumi, 34 Yehuda HaLevi St., Tel Aviv, 6513616, 11th floor, for the attention of the Bank Secretariat.

Company no.: 52-001807-8

Date of meeting: Tuesday, October 3, 2017, at 2:00 p.m.

Type of meeting: Annual.

Determining date: Monday, September 4, 2017.

Details of shareholders

Name of shareholder – _____

Identity no. – _____

If the shareholder does not have an Israeli Identity Document –

Passport no. – _____

Country in which it was issued – _____

Valid until – _____

If the shareholder is a corporation –

Corporation No. – _____

Country of incorporation – _____

| <u>Voting Procedure</u> | | | | | |
|--|-------------------------------|---------|---------|--|----|
| Item number on the Agenda | Manner of voting ¹ | | | Regarding the appointment of an External Director (Section 239(b) or 245(a1) of the Companies Law) – Are you an interested party or have a personal interest in approval of the appointment ² ? | |
| | For | Against | Abstain | Yes | No |
| 2. Re-appointment of the accounting firms, Somekh Chaikin and Kost Forer Gabbay & Kasirer as joint auditors of the Bank and the authorization of the Board of Directors to determine their fees. | | | | | |
| 3. Election of a Director (with the status of Other Director) – Dr. Samer Haj Yihye | | | | | |
| 4. Election of a Director (with the status of Other Director) –Dr. David Zvilichovsky | | | | | |
| 5. Election of External Director pursuant to Regulation 301 – Professor Haim Levy | | | | | |
| 6. Election of External Director who also meets the E.D. eligibility conditions and under an individual arrangement as set forth in Item 3.3.2 to this Voting paper – Ms. Zipporah Samet | | | | | |

Details:

Are you an interested party, senior office-holder²⁹, fund manager³⁰ or an institutional investor³¹?

Yes _____ No _____.

If so, please specify in regards to additional relationships, between you and the Bank or senior office-holders in the Bank and the nature of the relationships:

Please specify your interest or other characteristic of yours as a shareholder or your personal interest, as applicable, in the approval of resolution 6, set forth above:

For shareholders who hold shares via a stock exchange member (pursuant to Section 177(1) of the Companies Law) – This voting paper is valid only when accompanied by a confirmation of ownership, excluding cases in which the vote is by means of the system.

For shareholders registered in the Bank’s Register of Shareholders – The voting paper is valid when accompanied by a photocopy of the identity document / passport / certificate of incorporation.

_____ Date

_____ Signature

* Specify accordingly in the designated lines below the table.

¹ Failure to mark a vote shall be deemed an abstention on that item.

² In the case of a shareholder who fails to complete this column or who marks "Yes" and does not specify, his vote will not be counted.

²⁹ As the term "senior office-holder" is defined in Section 37(D) of the Securities Law, 5728–1968.

³⁰ As defined in the Joint Investments Trust Law, 5754–1994.

³¹ As the term "Institutional Investor" is defined in Regulation 1 of the Companies Regulations (Voting in writing and Position Notices), 5766-2005

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

The original Hebrew version <http://www.magna.isa.gov.il/> is available on the distribution website of the Israel Securities Authority: