

## **Translation of Immediate Report**

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Public

**Bank Leumi Le-Israel B.M.**  
Registration No. 520018078  
Securities of the Corporation are listed on The Tel Aviv Stock Exchange  
Abbreviated Name: Leumi  
3 Abba Hillel Silver St. Lod 7129404  
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732  
Electronic Mail: David\_S@bll.co.il

May 5, 2024  
Reference: 2024-01-043501

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

### **Immediate Report**

Nature of Event: *Advance Notice – General Meeting*

Reference numbers of previous reports on the matter: \_\_\_\_\_, \_\_\_\_\_,

Attached please find is a file [Announcement of intention to convene a meeting isa.pdf](#)

The company is not an envelope company as that term is defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the event or matter: *May 5, 2024, at 18:43.*

#### **Details of signatories authorized to sign on behalf of the corporation:**

	<i>Name of the signatory</i>	<i>Title</i>	<i>Other</i>
<i>I</i>	<i>Adv. Shelly Bainhoren</i>	<i>Bank Secretary, Head of the Bank and the Group Secretariat Department</i>	

In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here](#).

Reference numbers of previous reports on the matter (does not constitute inclusion by way of reference):

*The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange*

*Ticker: Leumi*

*Address: 3 Abba Hillel Silver St. Lod 7129404, Tel: 076-8858111, 076-8859419*

*Facsimile: 076-8859732 Electronic Mail: [David\\_S@bl.co.il](mailto:David_S@bl.co.il) company's website:*

*[www.leumi.co.il](http://www.leumi.co.il)*

*Previous names of the reporting entity:*

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Name of Electronic Reporter: Shelly Bainhoren, Position: Company Secretary, 3 Abba Hillel Silver St. Lod 7129404, Phone: 076-8857984, Facsimile: 076-8859732 Electronic Mail: [Shelly.Bainhoren@BankLeumi.co.il](mailto:Shelly.Bainhoren@BankLeumi.co.il)

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



**Bank Leumi le-Israel B.M. (hereinafter - the “Bank”)**

May 5, 2024

To:

The Tel Aviv Stock Exchange (TASE)  
[www.maya.tase.co.il](http://www.maya.tase.co.il)

The Israel Securities Authority (ISA)  
[www.isa.gov.il](http://www.isa.gov.il)

Dear Sir/Madam,

**Subject: Early Notice of an Intent to Summon an Annual General Meeting with Several Items on the Agenda, Including Director Appointment (hereinafter - “Early Notice”)**

1. In accordance with the provisions of Sections 11c(a)(4) and 11e(a)(2) of the Banking Ordinance, 1941 (hereinafter - the “**Banking Ordinance**”) and in accordance with the Companies Regulations (Notice and Advertisement of a General Meeting and a Class Meeting in a Publicly-Traded Company and Adding Items to the Agenda), 2000 (hereinafter - the “**Companies Regulations**”), the Bank is pleased to announce that the Bank’s Board of Directors intends to summon an annual general meeting of the Bank’s shareholders (hereinafter - the “**Meeting**”). The following items are expected to be included on the Meeting’s agenda: (1) discussion of the annual statements for 2023; (2) appointment of the independent auditors and an authorization to set their wages; (3) appointment of two (2) external directors in accordance with the requirements of the Companies Law, 1999 (hereinafter - “**ED**” and the “**Companies Law**”); (4) appointment of two (2) external directors in accordance with the provisions of Directive 301 of the Banking Supervision Department’s Proper Conduct of Banking Business Directives (hereinafter - “**External Director**,” “**Directive 301**”).
2. The following may nominate Bank directors, as stipulated in Section 11D of the Banking Ordinance: (1) the Committee for the Appointment of Directors in Banking Corporations appointed under Section 36A of the Banking Law (Licensing), 1981 (hereinafter - the “**Director Appointment Committee**”) (for further details, please see the website of the Committee for the Appointment of Directors);<sup>1</sup> and (2) a holder or a group of holders (as detailed in Section 11D(a)(3) of the Banking Ordinance) (hereinafter - a “**Holder**” or “**Group of Holders**”), subject to the provisions of the Banking Ordinance.

All such candidates must meet all conditions set forth in the law for holding office as a director in a bank with no controlling block, as stated in Sections 11E(b) to (e) of the Banking Ordinance.

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<sup>1</sup> <https://boi.org.il/bank-of-israel/director-committee>



3. **A holder or group of holders may file with the Bank Secretariat, by May 19, 2024 at 16:00 (hereinafter - the “Nomination Submission Deadline”), applications for candidates to serve as directors as outlined in Section 1 above.** Such applications shall be submitted in writing through the Nomination Submission Deadline to the Bank’s registered office at 3 Abba Hillel Silver St. Lod, on Sunday to Thursday 08:00 to 16:00, for the attention of the Bank’s Secretariat (Tel: 076-8859419) or via email David\_S@bll.co.il, together with details and documents listed below.
4. The Board of Directors will resolve to convene the Meeting after the Nomination Submission Deadline, and the Bank will publish an immediate report and a notice, as required under the law, of summoning the Meeting, specifying the Meeting date and the Meeting’s full agenda, including all names of the candidate directors. The notice of summoning the Meeting will be published at least 21 days after the date of this report.
5. The directors elected at the Meeting will hold office subject to the Banking Supervision Department’s authorization or non-objection, under Section 11A of the Banking Ordinance.
6. The following must be attached to the written proposal as detailed in Section 3 above: (1) CV; (2) **Appendix A** attached to this notice, and the required details under Regulation 7(a)(5)(a) of the Companies Regulations (Voting Slips and Position Notices), 2005, that also refers to the further details required under Regulation 26 of the Securities Regulations (Periodic and Immediate Reports), 1970.
7. This appendix must be completed in full and according to the instructions stated therein, and **submitted in print**, along with the CV, and they will be attached “as is” to the Bank’s notices of Meeting Summons notices.
8. A “holder” or a “group of holders” is/are required to add and attach the following to the written application: (1) a photocopy of the proposing shareholder’s identity card, passport, or incorporation certificate; (2) a confirmation evidencing holdings of shares in the Bank according to the lawfully required holding rates, as of the date of submitting the proposed director nomination, as attachments.
9. A “holder” or a “group of holders” must continue to hold shares in the Bank according to the legally required holding rates during the effective date for the purpose of voting at the Meeting, as defined in Section 182 of the Companies Law, and as published in the meeting summons notice and ad.
10. The Bank must comply with all relevant legal requirements on the composition of the Board of Directors and its competency, as stipulated in the law, including Directive 301. Furthermore, after weighing the regulatory requirements, the need to hold effective discussions at the Board of Directors, and the business challenges the Bank is likely to face in the coming years, the Bank’s Board of Directors recommends nominating candidates according to the criteria as detailed in **Appendix B** to this early notice at the 2024 annual general meeting.



11. According to that stated in Section 66(b) and Section 5C(b) of the Companies Regulations, one shareholder or more holding at least one percent of the voting rights at the general meeting may ask the Board of Directors to include an item on a future general meeting's agenda, as long as the item is an appropriate item for discussion at the general meeting. The Bank may choose not to review proposals received more than 14 days after publishing the early announcement.

Respectfully,

Bank Leumi le-Israel B.M.

By: Shelly Beinhorn, Adv.

Secretary of the Bank, Head of the Bank and Group's Secretariat



**Appendix A - Statement of a Candidate to Serve as External Director or ED at Bank Leumi le-Israel B.M.**

I, the undersigned \_\_\_\_\_ bearer of ID no. \_\_\_\_\_ of (address)

\_\_\_\_\_ hereby provide this statement as a candidate for the office of external director as defined in Directive 301 of the Proper Conduct of Banking Business Directives of the Banking Supervision Department (hereinafter - “**External Director**”) or an external director as defined in the Companies Law, 1999 (hereinafter - the “**Companies Law**”; “**ED**”), who also complies with the competence conditions of an External Director, in Bank Leumi le-Israel B.M. (hereinafter – the “**Bank**”), after I have been warned that I am required to state the truth, and that I shall be subject to the penalties prescribed by law if I fail to do so, as detailed below:

1. **Personal information**

- 1.1 Name: \_\_\_\_\_
- 1.2 ID number: \_\_\_\_\_
- 1.3 Date of birth: \_\_\_\_\_
- 1.4 Address for serving court documents: \_\_\_\_\_
- 1.5 Citizenship: \_\_\_\_\_
- 1.6 Residency: \_\_\_\_\_
- 1.7 Is he/she a relative of another interested party<sup>1</sup> in the Bank (if yes - please specify): \_\_\_\_\_

2. I am / I am not an employee of the Bank, of a subsidiary thereof, of an affiliated company thereof or of an interested party thereof (if yes – specify the position/s filled by the candidate):

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

3. **Competency**

I possess the qualifications necessary to serve as director of the Bank and, specifically, possess the knowledge, experience or expertise in one or more of the following areas: banking, finance, economic or business activity, law, finance, accounting, risk management, regulatory compliance, information technology, information security (including cybersecurity) or another area approved by the Banking Supervision Department and I have the time required to fulfill my functions as director of the Bank, taking into consideration, among other things, the scope of activity and size of the Bank.

<sup>1</sup> **Interested party** – whoever holds 5% or more of the issued share capital of the corporation or of the voting power therein, whoever is entitled to appoint one or more directors of the corporation or its general manager, whoever serves as a director of the corporation or as its general manager or a corporation in which such a person holds 25% or more of its issued share capital or voting rights, or may appoint 25% or more of its directors. For the purpose of this paragraph, a mutual fund manager shall be considered as the holder of securities included in the fund's assets. If a person holds securities through a trustee, the trustee shall also be deemed to hold the said securities. For this purpose, "trustee" - excluding a nominee company and excluding a person who has held securities only by virtue of his position as trustee for an arrangement as defined in Section 46(a)(2)(f) of the Securities Law, 1968, or as trustee for the allotment of shares to employees as defined in Section 102 of the Income Tax Ordinance. In addition, a subsidiary of a corporation other than a nominee company.



My qualifications are as follows:<sup>2</sup> [education, training, experience]

**3.1 Education:**

Degree / academic certificate	My profession / primary field	Name of the academic institution

**3.2 Professional certificates:**

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3.3 Specification of the main occupations during the past five years, detailing the corporations in which the candidate serves as director (please specify the number of years of service in each position):<sup>3</sup>

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3.4 In view of my education, experience, past and present employment and skills, I possess professional competency, as defined below, based on the aforementioned (note: the evaluation of the professional qualifications of a candidate to serve as director shall be made by the Board of Directors). Following are further details regarding the abovementioned that are relevant to my education and experience, which indicate my compliance with the terms, conditions and tests for my competency as stated:

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Documents and certificates supporting my above statement in this section have been provided to the Bank Secretariat.

3.5 In view of my education, experience, past and present employment and skills, I possess accounting and financial expertise, as defined below, based on the aforementioned (note: the evaluation of the accounting and financial expertise of a candidate to serve as director shall be made by the Board of Directors). Following are further details regarding the abovementioned that are relevant to my education and experience, which indicate my compliance with the terms, conditions and tests for my expertise as stated:

<sup>2</sup> The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

<sup>3</sup> Please see Footnote No. 2 above.



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Documents and certificates supporting my above statement in this section have been provided to the Bank Secretariat.

For the purposes of this section above:

**"Professional qualifications"** - an academic degree as required in one of the terms and conditions stated in Paragraphs (1) or (2) below, as well as having experience as required in Paragraph (3) below:

(1) an academic degree in one of the following: economics, business administration, accounting, law and/or public administration; (2) another academic degree or has completed another form of higher education studies in the Bank's field of business or in an area which is relevant to his or her office; (3) at least five years of experience serving in five or more of the following two: (a) a senior business management position in a corporation with a substantial scope of business; or (b) a senior public office of a senior position in the public sector; (c) a senior position in the field of banking.

**"Director with Accounting and Financial Expertise"** is a director who, in the opinion of the Board of Directors, has, by virtue of his or her education, experience and qualifications, a high level of proficiency in and understanding of business-accounting issues and financial statements, such that he or she is able to have in-depth understanding of the financial statements and hold a discussion as to the manner in which financial data is presented. When assessing accounting and financial expertise by the Board of Directors, the considerations shall include, among other things, the director's education, experience and knowledge on the following issues: (1) accounting issues and accounting control issues typical to the banking sector and to companies of the scale and complexity of the Bank; (2) the roles and duties of the independent auditor; (3) the process of preparing and approving financial statements in accordance with the Securities Law, 1968 and the Companies Law. Furthermore, for details regarding the criteria set by the Bank's Board of Directors in that context, see Section F to Appendix B below.

3.6 A director who in his/her opinion does not have accounting and financial expertise is required to state whether he/she has the ability to read and understand financial statements - yes / no [delete the unnecessary].

3.7 In light of my education, experience, past and present employment, and my skills, as detailed above, to the best of my opinion, I have "banking experience"<sup>4</sup> - yes / no [delete the unnecessary].

4. I have not been convicted in the past five years in a final judgment of an offense set forth in Section 226 to the Companies Law:

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<sup>4</sup> In accordance with the requirements of Directive 301 of the Banking Supervision Department.





- 4.1. Offenses under Sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 to the Penal Law, 1977 and under Sections 52C, 52D, 53(a) and 54 to the Securities Law.
  - 4.2. Conviction in a court of law outside Israel on offenses of bribery, fraud, corporate manager offenses or offenses involving the use of insider information.
  - 4.3. Conviction under a judgment in another offense which the court determined that due to its nature, severity or circumstances, I am not fit to serve as director in a publicly-traded company. There is no pending indictment against me on such an offense.
5. I have not been charged by the Administrative Enforcement Committee<sup>5</sup> with enforcement measures prohibiting me from serving as director in a publicly-traded company.
6. I am not a minor, I am not incompetent to stand trial and I have not been declared bankrupt.<sup>6</sup>
7. My other duties or occupations do not create or are likely to create a conflict of interest with my position as director with the Bank, nor do they impair my ability to serve as a director with the Bank.
8. All the terms and conditions for my serving as director in a banking corporation without a control core have been met pursuant to the provisions of the Banking Ordinance, including:
- 8.1. Neither I nor my relatives, hold means of control of any kind in the Bank, in a corporation controlled by the Bank or in a "substantial holder", other than holding marketable shares at a percentage of no more than one quarter of one percent of the issued and paid-up share capital of any of them.  
Yes / no [delete the unnecessary]  
Please specify:  
\_\_\_\_\_  
\_\_\_\_\_
  - 8.2. In the two years preceding the date of the appointment or from the date of the appointment and thereafter, I, or a person who is in "close connection" with me have had no affiliation with the Bank or with a corporation under the Bank's control, with an officer of the Bank or with a "substantial holder" [it is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation];  
Yes / no [delete the unnecessary]  
Please specify:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<sup>5</sup> A committee appointed under Section 52lb(a) to the Securities Law, 1968.

<sup>6</sup> As long as I have not been dismissed.



8.3. From the date of appointment and thereafter, I have no affiliation with a relative of a Bank officer, a relative of a "substantial holder" or to a partner of a "substantial holder" [it is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation].

Yes / no [delete the unnecessary]

Please specify:

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8.4. I, or an individual with whom I have a "close connection", has a business or professional relationship with the Bank or a corporation under the Bank's control, with an officer of the Bank or with a "substantial holder" who has put forward my candidacy as director in the Bank, even if such relationships are not routine relationships, and I do not receive consideration contrary to Section 244(b) to the Companies Law.

Yes / no [delete the unnecessary]

Please specify:

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8.5. A director whose candidacy was proposed by the Committee for the Appointment of Directors under Section 11D(a)(1) to the Banking Ordinance (hereinafter - the "**Committee**") hereby adds and states that:

8.5.1. As of the appointment date, I have no affiliation with a member of the Committee;

8.5.2. I am not a minister, deputy minister or member of the Knesset, nor do I have a personal, business or political affiliation with a minister or deputy minister or government employee or an employee of a statutory corporation;

8.5.3. I have not been convicted of an offense which by its nature, severity or circumstances renders me unfit to serve in the position, and no indictment for such an offense is pending against me.

If relevant, please specify:

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For the purposes of Section 5 above:

"**Close connection**" – A relationship between a person and his/her relative, partner, employer, to whom he/she is directly or indirectly subordinate, and to the corporation in which he/she is the controlling shareholder;

"**Affiliation**" - The existence of regular working relations or the existence of professional or business relations, with the exception of negligible relations, as well as appointment as officer; however, retail business relations between the corporation and a customer shall not be considered an affiliation;



**“Substantial holder”** - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such holder, a person controlled by any of them, a member of a group of holders as defined by Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them. For a list of substantial holders in the Bank, please see the Bank's website at [www.leumi.co.il](http://www.leumi.co.il).

**“Officer”** – As defined by the Companies Law, and every other employee reporting to them directly.

9. I do not serve as a director in another company (hereinafter - the “Second Company”), in which one of the Bank’s directors serves as an External Director.
10. If during the course of my tenure as an External Director or an ED in the Bank it will transpire that I am precluded by law from serving as an officer in the Second Company, I will terminate my tenure in the Second Company so as to allow me to continue serving as an External Director or an ED in the Bank.
11. I am not an employee of the Israel Securities Authority or the Tel Aviv Stock Exchange.
12. To the best of my knowledge, the conditions for my classification as an independent director are fulfilled.<sup>7</sup>  
Yes / no [delete the unnecessary]
13. I hereby state that there is no impediment or limitation whatsoever to my appointment as an external director or ED in the Bank, including, among other things, under: the provisions of the Companies Law, Proper Conduct of Banking Business Directive 301 of the Banking Supervision Department; the Banking Ordinance, 1941; the Banking Law (Licensing), 1981; and/or under any law, including, among other things, due to my serving in other corporations.
14. The Bank has provided me with all the information regarding the directors' salary at the Bank and I agree thereto.
15. If, and to the extent, that a change in the aforesaid occurs, including a condition required by law to serve as an external director or ED in the Bank cease to be met, I hereby undertake to inform the Bank Secretariat thereof effective immediately.

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<sup>7</sup>“Independent Director” - an External Director or an individual serving as a director, for whom the following conditions are fulfilled: (1) The competence conditions for appointment of an External Director set in Section 240 (b) to (f) to the Companies Law are fulfilled in connection thereof, and the Audit Committee approved this; (2) they have not been serving as a director in the Bank for more than nine consecutive years (Companies Law, Section 1).



16. I know that if I cease to meet a condition required for my service as an External Director or an ED in the Bank, my tenure will expire on the date of issuing such notice.

17. This is my name, this is my signature, and all of the above is true.

Date: \_\_\_\_\_

Affiant's signature: \_\_\_\_\_

**Affirmation**

I, Adv. \_\_\_\_\_ hereby confirm that \_\_\_\_\_, who is personally familiar to me/ who identified himself to me with his ID card No. \_\_\_\_\_, after I had warned him/her that he/she must state the truth and that he/she will be liable to the penalties prescribed by law if he/she does not, confirmed his/her above statement and signed it before me.

Date: \_\_\_\_\_

Name and signature of the lawyer:

\_\_\_\_\_



**Terms of office as a director of a bank without a control core**

Sections 11E(b) - (e) to the Banking Ordinance

(b) (1) In a banking corporation without a control core, the following persons shall not be appointed if he/she meets one of the following:

(a) He/she or a relative thereof holds 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 marketable shares at a rate that does not exceed a quarter of a percent of the issued and paid up share capital of any of them;

(b) Anyone who, during the two years prior to the appointment date or as from the appointment date and thereafter, has an affiliation with the banking corporation or a corporation controlled by the banking corporation, has an association with an officer in the banking corporation or with a substantial holder, or anyone who is in a close relationship therewith, and anyone who as from the date of appointment and thereafter has an association with a relative of an officer in the banking corporation, a relative of a substantial holder or a partner of a substantial holder; for this purpose, the service as director of a candidate for an additional term as aforesaid in a banking corporation without a control core shall not be considered as an affiliation;

(2) Without derogating from the provisions of Paragraph (1)(b), an individual who has a business or professional relationship with the banking corporation or with a corporation controlled by the banking corporation, or whoever is in a close relationship therewith, an officer in the banking corporation or a substantial holder who put forward that candidate for the office of director shall not serve as an individual director, even if such relationships are not routine relationships, except for negligible relationships;

(3) Without derogating from the provisions of Paragraphs (1) and (2), a director whose candidacy has been proposed by the Committee under Section 11D(a)(1) shall not be appointed or serve, if one of the following exists:

(a) As of the appointment date, he/she has an affiliation with a Committee member;

(b) He/she meets the provisions of Section 36B(b)(3) of the Banking Law (Licensing);

(c) He/she has been convicted of an offense which, by its nature, gravity or circumstances, renders them unfit to fulfil the position, or such an offense is pending against them;

(d) The provisions of Section 240(c) of the Companies Law apply to them;

(4) A director whose candidacy was put forward by the Committee pursuant to Section 11D(a)(1) shall have professional qualifications or accounting and financial expertise, in accordance with the provisions of Section 240(a1) to the Companies Law.

(c) Notwithstanding the provisions of subsection (b), a director who serves in a banking corporation on the eve of becoming a banking corporation without a control



core may continue to serve as such until the end of his/her term of office even if the conditions set forth in that subsection have not been met, but for no more than three years from the banking corporation becoming a banking corporation without a control core, whichever the earlier.

(c1) The Banking Supervision Department may approve the appointment or term of office of a director who, in the two years preceding the date of appointment or from the date of appointment onwards has, or a close contact of his/her has, an affiliation with a substantial holder, a relative of a substantial holder or a partner of a substantial holder, even if this affiliation is not negligible, if [the Banking Supervision Department] finds that in the circumstances of the case, this affiliation does not raise concern of a conflict of interest in the position.

(d) The provisions of this section shall prevail over any conflicting provision of law.

(e) In this section -

"General Meeting", "Extraordinary Meeting" and "Annual Meeting" - as defined by the Companies Law;

"Close Connection" - as defined in Section 36B(a) to the Banking Law (Licensing);

"Affiliation" - The existence of regular working relations or the existence of professional or business relations, with the exception of negligible relations, as well as appointment as officer; however, retail business relations between the corporation and a customer shall not be considered an affiliation;

"Substantial holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such holder, a person controlled by any of them, a member of a group of holders as defined by Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them.



## **Appendix B**

The Bank's Board of Directors decided that, towards the 2024 General Meeting, candidates will be put forward whose election will fulfill the following criteria:

- A. **No. of directors:** To ensure the election of four (4) directors.
- B. **Types of directors:** To ensure the election of two (2) directors in the status of External Director in accordance with the Companies Law and two (2) directors in the status of External Director in accordance with Directive 301.
- C. **Professional qualifications:** To ensure that all directors must have professional qualifications, within the meaning of Section 24(b)(1)(ii) of Directive 301.
- D. **Banking experience:** To give weight to electing directors who have banking experience within the meaning of Section 25(a) of Directive 301.
- E. **Technological expertise:** To give weight to electing a director with knowledge and experience in information technology, within the meaning of Section 25 of Directive 301, and in accordance with the rules set forth in the Board of Directors Procedure.
- F. **Accounting expertise:** To ensure the election of directors with accounting and financial expertise, within the meaning of the Companies Law, and in accordance with the rules set forth in the Board of Directors Procedure. Therefore, to ensure the election of directors, who meet one of the following criteria, as set in the policy for the desired composition of the Board of Directors, in accordance with the Board of Directors Procedure:
  - 1) A certified public accountant who has served - for at least 3 years during the past 10 years - as the partner responsible for managing independent financial statements audits, for an independent auditor firm at (a) a banking corporation, as defined in the Banking Law (Licensing), 1981 (hereinafter - "**Banking Corporation**"), or (b) another major relevant financial institution whose activity is as complex as the Bank's (hereinafter - "**Relevant Financial Institution**"), including knowledge in building SOX processes.
  - 2) A certified public accountant who has served - for at least 5 years during the past 10 years - as the partner responsible for managing independent financial statements audits, for an independent auditor firm at a publicly-traded company or a government-sector entity that are comparable to Bank Leumi in terms of scope and complexity of operations (hereinafter - "**Major Public Entity**"), including knowledge in building SOX processes;
  - 3) A person who has served, for a cumulative period of at least 3 years during the past 10 years, in one or more of the following positions in a Banking Corporation or in a Relevant Financial Institution or a Major Public Entity:
    - CFO
    - Chief Accounting Officer
    - Another senior position in the finances area, which corresponds to the position of deputy CFO, and which mainly consists of preparing or reviewing financial statements.A "senior position" – a manager who reports directly to the CEO and anyone who directly reports to such a manager.
  - 4) Has a PhD in accounting.



- G. **Expertise in control:** To give weight to electing directors with expertise in risk management and control, within the meaning of Section 38(b) of Directive 301, and in accordance with the rules set forth in the Board of Directors Procedure.
- H. **Adequate education and qualifications:** To ensure that all directors have adequate qualifications, and in particular, education, knowledge, experience, or expertise in one or more of the following areas: banking, finance, economic or business activity, law, financing, accounting, risk management, regulatory compliance, information technology, data protection (including cyber security), or another area approved by the Supervisor in accordance with Section 30(b) of Directive 301.
- I. **Collective skill:** To ensure that the Board of Directors shall have the appropriate collective knowledge and skills, capabilities, and experience for the banking corporation's strategy and the characteristics of its activity under Section 25 of Directive 301.
- J. **Hebrew proficiency:** Ensure that all directors will be proficient in the Hebrew language at the reading and speaking level, as defined in Section 26 of Directive 301.
- K. **Gender diversity:** Ensuring each gender is represented at the Board of Directors at a minimum rate of 40%.
- L. **Social diversity:** Assigning weight to social diversity in the Board of Directors.
- M. **Essential personal skills:** To ensure that all the directors will have suitable experience and qualifications for serving as directors of Bank Leumi, a major public financial corporation with complex operations, and noting the opportunities, challenges, regulation, and the risks presented by the Bank's dynamic business environment.
- N. **The continuity-novelty balance:** Assigning weight to the continuity-novelty balance in the Board of Directors.
- O. **Functional continuity:** Assigning weight to the fact that the Board of Directors includes directors with the potential to serve as Chair of the Board, while considering, inter alia, the duration of these directors' tenure and the experience, skills, and the scope of the position required of the Chair of the Board, noting the challenges the Bank is likely to face in the coming years, and in view of the forthcoming end of Dr. Shmuel Ben Zvi's tenure as Chairman of the Board, in July 2024.