

May 29, 2023

THE FIRST INTERNATIONAL BANK OF ISRAEL LTD.
("THE BANK" OR "THE COMPANY")

**NOTICE OF SUMMONING A SPECIAL GENERAL MEETING
OF SHAREHOLDERS**

PART 'A' – SUMMONING OF THE GENERAL MEETING

In accordance with the Companies Law, 5759-1999 (hereinafter: "**Companies Law**"), the Securities Law, 5728-1968 (hereinafter: "**Securities Law**"), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter: "**Reporting Regulations**"), the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting at a Public Company and Adding an Item to the Agenda), 5760-2000 (hereinafter: "**Notice Regulations**"), the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (hereinafter: "**Voting Regulations**") and the Securities Regulations (Transaction between a Company and its Controlling Shareholder), 5761-2001 (hereinafter: "**Controlling Shareholder Transaction Regulations**"), the Bank hereby announces the convening of a special general meeting of the Bank's shareholders, to be convened on Thursday, July 6, 2023, at 14:00 at the Bank's offices at 42 Rothschild Blvd., Tel Aviv (14th floor, conference room) (hereinafter: "**the meeting**").

1. The item and resolution on the agenda

1.1. To approve the granting of updated letters of indemnification, in the version attached to this report as **Appendix 'B'**, to the directors at the Bank, currently serving and serving from time to time at the Bank, and excluding the Bank's controlling shareholders. With regard to controlling shareholders, see Section 1.2 below.

For further details see Part 'B' to this report.

1.2. To approve the granting of an updated letter of indemnification, in the version attached to this report as **Appendix 'B'**, to the directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of

indemnification, for a period of three years from the date of the meeting's approval, on the same terms and in the same version of the updated letter of indemnification granted to the rest of the directors and officers at the Bank, as detailed in Section 1.1 of this report above.

For further details see Part 'C' to this report.

2. The required majority

2.1. The majority required to approve the resolution in Section 1.1 on the agenda is a simple majority of all the shareholders present at the meeting, either in person or by proxy, or who sent the Bank a voting paper indicating the manner of their vote, who are entitled to vote, and did vote, at the meeting, without taking abstaining votes into account.

2.2. The majority required to approve the resolution in Section 1.2 on the agenda is a simple majority of all the shareholders present at the meeting, either in person or by proxy, or who sent the Bank a voting paper indicating the manner of their vote, who are entitled to vote, and did vote, at the meeting, without taking abstaining votes into account, provided that one of the following holds true:

(1) The count of the majority votes shall include the majority of all the votes of shareholders, participating in the vote, who do not have a personal interest in the approval of the resolution. Abstaining votes shall not be taken into account when counting all the votes of said shareholders.

(2) The total dissenting votes among the shareholders set forth in subparagraph (1) above did not exceed the rate of two percent of the total voting rights at the Bank.

3. The date of record

The date of record for the purpose of a Bank shareholder's eligibility to participate and vote at the general meeting and at any adjourned meeting, as set forth in Section 182(b) of the Companies Law and in Regulation 3 of the Voting Regulations, is the end of the trading day at the Tel Aviv Stock Exchange Ltd. that falls on Thursday, June 8, 2023 ("**the date of record**"). If no trading is held on the date of record, then the date of record will be the last trading day preceding this date.

4. The voting method

4.1. The Bank's shareholders on the date of record are entitled to vote on the items on the agenda as detailed in Section 1 above, either in person or by

proxy or by means of a voting ballot (as detailed in Section 5 below). A letter of appointment of a voting proxy or a power of attorney must be deposited at the Bank's offices at 42 Rothschild Blvd. Tel Aviv, at least 48 hours prior to the date set for the meeting or the adjourned meeting, as applicable. A shareholder who is not registered in the register of shareholders and whose shares are listed with a stock exchange member (hereinafter: "**an unregistered shareholder**") is entitled to vote also via the electronic voting system, as detailed in Section 6 below.

- 4.2. In accordance with the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at a General meeting), 5760-2000 (hereinafter: "**Proof of Ownership Regulations**"), an unregistered shareholder who wishes to vote at the general meeting shall furnish to the Bank a certificate from the stock exchange member with whom his right to the share is listed, with regard to his ownership of the share on the date of record, as required pursuant to the Proof of Ownership Regulations (hereinafter: "**certificate of ownership**"). Under the foregoing regulations, an approved electronic message pursuant to Section 44K5 of the Securities Law concerning the electronic voting system's user data – has the same legal standing as a certificate of ownership with respect to each shareholder included therein.

5. Voting by voting ballots and position statements

- 5.1. In accordance with the Voting Regulations, the Bank's shareholders may vote with regard to the items on the agenda as detailed in Section 1 above by means of voting ballots. The text of the voting ballot and position statements (if any) pertaining to said resolution may be found on the distribution website of the Israel Securities Authority at: www.magna.isa.gov.il ("**the distribution website**") and on the website of the Tel Aviv Stock Exchange Ltd. at www.tase.co.il ("**the stock exchange website**"). The shareholders shall be entitled to contact the Bank directly and receive from it the text of the voting ballot and the position statements (if any).
- 5.2. The stock exchange member shall send by e-mail, free of charge, a link to the text of the voting ballot and the position statements (if any), on the distribution website, to each unregistered shareholder, unless said shareholder has notified that he does not want such link to be sent, provided that the notice is given with respect to a particular securities account and on a date preceding the date of record. Said notice with regard to voting ballots shall also apply with regard to receiving position statements (if any). The vote shall be cast on Part II of the voting ballot, as posted on the distribution website.

- 5.3. An unregistered shareholder is entitled to receive the certificate of ownership from the stock exchange member through which he holds his shares, at the branch of the stock exchange member or by mail to his address in consideration of postage fees only, if he so requested and a request for this purpose is to be given in advance with respect to a particular securities account.
- 5.4. A shareholder participating in a vote with regard to the resolution on the agenda as detailed in Section 1.2 above, shall notify the Bank prior to his vote, and if the vote is by means of a voting ballot – shall mark in Part II of the voting ballot in the designated place, whether or not he is deemed a controlling shareholder, an interested party, a person having a personal interest in the approval of the resolution, a senior officer or an institutional investor, with a description of the relevant connection. If a shareholder fails to give notice or no mark is made, as stated, his vote shall not be taken into account in the votes.
- 5.5. In accordance with Regulation 36D(d) of the Reporting Regulations, the Voting Regulations and the directive of the Israel Securities Authority of November 30, 2011 on the topic of disclosure regarding the manner of voting of interested parties, senior officers and institutional bodies at meetings (hereinafter – "**the directive**"), an interested party, senior officer and institutional investor (hereinafter – "**the voters**"), as defined in the directive, voting at a meeting on the resolution in Section 1.2 of the agenda as detailed above, shall furnish to the Bank within the framework of their vote the details required in accordance with Regulation 36D(d) of the Reporting Regulations and Section 2(b) of the directive and if they voted by means of an agent, the voter or the agent shall also furnish the details with regard to the agent. In addition, details are to be given regarding any relationship (excluding a negligible relationship) between the voter or the agent (who does not have a personal interest) and the Bank or any of its controlling shareholders, including employer-employee relationships, business relationships, etc. and/or a senior officer at the Bank and details of their nature.
- 5.6. A voting ballot of an unregistered shareholder is to be delivered to the Bank together with the certificate of ownership, so that the voting ballot reaches the Bank's offices **no later than four (4) hours prior to the time the meeting is to be convened.**
- 5.7. A shareholder who is registered in the register of shareholders shall deliver the voting ballot to the Bank, together with a photocopy of an identity card or a photocopy of his passport or a photocopy of a certificate of incorporation,

so that the voting ballot reaches the registered office of the Bank **no later than six (6) hours prior to the time the meeting is to be convened.**

- 5.8. A shareholder may contact the registered office of the Bank and after having proved his identity, withdraw his voting ballot and certificate of ownership **up to 24 hours prior to the time the meeting is to be convened.**
- 5.9. The deadline for furnishing position statements to the Bank is **up to ten (10) days prior to the date the meeting is to be convened.**
- 5.10. The deadline for furnishing a position statement on the Bank's behalf that includes the response of the Bank's Board of Directors to position statements on behalf of the shareholders is **no later than five (5) days prior to the date the meeting is to be convened.**

6. Voting via an electronic voting ballot

- 6.1. As stated above, an unregistered shareholder may vote in regard to the resolution on the agenda as detailed above by means of a voting ballot transmitted through the electronic voting system as defined in the Voting Regulations (hereinafter - "**the electronic voting ballot**").
- 6.2. The electronic voting ballot is opened for voting at the end of the date of record. Voting via the electronic voting system **shall end six (6) hours prior to the time of the meeting**, when the electronic voting system shall be closed.
- 6.3. The electronic vote can be changed or cancelled until the time the electronic voting system is locked and it cannot be changed via the electronic voting system after this time. Where a shareholder has voted using more than one method, his later vote shall be counted. For this purpose, a vote of a shareholder, in person or by proxy, shall be deemed later to a vote via the electronic voting ballot.

7. Lawful quorum and adjourned meeting

- 7.1. A lawful quorum for a shareholders' meeting is one or more shareholders present, either in person or by proxy (including by means of a voting ballot), who hold or represent more than 25% of the voting power at the Bank.
- 7.2. If a lawful quorum is not present at the meeting at the end of half an hour from the time set for the meeting, the meeting shall be adjourned automatically by one week, to the same time and to the same place, without there being an obligation to give notice to this effect to the shareholders, or to such other day, time and place as shall be determined by the Board of Directors. At the adjourned meeting, matters for which the meeting was

called shall be discussed and the shareholders who are present, either in person or by proxy, shall constitute a lawful quorum.

8. Controlling shareholders at the Bank

- 8.1. To date, to the best of the Bank's knowledge, FIBI Holdings Ltd. (hereinafter – "**FIBI**") holds 48.34% of the capital and voting rights at the Bank. FIBI is a public company, whose shares are traded on the Tel Aviv Stock Exchange Ltd.
- 8.2. To date, to the best of the Bank's knowledge, Binohon Ltd. (hereinafter – "**Binohon**") holds approximately 28.54% of the capital and voting rights at FIBI. Binohon is a company held in equal parts (25% each) by Mr. Zadik Bino (also serving as a director at the Bank), Mr. Gil Bino (serving both as the chairman of FIBI's Board of Directors and as a director at the Bank), Ms. Hadar Bino Shmueli and Ms. Dafna Bino Or (serving as a director at FIBI). All FIBI shares owned by Binohon (constituting control core shares according to a permit from the Bank of Israel) are held in trust by Guy Trust and Management Company Ltd.
- 8.3. As at the date of this report, to the best of the Bank's knowledge, Instanz No. 2 Ltd. (hereinafter – "**Instanz**") holds approximately 11.68% of the capital and voting rights at FIBI and Dolphin Energy Ltd. (hereinafter – "**Dolphin**") holds approximately 11.68% of the capital and voting rights at FIBI.
- 8.4. Instanz is a company wholly owned by Sing Acquisitions Pte. Ltd., a corporation that was incorporated in Singapore, controlled (through Australian entities) by Mr. and Mrs. Michael and Helen Abeles. All FIBI shares owned by Instanz (constituting control core shares according to a permit from the Bank of Israel) are held in trust by Guy Trust and Management Company Ltd.
- 8.5. Dolphin is a company controlled (through a chain of Australian entities) by Ms. Lee Lieberman, Mr. Joshua Lieberman, Ms. Casey Lieberman Harris and Ms. Berry Lieberman. All FIBI shares owned by Dolphin (constituting control core shares according to a permit from the Bank of Israel) are held in trust by Guy Trust and Management Company Ltd.
- 8.6. To the best of the Bank's knowledge, there is a voting and collaboration agreement between Binohon, Instanz, Instanz Holdings Ltd. (which previously held FIBI shares that are currently held by Instanz) and Dolphin with regard to their holdings in FIBI and indirectly in the Bank.

9. Changes in the agenda and the deadline for furnishing a shareholder's request to include an item on the agenda

- 9.1. Subsequent to the publication of this summons report, changes may occur in the agenda of the general meeting, including the addition of an item to the agenda, and position statements may be published. It shall be possible to inspect the updated agenda and position statements, if published, on the distribution website and on the TASE website.
- 9.2. A shareholder's request pursuant to Section 66(b) of the Companies Law to include an item on the meeting's agenda is to be furnished to the Bank at the time designated for this purpose in the Notice Regulations, up to seven days after the meeting is summoned. Where such request has been submitted, the item may be added to the agenda and the details of the same shall appear on the distribution website. In such case, the Bank shall publish an amended summons and this no later than seven days subsequent to the deadline for furnishing a shareholder's request to include an item on the agenda, as stated.

10. Authority of the Israel Securities Authority

- 10.1. In accordance with the Controlling Shareholder Transaction Regulations, within twenty one days of the day of submitting this report, the Israel Securities Authority or an employee whom it has authorized for this purpose may instruct the company to provide, within the time it prescribes, explanations, details, information and documents and also instruct the Bank to amend the report in the manner and at the time as it shall prescribe.
- 10.2. Where such instruction to amend the report has been given, the Authority may instruct to defer the time of the meeting as stated in the Controlling Shareholder Transaction Regulations. The Bank shall submit an amendment pursuant to such instruction, send the same to the shareholder and publish an announcement in the newspaper in this regard, in the manner set forth in the Controlling Shareholder Transaction Regulations, and all unless the Authority has instructed otherwise.
- 10.3. Where an instruction is given with regard to the deferral of the time for convening the meeting, the Bank shall give notice of such instruction in an immediate report.

11. Inspection of documents and details of the bank representatives

The text of proposed resolutions and the immediate report on convening the meeting and the appendices to such report can be inspected at the Bank's offices at 42 Rothschild Blvd., Tel Aviv on Sundays – Thursdays up to the scheduled time of the meeting, during customary business hours, by prior arrangement with the Bank's secretary, Adv. Aviad Biller (Tel: 03-5196223), as well as on the distribution website of the Israel Securities Authority at: www.magna.isa.gov.il, on the website of the Tel Aviv Stock Exchange Ltd. at: www.isa.gov.il and on the Bank's website at: www.fibi.co.il.

**PART 'B' – ADDITIONAL DETAILS IN RELATION TO
GRANTING UPDATED LETTERS OF INDEMNIFICATION TO
DIRECTORS**

12. Description of the key points of the resolution

12.1. The current letter of indemnification, the text of which was recently approved by the general meeting on October 30, 2017¹ (hereinafter – "**the current letter of indemnification**"), includes, *inter alia*, the following provisions:

12.1.1. To indemnify any officer at the Bank due to a liability or expense, as specified in the letter of indemnification, which has been and/or shall be imposed on said officer in consequence of an act performed by him in his capacity as an officer at the Bank, which directly or indirectly relates and/or pertains to one or more of the types of events designated in the schedule (hereinafter – "**the list of foreseeable events**", "**the schedule**", respectively).

12.1.2. To indemnify any officer at the Bank who serves or served or shall serve on the Bank's behalf or at its request as a director at another corporation in which the Bank holds shares, either directly or indirectly, and/or in which the Bank has another interest (hereinafter – "**the other company**", "**director at another company**", respectively), due to a liability or expense, as specified in the letter of indemnification, which has been and/or shall be imposed thereon in consequence of an act performed by him in his capacity as a director at the other company.

12.1.3. The total indemnification amount to be paid by the Bank (in addition to the amounts that are to be received pursuant to the insurance policy, whether such shall be paid to the Bank or paid to the officer) to all the officers at the Bank and at subsidiaries, cumulatively, in accordance with indemnification undertaking letters to be issued pursuant to the foregoing resolution, in respect of one set of events of the events specified in the schedule, shall not exceed 25% (twenty five percent) of the Bank's consolidated equity

¹ For further details see the Bank's immediate report of September 19, 2017 (reference no. 2017-01-094239). For details regarding the granting of letters of indemnification to the controlling shareholders, see Part 'C' to this report below.

according to the last financial statement (annual or quarterly) that shall be published immediately before the actual payment in respect of the indemnification (hereinafter – "**the total indemnification amount**").

- 12.1.4. The Bank has undertaken in the letter of indemnification that if and insofar as in the future the Bank grants an indemnification undertaking to all the officers at the Bank on more favorable terms than those specified in this letter, it undertakes to also grant to officers who previously served at the Bank and received letters of indemnification an indemnification undertaking on the same terms.
 - 12.1.5. The Bank has undertaken in the letter of indemnification that the letter of indemnification shall apply to any liability or expense in respect of which the Bank shall be permitted to indemnify and/or to undertake to indemnify officers, pursuant to the statutory provisions and/or pursuant to any law, as prevailing at the time of granting the letters of indemnification and/or as shall be amended from time to time.
 - 12.1.6. The indemnification undertaking shall also apply with respect to reasonable litigation expenses, which an officer incurred in consequence of an investigation or proceeding conducted against him by an authority authorized to conduct an investigation or proceeding and which concluded without an indictment being filed against him and without a financial liability being imposed on him in lieu of a criminal proceeding, or that concluded without an indictment being filed against him, but with the imposition of a financial liability in lieu of a criminal proceeding for an offense that does not require proof of criminal intent or in relation to a financial sanction in accordance with the conditions prescribed for this purpose in Section 260 (1a) of the Companies Law.
 - 12.1.7. The indemnification undertaking also includes the Bank's undertaking to indemnify the officers in respect of liabilities and/or expenses that shall be imposed on them in accordance with various administrative proceedings as specified in the definition of "administrative proceeding" in the letter of indemnification.
- 12.2. On May 29, 2023, after receiving the Remuneration Committee's approval of May 18, 2023, the Board of Directors approved that the directors and officers at the Bank, currently serving and serving from time to time at the Bank, shall be granted updated letters of indemnification in the version

attached to this report as **Appendix 'B'** (hereinafter – "**the updated letter of indemnification**"). The proposed amendments to the current version of the letter of indemnification are underlined in **Appendix 'B'**. With regard to the controlling shareholders, see Part 'C' to this report below.

- 12.3. The key changes in the updated letter of indemnification concern adjusting the list of foreseeable events in the schedule, which are foreseeable events in light of the Bank's activity and in light of the standard practice in the banking system, and to the trends at the present time and adjusting the letter of indemnification to regulatory changes that have occurred in recent years and primarily new legislation in the Bank's primary fields of activity (such as the Fair Credit Law, 5753-1993, Payment Services Law, 5779-2019, Financial Information Services Law, 5781-2021, regulatory arrangements in connection with 'open banking', etc.) and to changes expected to occur in the near future (thus for instance, reference has been added to the Regulation of Engagement in Payment and Payment Initiation Services Law, 5783-2023, which is now in the midst of legislative proceedings within the framework of the current Arrangements Bill).
- 12.4. For the avoidance of doubt, it should be clarified that the updated letter of indemnification does not revoke, derogate from or waive any other indemnification to which the officer is entitled from any other source pursuant to the provisions of any law or pursuant to any previous undertaking of the Bank, insofar as such undertaking is valid under law, provided that the Bank shall not be obligated to indemnify the officer in respect of the same event, also pursuant to the previous undertaking (if and insofar as such shall be in effect) and also pursuant to the updated letter of indemnification. It is hereby clarified that whenever it is possible to indemnify the officer, under law, both pursuant to the updated letter of indemnification and pursuant to a previous undertaking of the Bank, the Bank's Remuneration Committee, subject to the provisions of any law, shall decide according to which undertaking the officer is to be indemnified.
- 12.5. All the directors at the Bank have a personal interest in this topic on the agenda due to the fact that the updated letter of indemnification constitutes part of the terms of their employment and service at the Bank.
- 12.6. The reasons of the Remuneration Committee and the Board of Directors for approving this topic on the agenda are as follows:
 - 12.6.1. The changes made to the updated letter of indemnification, compared to the current letter of indemnification, and the granting of the same to the directors and officers, do not raise the maximum

indemnification amount (which was previously approved by the general meeting of the Bank's shareholders) that the Bank is permitted to pay to the officers, who are entitled to indemnification by virtue of the updated letter of indemnification. Moreover, the terms of the updated letter of indemnification are fair and reasonable in the particular circumstances, given the size, type, scope, complexity and other characteristics of the Bank's fields of activity and given the great responsibility and significant liabilities imposed on the officers and the directors.

- 12.6.2. The indemnification undertaking is limited to the events that in the opinion of the Remuneration Committee and the Board of Directors of the Bank are foreseeable given the Bank's activity and in the particular circumstances, while the amendments are primarily designed to adjust, clarify and specify such events, and is also limited to the amount that in the opinion of the Remuneration Committee and the Board of Directors of the Bank is reasonable, accepted and customary in the market.
- 12.6.3. The granting of letters of indemnification constitutes accepted protection in public companies, along with directors and officers liability insurance and the granting of an exemption, and they are designed to enable officers and directors to act freely in the best interests of the Bank, and this given the risk involved in the activities of the officers within the Bank group's fields of activity, the scope of the same, the Bank being a banking corporation and public company, and that the granting of the updated letter of indemnification contributes to the officers and directors performing their duties properly, given the risks involved with doing so.
- 12.6.4. The granting of letters of indemnification to directors is a common practice in companies of a similar scale to that of the Bank and assists in creating a more protected work environment for such officers, contributes to deepening the extent of their involvement and contribution to the Bank, from a business and management standpoint, and enables the Bank to recruit to its ranks and retain quality officers.

12.6.5. The updated letter of indemnification is consistent with the Bank's articles of association and the remuneration policy for the Bank's officers².

**PART 'C': ADDITIONAL DETAILS PURSUANT TO THE
CONTROLLING SHAREHOLDER TRANSACTION
REGULATIONS WITH RESPECT TO GRANTING UPDATED
LETTERS OF INDEMNIFICATION TO DIRECTORS WHO ARE
CONTROLLING SHAREHOLDERS, THEIR RELATIVES
AND/OR THOSE TO WHOM THE CONTROLLING
SHAREHOLDERS MAY HAVE A PERSONAL INTEREST IN
GRANTING LETTERS OF INDEMNIFICATION**

13. Description of the key points of the resolution

13.1. On July 15, 2020, the Bank's general meeting resolved to reapprove the granting of letters of indemnification to directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of indemnification, for a period of three additional years, commencing on July 15, 2020 (when three years shall elapse from the date of the general meeting's approval to grant the letters of indemnification to directors among the controlling shareholders), on the same terms and in the same version of the previous letter of indemnification as approved in 2017 and identical to the letter of indemnification for other directors and officers at the Bank (hereinafter – "**the current letter of indemnification**")³.

13.2. In accordance with Sections 270(4) and 275(a1) of the Companies Law, the resolution to grant such letters of indemnification to directors among the controlling shareholders and/or their relatives and/or others to whom the controlling shareholders may have a personal interest in granting letters of indemnification, requires reapproval once every three years. Accordingly, the approval of the Remuneration Committee, the approval of the Board of Directors and the approval of the general meeting of the Bank is required by a special majority pursuant to Section 275(a) of the Companies Law.

² For further details regarding the remuneration policy for the Bank's officers, see the Bank's immediate report of January 24, 2023 (reference no.: 2023-01-009553).

³ For further details see the Bank's immediate report of June 30, 2020 (reference no.: 2020-01-061465).

13.3. Accordingly, and further to the proposed resolution, concurrently with this resolution, to grant an updated letter of indemnification (hereinafter – "**the updated letter of indemnification**") to directors as stated in Resolution 1.1 on the agenda, it is proposed to approve that the updated letters of indemnification shall also be granted to directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of indemnification, for a period of three years from the date of the meeting's approval, on the same terms and in the same version of the updated letter of indemnification granted to the rest of the directors and officers at the Bank as stated above in Part 'B' to this report.

13.4. On May 29, 2023, after receiving the Remuneration Committee's approval of May 18, 2023, the Board of Directors approved to grant to directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of indemnification, updated letters of indemnification in the version attached to this report as **Appendix 'B'**, on the same terms and in the same version of the updated letters of indemnification granted to the rest of the directors and officers at the Bank as stated in Section 12 above, for a period of three years from the date of the meeting's approval.

14. The names of the controlling shareholders in the company who have a personal interest in the approval of the resolution and the nature of the personal interest

14.1. The venerable Mr. Zadik Bino and Mr. Gil Bino, of the Bank's controlling shareholders, as this term is construed under Section 268 of the Companies Law, also serve as directors on the Bank's Board of Directors and they have a personal interest in the resolution to grant the updated letter of indemnification as stated in this resolution, due to the fact that the letters of indemnification are granted to them.

14.2. FIBI Holdings Ltd. has a personal interest by virtue of the fact that Mr. Zadik Bino and Mr. Gil Bino are among its controlling shareholders.

14.3. For further details regarding the Bank's controlling shareholders see Section 8 above.

15. The manner of determining the consideration

15.1. This resolution does not increase the maximum indemnification amount that the Bank shall pay to all the directors and officers to whom the current letter of indemnification was granted.

- 15.2. It should be further noted that the updated letter of indemnification is consistent with the remuneration policy for officers and it is in the same version and on the same terms as the updated letter of indemnification that is to be granted to other directors and officers at the Bank as stated in Section 12 above.

16. Requisite approvals

The granting of the updated letter of indemnification was approved by the Bank's Remuneration Committee on May 18, 2023 and by the Bank's Board of Directors on May 29, 2023 and is subject to the approval of the shareholders' meeting being summoned in this report by a special majority required in accordance with the provisions of Section 275(a)(3) of the Companies Law, as detailed in Section 2 above.

17. Names of the directors having a personal interest and the nature of their personal interest

Mr. Zadik Bino and Mr. Gil Bino have a personal interest in the approval of the granting of the updated letters of indemnification due to the fact that the letters of indemnification are granted to them. For the sake of caution, Mr. Yaakov Sitt has been classified as having a personal interest due to his office as CEO of FIBI Holdings, the Bank's controlling shareholder.

In addition, Mr. Gil Bino and Mr. Yaakov Sitt serve as officers at FIBI Holdings Ltd.

18. Names of the directors who participated in discussions of the Remuneration Committee and the Board of Directors

- 18.1. The following participated in the discussion and vote held at the meeting of the Bank's Remuneration Committee: Ronen Harel (chairman, outside director pursuant to the Companies Law) Pnina Bitterman-Cohen (outside director pursuant to the Companies Law), and Ilan Ayash (outside director pursuant to proper conduct of banking business directive).
- 18.2. The following participated in the discussion and vote held at the meeting of the Bank's Board of Directors: Ron Levkovich (chairman), Zvi Abba Levron, Pnina Bitterman-Cohen (outside director pursuant to the Companies Law), Ronen Harel (outside director pursuant to the Companies Law), Ilan Ayash (outside director pursuant to proper conduct of banking business directive), Orna Dov (outside director pursuant to proper conduct of banking business directive) and Hanoach Dov Goldfriend (outside director pursuant to proper conduct of banking business directive).

19. Similar transactions in the last two years or which are still in effect on the date of the Board's approval

- 19.1. As stated in Section 12.1 above, it was approved at the Bank's general meetings to grant to all the directors, and including the venerable Mr. Zadik Bino and Mr. Gil Bino, letters of indemnification in the version of the current letter of indemnification. These letters of indemnification are still in effect.
- 19.2. On June 30, 2020, the Bank's general meeting approved, following approval of the Audit Committee and the Remuneration Committee, updates to the framework transaction in relation to the Bank's engagement under directors and officers liability insurance policies, and among them Mr. Zadik Bino and Mr. Gil Bino. Such framework transaction is in effect until December 31, 2024. For further details see the Bank's immediate report of June 30, 2020 (reference no.: 2020-01-061465). For details regarding the existing insurance policy, see the immediate report of June 28, 2022 (reference: 2022-01-080383).

20. The reasons of the Remuneration Committee and the Board of Directors for the resolution regarding the granting of the updated letters of indemnification as stated in Resolution 1.2 on the agenda

The Remuneration Committee and the Board of Directors of the Bank found that the granting of the updated letters of indemnification to the directors as stated in this resolution does not constitute a "distribution" as construed under the Companies Law and they approved such grant on the following grounds:

- 20.1. The updated letters of indemnification are completely identical to the updated letters of indemnification proposed to be concurrently granted to the rest of the directors and officers at the Bank. For reasons for granting the updated letters of indemnification to directors and officers at the Bank see Part 'B' to this report below.
- 20.2. The terms of the letters of indemnification to which the Bank's controlling shareholder directors shall be entitled should not be inferior to those of the rest of the directors serving on the Bank's Board of Directors.
- 20.3. The approval to grant the updated letters of indemnification to directors who are controlling shareholders, their relatives, or others to whom the controlling shareholders have a personal interest in granting letters of indemnification, does not raise the maximum indemnification amount that the Bank is permitted to pay to the officers who are entitled to indemnification by virtue of the current letter of indemnification (which was previously approved by the general meeting of the Bank's shareholders). Moreover, the terms of the

current letter of indemnification are fair and reasonable in the particular circumstances, given the size, type, scope, complexity and other characteristics of the Bank's fields of activity and given the great responsibility and significant liabilities imposed on the officers and the directors

- 20.4. The indemnification undertaking is limited to the events that in the opinion of the Remuneration Committee and the Board of Directors of the Bank are foreseeable given the Bank's activity and in the particular circumstances, while the amendments are primarily designed to adjust, clarify and specify such events, and is also limited to the amount that in the opinion of the Remuneration Committee and the Board of Directors of the Bank is reasonable, accepted and customary in the market.

Respectfully,
Adv. Aviad Biller, Bank Secretary
The First International Bank of Israel Ltd

Appendices:

Appendix 'A' – Voting Ballot

Appendix 'B' – The Updated Letter of Indemnification

Appendix 'B'

Date: _____

To

UNDERTAKING TO INDEMNIFY OFFICERS

In this letter, the following terms shall have the meanings beside them:

"The Bank" - The First International Bank of Israel Ltd., and anyone coming under its authority, including any substitute of the Bank pursuant to law.

"The legislative arrangement" - The Companies Law, the Advice Law, The Joint Investment Trust Law, The Control of Insurance Law, the Control of Provident Funds Law, the ~~Restrictive Trade Practices~~ Economic Competition Law, the Securities Law and any statute and/or provision of law prescribing events for which the Company is not allowed to indemnify its officers.

"Administrative proceeding" - A proceeding under Chapters 8C (The Imposition of Financial Sanctions by the Securities Authority), 8D (The Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or 9A (Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions) of the Securities Law, as shall be amended from time to time; and

A proceeding under Chapter 7A (The Imposition of Financial Sanctions by the Authority), Chapter 7B (The Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or Chapter 8A (Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions) of the Advice Law, as shall be amended from time to time; and

A proceeding under Chapter 10 (The Imposition of Financial Sanctions by the Authority), Chapter 10A (The Imposition of Administrative Enforcement Measures by the Administrative Enforcement Committee) or Chapter 11A (Arrangement to Prevent the Initiation of Proceedings or to Conclude Proceedings, Subject to Conditions) of the Joint Investment Law, as shall be amended from time to time;

and

A proceeding to impose financial sanctions under Article D of Chapter 4 of Part IX of the Companies Law, as shall be amended from time to time; and

An administrative proceeding or a proceeding to impose financial sanctions under the Control of Insurance Law and the Control of Provident Funds Law, as shall be amended from time to time; and

A proceeding under Chapter 7A of the ~~Restrictive Trade Practices~~Economic Competition Law, as shall be amended from time to time; and

Any other administrative proceedings that by law it is possible to provide indemnification in respect of payments related to such proceeding or expenses incurred in relation to such proceeding.

"Restrictive Trade Practices Law" - "Companies Law" -	The Restrictive Trade Practices <u>Economic Competition</u> Law, 5748-1988, as shall be amended from time to time. The Companies Law, 5759-1999 and any law amending or superseding such law, as shall be in effect from time to time.
"Advice Law" -	The Regulation of Engagement in Investment Advice, Investment Marketing and Investment Portfolio Management Law, 5755-1995, as shall be amended from time to time.
"Control of Insurance Law" - "Control of Provident Funds Law" - "Joint Investment Trust Law" -	The Control of Financial Services (Insurance) Law, 5741-1981, as shall be amended from time to time. The Control of Financial Services (Provident Funds) Law, 5765-2005, as shall be amended from time to time. The Joint Investment Trust Law, 5754-1994, as shall be amended from time to time.
"Securities Law"	The Securities Law, 5728-1968, as shall be amended from time to time.
"Letter of undertaking" - "	This letter of undertaking to indemnify.
"The schedule" -	The schedule to this letter of undertaking, which constitutes an integral part hereof.
"Officer" -	A person who serves at the Bank, from time to time, as of the effective date onwards, as an officer, as the term is defined in Section 1 of the Companies Law, including directors, the internal auditor and the Bank Secretary.

"Party injured by a violation"	As construed under Section 52BBB(a)(1)(a) of the Securities Law with regard to an administrative proceeding under the Securities Law, the Advice Law or the Joint Investment Trust Law, or as construed under Section 92U of the Control of Insurance Law with regard to an administrative proceeding under the Control of Insurance Law or the Control of Provident Funds Law, or under any other enactment in respect of which an administrative proceeding can be held.
"Officers' insurance policy" or "insurance policy" -	Directors' and officers' liability insurance that has been or shall be purchased from time to time by the Bank.
"The effective date" -	The date of approval of this letter of undertaking by the special general meeting of the Bank's shareholders.
"Transaction", "action" or any other derivative thereof -	As defined in the Companies Law, and including an act and/or omission and/or resolution and/or forbearance from resolving and/or forbearance from acting, constructively, and including such that have been done prior to the effective date. It should be clarified that the aforesaid includes compliance with the provision of any law or a violation of the same, unless the context requires a different interpretation.

Whereas the Bank has purchased and/or shall purchase an officers' insurance policy from time to time;

And whereas the Bank declares and undertakes that each officers' insurance policy that it purchases at any time shall apply also to the officer and also subsequent to the termination of his term of office at the Bank and that, if and insofar as in the future the Bank grants an indemnification undertaking to all the officers at the Bank on more favorable terms than those specified in this letter, the indemnification undertaking on more favorable terms shall be deemed to have been granted to the officer, and all insofar as it does not derogate from the provisions of this undertaking;

And whereas the coverages, financial scope or terms of the officers' insurance policy may not fully insure the Bank's officers in any claim that is filed (if and insofar as filed) against them;

And whereas the Bank wishes to grant the officers an independent undertaking to indemnify, in addition to the insurance, all as specified in this letter;

Therefore, with the approval and by virtue of the resolution of the Audit Committee of 9.5.04, the resolution of the Bank's Board of Directors of 3.6.04, the resolution of the special board committee of 6.6.04 and the resolution of the special general meeting of the Bank's shareholders of 29.6.04, insofar as required with respect to directors, and in accordance with the resolutions to amend this undertaking to indemnify officers, as approved and by virtue of the resolution of the Audit Committee of September 20, 2011, the resolution of the Board of Directors of October 3, 2011 and the resolution of

the general meeting of the Bank's shareholders of November 29, 2011, in accordance with the reapproval of the granting of letters of indemnification to directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of indemnification pursuant to the resolutions of the Remuneration Committee of September 9, 2014, the Board of Directors of September 23, 2014 and the general meeting of the Bank's shareholders of October 30, 2014, and in accordance with the resolutions to amend this undertaking to indemnify officers, as approved and by virtue of the resolution of the Remuneration Committee of September 12, 2017, the resolution of the Board of Directors of September 19, 2017 and the resolution of the general meeting of the Bank's shareholders of October 30, 2017 (including with regard to directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of indemnification), [the resolution of the Remuneration Committee of June 8, 2020, the resolution of the Board of Directors of June 9, 2020 and the resolution of the general meeting of the Bank's shareholders of July 15, 2020 \(for reapproval of the granting of an indemnification undertaking with regard to directors who are controlling shareholders and/or their relatives and/or those to whom the controlling shareholders may have a personal interest in granting letters of indemnification\) and the resolutions to amend the indemnification undertaking as approved in the resolution of the Remuneration Committee of May 18, 2023, the resolution of the Board of Directors of May 29, 2023 and the resolution of the general meeting of _____](#)¹ the Bank hereby undertakes to indemnify the officers at the Bank, as detailed in this letter of undertaking.

Indemnification undertaking

1. Subject to the terms detailed in this letter of undertaking and to the provisions of the legislative arrangement (as they shall be on the date of the actual indemnification with regard to events for which a company is not allowed to indemnify its officers), the Bank hereby undertakes as follows:
 - 1.1. To indemnify any officer at the Bank due to a liability or expense, as specified in Section 2 below, which has been and/or shall be imposed on said officer in consequence of an act performed by him in his capacity as an officer at the Bank, which directly or indirectly relates and/or pertains to one or more of the types of events designated in the schedule.
 - 1.2. To indemnify any officer at the Bank who serves or served or shall serve on the Bank's behalf or at its request as a director at another corporation in which the Bank holds shares, either directly or indirectly, and/or in which the Bank has another interest (hereinafter – **"the other company", "director at another company", respectively**), due to a liability or expense, as specified in Section 2 below, which has been and/or shall be imposed thereon in consequence of an act performed by him in his capacity as a director at the other company and that pertains or relates to one or more of the types of events designated in the schedule.

¹ [After the general meeting's approval is given for the amendments marked in this letter of undertaking, the date of the general meeting shall be completed.](#)

2. The indemnification undertaking as stated in Section 1 above shall apply to any:
 - 2.1. A financial liability that has been and/or shall be imposed on the officer for the benefit of another person pursuant to a judgment, including a judgment handed down in a settlement or an arbitral award approved by a court.
 - 2.2. Expenses that the officer incurred in connection with an administrative proceeding conducted in his regard, including reasonable litigation expenses, as well as attorney's fees.
 - 2.3. Reasonable litigation expenses, including attorney's fees, which the officer has incurred due to an investigation or proceeding conducted against him by an authority authorized in Israel or abroad to conduct an investigation or proceeding, and which concluded without an indictment being filed against him and without a financial liability being imposed thereon in lieu of a criminal proceeding, or that concluded without an indictment being filed against him, but with the imposition of a financial liability in lieu of a criminal proceeding for an offence that does not require proof of criminal intent, or in relation to a financial sanction. **"Conclusion of a proceeding without an indictment being filed in a matter where a criminal investigation has been initiated"** and **"financial liability in lieu of a criminal proceeding"**, as these terms are defined in the Companies Law.
 - 2.4. Payment to a party injured by a violation in accordance with an administrative proceeding.
 - 2.5. Reasonable litigation expenses, including attorney's fees, which the officer has incurred and/or shall incur or with which he has been charged and/or shall be charged by a court, in a proceeding that has been filed and/or shall be filed against him by the Company or in its name or by another person, or for a criminal charge from which he has been acquitted, or for a criminal charge under which he has been convicted of an offense that does not require proof of criminal intent.
 - 2.6. A liability or expense in respect of which the Bank shall be permitted to indemnify and/or to undertake to indemnify officers, pursuant to the statutory provisions and/or pursuant to any law, as prevailing at the time of granting the letter of indemnification and/or as shall be amended from time to time.

For the purpose of this Section 2, **"another person"** – for the avoidance of doubt, it is clarified that this term includes in a case where a claim is filed against the officer by way of a derivative claim.

The indemnification amount

3. The total indemnification amount to be paid by the Bank (in addition to and beyond the amounts that are to be received pursuant to the insurance policy, whether such shall be paid to the Bank or paid to the officer) to all the officers at the Bank and at subsidiaries, cumulatively, in accordance with this letter of

undertaking and/or indemnification undertaking letters to be issued pursuant to this letter, in respect of one set of events of the events specified in the schedule, shall not exceed 25% (twenty five percent) of the Bank's consolidated equity according to the last financial statement (annual or quarterly) that shall be published immediately before the actual payment in respect of the indemnification (hereinafter – "**the total indemnification amount**").

4. If and insofar as the total amounts of the financial liability imposed on officers and/or legal expenses incurred by officers, at any given moment, and for which they are entitled to indemnification pursuant to this letter, in one of the matters that are the subject of the indemnification, exceed the total indemnification amount or the balance of the total indemnification amount available at the time, the total indemnification amount (or the balance thereof – as applicable) shall be divided between the relevant officers in such manner that the indemnification amount actually received by each one of them shall be calculated according to the ratio between the amount that each one of the officers is entitled to receive and the total amounts that all the officers are entitled to receive for the same matter.
5. In the event that the officer receives indemnification from the insurer of the officers' insurance policy, for the matter that is the subject of the indemnification, the indemnification undertaking shall only apply after the rights against the insurer are exhausted, and the indemnification shall only be provided with respect to the difference between the amount of the financial liability imposed on the officer and/or the legal expenses that the officer incurred or with which he was charged, as stated in Sections 1 and 2 above, and the amount received from the insurer for the same matter, provided that the indemnification amount with which the Bank shall be charged pursuant to this letter of undertaking shall not exceed the total indemnification amount. For the avoidance of doubt, it is clarified that the indemnification amount pursuant to this letter shall be limited solely to the amounts not covered by the insurance policy and not actually paid by the insurer.
6. In the event that the officer receives indemnification from another corporation in which he has been appointed to serve as a director on the Bank's behalf or at its request (hereinafter – "**the other corporation**"), for the subject of the indemnification as stated in Section 1.2 above, the indemnification shall be provided with respect to the difference between the amount of the financial liability imposed on the officer and/or the legal expenses, as stated in Sections 2.1 and 2.2 above, and the amount received from the other corporation in the same matter, provided that the Bank first pays the officer the amount of the difference (if any) between the indemnification amount that the Bank must pay to the officer pursuant to this letter of undertaking and the indemnification amount that he shall be entitled to receive from the other corporation, as stated above. In addition and against the assignment of the officer's right vis-à-vis the other corporation to the Bank, while doing whatever is necessary so that the assignment is valid and the Bank shall be able realize said assignment, the officer shall be entitled to receive the entire indemnification amount from the Bank, provided that the indemnification amount with which the Bank shall be charged pursuant to this letter of undertaking does not exceed the total indemnification amount.

Handling of the claim

7. In any case for which an officer may be entitled to indemnification as stated above, the officer and the Bank shall act as follows:
 - 7.1. The officer shall notify the Bank in writing of any legal proceeding (including an administrative proceeding and investigation) that has been initiated against him and of any concern or threat that such legal proceeding (including an administrative proceeding) shall be filed against him and of circumstances that have come to his attention that are liable to lead to the filing of a legal proceeding (including an administrative proceeding) against him (hereinafter – "**the proceeding**") and this as soon as possible after he first becomes aware of this, and he shall immediately forward a copy of any document that is delivered to him in connection with said proceeding to the Bank or to anyone designated by the Bank in a written notice that shall be delivered to the officer.
 - 7.2. The officer shall cooperate fully with the Bank and with anyone designated by the Bank, including with the insurer of the officers' insurance policy, and shall provide any information that is required in connection with the proceeding and shall comply with the other the provisions of the policy relevant to him in connection with the defense against the proceeding.
 - 7.3. The Bank shall be entitled to assume the handling of the officer's legal defense against the proceeding and submit the defense to the handling of an attorney whose identity shall be determined by the Bank according to its discretion and taking into consideration the Bank's obligations pursuant to the officers' insurance policy and the possibility of appointing an attorney on behalf of the insurer (hereinafter – "**the Bank's attorney**").
 - 7.4. Notwithstanding the aforesaid in paragraph 7.3, the officer shall be allowed to object to being represented by the Bank's attorney on reasonable grounds or in circumstances where in the officer's opinion there is a conflict of interests between his defense and the Bank's defense, or in the case where a criminal indictment has been filed against the officer.
 - 7.5. If within fourteen days of receiving notice as stated in paragraph 7.1 above, the Bank (or the insurer) has not assumed the handling of the officer's defense against the proceeding, or if the officer objects to being represented by the Bank's attorney, in the circumstances set forth in paragraph 7.4 above, the officer shall be allowed to submit the handling of the defense to an attorney of his own choosing (hereinafter – "**the other attorney**"), provided that the amount of the fee that is to be paid to the other attorney and the amount of the expenses shall require approval of the Audit Committee and the Board of Directors of the Bank, which shall examine the reasonableness of said amounts. The officer shall be afforded the opportunity to appear and plead his case before the Audit Committee and the Board of Directors. If the full amount of the fee and expenses

requested has not been approved and the officer has decided not to waive the services of the other attorney, the officer shall be entitled, if he so wishes – to receive from the Bank the reasonable amount of the fee and expenses approved for him and the balance shall be paid by the officer and at his own expense.

- 7.6. Notwithstanding the aforesaid in paragraphs 7.4 and 7.5 above, if the officers' insurance policy is applicable in the case, the Bank and the officer shall abide by the provisions of the policy in all matters related to disagreements with the insurer with regard to the identity of the representing attorney, if the provisions of the policy so require, in such manner that the submission of the handling to the Bank's attorney or to the other attorney shall not enable the insurer to be released from its liability under the policy or to reduce the same, and in this regard the provisions of the policy shall override any agreement between the officer and the Bank. However, the Bank shall make every reasonable effort, within the framework of its options under the policy, to honor the officer's wish.
- 7.7. If the Bank decides to assume the handling of the defense against the proceeding and the officer does not object to it doing so in the circumstances set forth in paragraph 7.4 above, the officer shall sign, at the Bank's request, an authorization letter that authorizes the Bank, as well as the Bank's attorney, to handle the defense against the proceeding on his behalf and to represent him in all matters related to this defense, and the Bank and the Bank's attorney shall be allowed to handle the same exclusively (but while regularly reporting to the officer on any development and the Bank will act in consultation with him and with his legal advisers) and they shall be allowed to bring the proceeding to its conclusion, as they shall deem appropriate, subject to the following in paragraph 7.15.
- 7.8. The officer shall cooperate with the Bank and with the Bank's attorney in any reasonable manner that shall be required by either of them within the framework of their handling in relation to the proceeding, including signing applications, affidavits and any other document. Where an officer has appointed the other attorney, in accordance with the provisions of this letter, the officer and the other attorney shall regularly report to the Bank on any development and shall act in consultation with the Bank and its advisers and all while protecting and considering the Bank's needs.
- 7.9. If the Bank decides to assume the handling of the defense against the proceeding and the officer does not object to it doing so in the circumstances set forth in paragraph 7.4 above, the Bank shall bear the expenses and the payments that this shall entail, in such manner that the officer shall not be required to personally pay or finance the same (subject to the aforesaid in clauses 1 + 2) and the Bank shall not be obligated towards the officer pursuant to this letter of undertaking in respect of the expenses, including the litigation expenses, legal expenses and attorney's fees, which the officer shall subsequently incur to protect his interests.

- 7.10. At the request of the officer, the Bank shall pay to him as an advance an amount (or amounts) required to cover reasonable expenses that the officer faces, including attorney's fees, as well as in relation to investigative proceedings, and with respect to which the officer is entitled to indemnification pursuant to this letter of undertaking. The advance amounts shall be agreed between the officer and the Bank and in the absence of an agreement – shall be determined by an arbitrator agreed upon by the parties.
- 7.11. Where the Bank has paid any amount to an officer by virtue of the indemnification undertaking, either as an advance or in another manner, and subsequently it emerges that the officer must reimburse the same, in whole or in part, due to the fact that he was not entitled to indemnification due to the Companies Law or due to any other provision of law, the reimbursement amount shall bear index linkage differentials, as well as interest at the Bank's standard rates on index linked loans, from the day when the amount was paid until the day it is reimbursed.
- 7.12. Where the Bank has paid any amount to an officer by virtue of the indemnification undertaking, and subsequently the charge for which the amount was paid was cancelled or the amount of said charge was reduced for any reason, the officer shall assign to the Bank all its rights to restitution of the amount from the claimant in the proceeding and shall do whatever is necessary so that this assignment shall be valid and the Bank shall be able to realize the same, and once he has done so, he shall be exempt from reimbursing the amount for which the right of restitution has been assigned. If he fails to do so, the officer shall be required to reimburse the amount, or a part thereof, as applicable, together with linkage differentials and interest at the rates and for the period according to which he is entitled to reimbursement of the amount from the claimant.
- 7.13. Where the Bank's attorney represented in the proceeding both the Bank and the officer, and subsequently it emerges that the officer was not entitled to indemnification due to the provisions of the Companies Law or due to any other provision of law, and a dispute arose with regard to the officer's obligation to reimburse court costs or with regard to the reimbursement amounts, the dispute shall be forwarded for the decision of an arbitrator who shall be agreed upon by the parties.
- 7.14. The officer and/or anyone on his behalf shall not convey and shall not give any admission, offer, promise, undertaking or compensation whatsoever and shall not consent to enter a settlement or to transfer the proceeding for decision by arbitration, unless the Bank has consented to do so in advance and in writing and if the consent of the insurer shall be necessary, then also the consent of the insurer of the officers' insurance policy has been received. The foregoing in this clause shall not apply to conveying facts to any authority authorized by law upon its demand, as well as to giving testimony at trial.
- 7.15. The Bank, as well as the Bank's attorney, shall not consent to enter a settlement in an amount exceeding the indemnification amount to which

the officer shall be entitled, and shall not be allowed to admit on behalf of the officer the existence of any of the events that are non-indemnifiable pursuant to this letter, except with the prior written consent of the officer, and if the consent of the insurer shall be necessary – then also with the prior consent of the insurer.

Validity of the undertaking

8. The indemnification undertaking shall be valid, with no time limit (and at least for the full duration of the period of limitation), both with regard to proceedings that are initiated against the officer in the course of his employment or his term of office at the Bank and with regard to proceedings that are initiated against him subsequent to the date of termination of his employment or subsequent to the date of termination of his term of office at the Bank, provided that they relate to actions that are the subject of indemnification, as stated in clause 1 above. The indemnification undertaking shall also be in favor of the officer's estate, his heirs and his other successors under law.
9. For the avoidance of doubts, it is hereby prescribed that this undertaking does not revoke or derogate from or waive any other indemnification to which the officer is entitled from any other source pursuant to the provisions of any law or pursuant to any previous undertaking of the Bank, insofar as such undertaking is valid under law, provided that the Bank shall not be obligated to indemnify the officer in respect of the same event, also pursuant to the previous undertaking (if and insofar as such shall be in effect) and also pursuant to this letter of undertaking. It is hereby clarified that whenever it is possible to indemnify the officer, under law, both pursuant to this letter of undertaking and pursuant to a previous undertaking of the Bank, the Bank's Remuneration Committee, subject to the provisions of any law, shall decide according to which undertaking the officer is to be indemnified.
10. This undertaking does not limit the Bank or prevent the Bank from providing additional or special indemnification to the officers, provided that this does not prejudice the indemnification undertaking pursuant to this letter.

Executing the payment

11. To any payment to be paid pursuant to this letter of undertaking, there shall be added value added tax or any other tax or duty, if such applies.
12. Any payment that the Bank must pay pursuant to this letter of undertaking shall be paid by it within 7 days of the day it is demanded.

General

13. The preamble and the schedule to this letter of undertaking constitute an integral part hereof.
14. This letter of undertaking is intended to broaden the officers' entitlement to indemnification and not to narrow such entitlement. Therefore, it should be interpreted broadly, in a manner designed to uphold it, to the extent permitted by law, for the purpose for which it was intended. Accordingly, in the case of conflict

between any provision in this letter of undertaking and a provision of law that cannot be stipulated, altered or added upon, the foregoing provision of law shall prevail, but this shall not prejudice or derogate from the validity of the remaining provisions of this letter of undertaking.

15. This letter of undertaking and everything associated herewith, including its interpretation and performance, shall be subject to the laws of the State of Israel and to them alone.

The exclusive jurisdiction in any matter related to this letter, its interpretation and the manner of its performance shall be vested in the competent court in Tel Aviv and in said court alone, unless the parties have appointed an arbitrator pursuant to this letter. The aforesaid in regard to exclusive jurisdiction shall not apply in the case of a claim pursuant to this letter within the framework of a third party notice.

16. This letter of indemnification shall be delivered to each officer serving from time to time at the Bank, who shall confirm his consent to the terms of the letter of indemnification in the version presented above.

17. The indemnification undertaking pursuant to this letter of indemnification does not constitute a contract for the benefit of any third party, including any insurer, and no insurer shall have a right to demand the Bank's participation in any payment for which the insurer is liable pursuant to a policy signed with such insurer (save a deductible).

SCHEDULE
THE TYPES OF EVENTS

1. A transaction and/or action with or in relation to customers, including, but without derogating from the generality of the aforesaid, any action within the framework of Section 10 of the Banking (Licensing) Law, as well as customer asset management, including portfolio management and actions related to life insurance of borrowers or residential apartment insurance, by the Bank or corporations under its control.
2. The issuance of securities by the Bank or corporations under its control or by the other company, including, but without derogating from the generality of the aforesaid, an offering of securities to the public pursuant to a prospectus, a private offering or an offering of securities in any other manner, a buy back of securities by the Bank or a corporation under its control or by the other company, and any action deriving from the Bank being a public company and/or from a subsidiary of the Bank being a reporting company in accordance with the Securities Law.
3. Actions and/or resolutions in connection with the preparation, editing, approval or signing of financial reports, interim financial reports, annual reports, periodic and quarterly reports, as well as providing an assessment in connection with the effectiveness of the internal audit (SOX), adopting resolutions with regard to the application of accounting rules and restatement in financial statements, reliance on accounting estimates and assessments (*inter alia*, for IFRS purposes), business work plans or forecasts in connection with the Bank, risk reports and supervisory disclosures released to the public and corporate responsibility reports.
4. A transaction (including an exceptional transaction or a transaction with interested parties or related persons in accordance with proper conduct of banking business directives) or an action and including the transfer, sale, lending, purchase or lease of properties, goods, real estate, securities, rights or obligations, including the granting or receipt of a right in each one of them, as well as an action directly or indirectly related to such transaction.
5. Any topic that requires a report and/or disclosure, as well as any report or notice that are filed and/or that must be filed pursuant to the statutory provisions specified in clause [37-40](#) below and pursuant to any law (or any comparable or similar provision in foreign law).
For this purpose – "**report**" – includes giving any opinion, financial reports, periodic reports, immediate reports or data and reports released to the public or to any competent authority either in Israel or abroad (including, the Supervisor of Banks, the Commissioner of the Capital Market, the tax authorities, the Securities Authority, etc.) and/or that the Bank and/or the officer must provide pursuant to any law.
6. Providing information, presentations, reports, opinions or notices to any competent authority either in Israel or abroad and/or to another third party, including pursuant to the Companies Law, the Securities Law, as well as regulations promulgated thereunder, or pursuant to rules or guidelines prevailing at the stock exchange in Israel and/or in stock exchanges abroad, [and/or clearing houses and/or payment systems in Israel or abroad](#) and/or

pursuant to guidelines of the Supervisor of Banks and/or pursuant to the statutory provisions specified in clause 39-40 below and pursuant to any law.

~~6-7.~~ A remark, statement, including an expression of a position or opinion, made in good faith by the officer during his office and by virtue of his office, including within the framework of meetings of the board of directors or any of its committees.

~~7-8.~~ Forwarding information required by law to companies with an interest in the Bank.

~~8-9.~~ Any action related to the Bank's reports to the tax authorities in Israel and/or abroad, both with regard to reports related to actions and transactions of the Bank and with regard to actions and transactions of the Bank's customers, as well as any action related to payments and deductions that the Bank must make for the tax authorities in Israel and/or abroad and any payment and/or payment demand that apply to the Bank by operation of law.

~~9-10.~~ Actions in connection with procuring and receiving licenses and permits and participating in tenders (including business licenses, building permits and licenses and approvals required to conduct the Bank's businesses).

~~10-11.~~ Actions related to distributing a dividend to the Bank's shareholders.

~~11-12.~~ The Bank's investments in securities issued by various bodies (including the State), as well as investments in any assets, other financial assets or otherwise, either in Israel or abroad, including an action (including realizing securities and options) in connection with securities and options in corporations under its control and/or in non-financial and other companies, in Israel and/or abroad, as well as adopting resolutions and/or actions in connection with managing the Bank's own (nostro) account.

~~13.~~ Without derogating from the aforesaid in clause 12, making investments within the framework of the investments permitted to the Bank pursuant to Section 11 of the Banking (Licensing) Law.

~~12-14.~~ An action and/or transaction stemming from or related to a term of office on the Bank's behalf as an authorized organ in any other corporation in which the Bank has an interest and/or an appointment on the Bank's behalf in the other corporation, as well as any action related to voting rights in corporations in which the Bank is entitled to vote. Moreover, any action and/or transaction and/or resolution in accordance with one or more of the events specified in this letter, insofar as occurring in a corporation in which the Bank holds any means of control, either directly or indirectly.

~~13.~~

~~14-15.~~ An action stemming from statutory requirements and regulatory requirements in the consumer sphere and in the money laundering sphere and pursuant to the Prohibition of Terror Financing Law, including any action related to and/or stemming from a consumer provision pursuant to the legislation specified in clause 39-40 below, and including actions related to identification, reporting and

record-keeping pursuant to law.

- ~~15.~~16. Any action and/or transaction and/or allegation and/or liability and/or obligation either in Israel or outside Israel pursuant to the provisions of the statutes specified in clause ~~39–40~~ below (or any comparable or similar enactment in foreign law abroad), such as the Banking Ordinance, the Banking (Licensing) Law, the Banking (Service to Customer) Law, the ~~Restrictive Trade Practices~~Economic Competition Law, the Prohibition of Money Laundering Law, the Joint Investment Trust Law, the Income Tax Ordinance, the Value Added Tax Law, ~~the Restrictive Trade Practices Law,~~ the Prohibition of Terror Financing Law, the Protection of Privacy Law, proper conduct of banking business directives, the Regulation of Engagement in Investment Advice Law, the Consumer Protection Law and the protective laws in the labor law sphere.
17. Credit policy, extending, providing or refinancing credit, its approval or renewal or non-renewal, its management (including changing any of its terms or waiving terms), taking measures (or refraining from doing so) to call for its collection or immediate payment (full or partial), receipt, registration and treatment of securities and realizing them (or refraining from realizing them), including by means of an official receiver, handling problematic debts, forgiving a debt or securities or changes therein, or rescheduling debts or making an arrangement with debtors and managing credit risks in general, and all including as part of a consortium. All the foregoing, whether or not in accordance with the Bank's policy and procedures; Ffor this purpose, "credit" as defined in the Banking (Licensing) Law and as construed under any other relevant law.
- ~~16.~~18. Actions within the framework of legal proceedings or administrative proceedings by the Bank and/or against the Bank, including an action related to a legal proceeding, including abroad, refraining from a legal proceeding, opposing a legal proceeding or consent to a legal proceeding, as well as entering settlement agreements within the framework of legal proceedings or in lieu of legal proceedings, and entering agreements with enforcement, supervisory or regulatory authorities either in Israel or abroad, including within the framework of criminal or administrative proceedings.
19. An action in connection with managing the Bank's risks (including insurance or lack of insurance or underinsurance of the types of risks to which the Bank is exposed, as well as management of the engagements with insurers and activation or non-activation of insurance policies) and including management and control of exposures to financial risks in general and financial derivatives in particular, management of operational and legal risks, including data processing methods, activity via electronic communication, human error risks, inspection and control procedures, embezzlement and fraud risks and violation of procedure or law-, prohibition of money laundering and prohibition of terror financing risks, data protection and cyber risks, invasion of privacy risks, risks inherent in the implementation of the open banking standard, including in providing financial information services or in providing access to a customer's financial information, in providing payment initiation services (basic or advanced) or in providing access to the customer's account for the purpose of

providing such initiation services, as well as in fulfilling the obligations resulting from the service of transferring funds between individuals in accordance with the Payment Services Law, model risks, outsourcing risks, risks arising from external natural events, from pandemics (such as the COVID-19 pandemic), wars and other external events, including events over which the Bank has no control, risks arising from human resource management, technology risks, clearing risks, strategy risk, goodwill risk, cross-border risk, regulatory compliance and violation of laws.

~~17.~~20. Actions in connection with conducting and managing control of activities of the Bank, its employees and its officers, handling deficiencies and exceptions, including ethical offenses, embezzlements and corruption, as well as exposing the same, and handling employee and/or customer and/or third party complaints, following up on the implementation of audit reports and correction of deficiencies, preparing work plans for audit and approving said plans and supervision of the internal audit.

~~18.~~21. Listing the securities of the Bank and corporations under its control for trade on the stock exchange and/or delisting them.

~~19.~~22. Events related to computer offenses and data protection, information technology and cyber events, including in all matters associated with the implementation of the open banking standard, in general, and sharing information with a "third party provider", including a financial information service provider or information source, of any type, in particular and including a payment service provider.

~~20.~~23. An act and/or omission related to business relationships between the Bank and its various suppliers and/or service providers.

~~21.~~24. Events related to employer-employee relations and the protective legislation in the labor law sphere, including in relation to a strike or defensive lockout of the Bank, labor agreements, negotiating, hiring for work, employee benefits, determination and modification of employment conditions, rotation, transferring an employee from his position, disciplinary proceedings against employees, employing employees through a manpower company, termination of employer-employee relations, workplace safety issues, equal employment opportunities, actions in connection with the Bank's pension obligations and social benefits. For this purpose, "employee" includes an officer, external service provider and those employed by such provider, an employee of a manpower contractor where the Bank is his actual employer and an employee of a service contractor employed in rendering a service through his employees at the Bank. "Manpower contractor", "service contractor" and "actual employer" – as defined in the Employment of Employees by Manpower Contractors Law, 5756-1996.

~~22.~~25. A structural change of the Bank and/or companies under its control and/or its related companies, or their reorganization, including, but without derogating from the generality of the aforesaid, a merger, spin-off, liquidation, dissolution, sale allotment or "distribution", as construed under Section 1 of the Companies Law, including a dividend, and a change in the capital of the Bank, or subsidiaries, or

related companies, and/or any such change also in a corporation in which the Bank has an interest.

~~23-26.~~ Compliance or non-compliance with orders, requirements, directives, guidelines and rules of authorities, institutions and various bodies in Israel and abroad (including international sanction programs) and an action in connection with collaborations with other bodies in Israel or abroad, including other financial institutions or authorities in Israel or abroad.

~~24-27.~~ ~~An action or transaction related to debit cards issued~~An action or transaction in connection with payment systems, the Payment Services Law and the Regulation of Engagement in Payment and Payment Initiation Services Law, including, but without derogating from the generality of the aforesaid, in connection with a "payment services contract", a "payment action", "payment order", "freezing use" of a payment method (or no such freezing), cancellation of a payment method or any other obligation pursuant to said laws, as well as an action or transaction in connection with the Debit Card Law, including in connection with the issuance of debit cards by the Bank or a corporation under its control or by a credit card company held by the Bank, and including an issuance, contractual engagement, debiting customers pursuant to a contract, reimbursing debit amounts to customers, transaction clearing, delivering explanations to a customer and delivering reports on debit card transactions and cancelling a deferred payment transaction.

~~25-28.~~ An action related to the establishment, registration, management and use of registries and databases as this term is defined in the Protection of Privacy Law, including a computerized database of account numbers and identification details of the account holders, authorized signatories, beneficiaries and the holders of controlling interest in the account; as well as an action in connection with the transfer of data and information, pursuant to any law, and including pursuant to the Protection of Privacy Law, also in connection with the transfer of credit data, providing financial information services and providing access to a customer's financial information, pursuant to any law, providing payment services, and including pursuant to the Credit Data Law and proper conduct of banking business directives, and also in connection with the implementation of the open banking standard, as well as an action in connection with any kind of collaboration with a third party (including a "third party provider", a financial information service provider or source of information, of any kind, any kind of payment service provider).

~~26-29.~~ An action concerning accessibility, adequate representation, non-discrimination and upholding rights due to persons with disabilities and any discrimination on other grounds.

~~27-30.~~ An action or transaction in connection with a trust for others, including as a trustee for joint trust funds, a trustee for holders of bonds issued pursuant to the Securities Law, and as a trustee for a bank account for insurance agencies, as a trustee for hedge funds, as a trustee for private customers, as a trustee under employee option plans, as well as holding and managing collateral provided under

financing agreements, supervising the execution of escrow transactions and holding securities for the purpose of compliance with capping conditions.

28.31. An action or transaction related to the advertising and/or marketing of the Bank's activities and businesses, including mobilizing for advertising and/or marketing, as well as accuracy and non-deception of the advertisement.

29.32. An action and/or transaction associated with the business relationships between the Bank and its customers and/or its suppliers (including an action carried out in the Bank's ordinary course of business), and without derogating from the generality of the aforesaid, any action, act and/or omission in connection with opening, managing and closing an account, transferring and depositing funds from and to the account, deposits and withdrawals of funds, performing payment services, collecting commissions and interest, delivery and/or receipt of documents and information from the customer (including in connection with a third party), having the customer sign documents and forms, compliance with obligations under the Consumer Protection Law, the Prohibition of Money Laundering Law, the Prohibition of Terror Financing Law, the Counter-Terrorism Law, the Struggle Against Iran's Nuclear Program Law and international sanction programs and any tax legislation (either in Israel or abroad), deductions and offsets, as well as providing information to the customer and/or to a third party in connection with the account, and any reporting or lack of reporting to the customer and/or to any authority or other regulatory body in connection with the account.

30.33. Actions and transactions related to receiving deposits, investments in provident funds, savings plans and any financial assets, the management and payment thereof, determination and collection of commissions, interest and expenses, actions and transactions in the capital market for customers, including investment portfolio management, investment advice, pension advice, operation and other services for financial products and corporations in the capital market, such as provident funds, ~~and~~ mutual funds and stock exchange members, providing information and guidelines on tax matters, selling ancillary products related to the foregoing services, referral to receive such services or providing assistance in receiving them, adopting resolutions in respect of managing the Bank's risks – including managing risks of loss in balance sheet and off-balance sheet positions stemming from a change in the fair value of a financial instrument due to a change in market conditions, as well as an action of hedging and/or minimizing currency,

interest risks or other risks either in Israel or abroad, as well as an action or transaction in the capital market sphere in connection with securities, financial assets, and including derivatives, negotiable or non-negotiable, either in Israel or abroad, as well as an action or transaction in connection with foreign currency and digital assets, and all including any purchase, sale, lending, realization, conversion, hedging, transfer, deposit, preservation and management, including within the framework of the dealing room and in conjunction with or through financial institutions in Israel and abroad or in relation thereto, and all both for a customer and for the Bank (nostro), both within the framework of on or off-exchange trading, including "over the counter"; in addition, but without derogating from the generality of the aforesaid, an action in regard to an obligation imposed pursuant to any law in relation to the aforesaid in this clause 33, and including in connection with securities laws and including the Advice Law and the Pension Advice Law, or banking laws, as well as regulations, orders, directives and rules prescribed thereunder, and including directives issued by the Bank of Israel (including proper conduct of banking business directives).

~~31-34.~~ 34. An action related to giving full disclosure to customers pursuant to any law and/or related to providing information on commissions and interest, including an action pursuant to Sections 5 and 5A of the Banking (Service to Customer) Law, pursuant to Section 4 of the Consumer Protection Law and pursuant to rules established by virtue of these sections, as well as providing information to customers pursuant to any law and any action in connection with the collection and/or payment of any commission and/or interest and/or principal and/or any other payment, including the calculation thereof.

~~32-35.~~ 35. Any other activity associated with the Bank's activity.

~~33-36.~~ 36. Actions and/or resolutions that cause, contribute, create, increase, preserve, enable, do not prevent and/or do not reduce, either directly or indirectly, damage or harm to the quality of the environment, including to the quality of the air, water, food, soil, plant and animal life, and/or that expose human beings, animals or plants to harm, damage, nuisance or disease.

~~34-37.~~ 37. An action of appointing position holders at the Bank and/or outsourcing and/or an action of retaining consultants and/or service providers for the Bank.

38. A resolution and/or action of the Bank in connection with intellectual property, confidential information, patents, copyrights, design rights, trademarks, trade secrets, unlawful use of ideas of the Bank or corporations under its control, including any cause and/or demand that arises in respect of a *prima facie* infringement or an actual infringement of the above.

35-39. An action in connection with damage to any person, property, right or any other asset, attributed to the Bank or to anyone on its behalf.

36-40. For the purpose of this schedule -

"The Companies Law" – The Companies Law 5759-1999.

"The Securities Law" – The Securities Law, 5728-1968.

"Security" – as construed under Section 1 of the Companies Law and under Section 1 of the Securities Law.

"The Consumer Protection Law" – The Consumer Protection Law, 5741-1981.

The Debit Cards Law, 5746-1986.

The Checks Without Cover Law, 5741-1981.

The Standard Contracts Law, 5743-1982.

The Encouragement of Savings (Income Tax Reductions and Guaranty of Loans) Law, 5716-1956.

The Interest Law, 5717-1957.

The Guarantee Law, 5727-1967.

The Trust Law, 5739-1979.

The Agency Law, 5725-1965.

"The ~~Restrictive Trade Practices~~Economic Competition Law" – The ~~Restrictive Trade Practices~~Economic Competition Law, 5748-1998.

"The Prohibition of Money Laundering Law" – The Prohibition of Money Laundering Law, 5760-2000.

"The Regulation of Engagement in Advice Law" – The Regulation of Engagement in Investment Advice and Investment Portfolio Management Law, 5755-1995.

"The Joint Investment Trust Law" – The Joint Investment Trust Law, 5754-1994.

"The Protection of Privacy Law" – The Protection of Privacy Law, 5741-1981.

"The Banking (Licensing) Law" – The Banking (Licensing) Law, 5741-1981.

"The Banking (Service to Customer) Law" – The Banking (Service to Customer) Law, 5741-1981.

"The Banking Ordinance" – The Banking Ordinance, 1941.

"The Control of Provident Funds Law" – The Control of Financial Services (Provident Funds) Law, 5765-2005.

"The Financial Advice Law" – The Control of Financial Services (Pension Advice, Marketing and Clearing System) Law, 5765-2005.

"Income Tax Ordinance" – Income Tax Ordinance [New Version].

"Value Added Tax Law" – Value Added Tax Law, 5736-1975.

"The Prohibition of Terror Financing Law" – The Prohibition of Terror Financing Law, 5765-2005.

"The Payment Services Law" – The Payment Services Law, 5779-2019.

"The Credit Data Law" – The Credit Data Law, 5776-2016.

"The Fair Credit Law" – The Fair Credit Law, 5753-1993.

The Information Services Law" – The Financial Information Services Law, 5781-2021.

"The Counter-Terrorism Law" – The Counter-Terrorism Law, 5761-2006.
"The Struggle Against Iran's Nuclear Program Law" – The Struggle Against Iran's Nuclear Program Law, 5772-2012.
"The Regulation of Engagement in Payment and Payment Initiation Services Law" – The Regulation of Engagement in Payment and Payment Initiation Services Law, 5783-2023, as shall be enacted.
Credit Data Service Law" – Credit Data Service Law, 5762-2002.

The protective legislation in the labor law sphere, including laws listed in the schedules to the Law for Enhanced Enforcement of Labor Laws, 5772-2012.

"Proper Conduct of Banking Business Directives" – Proper Conduct of Banking Business Directives on behalf of the Supervisor of Banks.

Procedures of the Tel Aviv Stock Exchange.

Each one of the aforementioned laws includes all the orders, rules and regulations thereunder or any law that supersedes them.

For the avoidance of doubt, any event in this schedule above, including any transaction, action, act, omission or infringement shall be interpreted as also referring to an event outside Israel and/or (as applicable) to the law, statutes, regulations, rules and directives under foreign law.

Date

Bank's signature