

The First International Bank of Israel Ltd.

(The “Bank”)

Written Ballot under the Companies (Written Ballots and Position Statements) Regulations 2005-5766 (the “Regulations”)

Part One

1. **Company Name:** The First International Bank of Israel Ltd.

2. **Type of General Meeting, Time and Place Convened:**

Annual General Meeting of Bank shareholders, which will convene on Thursday, 20th December 2018 at 14:00, at the Bank’s offices at 42 Rothschild Blvd., Tel Aviv (14th Floor, conference room) (the “**Meeting**”).

3. **Details of Items on the Agenda with Respect to Which Voting by Written Ballot is Permissible:**

3.1. Appointing Somekh Chaikin & Co. CPA, as the Bank’s auditor for 2018, and authorising the Board of Directors to set its remuneration, in accordance with the scope of the services it will provide.

3.2. Appointing Mr. David Asia for a third, three-year, term of office as an external director at the Bank, pursuant to the Proper Conduct of Banking Business Directive No. 301, which will begin on December 24, 2018.

Mr. Asia’s candidacy for an additional term as an external director under the Proper Conduct of Banking Business Directive No. 301 was approved by the Bank of Israel.

Mr. Asia’s Declaration, given in accordance with Section 224B of the Companies Act, 5759-1999 (hereinafter: the “**Companies Act**”) is enclosed herewith and is available for perusal at the Bank’s offices, until the date on which the Meeting shall convene, during normal working hours.

For additional details regarding the candidate for an additional term as an external director at the Bank, see Regulation 26 of Chapter D of the Bank’s 2017 Periodic Report, published on March 6, 2018 (Reference No.: 2018-01-017832) (hereinafter: the “**Bank’s Periodic Report for 2017**”).

In accordance with Regulation 7(a)(5)(b) of the Regulations, the following details are provided regarding the candidate for the position of director, as well as every detail required under Regulation 26 of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970 (hereinafter: the “**Reports Regulations**”), to the extent that any change has occurred with respect to them since the Periodic Report, to the best of the Bank’s knowledge:

Name	David Asia
Membership of Board Committees	Administration and Information Systems Committee; Loans Committee
The year in which his tenure as a director began	2012
Every detail required under Regulation 26 of the Reports Regulations, to the extent that any change has occurred with respect to them since the Bank's Periodic Report for 2017	In addition to the details in the Periodic Report, has been serving as a director at Landing Express Ltd. since January 2018. Moreover, serves at Camilio Ltd. (previous name: Move-Art Consulting Ltd.)

3.3. To approve the Bank's contractual engagement under a directors' and officers' insurance policy, as set forth in Part B of the Immediate Report enclosed herewith (hereinafter: the "**Immediate Report**").

For additional details regarding the items on the Meeting's Agenda, see the Immediate Report.

4. The Place and Time to Peruse the Full Wording of the Proposed Resolutions:

The wording of the Proposed Resolutions, the Declaration made by the candidate for tenure as a director, and the Immediate Report pertaining to the convention of the Meeting, may be reviewed at the Bank's offices at 42 Rothschild Blvd., Tel Aviv, Sunday through Thursday, until the date of the Meeting, or the Adjourned Meeting, during customary working hours, and with prior coordination with the Bank's Secretary, Adv. Aviad Biller (Tel: 03-5196223). A copy of this Report is also published on the Israel Securities Authority's Distribution Website – URL: <http://www.magna.isa.gov.il> (above and hereinafter: the "**Distribution Website**"), on the Tel Aviv Stock Exchange Ltd.'s Website – URL: <http://www.maya.tase.co.il>, (above and hereinafter: the "**The Tel Aviv Stock Exchange Website**"), and the Bank's Website – URL: www.fibi.co.il.

5. The Required Majority to Pass Resolutions on the Agenda, With Respect to Which Voting by Written Ballot is Permissible:

5.1. The majority required to pass the resolutions listed in Clauses 3.1 and 3.2 above, is a simple majority of votes of shareholders, present and voting, in person or by proxy, or who sent a written ballot to the Bank noting the manner in which they have voted, entitled to vote at the Meeting, and not counting the abstentions.

5.2. The majority required to approve the resolution listed in Clause 3.3, is a simple majority of votes of shareholders, present and voting, in person or by proxy, or who sent a written ballot to the Bank noting the manner in which they have voted, entitled to vote at the Meeting, and not counting the abstentions, provided that one of the following is met:

5.2.1. The count of the majority of votes will include a majority of shareholders participating in the vote, who have no personal interest in the resolution,

participating in the vote (*sic*). In the count of all the votes of the abovementioned shareholders, the abstentions will not be counted.

- 5.2.2. The total number of votes opposing, out of the shareholders detailed in Sub-clause 5.2.1 above, will not exceed a share of two percent of the entire voting rights in the Bank.

6. Comment Regarding the Shareholder Being a Controlling Shareholder in the Company or Having a Personal Interest:

- 6.1. A shareholder participating in the vote with respect to the resolution in Clause 3.3 above, will notify the Company before voting, and if the vote is by Written Ballot – will mark Part B of the Ballot at the designated place, if he is considered a controlling shareholder, an interested party, has a personal interest in passing the resolution or confirming the appointment, and whether he is a senior officer or institutional investor, or not, and a description of the relevant interest or affiliation.

A shareholder who fails to indicate on the second part of the Written Ballot, at the designated place for marking same, or has marked “Yes” but failed to provide a description as abovementioned, will not vote with respect to that resolution, and his vote will not be counted for the purposes of that resolution.

- 6.2. In accordance with Regulation 36D(d) of the Reports Regulations, the Regulations and the Israel Securities Authority’s directive dated November 30, 2011, concerning disclosure of the manner in which an interested party, senior officers and institutional investors vote at meetings, and the voting regulations (hereinafter: the “**Directive**”), an interested party, senior officer and institutional investor (hereinafter: the “**Voters**”), as defined in the Directive, voting at the Meeting on the resolution in Clause 3.3 above, will provide the Bank, as part of their vote, the details mandated under Regulation 36D(d) of the Reports Regulations and Section 2(b) of the Directive, and if they have voted by proxy, the Voter, or his proxy, will also provide said details with respect to the proxy. Moreover, details are to be provided concerning any affiliation (with the exception of a negligible affiliation) between the Voter or proxy (who has no personal interest) and the Bank, or any of the controlling shareholders, including employee-employer relations, business ties, etc., and/or between a senior officer at the Bank, and details of the nature thereof.

7. Legal Quorum and Adjourned Meeting

- 7.1. The legal quorum for the shareholder Meeting, is one or more shareholders, present in person or by proxy (including by means of a Written Ballot) who hold or represent more than 25% of the voting power at the Bank.
- 7.2. If a quorum is not present at the Meeting after the passage of half an hour from the time set for the Meeting, the Meeting will be adjourned by one week, to the same time and place, without any obligation to notify the shareholders thereof, or to any other time and place as the Board of Directors may determine. At the adjourned meeting, discussion will take place of matters for which the Meeting was convened, and the shareholders present, in person or by proxy, shall constitute a quorum.

8. The Date of Record

The date of record for the purposes of a Bank shareholder's entitlement to participate in and vote at the General Meeting and at any adjourned meeting, as provided for by Section 182(b) of the Companies Act and Regulation 3 of the Companies (Voting by Written Ballot and Position Statement) Regulations, 5766-2005 (hereinafter: the "**Voting Regulations**"), is the end of the trading day on the Tel Aviv Stock Exchange Ltd., which will be Thursday, November 22, 2018 (the "**Date of Record**"). If there is no trading on the Date of Record, the Date of Record shall be the last trading day prior to that date.

9. Manner of Vote and Validity of Written Ballot

9.1. A shareholder whose shares are registered through a member of the Stock Exchange (hereinafter: "**Unregistered Shareholder**"), is entitled to obtain proof of ownership from the member of the Stock Exchange through whom he holds his shares, at the member of the Stock Exchange's branch or by post to his address in consideration only of the postage fee, if he requested this, provided that said request is made in advance with respect to a particular securities account. A shareholder is entitled to instruct that his proof of ownership be conveyed to the Company by means of the electronic voting system.

9.2. An Unregistered Shareholder's Ballot will be delivered to the Company together with the proof of ownership (or the proof of ownership will be sent to the Company by means of the electronic voting system no later than six hours before the time for the convention of the General Meeting), so that the Ballot will arrive at the Company's registered office **no later than four hours before the time for the convention of the General Meeting**.

9.3. A shareholder registered on the Ledger of Members, will deliver the Written Ballot to the Company, together with a photocopy of his I.D. Card or passport, or a copy of its certificate of incorporation, so that the Ballot will arrive at the Company's registered office **no later than six hours before the time for the convention of the General Meeting**.

10. Online Voting:

Unregistered shareholders may vote in relation to the resolution on the agenda as set forth above, by means of a ballot to be transmitted by the electronic voting system (hereinafter: the "**Electronic Voting Ballot**").

The Electronic Voting Ballot opens for voting at the end of the Date of Record. Voting through the electronic voting system will end six (6) hours prior to the time of the Meeting (i.e. Thursday, December 20, 2018 at 8:00), at which time the electronic voting system will close.

11. The Bank's Address for Delivery of Written Ballots and Position Statements:

The address for delivery of Written Ballots and Position Statements, is the Bank's offices at 42 Rothschild Blvd., Tel Aviv, C/o Adv. Aviad Biller.

12. The Last Date to Provide Position Statements to the Bank by a Shareholder and the Board of Directors' Reply:

The last date for submitting shareholders' position statements to the Bank, is up to ten days prior to the date of the Meeting.

The last date for the submission of the Board of Directors' reply to the position statements, if and to the extent that shareholders' position statements are submitted, and the Board of Directors elects to submit a reply to the abovementioned position statements, is no later than five days prior to the date of the Meeting.

13. Websites Where the Written Ballots and Position Statements can be Found:

The URL's of the websites of the Israel Securities Authority and the Stock Exchange, on which the wording of the Written Ballot and Position Statements can be found are as follows: The Israel Securities Authority Distribution Website: <http://www.magna.isa.gov.il>; the Stock Exchange website: <http://www.maya.tase.co.il>.

14. Receipt of Written Ballots and Position Statements:

An Unregistered Shareholder is entitled to receive by email (to the address in the possession of the member of the Stock Exchange) for no consideration, a link to the wording of the Written Ballot and Position Statements on the distribution site, from the member of the Stock Exchange through whom he holds his shares, unless he has notified that member of the Stock Exchange that he is not interested in receiving such link, or that he is interested in receiving the Written Ballot by post, in consideration of a payment. His notice relating to the Written Ballot shall also apply in relation to receipt of the Position Statements.

15. Perusing Written Ballots:

One or more shareholders, who hold, at the Date of Record, shares constituting a rate of five percent (5%) or more of all the voting rights in the Bank, viz., 5,016,502 Ordinary Shares with a par value of 0.05 NIS each, and any person who holds such rate out of the total voting rights not held by the Bank's controlling shareholder, as defined in Section 268 of the Companies Act, viz., 2,591,767 Ordinary Shares with a par value of 0.05 NIS each, is entitled, after the convention of the General Meeting, to peruse, in person or by proxy, the Written Ballots which reached the Bank, at the Bank's offices, at customary working hours.

16. Amending the Meeting's Agenda:

After publication of the Written Ballots, it is possible that changes may be made to the agenda, including adding an item to the agenda, and position statements made be published; the updated agenda and published position statements may be reviewed at the Bank's reports on the distribution site, the URL of which was presented at Clause 13 above.

17. The Last Date for Providing an Amended Ballot:

If the addition of an item to the agenda is requested, and the Bank will publish an updated Ballot (which includes the additional item(s) as abovementioned) then the Bank will publish an updated Ballot as stated, at the date of publication of the updated agenda for the Meeting, which will be in accordance with the timetables set out in section 5B of the Companies (Notice and Advertisement of a General Meeting and a Class Meeting in a Public Company and Adding an Item to the Agenda) Regulations, 5760-2000.

A Shareholder Will Note the Manner of his Voting Regarding the Items on the Agenda on the Second Part of the Written Ballot

Written Ballot – Second Part

Company Name: The First International Bank of Israel Ltd.
Bank’s Address: 42 Rothschild Blvd., Tel Aviv 66883, C/o Adv. Aviad Biller
Comp. Reg. No.: 52-0029080-3
Date of Convention: Thursday, 20th December 2018 at 14:00
Type of Meeting: Annual General Meeting of Shareholders

The Date of Record With respect to Share Ownership for the Purposes of the Right to Vote at the General Meeting: The end of the trading day on the Tel Aviv Stock Exchange Ltd., which will be Thursday, November 22, 2018 (hereinafter: the “**Date of Record**”). If there is no trading on the Date of Record, the Date of Record will be the last trading day prior to that date.

The Bank does not Permit Voting Online in Accordance with Regulation 5(c) of the Regulations

Shareholder Details:

Name of shareholder: _____

I.D. No. _____

If the shareholder does not have an Israeli I.D. Card:

Passport No. _____

Country of Issue _____

Valid Through _____

If the shareholder is a corporation:

Corporation No. _____

Country of Incorporation _____

If the shareholder is a Voter as defined in Clause 6 of the First Part of the Written Ballot Above:

Details of any connections between the Voter (who has no personal interest) or his proxy, to the Bank or to any of the controlling shareholders or senior officers at the Bank, including employee-employer relations, business ties, etc., and details of the nature thereof:

Item on Agenda	Manner of Vote ¹			With respect to approving a transaction under Section 275 of the Companies Act – Are you a controlling shareholder or agent thereof, or do you have a personal interest in passing the resolution ² ?	
	Yea	Abstain	Nay	Yes*	No
Appointing Somekh Chaikin & Co. CPA as the Bank's auditor for 2018, and authorising the Board of Directors to set its remuneration in accordance with the scope of the services it will provide in accordance with Clause 3.1 above					
Re-appointing Mr. David Asia for a third, three-year, term of office as an external director at the Bank, pursuant to the Proper Conduct of Banking Business Directive No. 301, which will begin on December 24, 2018 in accordance with Clause 3.2 above.					
To approve the Bank's contractual engagement under a directors' and officers' insurance policy, in accordance with Clause 3.3 above.				----	----

Are you an interested party, senior officer, or institutional investor?
Yes _____; No _____

* Please provide details if you noted that you are considered a controlling shareholder or having a personal interest (except for a personal interest that is not the result of connections to the controlling shareholder) in passing the resolution:

¹ Failure to mark will be considered an abstention on that item.

² Any shareholder who fails to complete this column or who marked "yes" but fails to provide details, his vote shall not be counted.

*** Please provide details if you noted that you are considered an interested party, a senior officer in the Company³, or an institutional investor⁴:**

Date

Signature

For shareholders who hold shares through a member of the Stock Exchange (under Section 177(1) of the Companies Act 5759-1999) – this Written Ballot will be valid only together with proof of ownership.

For shareholders registered on the Bank’s ledger of members – This Written Ballot will be valid when a photocopy of I.D. Card / Passport / Certificate of Incorporation is enclosed herewith.

³ As the term “Senior Officer” is defined in Section 37(d) of the Securities Act.

⁴ As the term “Institutional Investor” is defined in Regulation 1 of the Companies (Voting by Written Ballot and Position Statements) Regulations 5766-2005.