

May 7, 2024

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 - "**the Companies Law**"), the Securities Law, 5728-1968 (hereinafter - "**the Securities Law**"), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter - "**the 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 - "**the Notice Regulations**"), the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (hereinafter - "**the 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, June 13, 2024, 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. Item No. 1 – Appointment of Mr. Ronen Harel for a third term of office of three years as an outside director at the Bank, pursuant to the Companies Law, commencing from June 10, 2024.

Mr. Harel's candidacy for an additional term of office as an outside director pursuant to Companies Law is being put forward by the Bank's Board of Directors and has been approved by the Bank of Israel.

The Bank's Board of Directors has classified Mr. Harel as having accounting and financial expertise as defined in the Companies Regulations (Conditions and Tests for a Director having Accounting and Financial Expertise and for a Director having Professional Qualification), 5766-2005.

For details with regard to the terms of office of Mr. Harel see the Bank's immediate report of May 4, 2021 (reference no.: 2021-01-077961), as well as Article 29A of the Bank's periodic report for 2023 that was published on March 12, 2024 (reference no.: 2024-01-021418) (hereinafter: "**the Bank's periodic report for 2023**").

Ms. Harel's declaration, given in accordance with Section 241 of the Companies Law, is attached to this report.

For further details with regard to Mr. Harel, see Article 26 of the Bank's periodic report for 2023. In accordance with Regulation 7(a)(5)(b) of the Voting Regulations, the requisite details with regard to the candidate for the office of director and each one of the details required pursuant to Regulation 26 of the Reporting Regulations are provided below, to the extent there has been any change in said details since the Bank's periodic report for 2023, according to the best of the Bank's knowledge:

Name:	Mr. Ronen Harel
Membership on board committees:	Chairman of the Remuneration Committee; Audit Committee; Loan Committee; Technology, Innovation and Administration Committee
The year in which he commenced his tenure as director:	2018
Each one of the details required pursuant to Regulation 26 of the Reporting Regulations, if there has been any change in said details since the submission of the Bank's periodic report for 2023.	-

Text of the proposed resolution: To appoint Mr. Ronen Harel for a third term of office of three years as an outside director at the Bank, pursuant to the Companies Law, commencing from June 10, 2024.

1.2. Item No. 2 – Approval of the Bank's engagement in directors' and officers' insurance policies.

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

Text of the proposed resolution: To approve the Bank's engagement in directors' and officers' insurance policies.

2. The required majority

2.1. The majority required to approve the item on the agenda detailed in Section 1.1, 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 ballot 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, other than the controlling shareholders

at the Bank and those having a personal interest in the approval of the appointment, save a personal interest that is not a result of ties with the controlling shareholder. 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 Section (1) above did not exceed the rate of two percent of the total voting rights at the Bank.

2.2. The majority required to approve the item on the agenda detailed in Section 1.2, 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 ballot 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 Section (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, May 16, 2024 ("**the date of record**"). If no trading is held on the date of record, then the date of record shall 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 of record 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 means of voting ballots and position papers**

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 TASE 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 to receive such link, provided that the notice is given with respect to a particular securities account and on a date preceding the date of record. His 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 resolutions on the agenda as detailed in Sections 1.1-1.2 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 resolutions in Sections 1.1-1.2 on 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 a 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 of 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 posted. It shall be possible to inspect the updated agenda and position statements insofar as they are posted, 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 Company shall post 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 the 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 TASE website at: www.tase.co.il and on the Bank's website at: www.fibi.co.il.

**PART B – ADDITIONAL DETAILS PURSUANT TO THE CONTROLLING
SHAREHOLDER TRANSACTION REGULATIONS WITH RESPECT TO
APPROVAL OF THE BANK'S ENGAGEMENT IN INSURANCE POLICIES**

12. **Preface**

- 12.1. On December 20, 2018 the general meeting of the Bank approved, as a framework transaction as defined in Regulation 1(3) of the Companies Regulations (Reliefs in Transactions with Interested Parties), 5760-2000 (hereinafter – "**the Relief Regulations**"), the Bank's engagement in an officers' and directors' liability insurance policy, for itself and for the companies in the Bank Group, as well as for FIBI Holdings Ltd. (hereinafter – "**FIBI**"), the controlling shareholder in the Bank (hereinafter, collectively – "**the Group**"), including the manner of dividing the insurance premiums between the Group companies, which shall apply to the officers, as they have served and/or shall serve in the Bank and in the Group from time to time, including the CEO of the Bank and officers who are controlling shareholders and/or their relatives and/or who the controlling shareholders may have a personal interest in including in the insurance policy, for a period of six years (commencing from January 1, 2019 and up to December 31, 2024), including by way of extending the original policies and/or by means of purchasing new policies, subject to the terms specified in the framework transaction. For further details, see the Bank's immediate report of November 6, 2018 (reference no.: 2018-01-104847).
- 12.2. On July 15, 2020 and on June 10, 2021, the general meeting of the Bank approved updates to the existing framework transaction (the amendments from 2020 entered into force commencing from July 1, 2020), in all matters pertaining to the liability limit, the terms for renewal of the policy within the framework transaction, the scope of the insurance premiums, the deductible amounts (to be paid by the Group and not the officers) and subsequently elimination of the ceilings set in relation to the annual insurance premiums and the deductible amounts and adding reasonable legal defense expenses above the liability limit (the insurance coverage scope ceiling remained unchanged), while there was no change in the remaining terms of the existing framework transaction, and this *inter alia* in accordance with an amendment made in the Israel Securities Authority's legal staff position number 101-21: remuneration policy (best practice). For details with regard to the updates to the existing framework transaction, see the Bank's immediate reports of June 9, 2020 (reference no. 2020-01-051931) and of May 4, 2021 (reference no. 2021-01-077970).
- 12.3. The terms of the framework transactions, as stated, were also included in the remuneration policy for the Bank's officers, as recently approved by the general meeting of the Bank on March 1, 2023. For further details see the Bank's immediate report of January 24, 2023 (reference no.: 2023-01-009553).

12.4. In light of the aforesaid, it is requested to approve in advance, as a framework transaction as defined in Regulation 1(3) of the Relief Regulations, as well as in accordance with Regulations 1B(5), 1A1 and 1B1 of the Relief Regulations, the Bank's engagement in directors' and officers' liability insurance policies, for itself and for all or some of the companies in the Group, either by way of extending the existing policies or by purchasing new policies, which shall apply to the officers, as they shall serve in the Bank and in the Group from time to time, including officers who are controlling shareholders and/or their relatives and/or who the controlling shareholders may have a personal interest in including in the insurance policy, and including the Bank's CEO, **and all for a period of six years commencing from July 1, 2024 and up to June 30, 2030**, subject to the terms specified below. In addition, it is requested to approve the manner of dividing the insurance premium expenses in respect of directors' and officers' liability insurance policies between FIBI and the Bank and its subsidiaries.

13. **Key points of the transaction**

13.1. Prior approval of the Bank's engagement in a directors' and officers' insurance policy, for the Bank and for all or some of the companies in the Bank's Group, either by way of extending existing policies or by purchasing new policies, which shall apply to officers, as they shall serve in the Bank and in the Group from time to time, including officers who are controlling shareholders and/or their relatives and/or who the controlling shareholders may have a personal interest in including in the insurance policy, and including the Bank's CEO, and all for a period of six years commencing from July 1, 2024 and up to June 30, 2030, subject to the terms specified below (hereinafter – "**the framework transaction**"):

13.1.1. Liability limit: The liability limits for the entire Group – up to USD 200 million per claim or in the aggregate, plus reasonable defense expenses above the liability limit.

13.1.2. The Remuneration Committee, the Audit Committee and the Board of Directors approved the renewal of the policy for a new insurance period and determined that it is under market conditions and is not likely to have a material effect on the profitability, assets or liabilities of the Bank.

13.1.3. The Remuneration Committee, the Audit Committee and the Board of Directors approved the annual insurance amounts and the deductible and determined that they are in accordance with market conditions as such shall be on the date of renewal of the policy (the directors and the officers do not bear the deductible).

13.2. To approve the manner of dividing the insurance premium expenses in respect of the directors' and officers' liability insurance policies between FIBI and the Bank and its subsidiaries in the course of the framework transaction period.

According to an assessment of the Bank's professional consultants in the field of insurance, FIBI's share of the premium for "directors' and officers'" insurance should continue to stand at 10% and in their professional assessment, this is a reasonable division reflecting the approximate scope of the relative risk that FIBI imposes on the Group. It should be noted that the engagement in the policy together with FIBI reduces the cost for the other companies in the Bank's Group.

Before the beginning of each insurance period, the Bank shall contact FIBI and the subsidiaries of the Bank and offer them to participate in the foregoing insurance policy in return for bearing their share of the premium. If any of them do not participate in the directors' and officers' liability insurance policy, then the share of the rest of the Group companies shall increase in accordance with their relative share or the Bank itself shall bear the same company's share of the premium payment, at its discretion.

Assuming that FIBI does participate in the directors' and officers' liability insurance, the share of the Bank and its subsidiaries of the insurance premiums for the insurance periods together should stand at 90% of the insurance premiums.¹

- 13.3. The resolutions set forth in Section 13.1 above shall also serve as a resolution to approve the new framework transaction, as set forth in Regulation 1(3) of the Relief Regulations, as well as a resolution pursuant to Section 267A of the Companies Law as an amendment to Section 8.2 of the Bank's remuneration policy (for the duration the Bank's existing remuneration policy is in effect), as set forth in Regulation 1B1 of the Relief Regulations, which shall enable the renewal of the insurance policy also in relation to directors and officers who are controlling shareholders in the Bank or their relatives, as well as in relation to the CEO also in accordance with Regulations 1B(5), 1A1 and 1B1 of the Relief Regulations.

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 Bank's controlling shareholders, as this term is construed under Section 268 of the Companies Law, who have a personal interest in the approval of the resolutions detailed in Section 13 above are Mr. Zadik Bino, who serves as a director at the Bank, Mr. Gil Bino, who serves both as the Chairman of FIBI's Board of Directors and as a director at

¹ For the sake of completing the picture, it should be noted that the Audit Committee and the Board of Directors approved, as a non-exceptional transaction in which the controlling shareholders may have a personal interest, the inclusion of FIBI in the Bank's banker's insurance and cyber insurance Group policies, even though FIBI did not personally request to be insured under such policies, in light of the nature of its activities, since in the opinion of the Bank and its professional insurance consultants the inclusion of FIBI in these insurances is for the Bank's benefit and constitutes an interest of the Bank since in the case of a claim against the Bank, which also includes FIBI, as a controlling shareholder, such an event may develop into a third party claim and would entail additional expenses for the Bank. In addition, according to an assessment of the Bank's insurance consultants, since FIBI is a holding company with no corporate banking activity, FIBI's actual liability exposure for claims under policies other than an officers' policy is virtually negligible. Furthermore, the inclusion or non-inclusion in these Group policies does not alter and would not have altered the total cost to the Bank and to its subsidiaries in respect of the aforementioned policies. Bearing in mind the aforesaid, the insurance consultants believed it would be advisable for the Bank to include it in the policies even without its participation in the cost of the insurance under these policies.

the Bank, and Ms. Dafna Bino Or, who serves as a director at FIBI, since they may be entitled to the insurance coverage set forth in the resolutions detailed in Section 13 above. In addition, FIBI, the controlling shareholder in the Bank, has a personal interest because it is going to be included in the Group insured under the purchased policy and to participate in the payment of the insurance premiums as set forth in Section 13 above.

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

15. **The manner of determining the consideration**

The division of the insurance premiums between the Group companies is determined, *inter alia*, by the Remuneration Committee, the Audit Committee and the Board of Directors according to recommendations of the Bank's insurance consultants and in light of an analysis by the insurance company and the insurance consultants of the insurance risks in the Group's activities.

It should be noted that in the criteria approved by the Audit Committee, in accordance with Section 117(1b) of the Companies Law, and by the Board of Directors, it was determined that there is no obligation to carry out a competitive process as construed under the Companies Law in relation to the engagement to purchase a directors' and officers' insurance policy, and that the same is not suited to a competitive process as construed under the Companies Law. This since the engagement under the policy is with an independent third party, and the personal interest of the controlling shareholders may stem from them being included among the parties insured under the policy, but they have no personal interest in the level of the premium to the insurance company. From time to time, the Bank conducts a competitive process between the insurers in accordance with the recommendation of the insurance consultants.

16. **Requisite approvals**

16.1. The proposed resolutions in Section 13 above were approved by the Audit Committee and the Remuneration Committee on April 16, 2024, and by the Bank's Board of Directors on May 7, 2024. The resolutions require approval of the Bank's general meeting by a special majority as detailed in Section 2.2 above.

16.2. It should be noted that the participation of the other Group companies, including FIBI, in the framework transaction is also subject to obtaining the requisite approvals in those companies.

16.3. Since it is proposed that the framework transaction is to be approved for a period that exceeds 3 years, it was affirmed by the Audit Committee that the Bank's engagement in the framework transaction for a period of six years commencing from July 1, 2024 is reasonable under the specific

circumstances and this in accordance with Section 275(a)1(2) of the Companies Law.

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

All the directors in the Bank may be regarded as having a personal interest in the engagement due to their being entitled to the foregoing insurance coverage under the directors' and officers' liability insurance policy. In addition, see the provisions in Section 14 above with respect to the interest of Mr. Zadik Bino and Mr. Gil Bino, which may also stem from them being controlling shareholders. Moreover, Mr. Gil Bino and Mr. Kobi Sitt serve as officers at FIBI.

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

18.1. The following participated in the discussion and vote held at the meeting of the Bank's Audit Committee held on April 16, 2024: Pnina Bitterman-Cohen (chairwoman, outside director pursuant to the Companies Law), Ronen Harel (outside director pursuant to the Companies Law), Zvi Abba Levron, Hanoch Dov Goldfriend (outside director pursuant to proper conduct of banking business directive) 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 Remuneration Committee held on April 16, 2024: 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).

18.3. The following participated in the discussion and vote held at the meeting of the Bank's Board of Directors held on May 7, 2024: Ron Levkovitz (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 Hanoch 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**

As stated in Section 12 above, from time to time the Bank has purchased a directors' and officers' insurance policy for the Bank and for the companies in the Group and this in accordance with resolutions previously adopted by the Bank. FIBI's share of

the insurance premiums under said engagements is identical to its share proposed pursuant to this report.

20. **The reasons of the Remuneration Committee and the Board of Directors for the resolution regarding approval of a framework transaction for the Bank's engagement in insurance policies, as stated in Resolution 1.2 on the agenda**

The Audit Committee, the Remuneration Committee and the Board of Directors of the Bank approved the framework transaction for the engagement in a directors' and officers' insurance policy, as stated, on the following grounds:

- 20.1. Directors' and officers' liability insurance is a common practice in companies of a size similar to that of the Bank and is necessary for the Bank's activity and in order to allow the officers and the directors to operate freely in the best interests of the Bank, and this considering the risk involved with the activity of the officers within the fields of activity of the Bank Group, the scope of said activity, the Bank being a banking corporation and a publicly traded company.
- 20.2. The engagement under group policies pursuant to the new framework transaction allows each company in the Group to expand the coverage limits while reducing the costs of the insurance premiums.
- 20.3. The manner of dividing the insurance premiums between the Group companies, and including FIBI's share of the insurance premiums, is reasonable and equitable and reflects the approximate scope of the relative risk that the same company imposes on the Group insurance.
- 20.4. The terms of the engagement in insurance policies during the period of the new framework transaction with respect to the CEO and with respect to controlling shareholders and/or their relatives and/or those whom the controlling shareholders may have a personal interest in including in the insurance policy and who are officers at the Bank, shall be identical to the terms of the engagement in relation to the rest of the officers at the Bank, and the engagement in such insurance policy pursuant to the new framework transaction shall be under market conditions and shall not have a material effect on the profitability, assets or liabilities of the Bank.
- 20.5. Whereas the renewal of the policy and its terms (either by continuing an existing policy or by way of purchasing a new policy) are brought at the end of each insurance period for the review and approval of the Remuneration Committee, the Audit Committee and the Board of Directors of the Bank, who oversee and verify the compliance of each policy renewal transaction with the terms of the framework transaction, the Audit Committee has found that the engagement in the framework transaction for a period that exceeds 3 years from the date of its approval is a reasonable period in the specific circumstances.

- 20.6. The engagement in directors' and officers' liability insurance is consistent with the remuneration policy for the Bank's officers.
- 20.7. The Audit Committee found that the engagement in the new framework transaction does not constitute a "distribution" as construed under the Companies Law.
- 20.8. In light of all the aforesaid, the engagement in the new framework transaction is in the best interests of the Bank.

Respectfully,

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

Appendices:

Appendix 'A' – Voting Ballot