

November 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 - "**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**") and the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 (hereinafter - "**the Voting Regulations**"), the Bank hereby announces the convening of a special general meeting of the Bank's shareholders, to be convened on Wednesday, January 3, 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**

To approve the terms of service and employment of the Bank's CEO, Mr. Eli Cohen, as detailed in Appendix 'A' to this report, effective as of November 30, 2023.

For details regarding the terms of service and employment of the Bank's CEO, see Part 'B' to this report below.

2. **The required majority**

2.1. The majority required to approve the item on the agenda, as set forth in Sections 267A(b) and 272 (c1) of the Companies Law, and in accordance with Section 2(a) of the Remuneration of Officers in Financial Corporations (Special Approval and Disallowance of an Expense for Tax Purposes due to Exceptional Remuneration) Law, 5776-2016 (hereinafter – "**the Remuneration Law**"), is a simple majority of all the votes of 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:

2.1.1. The count of the majority votes shall include, at a minimum, a majority of all the votes of shareholders, participating in the vote, who are not the holders of controlling interest in the Bank and do not have a personal interest in the resolution. Abstaining votes shall not be taken into account when counting all the votes of said shareholders.

2.2.2. The total dissenting votes among the shareholders set forth in Section 2.2.1 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 Tuesday, December 5, 2023 ("**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 item 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 item 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 resolution on the agenda, 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 holder of controlling interest, 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 a resolution concerning the item 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 holders of controlling interest, 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.

6.4. **It shall be noted that due to actions being carried out by the Israel Securities Authority to protect the information systems and the computing infrastructures on which the electronic voting system is based, temporary difficulties may arise in accessing the electronic voting system from abroad. A shareholder who wishes to vote and encounters difficulties in accessing the electronic voting system is asked to vote using the alternative voting methods, i.e., by means of a voting ballot or by proxy, as detailed in sections 4 and 5 above or to contact the system's help desk at telephone 077-2238333.**

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. **Holders of controlling interest 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 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 set 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. **Inspection of documents and details of the bank representatives**

The text of the proposed resolution 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 WITH REGARD TO APPROVING THE TERMS OF SERVICE AND EMPLOYMENT OF THE BANK'S CEO

11. Background

- 11.1. The incoming CEO, Mr. Eli Cohen (hereinafter – "**the CEO**") is expected to commence serving as the Bank's CEO on November 30, 2023 (hereinafter – "**the commencement date**").
- 11.2. It is proposed to approve terms of service and employment for the CEO, as detailed in **Appendix 'A'** to this report, which subject to the approval of the meeting summoned in this report, shall apply as of the commencement date.
- 11.3. The proposed terms of service and employment for the CEO were set in accordance with the Remuneration Law, the officer remuneration policy as approved by the general meeting on March 1, 2023 (the remuneration policy was attached to the meeting summons report of January 24, 2023, reference no.: 2023-01-009553) (hereinafter – "**the remuneration policy**"), the Companies Law and Proper Conduct of Banking Business Directive 301A "Remuneration Policy in a Banking Corporation".

12. Additional details in accordance with the sixth schedule to the Reporting Regulations

- 12.1. The following is a summary of the expected remuneration to the CEO for 2024 (full year in the position of CEO), in accordance with the data known at this time, insofar as the terms of service and employment of the CEO are approved by the general meeting (in terms of cost in NIS thousands, excluding payroll tax, and in terms of the known index for October 2023):

Details of the remuneration recipient (in 2024, in NIS thousands)				Remuneration for services in terms of cost						
Name	Position	Appointment percentage	Rate of holding of corporation's capital (%)	Salary (1)	Advanced study fund and National Insurance	Benefit (2)	Bonus (5)	Total pursuant to Remuneration Law (4)	Social contributions pursuant to law (3)	Total remuneration cost (4)
Mr. Eli Cohen	CEO	100	-	2,406	53	118	255	2,832	356	3,188

- (1) Salary and convalescence pay.
 (2) Value of miscellaneous benefits (including value of car, value of mobile phone and value of holiday gift)
 (3) Contributions and deposits to severance pay and provident funds (including loss of working capacity) not included in the definition of "remuneration" for the purpose of calculating the projected expense for the purpose of Section 2(a) of the Remuneration Law.
 (4) Not including social contributions pursuant to law.
 (5) Maximum bonus in accordance with Section 5 of **Appendix 'A'**, which is attached to this report.

- 12.2. The cost of the projected remuneration to the CEO (in annual terms) for 2024 shall be about 8.74 times the average cost and about 10.65 times the median cost of the remuneration paid to the rest of the Bank's employees and the contractor employees.¹

¹ The said ratios were calculated in the following manner:
 In the numerator, the projected remuneration expenses of the CEO in 2024 were taken.
 In the denominator, the remuneration expenses paid to the rest of the Bank's employees and the contractor employees (excluding officers) in 2022, who worked full-time for a whole year, were taken.

- 12.3. The ratio between the variable remuneration and the fixed remuneration in the projected terms of service and employment of the CEO for 2024 shall be set at 8.69 (assuming a maximum annual bonus).
- 12.4. As of the date of approval of the terms of service and employment by the Remuneration Committee and the Board of Directors of the Bank, the cost of the annual remuneration of the CEO, as construed under the Remuneration Law (i.e., excluding payments and contributions for pension payments and severance pay pursuant to law), and given an annual bonus in the amount of the annual bonus cap, does not exceed the cap pursuant to Section 2(a) of the Remuneration Law.
- 12.5. Notwithstanding the aforesaid, the terms of service and employment of the CEO may exceed the cap pursuant to Section 2(a) of the Remuneration Law (but not more than the cap pursuant to Section 2(b) of the Remuneration Law), insofar as the Remuneration Committee and the Board of Directors approve immaterial changes in the terms of employment of the CEO, in accordance with Section 11 of the remuneration policy and this without the need for further approval of the general meeting, as well as in cases of revisions to existing provisions in the financial statements resulting from revisions applied to the terms of service and employment (such as a provision for payment during the non-compete period in the case of a change in the monthly salary or salary indexation differentials or accrual of leave). Therefore, the proposed terms of service and employment for the CEO are submitted for the approval of this meeting by the special majority required also under Section 2(a) of the Remuneration Law, meaning a majority of the shareholders who are not holders of controlling interest at the Bank.
- 12.6. On November 28, 2023, following the Remuneration Committee's approval of November 14, 2023, the Bank's Board of Directors approved the proposed terms of service for the CEO as stated **in Appendix 'A'**, which is attached to this report, as of the commencement date. Before the Remuneration Committee and the Board of Directors, within the framework of such meetings, *inter alia*, the following data and information were reviewed and examined: The remuneration policy; the relevant provisions of Directive 301A; provisions of the Remuneration Law; the terms of service and employment of the outgoing CEO of the Bank; the necessary data with respect to the terms of employment of employees at the Bank in accordance with the Companies Law and the data mentioned in Section 2(b) of the Remuneration Law²; comparative data in regard to the remuneration of CEOs in the banking system.
- 12.7. The Remuneration Committee members who participated in the Committee's hearing of November 14, 2023, at which the proposed terms of service and employment of the CEO were approved, are: 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 the proper conduct of banking business procedure).
- 12.8. The board members who participated in the meeting of November 28, 2023, at which the proposed terms of service and employment of the CEO were approved, are: Ron Levkovitz (Chairman), Zadik Bino, Gil Bino, Jacob Sitt, Zvi Abba Levron, Pnina Bitterman-Cohen (outside director pursuant to the

² See for this purpose footnote 7 of the remuneration policy.

Companies Law), Ronen Harel (outside director pursuant to the Companies Law), Ilan Ayash (outside director pursuant to the proper conduct of banking business procedure), Orna Dov (outside director pursuant to the proper conduct of banking business procedure) and Hanoch Dov Goldfriend (outside director pursuant to the proper conduct of banking business procedure).

The board members do not have a personal interest in the approval of the terms of service and employment of the CEO.

The terms of service and employment were approved unanimously by the Remuneration Committee and the Board of Directors.

13. **Reasons of the Remuneration Committee and the Board of Directors for approving the terms of service and employment of the CEO**

- 13.1. The CEO has many years of experience in the banking system and an in-depth familiarity with the Bank, having been employed at the Bank since 2004, where during this period he served, *inter alia*, also as a member of the Bank's management as of 2019. Within the framework of appointing the CEO and in setting his remuneration, his education, qualifications, expertise, professional experience and achievements were taken into account.
- 13.2. The proposed terms of service and employment of the CEO were examined in relation to the provisions of the Companies Law, Directive 301A of the Banking Supervision Department and the Remuneration Law and they are consistent with the various requirements included within the framework of these provisions of law, as well as with the remuneration policy for the Bank's officers.
- 13.3. The process of approving the terms of service and employment of the CEO included examining and addressing the relation between the remuneration paid to the CEO and the remuneration paid to the Bank's employees (including contractor employees) and a representation of the examination is included in Section 12.2 above. The Remuneration Committee and the Board of Directors are of the opinion that the foregoing discrepancies do not have a material effect on the labor relations at the Bank.
- 13.4. The Remuneration Committee and the Board of Directors were presented with comparative data in regard to the terms of service and employment of CEOs in the Israeli banking system and it was found that the terms of service and employment of the CEO are reasonable in the particular circumstances.
- 13.5. The terms of service and employment of the CEO do not exceed, as of the date of their approval, the annual cap pursuant to Section 2(a) of the Remuneration Law, even though the Remuneration Committee and the Board of Directors took into consideration that the total annual remuneration may exceed the cap pursuant to Section 2(a) of the Remuneration Law (but not more than the cap pursuant to Section 2(b) of the Remuneration Law), with no further approval of the general meeting, both by virtue of revisions that shall be applied pursuant to the terms of service and employment and by virtue of approval by the Remuneration Committee and the Board of Directors for immaterial changes

in the terms of service and employment of the CEO, as detailed in Section 6 of the terms of service and employment in Appendix 'A'.

- 13.6. Within the framework of approving the proposed terms of service and employment of the CEO, consideration was given to disallowing an expense for tax purposes due to part of the proposed remuneration of the CEO, however it was found that the amount in question is insignificant.
- 13.7. It should be noted that there is a difference in the amount of the monthly salary in the terms of service and employment of the incoming CEO compared to the monthly salary at the end of the term of office of the outgoing CEO, Ms. Smadar Barber-Tsadik (which was set at about NIS 250 thousand), which stems from the many years of seniority in office of the outgoing CEO.
- 13.8. In light of all the aforesaid and in light of the totality of the above data, the proposed terms of service and employment of the CEO are appropriate and reasonable, in the particular circumstances.

Respectfully,

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

Appendices:

Appendix 'A' – Terms of service and employment of the Bank's CEO, Mr. Eli Cohen
Appendix 'B' - Voting Ballot

**THE FIRST INTERNATIONAL
BANK OF ISRAEL LTD.**

**TERMS OF SERVICE AND EMPLOYMENT
OF THE BANK'S CEO**

1. **Introduction**

- 1.1. The incoming CEO, Mr. Eli Cohen (hereinafter – "**the CEO**") is expected to commence his tenure as the Bank's CEO on November 30, 2023 (hereinafter – "**the commencement date**").
- 1.2. The terms of service and employment detailed in this document below are as of the commencement date (hereinafter – "**the terms of employment**"). Nothing stated derogates from the CEO's entitlement to an annual bonus for his term of office in 2023 as Executive Vice President and Chief Risk Officer pursuant to the Bank's remuneration policy.
- 1.3. The terms of employment were formulated in accordance with the Remuneration of Officers in Financial Corporations (Special Approval and Disallowance of an Expense for Tax Purposes due to Exceptional Remuneration) Law, 5776-2016 (hereinafter – "**the Remuneration Law**"), the remuneration policy for the Bank's officers as approved by the general meeting on March 1, 2023 (hereinafter – "**the remuneration policy**"), the Companies Law, 5759-1999 and Proper Conduct of Banking Business Directive 301A "Remuneration Policy in a Banking Corporation".

2. **Period and conditions for termination of employment**

- 2.1. The terms of employment are for an indefinite period, where each party is allowed to terminate the employment by written notice of three months in advance, as stated in Section 2.4 below.
- 2.2. Given that the CEO is employed in a position that requires a special degree of personal trust, the provisions of the Hours of Work and Rest Law, 5711-1951 shall not govern his employment and the payments that shall be made to the CEO for his employment take this presumption into account.
- 2.3. The CEO shall be employed full-time and shall not be permitted to work in any other job and shall not engage in any other occupation and shall not fill any other position in any body, with or without consideration, unless he has received prior written approval for this purpose from the Bank's Board of Directors.

Where the Bank has imposed another position on the CEO besides his position at the Bank, or the CEO has been permitted to engage in any other occupation or to fill a position in any other corporation, the CEO has an obligation to ensure that he shall not be in a situation of conflict of interest between his duties and activities at the Bank and the other position and occupation.

- 2.4. Advance notice – At any time in the course of the period of employment, the Bank or the CEO shall be permitted to notify the other party of the termination of employment, on a date that falls at least three (3) months after the date of delivery of the notice, as stated (hereinafter – "**the advance notice period**"). During the advance notice period, the CEO shall continue to fully and properly carry out his duties, unless the Bank has decided to waive his actual work during the advance notice period, in whole or in part, consecutively or intermittently. During the advance notice period, insofar as the CEO has

worked in the course of said period, the CEO shall be entitled to the monthly salary and to the fringe benefits in accordance with the terms of employment. If the Bank decides not to employ the CEO in the course of the advance notice period, the CEO shall be paid the value of the salary and the fringe benefits during the advance notice period, to which he would have been entitled had he continued to serve as the Bank's CEO until the end of the advance notice period.

2.5. Non-compete period – During a period of three months subsequent to the termination of his actual employment at the Bank, the CEO shall be subject to non-compete restrictions. In the course of the non-compete period, the CEO is entitled to monthly payments in the amount of the monthly salary and the value of the social contributions as stated in Sections 4.1 and 4.2 below, which he would have received in the same period had there been employer-employee relations.¹

2.6. Severance pay for the period of his employment up to 1.1.2022²-

2.6.1. For the period of his employment starting from the commencement date of his employment as an employee at the Bank (6.6.2004) to 1.1.2022 (hereinafter – "**the preceding employment period**"), the CEO shall be entitled to severance pay pursuant to the provisions of Section 12 of the Severance Pay Law, 5723-1963 (hereinafter – "**Severance Pay Law**") and the regulations thereof, based on the monthly salary, as defined below, as it shall be on the date of termination of employer-employee relations or to the funds and the rights that shall accrue to his credit in the pension arrangement in respect of severance pay contributions during said period, whichever of the two is higher.

2.6.2. Notwithstanding the aforesaid, insofar as the term of office of the CEO is terminated, due to his resignation, within a period of three years from the commencement date, the CEO shall be entitled to severance pay in respect of the preceding employment period based on his last monthly salary on the eve of his appointment as CEO of the Bank (index-linked as stated in Section 3.1 below) or to the funds and rights that shall accrue to his credit in the pension arrangement in respect of severance pay contributions for the preceding employment period, whichever of the two is higher, unless it is determined by the Board of Directors that the severance payment under these circumstances shall be made pursuant to Section 2.6.1 above (in full or in part) and subject to any law.

2.7. Severance pay for the period of his employment commencing from 1.1.2022- For the period of his employment at the Bank commencing from 1.1.2022, the CEO shall be entitled to the funds and the rights that shall accrue to his credit in the pension arrangement in respect of severance pay contributions during said period and Section 14 of the Severance Pay Law shall apply.

¹ For this purpose, the Bank is expected to record a provision revision in the 2023 financial statements in the sum of NIS 378 thousand.

² For this purpose, the Bank is expected to record a provision in the 2023 financial statements in the sum of at least NIS 1,818 thousand (not including provisions due to actuarial calculations).

- 2.8. Notwithstanding the aforesaid, the CEO shall not be entitled to be given advance notice and/or to an advance notice period and/or to any consideration in respect of not being given the advance notice and/or to severance pay and/or to payment in respect of a non-compete period in any case where his employment is terminated in respect of an act or omission for which severance pay is denied pursuant to the law and/or in the case of breach of a fiduciary duty as construed under the Companies Law and/or upon the CEO's admission and/or conviction of a misdemeanor or felony offense that has harmed the Bank and/or its customers and/or that he committed which involves moral turpitude and is related to his position. Moreover, in these circumstances, the Bank's Board of Directors shall have discretion whether to leave the paid non-compete period or to cancel the same.

3. **Salary**

- 3.1. In consideration of performing his duties, the CEO shall be entitled to a monthly salary in the gross sum of NIS 200,000 (hereinafter – "**the monthly salary**"). The monthly salary shall be linked to the last known consumer price index (hereinafter – "**the index**") published by the Central Bureau of Statistics prior to the commencement date (hereinafter – "**the basic index**"). If the index falls no reduction in the monthly salary shall be made, but the monthly salary not rise again until the index is higher than the last index to which the monthly salary was adjusted.
- 3.2. At his discretion, the CEO may request that his monthly salary be revised, subject to the necessary changes and adjustments in all or some of the fringe benefits, detailed in Section 4 below, so that the increase or reduction, as applicable in the monthly salary shall come on account of a corresponding reduction or increase, as applicable, in the fringe benefits and vice versa, save with regard to the provisions relating to the pension arrangement as stated in Section 4.1 below and the mere provision of a car by the Bank and subject to any law and to there being no change as a result in the cost of the CEO's remuneration as construed under the Remuneration Law (i.e., excluding payments and contributions for pension payments and severance pay pursuant to law).

4. **Social contributions and additional fringe benefits**

- 4.1. Pension arrangement – The Bank shall make deposits to pension arrangement funds (senior employees' insurance, provident fund and/or pension fund) as chosen by the CEO, up to the rates of the monthly salary (all or part, as chosen by the CEO), as follows: 8.33% – for severance pay (and subject to the provisions of Section 14 of the Severance Pay Law) and 7.5% to provident funds and to loss of working capacity in accordance with the extension order with regard to increasing the contributions for pension insurance in the economy pursuant to the Collective Agreements Law, 5717-1957.
- 4.2. Contribution to an advanced study fund – The Bank shall make a contribution at a rate of 7.5% of the relevant salary to an advanced study fund (against a contribution to an advanced study fund of 2.5% of the relevant salary on the part of the CEO). For the purpose of this section, "the relevant salary" is the maximum salary that provides a tax benefit for

purposes of an advanced study fund deposit, so that the contribution of the Bank and the CEO shall be made up to the recognized cap with regard to such tax benefit, as it shall be from time to time.

- 4.3. Annual leave and sick days – The CEO shall be entitled to annual leave of 28 working days, for every work year. The CEO may accumulate up to 60 annual leave days in aggregate (subject to the cap pursuant to Section 2(b) of the Remuneration Law). Furthermore, the CEO is entitled to sick days under the terms customary at the Bank from time to time with respect to all the Bank's employees.

The CEO shall be entitled to redemption of the balance of annual leave days accumulated by him pursuant to his previous terms of employment up to the commencement date (for which a contribution was made in the Bank's financial statements) and these shall be redeemed and paid by the Bank soon after the commencement date.

- 4.4. Convalescence pay – The CEO shall be entitled to convalescence pay according to law.
- 4.5. Car – The Bank shall place a suitable car at the disposal of the CEO. The Bank shall bear all the expenses involved with using the car and its maintenance (excluding fines). The Bank may gross up the tax payments in respect of the car subject to a reduction in the monthly salary in accordance with Section 3.2 above. As of the date of approval of the terms of employment, the Bank does not gross up the tax payments in respect of the car.
- 4.6. Expenses – The CEO shall be entitled to reimbursement of expenses related to the performance of his duties (including entertainment expenses), as well as telephone expenses (at his home and a mobile phone that shall be placed at his disposal).
- 4.7. Additional rights – The CEO shall continue to be entitled to an exemption from the duty of care, to officers' liability insurance and to an advance undertaking to indemnify (as is customary for officers at the Bank). In addition, the CEO is entitled to terms and benefits in all matters related to banking operations and services (as is customary for the Bank's employees).
- 4.8. The CEO shall be permitted to request to make changes and adjustments in the fringe benefits as stated in this Section 4, and all subject to corresponding changes and adjustments in other fringe benefits, as stated, save with regard to the provisions relating to the pension arrangement as stated in Section 4.1 above and the mere provision of a car by the Bank and subject to any law and to there being no change as a result in the cost of the CEO's remuneration as construed under the Remuneration Law (i.e., excluding payments and contributions for pension payments and severance pay pursuant to law).

5. **The annual bonus**

- 5.1. The Remuneration Committee and the Board of Directors may award an annual bonus to the CEO in a monetary sum that shall not exceed a sum of NIS 255 thousand, if they have found that there are grounds that warrant doing do (hereinafter – "**the annual bonus cap**"). The annual bonus cap shall be linked to the increase in the basic index as stated in Section 3.1 above.
- 5.2. The annual bonus shall not constitute part of the monthly salary of the CEO and shall not be taken into account as part of the components for purposes of calculating severance pay, provident funds, social or other contributions and any other benefit or payment of any kind.

6. **Compliance with the Remuneration Law**

- 6.1. As of the date of approval of the terms of employment, the cost of the CEO's annual remuneration as construed under the Remuneration Law (i.e., excluding payments and contributions for pension payments and severance pay pursuant to law), and given an annual bonus in the amount of the annual bonus cap, does not exceed the cap pursuant to Section 2(a) of the Remuneration Law.
- 6.2. Notwithstanding the aforesaid, the terms of service and employment of the CEO may exceed the cap pursuant to Section 2(a) of the Remuneration Law (but not more than the cap pursuant to Section 2(b) of the Remuneration Law), insofar as the Remuneration Committee and the Board of Directors approve immaterial changes in the terms of employment of the CEO, in accordance with Section 11 of the remuneration policy³ and this without the need for further approval of the general meeting, as well as in cases of revisions to existing provisions in the financial statements resulting from revisions applied to the terms of service and employment (such as a provision for payment during the non-compete period or in the case of a change in the monthly salary or linkage differentials according to Section 3.1 above or in the case of an expense in respect of leave accrued in accordance with Section 4.3 above). Therefore, approval for purposes of the aforesaid shall be brought before the general meeting also pursuant to the Remuneration Law.

7. Revisions to the terms of employment of the CEO in accordance with Sections 3.2 and 4.8 above shall be reported to the Remuneration Committee.

³ Accordingly, the Remuneration Committee and the Board of Directors shall be permitted to approve, from time to time, in the course of the remuneration policy period, changes to the terms of service and employment of the CEO that are consistent with the remuneration policy, where the result of such aforesaid changes to the CEO is not expected to exceed 7% per annum relative to the annual cost to the Bank of the CEO's remuneration according to these term of employment and not more than 15% per remuneration policy period. It shall be clarified that for this purpose, in calculating the cost limit for the Bank as stated above, the cost of revisions to contributions in the financial statements resulting from the change to the terms of service and employment shall not be included (such as a contribution for severance pay or for payment in respect of a non-compete period in the case of a change in the monthly salary).