FIRST INTERNATIONAL BANK OF ISRAEL LTD.

June 25, 2024

To	To
Israel Securities Authority	**Tel Aviv Stock Exchange Ltd.**
www.isa.gov.il	www.tase.co.il

Immediate Report on a Transaction with a Controlling Shareholder or With a Director that Does Not Require Approval of a General Meeting

Regulation 37a(5) of the Securities Regulations (Periodic and Immediate Reports), 5766-2006

Renewal of Directors and Officers Liability Insurance Policy – Summary of the Principal Elements of the Transaction

In accordance with a framework transaction approved by the General Meeting of the First International Bank of Israel Ltd. (hereinafter: "**the Bank**") on June 13, 2024, regarding the Bank's procuring a Directors and Officers Liability Insurance policy, for itself and for the companies in the Bank's group and for FIBI Holdings Ltd., the holder of controlling interest in the Bank (hereinafter jointly: "**the Group**" and "**FIBI**", respectively), for a period of 6 years (commencing on July 1, 2024 and until June 30, 2030),[1] and in accordance with the Bank's remuneration policy for Officers as approved by the Bank's General Meeting on March 1, 2023 and renewed on June 13, 2024,[2] on June 25, 2024, the Board of Directors approved, after the approval of the Remuneration Committee and the Audit Committee, the renewal of the Officers and Directors Liability Insurance Policy for an additional period, for the Group companies (including, *inter alia*, the holder of controlling interest in the Bank), this pursuant to Regulations 1(3), 1A1, 1B(5) and 1B1 of the Companies Regulations (Reliefs for Transactions with Interested Parties), 5760-2000.

The Principal elements of the updated policy are: An insurance period of 18 months from July 1, 2024 until December 31, 2025; liability limits for the entire Group – 120 million US Dollars per claim or in aggregate (plus reasonable legal defense expenses above the liability limit); the insurance premiums for the policy for the entire Group shall not exceed 1,250 thousand US Dollars for a period of 18 months; the Bank's deductible (in the case of a claim against the Bank) in the sum of 350 thousand US Dollars or 500 thousand US Dollars regarding derivative claims or claims filed in the United States and Canada (the Directors and Officers do not bear a deductible).

The policy, in accordance with the framework transaction, shall apply regarding the Officers, who have served and/or will serve in the Bank and the Group from time to time, including the CEO of the Bank and Officers who are holders of controlling interest and/or their relatives and/or whom the holders of controlling interest may have a personal interest in including them in the insurance policy.

The division of the allocation of the insurance premium between the Group companies shall be made according to the parameters set forth in the framework transaction.

---

[1] For further details see the Immediate Report published by the Bank on May 7, 2024 (Reference No. 2024-01-048018).

2 See Immediate Reports published by the Bank on January 24,2023 (Reference No. 2023-01-009533) and on May 7, 2024 (Reference No. 2024-01-048018).

<u>Summary of the Reasons of the Remuneration Committee, the Audit Committee and the Board of Directors for Approving the Procurement of the Policy:</u>

1. Directors and Officers liability insurance is a common practice in companies of a similar size to that of the Bank and is necessary for the Bank's activity in order to allow the Officers and the Directors to operate freely for the benefit of the Bank, and this considering the risk involved with the activity of the Officers in the fields of activity of the Bank Group, its scope, the Bank's being a banking corporation and a public company.

2. The procurement by way of a group policy allows each company in the Group to expand the coverage limits while reducing the costs of the insurance premiums.

3. In light of the scope of activity of the Group, the insurance premiums are reasonable under the circumstances for this type of insurance policy and correspond to the market conditions prevailing on the date of the renewal of the policy. The policy is within market conditions as they were on the date of the renewal of the policy and the policy is not likely to materially affect the profitability, assets or liabilities of the Bank.

4. 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, which each company imposes on the Group's insurance, while giving weight to additional relevant parameters.

5. The terms of procurement of the policy with respect to the CEO and with respect to holders of controlling interest and/or their relatives and/or those whom the holders of controlling interest may have a personal interest in including them in the insurance policy who are Officers at the Bank, are identical to the terms of procurement in respect to the rest of the Officers at the Bank, within market conditions, and they should not materially affect the profitability, assets or liabilities of the Bank.

6. There is no reasonable concern that the procurement would prevent the Bank from complying with its existing and expected liabilities, when such time for fulfilling them arrives.

7. In light of all the aforesaid, the procurement of the policy is in the best interests of the Bank and does not constitute a "distribution" as construed under the Companies Law.

Sincerely yours,

The First International Bank of Israel Ltd.

Adv. Aviad Biller

Bank Secretary