

# ISRAEL DISCOUNT BANK LTD.

Registration no.: 520007030

FAO: Israel Securities Authority  
www.isa.gov.il

FAO: The Tel Aviv Stock Exchange Ltd.  
www.tase.co.il

T460 (Public)

Magna transmission date: December 31, 2023  
Reference No.: 2023-01-118012

## **Immediate Report Regarding a Meeting** **Regulation 36B(a) and (d), and Regulation 36C of the Securities Regulations (Periodic and Immediate Reports), 5730-1970**

Is it possible to vote by means of an electronic voting system: *Yes*

Link to the voting system website where one can vote: [Voting System](#)

The Corporation announces the *convening of a General Meeting*

The reference number of the last notice regarding the General Meeting is \_\_\_\_\_, which was called to be held on \_\_\_\_\_

Reason for adjournment or cancellation: \_\_\_\_\_

1. Type of security: *Share*

Name of security referred to: *Ordinary "A" shares of NIS 0.1*

Stock Exchange number of the security entitling the holders thereof to participate in the General Meeting: *691212.*

The record date for determining the right to participate in and vote at the General Meeting is *January 7, 2024*

2. On *December 28, 2023,*

it was resolved to *convene an Extraordinary General Meeting* \_\_\_\_\_,

which will be held on *Wednesday, February 7, 2024 at 12:30*

at *1 Discount Street (9<sup>th</sup> floor), Rishon Lezion, Israel*

3. On the agenda:

Topics/resolutions to be raised at the Meeting:

**1**

The topic/resolution and details thereof:

*To approve the terms of service for the incoming Chair of the Bank's board of directors, Mr. Danny Yamin, which are set forth in section 3 of the General Meeting Call Report, with effect from December 11, 2023 and the amendment of the compensation policy for the Bank's officers accordingly.*

*325536A transaction with a director regarding his terms of service and employment in accordance with Section 273(b) of the Companies Law*

Gender: \_\_\_\_\_

Reference of last report regarding approval of a private motion (T138): \_\_\_\_\_

Transaction between the Company and a Controlling Shareholder thereof as referred to in Sections 275 and 320(f) of the Companies Law: *No*

Reference of last report on the topic (T133): \_\_\_\_\_

Section in the Companies Law, Securities Law or other law explaining need for approval of resolution:

\_\_\_\_\_

Does the topic require disclosure of an affiliation or some other characteristic of the shareholder that is voting: \_\_\_\_\_

\_\_\_\_\_

#### **In the case of a debentures meeting**

It was decided that another interest exists: \_\_\_\_\_

Provide details of the other interest

\_\_\_\_\_

#### **Request for additional details from the holders**

Was it decided to ask for additional details from the holders: *No*

Details of the additional details required from the holders or the manner of convening the General Meeting (in the event of a meeting pursuant to Section 350):

\_\_\_\_\_

- Correction of disclosure
- Insignificant change or a change only to the benefit of the Company relative to the text of the resolution set forth in last report
- Removal from the agenda
- The topic was discussed at a previous General Meeting
- Change in topic/addition of new topic to the agenda at the order of a court
- Change in topic/addition of new topic to the agenda pursuant to Regulation 5B of the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting of a Public Company and Addition of Topic to the Agenda), 2000
- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:  
\_\_\_\_\_

The resolution on the agenda *is to be put to the vote*

Type of majority required to pass *is not a simple majority*

*The majority required to pass the resolution as prescribed in Sections 267A(b) and 273 of the Companies Law, 1999 and also in accordance with Section 2(a) of the Compensation of Officers of a Financial Corporation (Special Approval and Non-Allowance of Expense for Tax Purposes Due to Excess Compensation), 2016 (taking into account that the Bank is a banking corporation having no core controlling interest):*

- a. the votes comprising the majority shall include a majority of all the votes of holders of ordinary "A" shares participating in the vote that do not have a personal interest in passing the resolution; in counting the total votes of the said shareholders, abstentions shall not be taken into account; or*
- b. the total opposing votes among the shareholders included in section (a) above does not exceed two percent (2%) of the Bank's total voting rights.*

Does the holdings percentage of the controlling shareholder in the shares of the Corporation confer on the controlling shareholder the majority required to adopt the proposed resolution on the topic *No*

The General Meeting Call Report is attached as Attachment 1

4. Attachments

4.1 Attached is a file that includes the text of the voting ballot/position papers: the voting ballot is attached as Appendix A to Attachment 1

Text of Voting Ballot *Yes*

Text of Position Papers *No*

4.2 Attached is a file that includes the candidates' declarations/other related documents: \_\_\_\_\_

Declaration of candidate to serve as a Director of the Corporation \_\_\_\_\_

Declaration of Independent Director \_\_\_\_\_

Declaration of External Director \_\_\_\_\_

Declaration of appointment of representative for representation \_\_\_\_\_

Amended trust deed \_\_\_\_\_

Motion to approve a creditors arrangement pursuant to Section 350 \_\_\_\_\_

Other \_\_\_\_\_

Link to the site of the voting system at which one may vote: The Voting System

5. Quorum for holding the Meeting:

*The quorum for holding a General Meeting is the attendance of one shareholder or more holding (individually or cumulatively) at least one-fifth of the voting rights in the Bank (whether by means of actually attending in person or by means of a proxy, or whether by means of the electronic voting system or a voting ballot), within half an hour of the time stipulated for the start of the Meeting. If within half an hour of the time scheduled for opening the General Meeting, a quorum is not present, the General Meeting shall be adjourned until Thursday, February 8, 2024 at 12:30. Where no quorum is present at the adjourned General Meeting, as referred to above, one shareholder present in person or by proxy shall constitute a quorum and he may deal with the matters for which the General Meeting was called.*

6.  In the absence of a quorum, the adjourned Meeting will be held on: *February 8, 2024 at 12:30 at 1 Discount Street (9<sup>th</sup> floor), Rishon Lezion, Israel.*

In the absence of a quorum, the Meeting will not take place.

7. Time and place for viewing each proposed resolution whose text is not fully presented in the above agenda details:

*The text of the proposed resolutions to be brought for approval at the General Meeting and the attachments can be viewed at the Office of the Corporate Secretary of the Bank, 1 Discount Street, Rishon Lezion, Israel, by prior arrangement (telephone no. +972-76-8054499), during regular business hours, from the date of publication of this Immediate Report.*

General Meeting identifier: \_\_\_\_\_

**Details of signatories authorized to sign in the name of the Corporation:**

	<b>Name of Signatory</b>	<b>Position</b>
<b>1</b>	<i>Adv. Nitzan Sandor</i>	<i>Other Executive Vice President, Chief Legal Counsel</i>
<b>2</b>	<i>Adv. Michal Sokolov-Danoch</i>	<i>Other Corporate Secretary of the Bank</i>

**Reference numbers of previous documents relating to this topic (their mention does not constitute their inclusion by way of reference):**

---

The securities of the Corporation are listed for trade on the Tel Aviv Stock Exchange      Date of updating structure of form: 05/12/2023

Abbreviated name: Discount

Address: : 1 Discount Street, Rishon Lezion 7574602, Israel Tel: 972-3-9439111; Fax: 972-3-5171674

Email: [michal.sd@dbank.co.il](mailto:michal.sd@dbank.co.il)

Prior names of the reporting entity:

Name of person making electronic report: Sokolov-Danoch, Michal Position: Corporate Secretary of the Bank Name of Employing Company:

Address: 1 Discount Street, Rishon Lezion 7574602, Israel Tel: +972-76-8054499; Fax: +972-3-5171674

Email: : [michal.sd@dbank.co.il](mailto:michal.sd@dbank.co.il)

***Israel Discount Bank's Immediate Reports are published in Hebrew on the website of the Israel Securities Authority and the Tel Aviv Stock Exchange.***

***The English translation is prepared for convenience purposes only.***

***In the case of any discrepancy between the English and Hebrew versions, the Hebrew will prevail.***



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

1

**ATTACHMENT 1**

**ISRAEL DISCOUNT BANK LTD.**  
**(“The Bank”)**

**Date: December 31, 2023**

**FAO**  
**Israel Securities Authority**  
[www.isa.gov.il](http://www.isa.gov.il)

**FAO**  
**Tel Aviv Stock Exchange Ltd.**  
[www.tase.co.il](http://www.tase.co.il)

**Re. Immediate Report Regarding Convening of Extraordinary General Meeting**

The Bank hereby announces the convening of an Extraordinary General Meeting, which shall be held on **Wednesday, February 7, 2024 at 12:30 (“the General Meeting”)**. The General Meeting shall be held at the offices of the Bank, 1 Discount Street (9<sup>th</sup> Floor), Rishon Lezion, Israel (“**the Bank’s Offices**”). If a quorum is not present, the General Meeting shall be adjourned to **Thursday, February 8, 2024 at 12:30** at the Bank’s Offices.

**Part A – The topic on the agenda and the majority required to pass the resolution:**

**1. Approval of the terms of service for the incoming chair of the Bank’s Board of Directors, Mr. Danny Yamin, and the amendment of the compensation policy for the Bank’s officers accordingly**

The proposed resolution:

To approve the terms of service for the incoming chair of the Bank’s Board of Directors, Mr. Danny Yamin, which are set forth in section 3 of the General Meeting Call Report, with effect from December 11, 2023, and the amendment of the compensation policy for the Bank’s officers accordingly.

The majority required to pass the resolution as prescribed in Sections 267A(b) and 273 of the Companies Law, 1999 (“the Companies Law”) and also in accordance with Section 2(a) of the Compensation of Officers of a Financial Corporation (Special Approval and Non-Allowance of Expense for Tax Purposes Due to Excess Compensation), 2016 (“the Compensation Law”)<sup>1</sup> (taking into account that the Bank is a banking corporation having no core controlling interest):

A simple majority of all the votes of holders of ordinary “A” shares present at the General Meeting in person or by proxy or that have sent the Bank a voting ballot stating the manner of their vote, that are entitled to vote and that have voted at the General Meeting, without taking abstentions into account and provided that one of the following is fulfilled:

- a. the votes comprising the majority shall include a majority of all the votes of holders of ordinary “A” shares participating in the vote that do not have a personal interest in passing the resolution; in counting the total votes of the said shareholders, abstentions shall not be taken into account; **or**

---

<sup>1</sup> As the Chair’s compensation exceeds the cap prescribed in Section 2(a) of the Compensation Law, the resolution is being brought before the General Meeting for approval, which is to be with the majority prescribed in Section 2(a) of the Compensation Law.



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

2

- b. the total opposing votes among the shareholders included in section (a) above does not exceed two percent (2%) of the Bank's total voting rights.

**For details regarding the terms of service for the Incoming Chair of the Bank's board of directors, see Part B below.**

**Part B – Additional details regarding approval of compensation policy for the Bank's officers in accordance with Section 267A of the Companies Law:**

Details regarding the terms of service for the incoming chair of the Bank's board of directors, Mr. Danny Yamin:

**2. Background:**

- 2.1 The Incoming Chair of the board of directors, Mr. Danny Yamin ("**the Incoming Chair**" or "**the Chair**") was appointed on November 6, 2023 to serve as Chair of the Bank's board of directors and commenced his service on December 11, 2023 ("**the Commencement Date**"), upon the outgoing chair of the board of directors, Mr. Shaul Kobrinsky, terminating his service. The Incoming Chair serves with the status of an external director pursuant to Proper Conduct of Banking Business Directive 301 but is not classified as an external director or as an independent director pursuant to the Companies Law.
- 2.2 It is proposed that the Incoming Chair's terms of service be approved and that, subject to approval by the General Meeting that is being called by this report, they shall apply from the Commencement Date.
- 2.3 The proposed terms of service have been determined in accordance with Proper Conduct of Banking Business Directive 301A "Compensation Policy at a Banking Corporation" ("**the Supervisor's Directive**" or "**Directive 301A**"), with the provisions of the Companies Law and with the provisions of the compensation policy for officers as approved by the General Meeting on February 28, 2023, as detailed in the Bank's Immediate Report from January 23, 2023 (reference no. 2023-01-010734) ("**the Bank's Compensation Policy**").
- 2.4 In brief, Directive 301A states that the compensation of the chair of the board of directors of a banking corporation having no core controlling interest shall be in accordance with the Companies Regulations (Rules on Fees and Expenses of External Directors), 2000 ("**the Fees Regulations**"), with the chair of the board of directors being entitled only to an annual remuneration and not to meeting attendance fees. The amounts prescribed in the Fees Regulations in relation to the annual remuneration does not apply in the case of the Chair and the amount of his annual remuneration shall not exceed the total average compensation of an expert director in a banking corporation multiplied by the "**determining ratio**". According to Directive 301A, the **determining ratio** shall be based on the differences between the characteristics of the role of the chair of the board of directors and that of the other directors which derive (1) from the amount of time the chair of the board of directors must devote to the performance of his duties, as determined by the board under section 28(i) of Proper Conduct of Banking Business Directive 301 "Board of Directors", and (2) from the level of responsibility involved in carrying out the duties imposed on the chair of the board of directors above and beyond that imposed on the other directors.

A further criterion that affects the level of the annual remuneration payable to the Chair derives from the provisions of the Compensation Law and the cap specified in Section 2(b) of the Law at a rate of 35 times the annual expense for the lowest compensation cost paid by the Bank, directly or indirectly, to a Bank employee in a full-time position, including a manpower agency worker whose actual employer is the Bank and a service agency worker employed in providing a service at the Bank (not including payments and provisions for severance pay and pensions pursuant to the law) ("**the 35-Fold Ratio Cap**").

2.5 Further to the aforesaid, at the meetings of the compensation committee and the board of directors, held to examine the appropriateness of the Chair's terms of service, the following data and information were reviewed and considered:

- 2.5.1 the relevant provisions of the Bank's Compensation Policy, the Companies Law, the Compensation Law, and the Supervisor's Directive;
- 2.5.2 data relating to the "average total annual compensation of an expert director at the Bank" according to its meaning in Directive 301A, which – for the years 2020 through 2022 (for a full year of service) and comprising both the annual remuneration and the meeting attendance fee – amounts to NIS 641,485 (excluding VAT);<sup>2</sup>
- 2.5.3 a legal analysis relating to the component of the Chair of the board of directors' responsibility for the purpose of determining the "determining ratio" pursuant to the provisions of Directive 301A;
- 2.5.4 the necessary data regarding the terms of employment of the Bank's employees in accordance with the Companies Law and the data referred to in Section 2(b) of the Compensation Law.

With regard to this, it should be noted that: (1) the anticipated cost of the Chair's compensation for 2024 shall be 8.9 times the average compensation cost for an employee (including agency workers) and 10.2 times the median cost of compensation to an employee (including agency workers)<sup>3</sup>; (2) as of the end of 2023, the **35-Fold Ratio Cap** is expected, according to the data known at this time, to amount to NIS 3,156 thousand and, for 2024, it is expected to amount to NIS 3,194 thousand;

- 2.5.5 the expected scope of the Chair's duties was examined from the aspect of the Chair's duties document that was approved by the Bank's board of directors in accordance with Section 28(i) of Proper Conduct of Banking Business Directive 301;
- 2.5.6 comparative data in relation to the chairs of the board of directors of the four other major Israeli banks.

### **3. The Incoming Chair's proposed terms of service:**

Following an examination of all the aspects relating to the determination of the compensation of the Incoming Chair of the board of directors, as set forth above, the Bank's compensation committee and its board of directors approved the Incoming Chair's terms of service that are being presented for the approval of the General Meeting that is being called by this report, as follows:

- 3.1 **Terms of service period** – the terms of service shall apply from the Commencement Date for a period of three years, so long as Mr. Yamin serves as Chair of the board of directors.
- 3.2 **Service scope** – the scope of service is full-time (100%) as executive Chair of the board of directors and in accordance with the needs of the Bank. The Chair shall not be entitled to engage in any other business, without first receiving the board of directors' consent to do so.
- 3.3 **Services of the Chair of the board of directors** – the Incoming Chair shall provide his services as Chair of the board of directors against the issuance of a tax invoice to the Bank. The Incoming Chair shall bear all the tax and other compulsory payments required by law, with respect to every payment and benefit

<sup>2</sup> Revised according to the compensation paid for December 2022 in accordance with the June 2022 Index.

<sup>3</sup> The above ratios are based on the anticipated compensation cost for the Incoming Chair and the salary cost as included in the Bank's 2022 financial statements for the Bank's employees (who are not senior officers) and agency workers, without payroll tax. The median cost includes a provision for an average award, as well as an average provision for vacation pay and expenses with respect to pension terms. In addition, the cost for senior employees includes stock option expenses.

received pursuant to his terms of service. Where necessary, VAT, in accordance with the law, shall be added to any payment or right due to the Incoming Chair pursuant to his terms of service, and the Bank shall be entitled to request the Incoming Chair that the aforesaid payment be made against a tax invoice and that he provide any confirmations required, including with regard to the rate of withholdings.

### 3.4 **Annual remuneration** –

3.4.1 with respect to the services of the Chair of the board of directors, the Chair shall be entitled to annual compensation in the amount of NIS 3,194 thousand plus VAT (“**the Annual Remuneration**”). With respect to fractions of a year, the Chair shall be entitled to the proportionate part of the Annual Remuneration. The Annual Remuneration shall be subject to the compensation cap prescribed in Section 2(b) of the Compensation Law;<sup>4</sup>

3.4.2 the Annual Remuneration shall be linked in full, on an ongoing basis, to the increase in the Israeli Consumer Price Index (“**the Index**”). The base Index for this purpose shall be the Index for October 2023, as published on November 15, 2023 (“**the Base Index**”). If the Index should fall, the Annual Remuneration shall not be reduced; however, the Annual Remuneration shall not again be increased until such time as the Index shall be higher than the last Index to which the Annual Remuneration was adjusted, and subject to the Annual Remuneration not exceeding the cap prescribed in Section 2(b) of the Compensation Law;

3.4.3 the Bank may pay the full Annual Remuneration plus VAT in 12 monthly payments at the beginning of each calendar month, for the prior month, against an invoice.

3.5 **Reimbursement of expenses** – the Chair shall be entitled to be reimbursed for reasonable expenses, as is customary at the Bank, subject to that stated in Directive 301A and provided that the annual cost to the Bank does not exceed the cap prescribed in Section 2(b) of the Compensation Law<sup>5</sup>. There is no maximum amount for the financial reimbursement with respect to the expenses to which the Chair is entitled in relation to the fulfilment of his duties (including domestic and overseas travel expenses and telephone expenses).

3.6 **Additional rights** – the Chair shall continue to be entitled to exemption from the duty of care, to officers’ liability insurance and to an advance indemnification undertaking, as is customary for the Bank’s officers.

3.7 **Additional obligations of the Chair** – the Chair shall be obligated to take an unpaid cooling-off and non-competition period of six months from the date of terminating his service, during which time the Chair shall not engage in any way whatsoever in the management of a banking or financial institution in competition with the Bank and shall also not serve as a director or provide services or consulting to any banking or financial institution constituting a major competitor of the Bank, during the non-competition period, unless he receives the Bank’s consent to this; the Chair also undertakes to maintain confidentiality for an unlimited time.

3.8 **Conformance with the Compensation Law** – should the total Annual Remuneration of the Chair of the board of directors exceed the cap permitted under Section 2(b) of the Compensation Law for the relevant year (“**the Excess**”), the amount of the Excess shall be set off against the Chair’s Annual Remuneration.

---

<sup>4</sup> It should be noted that, for December 2023, the pro rata remuneration is expected to be lower due to the lower cap prescribed in Section 2(b) that applied in relation to 2023.

<sup>5</sup> Insofar as this relates to expenses that are recorded as a salary expense from the accounting aspect in the Bank’s financial statements and are classified as “compensation” for the purpose of the Compensation Law.





*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

**4. Additional details in connection with updating the Chair's terms of service:**

4.1 Presented below is a summary of the Incoming Chair's anticipated compensation for 2024 (assuming a full year in the position of Chair and in accordance with the data known at this time, without taking into account any future changes that might occur in the Israeli Consumer Price Index and excluding VAT), should the proposed terms of service be approved by the General Meeting being called by this report:

Details of the compensation's recipient (in 2024, in NIS thousands)							
Name	Position	Extent of position	Rate of holdings in corporation's capital	Annual services remuneration	Benefits and grossing up	Total	Of which: total for Compensation Law purposes
Mr. Danny Yamin	Chair of the board of directors	100%	-	3,194	*	3,194	3,194

\* See section 3.5 above.

4.2 The members of the compensation committee who participated in the committee's meeting on December 4, 2023 that approved the Chair's terms of service were: Mr. Aharon Abramovich (the chair of the committee and a Companies Law external director); Mr. Ofer Levy (a Companies Law external director); Ms. Sigal Barmack (a Companies Law external director); Dr. Doron Avital; and, Ms. Yodfat Harel-Buchris.

4.3 The members of the board of directors who participated in the board's meeting on December 28, 2023 that approved the Chair's terms of service were: Mr. Aharon Abramovich (a Companies Law external director); Dr. Doron Avital; Ms. Iris Avner (an independent director); Ms. Sigal Barmack (a Companies Law external director); Ms. Yodfat Harel-Buchris; Prof. Ben-Zion Zilberfarb (an independent director); Mr. Ofer Levy (a Companies Law external director); Mr. Ari Pinto; Ms. Sigal Regev; and, Dr. Yaakov Lifshitz (independent director).

The Incoming Chair of the board of directors has a personal interest in the approval of his terms of service and did not participate in the discussion or the taking of the decision relating to his terms of service. The other members of the board of directors do not have a personal interest in the Chair's terms of service.

The approval of the terms of service was passed unanimously by the compensation committee and by the board of directors.

**5. The reasons of the compensation committee and board of directors for approving the decision:**

5.1 In accordance with Directive 301A, the compensation committee and the board of directors examined the proper compensation for the Incoming Chair of the Bank's board of directors. Within this context, the compensation committee and the board of directors examined the total average compensation of an expert director in a banking corporation (according to this term's meaning in Directive 301A) and the determining ratio (which is being brought before the General Meeting) between it and the amount of the Chair's total annual compensation, which stands at a maximum 6-fold determining ratio and a 4.98-fold actual ratio.

5.2 Within the framework of setting the determining ratio, the compensation committee and the board of directors expressed their opinions on the two central considerations prescribed in Directive 301A: firstly, the **amount of time** that the Chair of the board of directors needs to devote to his work in order to execute his duties as decided upon by the board of directors in accordance with Section 28(1) of Directive 301, in comparison to the rest of the directors; and, secondly, **the level of responsibility in executing said duties imposed on the Chair of the board of directors that is above and beyond that imposed on the rest of the directors.**



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

- 5.3 Taking into consideration the Bank's general assessment regarding the amount of time that the rest of the directors need to devote in order to perform their duties as directors of the Bank, and the fact that the Chair serves as Chair of the Bank's board of directors in a full-time capacity, and in light of a legal analysis that was presented to the compensation committee, which revealed that the level of responsibility imposed on the chair of the board of directors of a banking corporation having no core controlling interest is above and beyond that imposed on the rest of the directors, resulting from the extent of his intensive involvement and familiarity with the corporation's business, as an inherent part of his responsibility to display significant involvement in the corporation's business and, as a result of the powers granted to him by law and the material functions under his responsibility and taking into account that the Bank is the core of a banking group with subsidiaries that include an overseas subsidiary – the compensation committee and the board of directors believed the determining ratio to be reasonable, measured and largely consistent with the ratio that the committee had in mind when it approved the terms of service of the outgoing chair of the board of directors.
- 5.4 The compensation committee and the board of directors expressed their opinion on the Incoming Chair's request that the compensation that is to be approved for him be less than the compensation granted to the outgoing chair, taking into consideration the current period and the savings that the Bank is expected to make in the coming period.
- 5.5 The compensation committee and the board of directors examined the terms of service of the chairs of the board of directors of peer banks in the Israeli banking system and found that the Chair's terms of service are reasonable in the particular circumstances.
- 5.6 The process of approving the Chair's terms of service included examining and commenting on the relationship between the compensation paid to the Chair and the compensation paid to the Bank's employees (including agency workers). The compensation committee and the board of directors believe that the aforementioned gaps do not have a material effect on the Bank's labor relations.
- 5.7 Within the framework of approving the Chair's terms of service, the compensation committee and the board of directors expressed their opinion regarding the non-allowable expense for tax purposes in relation to part of the Chair's proposed compensation, although the amount was found to be immaterial from the Bank's perspective.
- 5.8 The compensation committee and the board of directors approved the Incoming Chair's terms of service and determined that they conform with Directive 301A in relation to the compensation of the chair of the board of directors of a banking corporation having no core controlling interest, do not constitute an affiliation and do not compromise the independence and autonomy of the Chair of the banking corporation. In addition, it was determined that the Incoming Chair's terms of service conform with the Bank's Compensation Policy and are reasonable and proper in the particular circumstances. For cautionary considerations, the Incoming Chair's terms of service are to also be considered as an amendment to the Compensation Policy with regard to the terms of service of the Chair of the board of directors.

## **6. The proposed resolution:**

To approve the terms of service of the Incoming Chair of the Bank's board of directors, Mr. Danny Yamin, which are set forth in section 3 of this Call Report, with effect from December 11, 2023, and the amendment of the compensation policy for the Bank's officers accordingly.



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

**Part C – Additional details regarding the General Meeting:**

**7. Location and time at which the General Meeting shall be convened:**

The Extraordinary General Meeting of the holders of ordinary “A” shares of the Bank (“**the General Meeting**”) shall be held on **Wednesday, February 7, 2024 at 12:30**, at the Bank’s Offices at 1 Discount Street (9<sup>th</sup> floor), Rishon Lezion, Israel.

**8. The record date:**

The record date fixed for determining the right of a shareholder regarding entitlement to vote at a General Meeting pursuant to Section 182 of the Companies Law and Regulation 3 of the Companies Regulations (Voting Ballot and Position Papers), 2005 (“**the Voting Ballot Regulations**”), is **Sunday, January 7, 2024 (“the Record Date”)**.

**9. Voting at the General Meeting:**

9.1 A shareholder is authorized to vote on the resolution on the agenda in person or by proxy, by means of a voting ballot or the electronic voting system, as defined in the Voting Ballot Regulations (“**the Electronic Voting System**”), as specified below.

9.2 An instrument of appointment of a voting proxy, a power of attorney or a copy certified by a competent party (an attorney, an accountant, etc.) is to be deposited at the Bank’s Offices by **Sunday, February 4, 2024 at 12:30**.

9.3 Pursuant to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at a General Meeting), 2000, a shareholder whose shares are registered with a Stock Exchange member and whose said shares are included among the Bank’s shares registered in the shareholders’ register in the name of the nominee company, and who wishes vote at the General Meeting, shall furnish the Bank with a confirmation from the Stock Exchange member as to his ownership of the shares on the Record Date, as required in accordance with the said Regulations.

9.4 A shareholder whose shares are registered with a Stock Exchange member is entitled to receive the confirmation of ownership from the Stock Exchange member through whom he holds shares, at a branch of the Stock Exchange member or by mail to his address upon payment of just a delivery charge, if he so requests. A shareholder whose shares are registered with a Stock Exchange member is entitled to instruct that his confirmation of ownership be sent by means of the Electronic Voting System.

9.5 In accordance with the Bank’s Articles, a shareholder is entitled to vote at the General Meeting on the topic on the agenda by means of a voting ballot. The text of the voting ballot and position papers with respect to the aforesaid resolution can be found on the distribution website of the Israel Securities Authority ([www.isa.gov.il](http://www.isa.gov.il)) (“**the Distribution Website**”) and on the website of the Tel Aviv Stock Exchange ([www.maya.tase.co.il](http://www.maya.tase.co.il)) (“**the TASE Website**”). The vote may be cast using the Second Part of the voting ballot, as published on the Distribution Website.

9.6 The shareholders are entitled to request directly from the Bank and receive from it the text of the voting ballot and position papers, should there be any. The Stock Exchange member shall send by electronic mail, without charge, a link to the text of the voting ballot and the position papers on the Distribution Website, to every shareholder who is not registered in the shareholders’ register and whose shares are registered with that Stock Exchange member, unless the shareholder has notified the Stock Exchange member that he is not interested in receiving a link as aforesaid, and provided that the notice was given with regard to a specific securities account and on a date prior to the Record Date.



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

9

- 9.7 An unregistered shareholder wishing to vote at the General Meeting in writing without attending the General Meeting and without sending a legal representative, shall deliver the voting ballot to the offices of the Bank or shall send it by registered mail, together with the confirmation of ownership, in accordance with the address that appears in the Second Part of the voting ballot, so that the voting ballot shall reach the Bank's Offices not later than four hours prior to the time scheduled for holding the General Meeting, viz., **by 08:30 on Wednesday, February 7, 2024.**
- 9.8 A shareholder, who is registered in the shareholders' register and who wishes to vote in writing, shall deliver the voting ballot to the offices of the Bank or shall send it by registered mail, together with a photocopy of his identity card, or a photocopy of his passport, or a photocopy of the certificate of incorporation, so that the voting ballot shall reach the Bank's Offices up to six hours prior to the time scheduled for holding the General Meeting, viz., **by 06:30 on Wednesday, February 7, 2024.**
- 9.9 The last date for presenting position papers to the Bank is **up to ten (10) days** prior to the date scheduled for holding the General Meeting, and the last date for the board of directors to provide its response to position papers is **up to five (5) days** prior to the date scheduled for holding the General Meeting.
- 9.10 The voting ballot and position papers (should any be presented) shall be delivered to the Bank's Offices, in accordance with the address that appears in the Second Part of the voting ballot.
- 9.11 Pursuant to Regulation 36D(d) of the Securities Regulations (Periodic and Immediate Reports), 1970 and the Voting Ballot Regulations, an interested party, a senior officer, an institutional investor, and a party with a personal interest in the passing of the resolution on the topic on the agenda, who is voting at the General Meeting on the aforesaid resolution shall notify the Bank of this before the vote at the General Meeting or, if voting by means of the voting ballot, shall note this in the designated place in the Second Part of the voting ballot, if he is an interested party, a party with a personal interest in the resolution, a senior officer or an institutional investor, and shall furnish a description of the affiliation/characteristic, and, if voting by means of a legal representative, the voter or his legal representative shall provide the aforesaid details in relation to the legal representative too. In addition, details shall be provided of any relationship between the voter (not having a personal interest) or the legal representative (not having a personal interest) and the Bank, including employer-employee relations, business connections, etc., and/or a senior officer of the Bank, and particulars of the nature thereof.
- 9.12 It is clarified that, if a shareholder or his legal representative has not marked the voting ballot, or has marked it "Yes", but has not provided the aforesaid details, his vote shall not be counted.
- 9.13 In accordance with Section 83(d) of the Companies Law, if a shareholder has voted in more than one way, his most recent vote shall be the one that is counted. For this purpose, the vote of a shareholder in person or by means of a proxy shall be deemed more recent than a vote by means of a voting ballot.
- 9.14 Electronic Voting System

A shareholder, who appears on the list of those entitled to vote in the system, may send the manner in which he wishes to vote by means of the Electronic Voting System, as set forth below.

Voting shall be possible from the date of approving delivery of the list from the Stock Exchange member, as defined in Regulation 4(c)(1a) of the Voting Ballot Regulations, and up to six hours prior to the time scheduled for holding the General Meeting, viz., **by 06:30 on Wednesday, February 7, 2024.** The electronic vote may be changed or canceled up to the time of closing the Electronic Voting System and it shall not be possible to make any change via the system after that time. An unregistered shareholder, wishing to change his vote after the system has been closed, shall be able to vote in person or by means of a proxy at the General Meeting and his later vote shall be taken into consideration in the counting of the votes.



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

10

With regard to proof of ownership by means of the Electronic Voting System, the electronic transfer procedure is recognized under Section 44K5 of the Securities Law, 1968 as legal confirmation of ownership with regard to each shareholder included therein, who appears on the list of persons entitled to vote on the Electronic Voting System.

**It should be noted that, due to measures that the Israel Securities Authority is taking to protect the IT systems and computerized infrastructure on which the Electronic Voting System is based, temporary difficulties might arise in accessing the Electronic Voting System from overseas. A shareholder who wishes to vote and encounters difficulties in accessing the Electronic Voting System is requested to vote using one of the alternative voting methods, viz. by means of a voting ballot or through using a proxy, as set forth in this section 9 or to contact the System's support center (Tel. +972-77-2238333).**

**10. Quorum for holding the General Meeting:**

The quorum for holding a General Meeting is the attendance of one shareholder or more holding (individually or cumulatively) at least one-fifth of the voting rights in the Bank (whether by means of actually being present in person or by means of a proxy, or whether by means of the Electronic Voting System or a voting ballot), within half an hour of the time stipulated for the start of the General Meeting. If within half an hour of the time scheduled for opening the General Meeting, a quorum is not present, the General Meeting shall be adjourned until **Thursday, February 8, 2024 at 12:30**. Where no quorum is present at the adjourned General Meeting, as referred to above, one shareholder present in person or by proxy shall constitute a quorum and he may deal with the matters for which the General Meeting was called.

**11. Viewing of documents:**

The text of the proposed resolution to be brought for approval at the General Meeting can be viewed at the office of the Corporate Secretary of the Bank, 1 Discount Street, Rishon Lezion, Israel, by prior arrangement (telephone no. +972-76-8054499), during normal business hours, from the date of issuing this Immediate Report, as well as on the Distribution Website, on the TASE Website and on the Bank's website ([www.discountbank.co.il](http://www.discountbank.co.il)).

**Yours sincerely,**

**ISRAEL DISCOUNT BANK LTD.**

**Via:**

Adv. Nitzan Sandor, Executive Vice President, Chief Legal Counsel  
Adv. Michal Sokolov-Danoch, Corporate Secretary of the Bank



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

## APPENDIX A

### **ISRAEL DISCOUNT BANK LTD. (“the Bank”)**

#### **Voting Ballot in Conformance with the Companies Regulations (Voting Ballot and Position Papers), 2005 (“the Regulations”)**

#### FIRST PART

1. **Name of the Company:** Israel Discount Bank Ltd.

2. **Type of General Meeting, and date and place where it is to be held:**

An Extraordinary General Meeting of the shareholders of ordinary “A” shares of the Bank (“**the General Meeting**”). The General Meeting shall be held on **Wednesday, February 7, 2024 at 12:30** at the offices of the Bank at 1 Discount Street (9<sup>th</sup> floor), Rishon Lezion, Israel (“**the Bank’s Offices**”). If the General Meeting is adjourned, it shall take place on **Thursday, February 8, 2024 at 12:30.**, at the Bank’s Offices.

3. **Details of the topic on the agenda, which can be voted upon by means of a voting ballot:**

**Topic no. 1.1 on the agenda – Approval of the terms of service for the incoming chair of the Bank’s Board of Directors, Mr. Danny Yamin, and the amendment of the compensation policy for the Bank’s officers accordingly.**

The proposed resolution:

To approve the terms of service for the incoming chair of the Bank’s Board of Directors, Mr. Danny Yamin, which are set forth in section 3 of the General Meeting Call Report, with effect from December 11, 2023, and the amendment of the compensation policy for the Bank’s officers accordingly.

**For additional details, see Part B of the Immediate Report regarding the calling of the General Meeting to which this voting ballot is attached.**

4. **Location and time at which the full text of the proposed resolutions can be viewed:**

The text of the proposed resolution to be brought for approval at the General Meeting can be viewed at the office of the Corporate Secretary of the Bank, 1 Discount Street, Rishon Lezion, Israel, by prior arrangement (telephone no. +972-76-8054499), during normal business hours, as well as on the Distribution Website of the Israel Securities Authority, on the website of the Tel-Aviv Stock Exchange Ltd. and on the Bank’s website ([www.discountbank.co.il](http://www.discountbank.co.il)).



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

5. **The majority required to pass the resolution at the General Meeting:**

The majority required to pass the resolution as prescribed in Sections 267A(b) and 273 of the Companies Law, 1999 (“the Companies Law”) and also in accordance with Section 2(a) of the Compensation of Officers of a Financial Corporation (Special Approval and Non-Allowance of Expense for Tax Purposes Due to Excess Compensation), 2016 (“the Compensation Law”)<sup>1</sup> (taking into account that the Bank is a banking corporation having no core controlling interest):

A simple majority of all the votes of holders of ordinary “A” shares present at the General Meeting in person or by proxy or that have sent the Bank a voting ballot stating the manner of their vote, that are entitled to vote and that have voted at the General Meeting, without taking abstentions into account and provided that one of the following is fulfilled:

- a. the votes comprising the majority shall include a majority of all the votes of holders of ordinary “A” shares participating in the vote that do not have a personal interest in passing the resolution; in counting the total votes of the said shareholders, abstentions shall not be taken into account; **or**
  - b. the total opposing votes among the shareholders included in section (a) above does not exceed two percent (2%) of the Bank’s total voting rights.
6. Pursuant to Regulation 36D(d) of the Securities Regulations (Periodic and Immediate Reports), 1970 and the Voting Ballot Regulations, an interested party, a senior officer, an institutional investor, and a party with a personal interest in the passing of the resolution on the topic on the agenda, who is voting at the General Meeting on the aforesaid resolution shall notify the Bank of this before the vote at the General Meeting or, if voting by means of the voting ballot, shall note this in the designated place in the Second Part of the voting ballot, if he is an interested party, a party with a personal interest in the resolution, a senior officer or an institutional investor, and shall furnish a description of the affiliation/characteristic, and, if voting by means of a legal representative, the voter or his legal representative shall provide the aforesaid details in relation to the legal representative too. In addition, details shall be provided of any relationship between the voter (not having a personal interest) or the legal representative (not having a personal interest) and the Bank, including employer-employee relations, business connections, etc., and/or a senior officer of the Bank, and particulars of the nature thereof.

It is clarified that, if a shareholder or his legal representative has not marked the voting ballot, or has marked it “Yes”, but has not provided the aforesaid details, his vote shall not be counted.

7. **Voting and validity of the voting ballot:**

- 7.1. The voting ballot shall only be valid if a confirmation of ownership of an unregistered shareholder (namely, the person in whose favor the shares are registered with a Stock Exchange member and the shares are included among the shares registered in the shareholders’ register in the name of the nominee company) (“the Unregistered Shareholder”) is attached to it or if the Bank is sent the confirmation of ownership by means of the electronic voting system or a photocopy of the identity card, passport or certificate of incorporation is attached to it, if the shareholder is registered in the shareholders’ register.
- 7.2. A shareholder shall mark the manner of voting with regard to the topic on the agenda on the form that is the Second Part of this voting ballot.
- 7.3. An Unregistered Shareholder wishing to vote at the General Meeting in writing, without attending the General Meeting and without sending a legal representative, shall deliver the voting ballot to the Bank’s

---

<sup>1</sup> As the Chair’s compensation exceeds the cap prescribed in Section 2(a) of the Compensation Law, the resolution is being brought before the General Meeting for approval, which is to be with the majority prescribed in Section 2(a) of the Compensation Law.





*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

Offices or shall send it by registered mail, together with the confirmation of ownership, in accordance with the address that appears in the Second Part of the voting ballot, so that the voting ballot shall reach the Bank's Offices not later than four hours prior to the time scheduled for holding the General Meeting, viz., by **08:30 on Wednesday, February 7, 2024.**

- 7.4. A shareholder, who is registered in the shareholders' register and who wishes to vote in writing, shall deliver the voting ballot to the Bank's Offices or shall send it by registered mail, together with a photocopy of his identity card, or a photocopy of his passport, or a photocopy of the certificate of incorporation, so that the voting ballot shall reach the Bank's Offices not later than six hours prior to the time scheduled for holding the General Meeting, viz., by **06:30 on Wednesday, February 7, 2024.**
- 7.5. As stated in the immediate report, an instrument of appointment of a voting proxy, a power of attorney or a copy certified by a competent party (an attorney, an accountant, etc.) is to be deposited at the Bank's Offices by **Sunday, February 4, 2024 at 12:30.**
- 7.6. A shareholder is entitled receive the confirmation of ownership at the branch of the Stock Exchange member or to be sent it by mail, if he so requests; the request in this regard is to be made in advance and for a specific securities account. An Unregistered Shareholder is entitled to instruct that his confirmation of ownership be sent by means of the Electronic Voting System.
- 7.7. An Unregistered Shareholder is entitled to receive by electronic mail, without charge, a link to the text of the voting ballot and the position papers on the distribution website, from the Stock Exchange member with whom his shares are held, unless he has notified the Stock Exchange member that he is not interested in receiving a link as aforesaid, or that he is interested in receiving voting ballots by mail, against payment; the shareholder's notice regarding voting ballots shall also apply with regard to receipt of position papers.
- 7.8. After publication of the voting ballot, there could be changes in the agenda, including adding a topic to the agenda, and position papers might be published. In such an instance, the updated agenda and the position papers that are published can be viewed in the Bank's reports, on the Distribution Website of the Israel Securities Authority and on the website of the Tel-Aviv Stock Exchange Ltd., as referred to in section 4.
- 7.9. If it should be requested that a topic be added to the agenda, and the Bank shall publish an updated voting ballot (that includes the aforesaid additional topic/s), then publication of the aforesaid updated voting ballot shall be effected on the date of publishing the updated agenda for the General Meeting, in accordance with the timetables set forth in Section 5B of the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting of a Public Company and Addition of Topic to the Agenda), 2000.
- 7.10. An Unregistered Shareholder may vote by means of the Electronic Voting System. Voting shall be possible up to six hours prior to the time scheduled for holding the General Meeting, viz., by **06:30 on Wednesday, February 7, 2024.**
- 7.11. In accordance with Section 83(d) of the Companies Law, if a shareholder has voted in more than one way, his most recent vote shall be the one that is counted. For this purpose, the vote of a shareholder in person or by means of a proxy shall be deemed more recent than a vote by means of a voting ballot.
- 7.12. **It should be noted that, due to measures that the Israel Securities Authority is taking to protect the IT systems and computerized infrastructure on which the Electronic Voting System is based, temporary**



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

difficulties might arise in accessing the Electronic Voting System from overseas. A shareholder who wishes to vote and encounters difficulties in accessing the Electronic Voting System is requested to vote using one of the alternative voting methods, viz. by means of a voting ballot, as set forth in this section 7, or through using a proxy, as set forth in section 9 of the General Meeting Call Report, or to contact the System's support center (Tel. +972-77-2238333).

8. **Position papers:**

The last date for presenting position papers to the Bank is **up to ten (10) days prior to the date scheduled for holding the General Meeting**, and the last date for the board of directors to provide its response to position papers is **up to five (5) days prior to the date scheduled for holding the General Meeting**.

9. **Address of the Bank for delivering voting ballots and position papers:**

The voting ballots and position papers, if any, should be sent to Adv. Michal Sokolov-Danoch, Corporate Secretary, Israel Discount Bank Ltd., 1 Discount Street, Rishon Lezion 7574602, Israel. One or more shareholders, who hold shares representing five percent or more of the total voting rights in the Bank, are entitled to view the voting ballots, as set forth in Regulation 10 of the Regulations. The number of shares constituting five percent of the total voting rights in the Bank is 61,850,564 (as of December 31, 2023).

10. **Addresses of the distribution website and the TASE Internet website on which the voting ballots and position papers can be found:**

Distribution website of the Israel Securities Authority – <http://www.isa.gov.il>

Website of the Tel-Aviv Stock Exchange Ltd. – <http://www.maya.tase.co.il>



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

**VOTING BALLOT –SECOND PART**

Name of the Company: **Israel Discount Bank Ltd.**

Address of the Company (for delivery and sending of Voting Ballots): Adv. Michal Sokolov-Danoch, Corporate Secretary, Israel Discount Bank Ltd., 1 Discount Street, Rishon Lezion 7574602, Israel

Company No.: 520007030

Date and hour of the General Meeting: Wednesday, February 7, 2024, at 12:30.

Type of General Meeting: Extraordinary

Record date: January 7,2024

**Particulars of the shareholder**

Name of shareholder - \_\_\_\_\_

ID No. - \_\_\_\_\_

If the shareholder does not hold an Israeli identity card -

Passport No. - \_\_\_\_\_

Country of Issue - \_\_\_\_\_

Valid through - \_\_\_\_\_

If the shareholder is a corporation -

Corporation Name. - \_\_\_\_\_

Corporation No. - \_\_\_\_\_

Country of Incorporation - \_\_\_\_\_

Provide details of any personal interest or other connection between the voter (of the kind included in section 6 above) or the legal representative and the Bank or a senior officer, including employer-employee relations, business connections, etc., and particulars of the nature thereof.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



*This entire document is a translation from the Hebrew and has been prepared for convenience purposes only. In case of any discrepancy, the Hebrew version shall prevail.*

**Manner of Voting**

Number of topic on the agenda	Manner of voting <sup>2</sup>			Are you a party with a personal interest in passing the resolution, a senior officer <sup>3</sup> or an institutional investor <sup>4?5</sup>	
	For	Against	Abstain	Yes*	No
<b>Topic No. 1.1 on the agenda - To approve the terms of service for the incoming chair of the Bank's Board of Directors, Mr. Danny Yamin, which are set forth in section 3 of the General Meeting Call Report, with effect from December 11, 2023, and the amendment of the compensation policy for the Bank's officers accordingly.</b>					

Are you an interested party, a senior officer or an institutional investor? Yes \_\_\_\_\_ No \_\_\_\_\_

\* Please provide details if you stated that you are considered an interested party<sup>6</sup>, a senior officer or an institutional investor:

---



---

\* Please provide details if you stated that you are considered as having a personal interest in topic number 1 on the agenda:

---



---

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

For shareholders who hold shares through a Stock Exchange member (pursuant to Section 177(1)) – this voting ballot is valid only with the attachment of confirmation of ownership, except in cases where voting is by means of the Electronic Voting System.

For shareholders who are registered in the shareholders' register of the Bank – the voting ballot is valid with the attachment of a photocopy of the shareholders' identity card/passport/certificate of incorporation.

<sup>2</sup> Failure to indicate in the table and describe the nature of the personal interest or the other affiliation of the shareholder shall be treated as an abstention from the vote on that topic.

<sup>3</sup> As the term "senior officer" is defined in Section 37(d) of the Securities Law.

<sup>4</sup> As the term "institutional investor" is defined in Regulation 1 of the Companies Regulations (Voting Ballot and Position Papers), 2005.

<sup>5</sup> In the case of a shareholder who does not complete this column or has marked it "Yes" but has not provided details, his vote shall not be counted.

<sup>6</sup> As the term "interested party" is defined in Section 1 of the Securities Law, 1968.