

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: July 12, 2023
Reference No.: 2023-01-079239

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 cancelation: _____

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 *July 17, 2023*

2. On *July 12, 2023*

it was resolved to *convene an Annual General Meeting* _____,

which will be held on *Wednesday, August 16, 2023* at *12:30*

at *23 Yehuda Halevi St. (17th floor), Tel Aviv, Israel*

3. On the agenda:

Topics/resolutions to be raised at the Meeting:

1

The topic/resolution and details thereof:

Discussion of the Financial Statements and the Report of the Board of Directors of the Bank for the year ended December 31, 2022.

Declaration: There is no appropriate classification field

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:
Section 60(b) of the Companies Law

Does the topic require disclosure of an affiliation or some other characteristic of the shareholder that is voting: *No*

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), 5760-2000
- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *solely as a report*

Type of majority required to pass _____

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 _____

2

The topic/resolution and details thereof:

To reappoint Ziv Haft as independent auditors and Somekh Chaikin as independent auditors for a period of three (3) years through the end of the Annual General Meeting for 2026, and to authorize the Bank's Board of Directors to fix the fees of the independent auditors.

A report shall be presented to the General Meeting concerning the fees of the auditors for 2022 for auditing activities and additional services pursuant to Sections 165 and 167 of the Companies Law.

Declaration: There is no appropriate classification field

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:
Sections 154(b) and 165 of the Companies Law

Does the topic require disclosure of an affiliation or some other characteristic of the shareholder that is voting: *No*

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 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
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- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

Type of majority required to pass *a simple majority* _____

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*

3

The topic/resolution and details thereof:

To appoint Mr. Aharon Abramovich as a director with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, with effect from October 30, 2023, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, two (2) of the three (3) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in the Companies Law.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment/extension of service of a director as referred to in Sections 239(b) or 245 of the Companies Law.

Gender: *Male*

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 attachment 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 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), 5760-2000
- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

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

The majority required to pass the resolution (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 that are not controlling shareholders of the Bank or those having a personal interest in approving the appointment, other than a personal interest not resulting from that shareholder's relations with a controlling shareholder participating in the vote; 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 total voting rights in the Bank.*

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*

4

The topic/resolution and details thereof:

To appoint Mr. Ofer Levy as a director with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, two (2) of the three (3) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in the Companies Law.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment/extension of service of a director as referred to in Sections 239(b) or 245 of the Companies Law.

Gender: *Male*

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 attachment 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 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), 5760-2000
- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

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

The majority required to pass the resolution (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 that are not controlling shareholders of the Bank or those having a personal interest in approving the appointment, other than a personal interest not resulting from that shareholder's relations with a controlling shareholder participating in the vote; 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 total voting rights in the Bank.*

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*

5

The topic/resolution and details thereof:

To appoint Mr. Amir Kushilevitz-Ilan as a director with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, two (2) of the three (3) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in the Companies Law.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment/extension of service of a director as referred to in Sections 239(b) or 245 of the Companies Law.

Gender: *Male*

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 attachment 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 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
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- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

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

The majority required to pass the resolution (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 that are not controlling shareholders of the Bank or those having a personal interest in approving the appointment, other than a personal interest not resulting from that shareholder's relations with a controlling shareholder participating in the vote; 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 total voting rights in the Bank.*

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*

6

The topic/resolution and details thereof:

To appoint Ms. Iris Avner as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, with effect from March 22, 2024, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, three (3) of the four (4) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment or dismissal of a director as referred to in Sections 59 and 230 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 attachment 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 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
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- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

Type of majority required to pass *a simple majority* _____

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*

7

The topic/resolution and details thereof:

To appoint Mr. Shlomo Mor-Yosef as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, three (3) of the four (4) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment or dismissal of a director as referred to in Sections 59 and 230 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 attachment 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 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
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- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

Type of majority required to pass *a simple majority* _____

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*

8

The topic/resolution and details thereof:

To appoint Mr. Ari Pinto as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, three (3) of the four (4) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment or dismissal of a director as referred to in Sections 59 and 230 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 attachment 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 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
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- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

Type of majority required to pass *a simple majority* _____

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*

9

The topic/resolution and details thereof:

To appoint Ms. Sigal Regev as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

At the General Meeting, three (3) of the four (4) candidates proposed by the Committee for the Appointment of Directors at Banking Corporations will be elected to serve as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives.

The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

For additional details in connection with the appointment of the directors to the Bank's Board of Directors, see section 2 of the attached General Meeting Call Report, as well as the declarations and curricula vitae of the candidates attached to the original Hebrew version of this immediate report.

Appointment or dismissal of a director as referred to in Sections 59 and 230 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 attachment 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 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
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- 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), 5760-2000

Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

Type of majority required to pass *a simple majority* _____

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*

10

The topic/resolution and details thereof:

To approve the terms of service and employment of the Bank's CEO, Mr. Avraham Levi, which are set forth in Appendix A of the agenda, with effect from July 9, 2023.

Transaction with CEO in connection with the terms of his service and employment pursuant to Section 272(c1)(1) 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 attachment 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 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), 5760-2000
- Addition of new topic to the agenda after the record date due to a technical mistake, as detailed:

The topic on the agenda is presented *to be voted on*

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

The majority required to pass the resolution in accordance with that prescribed in Sections 267A(b) and 272(c1) of the Companies Law and also in accordance with Section 2(a) of the Compensation of Officers of Financial Corporations Law (Special Approval and Disallowance of Expenses for Tax Purposes in Respect 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 total voting rights in the Bank.*

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 Attachment 2*

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 *Attached to the original Hebrew report*

Declaration of Independent Director *Attached to the original Hebrew report*

Declaration of External Director *Attached to the original Hebrew report*

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 Meeting, a quorum is not present, the General Meeting shall be adjourned until Thursday, August 17, 2023, at 12:30. Where no quorum is present at the adjourned 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 such General Meeting was called.

6. © In the absence of a quorum, the adjourned Meeting will be held on: *August 17, 2023 at 12:30 at 23 Yehuda Halevi St. (17th floor), Tel Aviv, 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:

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, 23 Yehuda Halevi Street, Tel-Aviv, 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:

	Name of Signatory	Position
1	<i>Adv. Nitzan Sandor</i>	<i>Other Executive Vice President, Chief Legal Counsel and Head of Legal counsel Division</i>
2	<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: 20/06/2023
Abbreviated name: Discount
Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: +972-3-9439111; Fax: +972-3-5171674
Email: michal.sd@dbank.co.il

Prior names of the reporting entity:

Name of person making electronic report: Tenne, Ayelet Position: Lawyer, General Secretary Name of Employing Company:
Address: 23 Yehuda Halevi St., Tel Aviv 6513601, Israel Tel: +972-76-8058862; Fax: +972-3-5171674 Email: ayelet.tenne@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.

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ATTACHMENT 1

ISRAEL DISCOUNT BANK LTD. ("The Bank")

Date: July 12, 2023

Israel Securities Authority
www.isa.gov.il

Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Re. Immediate Report Regarding Convening of Annual General Meeting

The Bank hereby announces the convening of an Annual General Meeting, which shall be held on **Wednesday, August 16, 2023 at 12:30** ("the General Meeting"). The General Meeting shall be held at the offices of the Bank, 23 Yehuda Halevi Street (17th Floor), Tel Aviv, Israel ("the Bank's Offices"). If a quorum is not present, the General Meeting shall be adjourned to **Thursday, August 17, 2023 at 12:30** at the Bank's Offices.

1. Part A – Topics on the agenda and the majority required to pass the resolutions:

1.1 Discussion of the Financial Statements and the Report of the Board of Directors of the Bank for the year ended December 31, 2022

The financial statements and the report of the Board of Directors of the Bank for the year ended December 31, 2022, which are included in the Bank's Periodic Report for 2022 can be viewed on the Distribution website of the Israel Securities Authority (www.isa.gov.il) ("the Distribution Website"), on the website of the Tel-Aviv Stock Exchange Ltd. (www.maya.tase.co.il) ("the TASE Website") and on the website of Discount Bank (www.discountbank.co.il) ("the Bank's Website"). The Report was published on March 13, 2023 (reference no.: 2023-01-026121).

The proposed resolution:

No resolution is required.

1.2 Appointment of independent auditors and authorization of the Board of Directors to fix their fees

A report shall be presented to the General Meeting concerning the fees of the auditors for 2022 for auditing activities and additional services pursuant to Sections 165 and 167 of the Companies Law, 1999 ("the Companies Law"), as detailed on page 272 of the Bank's 2022 Periodic Report (page 332 of the English translation).

1.2.1 As of the date of this report, Ziv Haft (BDO), CPAs and Somekh Chaikin (KPMG), CPAs serve jointly as the independent auditors of the Bank and have been appointed to their position through the end of the Annual General Meeting that is being convened pursuant to this report ("the Independent Auditors"). In accordance with Article 61 of the Bank's Articles of Association, the General Meeting may appoint Independent Auditors to serve in their position for a longer period, which shall not extend beyond the end of the third Annual General Meeting following that at which they were appointed. Accordingly, it is proposed that the Independent Auditors be appointed for a period of three (3) years through the end of the Annual General Meeting for 2026.



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- 1.2.2 The Bank implements the rules of conduct proposed for directors so as to promote the quality of the financial statements' audit (Best Practice), as published by the Israel Securities Authority in October 2021, and the Proper Conduct of Banking Business Directives, pursuant to which, once every three years at least, the Audit Committee shall hold a discussion concerning the possibility of replacing the Independent Auditors of the Bank. The aforementioned once-every-three-years discussion was held on March 1, 2023. Within the framework of the discussion, the Audit Committee heard explanations and was given, inter alia, details regarding: the independent Auditors' experience in accounting and auditing in general and in connection with banking corporations in particular; and, the competence of the audit teams and the technical departments of the Independent Auditors and their compliance with the independence rules that apply to the Independent Auditors. In addition, the Audit Committee heard the position of the Bank's CEO and its Chief Accountant.
- 1.2.3 At its meeting on March 1, 2023, the Audit Committee recommended to the Board of Directors to approve the recommendation of the Bank's management that the existing engagement between the Bank and the Independent Auditors be allowed to continue. This recommendation was approved by the Bank's Board of Directors on April 24, 2023.

The proposed resolution:

To reappoint Ziv Haft as independent auditors and Somekh Chaikin as the Bank's Independent Auditors for a period of three (3) years through the end of the Annual General Meeting for 2026, and to authorize the Bank's Board of Directors to fix the fees of the independent auditors.

The majority required to pass the resolution:

A simple majority of all the votes of holders of ordinary "A" shares voting at the General Meeting in person, by proxy, by means of a voting ballot or by means of an electronic voting system, and entitled to vote. In counting the votes of the said shareholders, abstentions shall not be taken into account.

1.3 Appointment of directors to the Board of Directors of the Bank – Companies Law external director

To elect two (2) directors, with the status of external director, as this is defined in the Companies Law, 1999("Companies Law External Director").

The election at this General Meeting is between the candidates proposed by the Committee for the Appointment of Directors at Banking Corporations appointed pursuant to Section 36A of the Banking (Licensing) Law, 1981 ("the Banking Law") and pursuant to Sections 11D(a)(1) and (2) of the Banking Ordinance, 1941 ("the Banking Ordinance"):

1.3.1 Mr. Aharon Abramovich (a serving director who is a candidate for reappointment)

1.3.2 Mr. Ofer Levy

1.3.3 Mr. Amir Kushilevitz-Ilan

The majority required to pass the resolution (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 that are not controlling shareholders of the Bank or those having a personal interest in approving the appointment, other than a personal interest not resulting from that shareholder's relations with a controlling shareholder participating in the vote; in counting the total votes of the said shareholders, abstentions shall not be taken into account; **or**



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

For further details regarding the appointment of the directors to the Bank's Board of Directors, including the proposed resolutions – refer to section 2 below. The appointments shall take effect subject to that described in section 2 below.

1.4 Appointment of directors to the Board of Directors of the Bank – 301 external director

To elect three (3) directors, with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives (“Directive 301”).

The election at this General Meeting is between the candidates proposed by the Committee for the Appointment of Directors at Banking Corporations appointed pursuant to Section 36A of the Banking (Licensing) Law, 1981 (“the Banking Law”) and pursuant to Sections 11D(a)(1) and (2) of the Banking Ordinance, 1941 (“the Banking Ordinance”):

- 1.4.1** Ms. Iris Avner (a serving director who is a candidate for reappointment)
- 1.4.2** Prof. Shlomo Mor-Yosef
- 1.4.3** Mr. Ari Pinto
- 1.4.4** Ms. Sigal Regev

The majority required to pass the resolution:

The majority required to pass a resolution to appoint a 301 external director is a simple majority of all the votes of holders of ordinary “A” shares voting at the General Meeting in person, by proxy, by means of a voting ballot or by means of an electronic voting system, and entitled to vote. In counting the votes of the said shareholders, abstentions shall not be taken into account.

For further details regarding the appointment of the directors to the Bank's Board of Directors, including the proposed resolutions – refer to section 2 below. The appointments shall take effect subject to that described in section 2 below.

1.5 Approval of the terms of service and employment of the Bank's CEO, Mr. Avraham Levi

The proposed resolution:

To approve the terms of service and employment of the Bank's CEO, Mr. Avraham Levi, which are set forth in **Appendix A** of the agenda, with effect from July 9, 2023.

The majority required to pass the resolution in accordance with that prescribed in Sections 267A(b) and 272(c1) of the Companies Law and also in accordance with Section 2(a) of the Compensation Law¹ (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:**

¹ Since the CEO's compensation exceeds the ceiling prescribed in Section 2(a) of the Compensation Law, the resolution is being brought before the General Meeting for approval – also by the majority specified in Section 2(a) of the Compensation Law.



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

For details regarding the terms of service and employment of the Bank's CEO, see section 3 below.

Part B – Additional details regarding the topics on the agenda:

2. Further details regarding the appointment of the directors to the Bank's Board of Directors:

- 2.1** A preliminary notice pursuant to Section 11C(a)(4) of the Banking Ordinance was published on March 7, 2023 (reference no. 2023-01-032499).
- 2.2** The Bank's Board of Directors currently consists of 10 directors.
- 2.3** In preparation for the upcoming Annual General Meeting, seven (7) candidates have been proposed by the Committee for the Appointment of Directors: **three (3)** candidates for the position of director with the status of Companies Law external director, from whom the General Meeting has to elect **two (2)** directors and **four (4)** candidates for the position of director with the status of 301 external director, from whom the General Meeting has to elect **three (3)** directors.
- 2.4** In accordance with Section 11A of the Banking Ordinance, the appointment of the director who shall be elected by the General Meeting is subject to the Supervisor of Banks approving the appointment or to his not opposing it.
- 2.5** Mr. Shaul Kobrinsky, the Chairman of the Board of Directors, is expected to end his third and final term of service as a director of the Bank on December 11, 2023. Mr. Baruch Lederman is expected to end his third and final term of service as a director of the Bank on November 27, 2023. Mr. Yaakov Lifshitz is expected to end his second term of service as a director of the Bank on March 26, 2024 and has not put forward his candidacy to serve for an additional term to the Committee for the Appointment of Directors. In light of the above, the service commencement date of the directors who shall be elected for their first service shall be after receipt of the Supervisor of Banks' approval, taking into account that stated in section 2.6 below.
- 2.6** In accordance with Section 94(a) of the Companies Law and as prescribed in the Bank's Articles of Association, the Board of Directors will conduct a process for the election of a chairman from among its members, in order to appoint a chairman in place of Mr. Shaul Kobrinsky. In accordance with the guidelines of the Supervisor of Banks, the candidates elected at the 2023 General Meeting shall commence their service immediately after receipt of the Supervisor's approval of their appointment and shall be able to participate in the discussions held at the Board of Directors, to put forward their candidacy for the position of chairman of the Bank's Board of Directors and to participate in the vote.

For this purpose, it should be noted that, where the candidates who are to be elected by the General Meeting to serve as directors of the Bank shall be directors that are appointed for a first term of service with the Bank, then for a temporary period that shall commence after the date of appointment of each of the directors to be appointed by this General Meeting and that shall end on the service termination date of the directors serving with the Bank in March 2024, as set forth in section 2.5 above, the number of the Bank's directors will likely amount to at least 13 directors and will thus exceed the maximum number of directors set in the Bank's Articles of Association (10 directors). In accordance with Article 25A of the Bank's Articles of Association, a resolution passed by the General Meeting with the required majority to amend the Articles of Association, that changes any of the provisions of these Articles of Association, shall be viewed as a resolution to amend these Articles of Association, even if this is not explicitly stated in the resolution. Accordingly, it is hereby clarified that resolutions passed with the necessary majority in accordance with sections 2.17 and 2.18 below, which shall result in the number of the Bank's directors likely rising temporarily, as stated, above the maximum number of directors

according to the Articles of Association as aforesaid, shall be viewed as permitting the temporary excess over the maximum number of directors prescribed in the Articles of Association.

- 2.7** The candidates must comply with all the terms stipulated by law for service as a director of a bank having no core controlling interest, as prescribed in Sections 11E(b)-(e) of the Banking Ordinance, and also with the eligibility terms that apply to external directors by virtue of the Companies Law, including having no affiliation to the Bank, to a corporation controlled by the Bank, to an officer of the Bank or to a material holder/material shareholder, of these or of their relatives. Attached to this Immediate Report are declarations from the candidates to serve as directors of the Bank, in accordance with Section 224B of the Companies Law.
- 2.8** As resolved by the Audit Committee on November 13, 2016, retail business relations between the candidates for appointment and/or anyone closely connected with them, with the Bank and/or with corporations under its control and/or where holding a financial instrument or product is a service provided by material holders/material shareholders, that are involved in the provision of retail banking services during the normal course of business, and which meet the criteria set by the Supervisor of Banks in relation to “retail business relations”² (“the Supervisor’s Letter”), do not constitute an “affiliation” pursuant either to the Banking Ordinance or to the Companies Law, and – instead – shall be classified as insignificant relations, in accordance with the provisions Regulations of Section 5 of the Companies (Matters Not Constituting an Affiliation), 2006 (“the Insignificance Regulations”). Within the context of the discussion on the question of insignificance, the Audit Committee examines, in regard to each candidate, whether the aforesaid criteria have been exceeded. In any case, this shall not be deemed a sufficient reason to prevent the Audit Committee from confirming the insignificance of the relations, even if the business relations were not to comply with the limits imposed by the Supervisor in regard to retail business relations.
- 2.9** The Bank must comply with all the relevant requirements regarding the composition and qualifications of the Board of Directors in accordance with the provisions of any law, including the provisions of Proper Conduct of Banking Business Directive No. 301, inter alia, in relation to the requirement for a minimum number of directors possessing proven banking experience, professional qualifications, accounting and financial expertise, proven IT knowledge and experience, and additional requirements as set forth in sections 25 and 26 of Directive 301.
- 2.10** Taking into consideration the characteristics of the Bank’s activities, its strategy and the challenges in the business environment in which it operates, the regulatory developments and the risks to which the Bank is exposed, the Bank is seeking, as stated before the Committee for the Appointment of Directors, to appoint – among the directors to be appointed at the General Meeting, as stated in sections 1.3 through 1.4 above – candidates that have the following attributes:
- All the candidates are to be persons who can be classified as complying with the requirements of Proper Conduct of Banking Business Directive 301, and must therefore possess professional competence as stated in the Companies Regulations (Conditions and Tests for a Director Possessing Accounting and Financial Expertise and for a Director With Professional Competence) and must comply with the requirements relating to both experience and education; and/or to be persons possessing accounting and financial expertise, in accordance with those regulations.
 - All the candidates classified as a Companies Law external director are to possess knowledge and understanding of financial statements of financial institutions or banking corporations (since they are designated to serve on the Audit Committee, which is the Bank’s Financial Statements Review Committee).

² As set forth in the Supervisor’s Letter to the Bank from May 28, 2014 regarding the meaning of the terms “retail business relations” and “insignificant relations” in Section 11E(b) of the Banking Ordinance.



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- Three (3) candidates to be elected by the General Meeting are to possess proven banking experience , as defined in Proper Conduct of Banking Business Directive 301.
- One (1) of the candidates to be elected by the General Meeting is to possess a legal background and experience.
- At least one (1) of the candidates to be elected by the General Meeting is to a woman.
- Having a business background and experience in a senior management position with a financial corporation or with a business company having a significant business scope;
- Due to the fact that the term of the Chairman of the Board of Directors' service is expected to end in December 2023, it is desirable that consideration be given to candidates with the appropriate experience and competence to serve as the Bank's chairman.

2.11 The vote for each candidate shall be taken separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

2.12 It should be noted that Article 37D of the Bank's Articles of Association states the following:

“Should the number of candidates for appointment as directors, who receive a majority of the votes of the participants in the vote at the General Meeting, exceed the number of positions available for said appointment, the candidates who gained the most support in the vote at the General Meeting shall be selected. If any of the electees is disqualified from serving as a director for any reason, including pursuant to a decision by the Supervisor of Banks, the candidate who gained the greatest amount of support in the vote at the General Meeting, after the candidate who was disqualified as stated, shall be the person elected.

If a decision needs to be made between candidates who received an equal number of votes at the General Meeting, and among these candidates there is a person who is standing for an additional period of service, that person shall be considered as having gained the greatest amount of support in the vote at the General Meeting.

Where both candidates for director are standing for election for the first time, or have been serving for identical periods, a further vote shall be taken at the adjourned meeting on whose agenda shall be the appointment of the directors who won an equal number of votes.”

2.13 In regard to voting at the General Meeting, Section 34(a1) of the Banking Law prescribes the following – “A person shall not conclude an agreement with another concerning their votes for the appointment of a director in a bank or a bank holding corporation, except in accordance with a permit that the Governor shall issue after consulting with the Licenses Committee; this provision shall not apply to a body of holders, as defined in Section 11D(a)(3)(b) of the Ordinance, for the purpose of voting on the appointment of a director who was removed by them pursuant to that Section, and also to a holder of means of control that concludes an agreement with another to the effect that said other shall vote in its name and on its behalf and without consideration, as the holder of the means of control has instructed him, provided that, if the other is himself a holder of means of control in a banking corporation or a bank holding corporation, as the case may be, no more than one other holder shall vote in his name and on his behalf”.



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2.14 Directors of the Bank who are Expert Directors, as defined in the Companies Regulations (Rules on Fees and Expenses of External Directors), 2000 (“the Fees Regulations”) (“an Expert Director”)³, shall be entitled to the payment of annual fees and meeting attendance fees in the “maximum amount for an expert external director” prescribed in the Fourth Schedule to the Fees Regulations, according to the ranking of the Bank, in accordance with the Board of Directors’ decision from May 16, 2018.

A director who is not an Expert Director shall be entitled to annual fees and meeting attendance fees in the “maximum amount” prescribed in the Second and Third Schedules to the Fees Regulations, according to the ranking of the Bank, in accordance with the Board of Directors’ decision from July 6, 2008.

2.15 On February 28, 2023, the General Meeting approved a compensation policy for officers of the Bank pursuant to Section 267A of the Companies Law, for a period of three years. As part of the compensation policy, it is prescribed that the Bank shall be entitled to acquire a policy for directors’ and officers’ liability insurance, which shall apply to the officers of the Bank and/or its investee companies and for the Bank’s group companies as these shall be from time to time. The Bank shall be entitled to enter into an officers’ liability insurance policy, as stated, during the term of the compensation policy, either by way of acquiring new policies or by way of extending or renewing the existing policies or policies that shall be acquired in the future – and all within the framework of the terms and conditions set forth in the compensation policy⁴. The existing directors’ and officers’ liability insurance policy for the Bank’s directors and officers was renewed on April 1, 2023 and is valid through March 31, 2024.

2.16 For details regarding resolutions in respect to exemption and indemnification of the Bank’s directors and officers, refer to Article 29A and Note 26 in the Bank’s annual report for the period ended December 31, 2022, which was published on March 13, 2023.

2.17 Presented below are details concerning the candidates to serve as directors with the status of external director, as this is defined in the Companies Law, in accordance with Regulations 26 and 36B(a)(10) of the Securities Regulations (Periodic and Immediate Reports), 1970:

In regard to topic 1.3.1 on the agenda – Election of Mr. Aharon Abramovich

Candidate’s name	Aharon Abramovich
ID no.	050838457
Date of birth	August 4, 1951
Address for service of court documents	26 Moriah Street, Ramat Hasharon, Israel
Nationality	Israeli
Membership of Board of Directors’ committees	Audit Committee, Compensation Committee, Risk Management Committee and Resources Committee
External director as defined in the Companies Law	Yes

³ “**Expert Director**” – (1) a director possessing accounting and financial expertise; (2) a director who, due to his education, experience and qualifications possesses a high level of skill and a thorough understanding of the principal business sphere of the company, the director’s level of skill and understanding shall be assessed by the board of directors, after the director has added to his declaration, pursuant to Section 241 of the Companies Law, a declaration regarding his education, experience and qualifications, to the extent that these are relevant to his aforesaid assessment, to which he shall attach documents that support his declaration (Regulation 1 of the Companies Regulations (Rules on Fees and Expenses of External Directors), 2000).

⁴ Refer to the immediate report dated January 21, 2023, reference no. 2023-01-010734.



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Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional competence	Possesses accounting and financial expertise and professional competence
Date on which service as a director shall commence	September 30, 2023 – third term of service
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- A relation of the candidate (his daughter-in-law) is employed in a non-senior capacity at a corporation under the control of a material shareholder of the Bank. The Audit Committee has determined, further to its decision from June 25, 2020 on this matter, which was made prior to the proposal to appoint the candidate for a second term of service, that the work relations between the candidate's daughter-in-law and a company under the control of a material shareholder are "trivial and marginal" with the material shareholder, whereby they do not constitute a prohibited affiliation under the Companies Law. In addition, it has been determined that the relations are "insignificant relations" in accordance with the Banking Ordinance and the Supervisor's Letter, whereby they do not constitute a prohibited affiliation such as to prevent the candidate being eligible to serve as a director of a banking corporation having no core controlling interest under the Banking Ordinance. Among the reasons for this are the nature of the position that the candidate's daughter-in-law holds, the lack of linkage between her position and the holding in the Bank's shares, the fact that the affiliation is not of the candidate but of his daughter-in-law, the shareholding of the material shareholder is a financial holding rather than a strategic one, according to the holding permit from the Bank of Israel and the designated arrangements prescribed in the Banking Ordinance in connection with the appointment of directors of a banking corporation having no core controlling interest, and the limitations on material shareholders' ability to nominate candidates to serve on the Board of Directors.

The proposed resolution:

To appoint Mr. Aharon Abramovich as a director with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, with effect from October 30, 2023, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.3.2 on the agenda – Election of Mr. Ofer Levy

Candidate's name	Ofer Levy
ID no.	052222577
Date of birth	February 15, 1954
Address for service of court documents	5 Carmeli Street, Ramat Gan, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined. At the least, he will serve as a member of the Audit Committee and the Compensation Committee by virtue of his status as a Companies Law external director
External director as defined in the Companies Law	Yes, in accordance with the Committee for the Appointment of Directors' classification and the candidate's declaration attached to this immediate report.
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional competence	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

The Audit Committee has confirmed that the business relations with the Bank in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

Other matters:

The candidate serves as a director of IBI Managing & Underwriting Ltd. ("IBI Underwriting"). Should he be elected as a director of the Bank, the candidate has undertaken to discontinue his service as a director of IBI Underwriting, due to concern of a conflict of interest.

The proposed resolution:

To appoint Mr. Ofer Levy as a director of the Bank with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.3.3 on the agenda – Election of Mr. Amir Kushilevitz-Ilan

Candidate's name	Amir Kushilevitz-Ilan
ID no.	028987048
Date of birth	February 5, 1972
Address for service of court documents	8 Hei be-Iyar Street, Tel Aviv, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined. At the least, he will serve as a member of the Audit Committee and the Compensation Committee by virtue of his status as a Companies Law external director
External director as defined in the Companies Law	Yes, in accordance with the Committee for the Appointment of Directors' classification and the candidate's declaration attached to this immediate report.
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional competence	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

- The candidate served as the Chief Risk Officer of Isracard Ltd. (“Isracard”) until July 2022. Business relations exist between the Bank Group and Isracard; these also existed during the period of the candidate’s service at Isracard, during the two years prior to the date of his appointment (should he be elected by the General Meeting). The Audit Committee has confirmed that the aforesaid business relations are “insignificant relations” in accordance with the Companies Law and the Banking Ordinance, both from the perspective of the Bank and also from the perspective of the candidate. Among the reasons for this are the nature and scope of the activity during the course of the companies’ normal business, the fact that these relations are those of the candidate’s former employer and not of the candidate himself and that, as part of his duties at Isracard, the candidate was not directly involved in business relations with the Bank Group.

Other matters:

The candidate serves as a director of Axio Capital Envelope Ltd. (“Axio”). Should he be elected as a director of the Bank, the candidate has undertaken to discontinue his service as a director of Axio, due to concern of a conflict of interest.

The proposed resolution:

To appoint Mr. Amir Kushilevitz-Ilan as a director with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

2.18 Presented below are details concerning the candidates to serve as directors with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, in accordance with Regulations 26 and 36B(a)(10) of the Securities Regulations (Periodic and Immediate Reports), 1970:

In regard to topic 1.4.1 on the agenda – Election of Ms. Iris Avner

Candidate’s name	Iris Avner
ID no.	059240481
Date of birth	March 5, 1965
Address for service of court documents	9 HaMa’avak Street, Givatayim, Israel
Nationality	Israeli
Membership of Board of Directors’ committees	Audit Committee, Technologies Committee, Credit Committee, and Risk Management Committee
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional qualifications	Possesses accounting and financial expertise and professional competence
Date on which service as a director shall commence	March 22, 2024 – third term of service



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Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which she serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

The Audit Committee has confirmed that the business relations with the Bank and a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or her relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

The proposed resolution:

To appoint Ms. Iris Avner as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, with effect from March 22, 2024, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.4.2 on the agenda – Election of Prof. Shlomo Mor-Yosef

Candidate's name	Shlomo Mor-Yosef
ID no.	050516012
Date of birth	April 27, 1951
Address for service of court documents	9 Zevulun Hammer Street, Jerusalem, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes, in accordance with the candidate's declaration. Subject to the Audit Committee's approval
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors

Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- The candidate serves as Chairman of Leumit Health Care Services ("Leumit"), which is his employer. Leumit has business relations with the Bank and corporations under the Bank's control in the course of normal business and with material holders/material shareholders in the Bank. The Audit Committee has confirmed that these relations, to the extent that they constitute an affiliation, are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of the candidate's employer and not of the candidate himself, because of the nature and scope of the activity in the course of normal business, the fact that they began prior to the candidate commencing his service at Leumit, the fact that the candidate is not involved in managing the aforesaid relations and that they are insignificant from his perspective, and because the relations are not material either from the perspective of Leumit or from the perspective of the Bank and the material holders/material shareholders in the Bank.

The proposed resolution:

To appoint Mr. Shlomo Mor-Yosef as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.4.3 on the agenda – Election of Mr. Ari Pinto

Candidate's name	Ari Pinto
ID no.	069042505
Date of birth	December 22, 1961
Address for service of court documents	144 Menahem Begin Road, Tel Aviv-Jaffa, Israel (Midtown Tower, c/o Adv. Ami Sivan)
Nationality	Israeli

Membership of Board of Directors' committees	Not yet determined
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes, in accordance with the candidate's declaration. Subject to the Audit Committee's approval
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and corporations under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- The candidate serves as Chairman of Abra Information Technologies Ltd. ("Abra"). Abra and its subsidiaries ("the Abra Group") have business relations with the Bank and corporations under the Bank's control. Relations also exist between the Abra Group and material holders/material shareholders in the Bank. The Audit Committee has confirmed that the aforesaid business relations are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of the Abra Group and not of the candidate himself, because of the nature and scope of the activity in the course of normal business, the fact that the candidate is not involved in initiating and managing the aforesaid relations, and in light of the fact that some of the relations began prior to the candidate commencing his service as Abra's Chairman.

Other matters:

Should he be elected as a director of the Bank, the candidate has undertaken to discontinue his service as Chairman and a director of Abra, due to concern of a conflict of interest.

The proposed resolution:

To appoint Mr. Ari Pinto as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.4.4 on the agenda – Election of Ms. Sigal Regev

Candidate's name	Sigal Regev
ID no.	022625750
Date of birth	August 1, 1966
Address for service of court documents	14 Shimon Ben Zvi Street, Givatayim, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes, in accordance with the candidate's declaration. Subject to the Audit Committee's approval
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which she serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and corporations under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or her relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

- The candidate served as CEO of Kupat Holim Meuhedet until December 2022. Kupat Holim Meuhedet has business relations with the Bank and a corporation under the Bank's control in the course of normal business and with material holders/material shareholders in the Bank. The Audit Committee has confirmed that these relations, to the extent that they constitute an affiliation, are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of the candidate's former employer, of Kupat Holim Meuhedet and its subsidiaries, and not of the candidate herself, because of the nature and scope of the relations and their substance, and in light of the fact that the candidate was not involved in directly managing the aforesaid relations and that the relations are not material either from the perspective of Kupat Holim Meuhedet or from the perspective of the Bank and the material holders/material shareholders in the Bank.
- The candidate has served as Chairman of Raphael Hospitals Ltd. ("Raphael Hospitals") since February 2023. Raphael Hospitals has business relations with the Bank and a corporation under its control. The Audit Committee has confirmed that the aforesaid business relations are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of Raphael Hospitals, and not of the candidate herself, the fact that the business relations are in the course of normal business and that the candidate herself has no business or professional connection with the Bank, and the fact that the major part of the relations commenced prior to the candidate commencing her service as Chairman of Raphael Hospitals. Another factor that was taken into consideration was that the candidate has undertaken to discontinue her service as Chairman of Raphael Hospitals if she is appointed a director of the Bank.
- The candidate has been nominated for the position of Chairman of Raphael Hospitals by Medica Medical Centers and by Harel Insurance Company Ltd. ("Harel"), which is a material shareholder in the Bank and a shareholder of Raphael Hospitals. The Audit Committee has confirmed that the fact that the candidate has been nominated for this position, should this fall within the realm of professional relations that create a prohibited affiliation between the candidate and a material holder in the Bank, this constitutes an insignificant relationship. Among the reasons for this are the short period of her service with Raphael Hospitals and the fact that the candidate has undertaken to terminate her service as Chairman of Raphael Hospitals if she is appointed a director of the Bank.
- Relatives of the candidate (her daughter and her daughter's partner), though they not holding senior positions are salaried employees of Harel, a material shareholder in the Bank. The Audit Committee has confirmed that the nature of the employment relationship of the candidate's relatives with Harel is that of a "trivial and marginal relationship with a material shareholder", whereby it does not constitute a prohibited affiliation that prevents her serving as an external director pursuant to Proper Conduct of Banking Business Directive 301. Alternatively, the Committee has determined that these employment relations are "insignificant relations" in accordance with the Banking Ordinance and the Supervisor's Letter. Among the considerations that the Committee took into account in reaching this determination were the nature of the positions held by the candidate's relatives, the fact that the employment relations are not of the candidate but of her relatives, and the character of Harel's holding in the Bank, the nature of which is solely that of a financial holding rather than a strategic one. According to the holding permit from the Bank of Israel and the designated arrangements prescribed in the Banking Ordinance in connection with the appointment of directors of a banking corporation having no core controlling interest, and the limitations on material shareholders' ability to nominate candidates to serve on the Board of Directors.

The proposed resolution:

To appoint Ms. Sigal Regev as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.



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3. Details regarding the terms of service and employment of the Bank’s CEO, Mr. Avraham Levi:

3.1 Background:

- 3.1.1** The incoming CEO, Mr. Avraham Levi (“the CEO”) began serving as CEO of the Bank on July 9, 2023 (“**the Commencement Date**”) and replaced Mr. Uri Levin in this position.
- 3.1.2** It is proposed that the terms of service and employment of the CEO be approved and that, subject to the approval of the General Meeting being convened by this report, these shall apply from the Commencement Date.
- 3.1.3** The proposed terms of service and employment have been determined in accordance with the Compensation of Officers of Financial Corporations Law (Special Approval and Disallowance of Expenses for Tax Purposes in Respect to Excess Compensation), 2016 (“the Compensation Law”) the Compensation policy for officers as approved by the General Meeting on February 28, 2023, as set forth in the Bank’s immediate report dated January 23, 2023 (reference no.: 2023-01-010734) (“the Compensation Policy”), the Companies Law, 1999, and Proper Conduct of Banking Business Directive 301A “Compensation Policy in Banking Corporations” (“the Supervisor’s Directive”).

Nothing in the aforesaid shall prejudice any right under the existing terms of service and employment of the CEO in his previous position with the Bank through the Commencement Date nor his entitlement to an annual bonus pursuant to the Compensation Policy, in respect to the period in 2023 when he served as a senior executive vice president and head of the Banking Division.

3.2 Additional details in accordance with the Sixth Schedule of the Reports Regulations:

- 3.2.1** For details regarding the proposed terms of service and employment of the CEO, see **Appendix A** attached to this report (“the Terms of Employment Appendix”).
- 3.2.2** Presented below is a summary of the anticipated compensation cost for the CEO in respect to 2024 (the first full year in the position of CEO), assuming that the proposed terms of service and employment shall be approved by the General Meeting being called by this report (in NIS thousands):

Details of the compensation’s recipient (in 2024, in NIS thousands)										
Name	Position	Extent of position	Rate of holdings in corporation’s capital	Salary (6)	Bonuses (4)	Share-based payment (5)	Employers’ payments and contributions (1)	Benefits and grossing up (2)	Total	Of which: total for Compensation Law purposes (3)
Mr. Avraham Levi	CEO	100%	-	2,721	-	355	488	49	3,613	3,194

- (1) Includes severance pay, provident payments, training fund, national insurance, and incapacity to work insurance.
- (2) Includes travel, various benefits and grossing up.
- (3) Compensation as defined in the Compensation Law, these, the total compensation apart from contributions for severance pay and provident payments (including incapacity to work insurance) anticipated in 2024, in accordance with data known at this time (without taking into consideration future changes that may occur in the Consumer Price Index).
- (4) Does not include bonuses. The CEO is entitled to bonuses pursuant to section 6 of the Employment Terms Appendix, subject to the Compensation Law ceiling (see footnote 3 of the Employment Terms Appendix).
- (5) An expense that is expected to be recorded in the financial statements in respect to options that were previously granted to the CEO in July 2023 (prior to the Commencement Date) within the framework of the terms of

employment of an executive vice president and in accordance with the Outline for the grant of securities to employees dated July 13, 2022 (for details of the Outline, see the Bank's immediate report from July 13, 2022, reference no.: 2022-01-089110).

- (5) The salary cost for said year will be reduced due to the expense in respect to the options referred to in section 5 of the Employment Terms Appendix. Should there not be an expense in respect to the options in the said year, the salary cost would amount to NIS 2,953 thousand.

- 3.2.3** The forecasted 2024 compensation cost for the CEO shall be 10.06 times the average cost and 11.53 times the median cost of the compensation paid to the rest of the Bank's employees and its agency workers⁵.
- 3.2.4** The ratio of the CEO's forecasted variable compensation to his forecasted fixed compensation for 2024, in accordance with his proposed terms of service and employment will stand at 11.97%⁶.
- 3.2.5** It should be noted that – due to the expense in respect to the options granted to the CEO in 2022 in his previous position as a member of management and due to the non-recurring provisions relating to the terms of service and employment – his compensation in the years 2023-2025 will be less than the maximum compensation (derived from the average monthly salary) to which he is supposed to be entitled pursuant to the terms of service of employment that are being put forward for approval, whereby it will not exceed the maximum amount permitted to be paid to a CEO in the Israeli banking system.
- 3.2.6** On July 12, 2023, following the Compensation Committee's approval, the Bank's Board of Directors approved the terms of service and employment of the Bank's CEO as stated in **Appendix A** attached to this report. At the Compensation Committee and the Board of Directors, within the framework of the aforementioned meetings, various data and information were reviewed and examined, which included the following: the compensation policy for officers of the Bank; the relevant provisions from Directive 301A; provisions of the Compensation Law; the terms of service and employment of the Bank's officers; the data needed in regard to 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; and, comparative information in relation to the compensation of other CEOs in the Israeli banking system.
- 3.2.7** The members of the Compensation Committee who participated in the meeting on June 26, 2023, at which the terms of service and employment of the CEO were approved, were: Mr. Aharon

⁵ The aforementioned ratios are based on the forecasted compensation cost in respect to the CEO for 2024 and on the salary cost as included in the Bank's 2022 financial statements for the rest of the Bank's employees (who are not senior officers of the Bank) and agency workers, excluding wage tax. The median cost includes a provision for an average bonus and an average provision for vacations and expenses in respect to retirement terms. In addition, the cost for the CEO and the cost for other senior employees includes expenses in respect to share options.

- (a) The numerator is comprised of the anticipated expenses expected to be recorded in the financial statements in respect to the CEO's compensation expenses in 2020 (excluding annual bonus).
- (b) The denominator is comprised of the expenses actually recorded in the financial statements in respect to the rest of the Bank's employees and agency workers (excluding officers) in 2018 (excluding payroll tax), who were employed at the Bank as of December 31, 2018.

For the purpose of calculating the cost of the employees, it has been assumed that: (1) for employees in part-time positions, the cost has been grossed up to a full-time position; (2) the median employee is entitled to the average of the Bank's customary allowance for vacations, Jubilee vacation and expenses for pension benefits; and (3) severance pay expenses have been included at their current actual cost without actuarial components.

⁶ In regard to the equity compensation, the value has been calculated by linearly dividing the fair value of the equity compensation at the time of the grant (as stated in section 1.2.2 above) and not the accounting value attributable to the equity compensation in 2024.



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Abramovich (Chairman of the Committee and Companies Law external director); Mr. Baruch Lederman (Companies Law external director); Ms. Sigal Barmack (Companies Law external director); Danny Yamin; and, Dr. Doron Avital.

The members of the Board of Directors who participated in the meeting on July 12, 2023, at which the terms of service and employment of the CEO were approved, were: Mr. Shaul Kobrinsky (Chairman); Mr. Aharon Abramovich (Companies Law external director); Dr. Doron Avital; Ms. Iris Avner (independent director); Ms. Sigal Barmack (Companies Law external director); Ms. Yodfat Harel-Buchris; Prof. Ben-Zion Zilberfarb (independent director); Mr. Danny Yamin; Mr. Baruch Lederman (Companies Law external director); and; Mr. Yaakov Lipshitz (independent director)

None of the members of the Board of Directors 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 Compensation Committee and the Board of Directors.

3.2.8 Reasons of the Compensation Committee and the Board of Directors for approving the resolution:

3.2.8.1 The CEO possesses considerable managerial experience in the banking system and has a comprehensive familiarity with the Discount Group; he has served as a member of the Bank's management for some 12 years. Within the framework of his appointment as CEO and in determining his compensation, his education, qualifications, expertise, professional experience, and achievements were all taken into consideration.

3.2.8.2 The terms of service and employment being proposed for the CEO have been examined in relation to the provisions of the Companies Law, the Banking Supervision Department's Directive 301A, and the Compensation Law. It was found that said terms align with the various requirements included within the framework of these statutory and regulatory provisions.

3.2.8.3 The terms of service and employment include a variable compensation component, with it being prescribed that – should it be possible to increase the scope of the aforesaid compensation of the CEO in accordance with the ceilings in the Compensation Law (including in accordance with Section 2(b) of the Law), the CEO can be entitled to a higher variable component subject to the prescribed ceiling. Part of the variable component is conditioned on performance and part is at the discretion of the Compensation Committee and the Board of Directors, without there being need for any further approval by the General Meeting.

3.2.8.4 The process for approving the terms of service and employment of the CEO included examining and considering the ratio between the compensation paid to the CEO and the compensation paid to the Bank's employees (including agency workers) and the expression of this examination is included in section 3.2.3 above. The Compensation Committee and the Board of Directors believe that the aforesaid gaps do not materially affect labor relations at the Bank.

3.2.8.5 Within the framework of approving the terms of service and employment of the CEO, the Compensation Committee and the Board of Directors expressed their opinion that part of the compensation being proposed for the CEO might be disallowed as an



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expense for tax purposes. However, it was found that the amount in question is not material from the Bank's perspective.

- 3.2.8.6 Comparative data were presented to the Compensation Committee and the Board of Directors in connection with the terms of service and employment of other senior officers in the banking system in Israel, including CEOs, and it was found that the terms of service and employment of the CEO are reasonable in the circumstances of the case and that the terms of service and employment of the incoming CEO are not materially different from those of the outgoing CEO.

3.3 Proposed resolution:

To approve the terms of service and employment of the CEO, which are set forth in **Appendix A** of the agenda, with effect from July 9, 2023.

Part C – Additional Details Regarding the Annual General Meeting:

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

The Annual General Meeting of the holders of ordinary "A" shares of the Bank ("the General Meeting") shall be held on **Wednesday, August 16, 2023 at 12:30**, at the offices of the Bank at 23 Yehuda Halevi Street (17th floor), Tel-Aviv, Israel.

2. 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 **Tuesday, July 17, 2023** ("the Record Date").

3. Voting at the General Meeting:

- 3.1** A shareholder is authorized to vote on resolutions on the agenda in person or by proxy or by means of a voting ballot or by means of the electronic voting system, as defined in the Voting Ballot Regulations ("the Electronic Voting System"), as set forth below.
- 3.2** 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, August 13, 2023 at 12:30**.
- 3.3** 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 shares registered in the shareholders' register in the name of the nominee company, may vote at the General Meeting upon delivering to the Bank 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.
- 3.4** A shareholder whose shares are registered with a Stock Exchange member may 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 so requested. A shareholder whose shares are registered with a Stock Exchange member may instruct that his confirmation of ownership be sent by means of the electronic voting system.



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- 3.5** In accordance with the Bank's Articles, a shareholder is entitled to vote at the General Meeting on all the topics on the agenda by means of a voting ballot. The text of a voting ballot and position papers on the said resolutions can be found on the Distribution Website and on the TASE Website. The vote may be cast using the Second Part of the voting ballot, as published on the Distribution Website.
- 3.6** The shareholders may request directly from the Bank and receive from it the text of the voting ballot and position papers, where such exist. 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 any 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 in regard to a specific securities account and on a date prior to the Record Date.
- 3.7** 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, August 16, 2023.**
- 3.8** 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, August 16, 2023.**
- 3.9** 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.
- 3.10** The voting ballot and position papers (where such exist) shall be delivered to the Bank's Offices, in accordance with the address that appears in the Second Part of the voting ballot.
- 3.11** 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 passing the resolutions on topics 1.3 and 1.5 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 relations, etc., and/or a senior officer of the Bank, and of the nature of such relationship.
- 3.12** 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.
- 3.13** 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.

3.14 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.



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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, August 16, 2023**. The electronic vote may be changed or canceled up to the time of closing the Electronic Voting System and no change shall be able to be made by means of the system after that time. An unregistered shareholder, wishing to change his vote after the closing of the system, 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.

In 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 in regard to each shareholder included therein, who appears on the list of persons entitled to vote on the Electronic Voting System.

4. 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 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 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, August 17, 2023 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 such General Meeting was called.

5. Viewing of documents:

The text of the proposed resolutions to be brought for approval at the General Meeting, the declarations of the candidates to serve as directors and the full text of the Bank's Financial Statements and the Report of the its Board of Directors for 2022 can be viewed at the Office of the Secretary of the Bank, 23 Yehuda Halevi Street, Tel Aviv, Israel, by prior arrangement (telephone no. +972-76-8054499), during normal business hours, from the date of publication of this notice, on the Distribution Website, on the TASE Website and on the Bank's Website.

Yours sincerely,

ISRAEL DISCOUNT BANK LTD.

By means of:

Adv. Nitzan Sandor, Executive Vice President, Chief Legal Counsel

Adv. Michal Sokolov-Danoch, Corporate Secretary of the Bank

Appendix A – Terms of Service and Employment of the Bank's CEO, Mr. Avraham Levi

APPENDIX A

ISRAEL DISCOUNT BANK LTD.

TERMS OF SERVICE AND EMPLOYMENT

FOR THE BANK'S CEO

1. Preface

- 1.1 The incoming CEO, Mr. Avraham Levi (“**the CEO**”), began serving as the CEO of the Bank on July 9, 2023 (“the Commencement Date”).
- 1.2 The terms of service and employment set forth below shall apply from the Commencement Date. Nothing in the aforesaid shall prejudice any right under the existing terms of service and employment of the CEO in his previous position with the Bank through the Commencement Date nor his entitlement to an annual bonus pursuant to the Compensation Policy, in respect to the period in 2023 when he served as a senior executive vice president and head of the Banking Division.
- 1.3 The terms of employment were formulated in accordance with the Compensation of Officers of Financial Corporations Law (Special Approval and Disallowance of Expenses for Tax Purposes in Respect to Excess Compensation) 2016 (“the Compensation Law”), the Compensation policy for officers as approved by the General Meeting on February 28, 2023, as set forth in the Bank’s immediate report dated January 23, 2023 (reference no.: 2023-01-010734) (“the Compensation Policy”), the Companies Law, 1999, and Proper Conduct of Banking Business Directive 301A “Compensation Policy in Banking Corporations” (“the Supervisor’s Directive”).

2. Employment Period and Termination Terms

- 2.1 The CEO’s terms of employment are for an indefinite period.
- 2.2 The CEO shall undertake to work, as required, in order to fulfill his duties; for this purpose, it is clarified that, due to the nature of the position, the provisions of the Hours of Work and Rest Law, 1951 and the regulations promulgated thereunder shall not apply to his employment, and that the payments that shall be made to the CEO for his employment take this assumption into account.
- 2.3 The CEO shall work in a full-time capacity and may not engage in any additional paid activity, without the prior consent of the Board of Directors. Without derogating from his legal obligations, the CEO undertakes to notify the Board of Directors of the Bank, without delay, of any additional activity during the period of his employment and, moreover, prior to commencing such additional activity.
- 2.4 In addition, without derogating from his legal obligations, the CEO undertakes to notify the Board of Directors of the Bank of any matter in which he has/shall have a personal or other interest, which could create a conflict of interests with the performance of his duties.

- 2.5 Advance notice – the Bank or the CEO may, at any time during the employment period, give notice to the other party of termination of the employment, which shall take effect from a date that shall be at least six (6) months after the date of delivering the aforesaid notice (“the Advance Notice Period”). During the Advance Notice Period, the CEO shall continue to fully and properly perform his duties, unless the Bank decides to dispense with his actual services during the Advance Notice Period, wholly or partly, consecutively or in stages. In the Advance Notice Period, should the CEO have worked during said period, the CEO shall be entitled to the monthly salary and related benefits in accordance with the terms of employment. In the event of the Bank deciding not to employ the CEO during the Advance Notice Period, the CEO shall be paid the value of the full compensation in the Advance Notice Period, to which he would have been entitled had he continued to serve as the CEO of the Bank through the end of the Advance Notice Period¹.
- 2.6 Severance pay – On terminating his service, for whatever reason, the CEO shall be entitled to either severance pay in accordance with the Severance Pay Law, 1963, and its regulations, based on his monthly salary, as defined hereunder, as it shall be on the date of terminating the employee-employer relationship, or to the money and rights accumulated to his account in the pension arrangement fund in respect to the contributions for severance pay (as referred to in section 4.1 below), whichever of the two is the higher, for the whole period of his employment with the Bank.
- 2.7 Notwithstanding the aforesaid, should circumstances not conferring entitlement to severance pay exist², the Bank may summarily dismiss the CEO and the CEO shall not be entitled to receive advance notice and/or to an Advance Notice Period and/or to any consideration in respect to not having being given advance notice and/or to receive an adaptation grant and/or severance pay.
- 2.8 In order to remove any doubt, in the event of the death of the CEO, any amount due to him pursuant to the terms of employment as a result of the termination of the employee-employer relationship shall be paid to his legal heirs subject to the provisions of the law, except for severance pay pursuant to the terms of employment, which shall be paid to his next of kin subject to the provisions of the law. For this purpose, the date of death shall be deemed to be the date of giving advance notice of termination of employment.

3. Salary

- 3.1 In consideration for fulfilling his duties, the CEO shall be entitled to a gross monthly salary of NIS 246,075 (“the Monthly Salary”). The Monthly Salary shall be linked to the increase in the Israeli consumer price index (“the Index”) that the Israel Central Bureau of Statistics published in June 2023, in respect to May 2023. However, if at the time of actually paying any Monthly Salary, it should be found that the Index published most recently before actually paying the Monthly Salary is lower than the base Index, the Monthly Salary shall not be reduced, but the decrease shall be set off and deducted from any future increase.

¹ Within the framework of the terms of his service and employment as an executive vice president of the Bank, the CEO was entitled to an Advance Notice Period of four (4) months.

² For this purpose, "**circumstances not conferring entitlement to severance pay**" are the commission or omission of an act that rules out the payment of severance pay in accordance with the law and/or a breach of the duty of trust, as per the meaning of this term in the Companies Law and/or an admission and/or a conviction of an offense, classified either as a misdemeanor or a crime, which causes harm to the Bank and/or to its customers and/or an offense that brings disgrace and which is connected to the position.

- 3.2 At his discretion, the CEO can request that the Monthly Salary be updated, subject to the changes and adjustments required in the related benefits, wholly or partly, which are set forth in section 4, so that the increase or reduction, as the case may be, in the Monthly Salary shall be countered by a corresponding reduction or increase, as the case may be, in the related benefits, and vice versa, with this being subject to the provisions of the law and to it not resulting in any change in the maximum fixed compensation³.
- 3.3 As of the date of approving the terms of employment, the maximum fixed compensation of the CEO is NIS 3,059 thousand per year, not including payments and contributions by the Bank as referred to in section 4.1 below ("the Maximum Fixed Compensation"). The Maximum Fixed Compensation shall be linked to the increase in the Index as stated in section 3.1 above.

4. Social Contributions and Related Benefits

- 4.1 Pension arrangement – the Bank shall make contributions to pension arrangement funds (managerial insurance, provident funds and/or a pension fund), as chosen by the CEO, up to the following percentages of the Monthly Salary: 8.33% for severance pay and 7.5% for benefits and incapacity to work insurance, in accordance with an extension order regarding increasing the contributions for pension insurance in the economy under the Collective Agreements Law, 1957.
- 4.2 Contribution to further education fund – at the request of the CEO, the Bank may make a contribution at the rate of 7.5% of the Monthly Salary to a further education fund (against a contribution to the further education fund of 2.5% of the Monthly Salary by the CEO). The contribution of the Bank and the CEO shall be made up to the maximum tax-exempt amount, according to the amount recognized from time to time.
- 4.3 Annual vacation, sick days and convalescence pay – the CEO shall be entitled to an annual vacation of 25 workdays for every work year, from the Commencement Date. Unutilized annual vacation days from the Commencement Date cannot be accumulated⁴. In addition, the CEO is entitled to sick days and convalescence pay in accordance with the law.
- 4.4 Vehicle – the Bank may, at the request of the CEO, provide the CEO with an appropriate vehicle, which shall be wholly maintained by the Bank, as well as a chauffeur. If such vehicle is provided, at the end of two months from termination of his service, the CEO shall return the vehicle to the Bank, except in circumstances not conferring entitlement to

³ For the purpose of the maximum total compensation, it should be noted that the expense for the lowest compensation, at the full-time position cost, that the Bank paid, to an employee of the Bank, including a manpower agency worker where the Bank is his actual employer, and a service agency worker who was employed in providing a service at the Bank, in 2022, for the purposes of Section 2(b) of the Compensation Law, amounted to NIS 86,941 per year, at the full-time position cost (excluding payments and contributions for severance pay and provident payments in accordance with the law); in 2023, it is expected – according to the data known at the present time – to amount to NIS 90,184, at the full-time position cost (excluding payments and contributions for severance pay and provident payments in accordance with the law). For this purpose, "manpower agency", "service agency", and "actual employer" have the meaning attributed to them in the Compensation Law.

⁴ It should be noted that, at the Commencement Date, the CEO – while serving as executive vice president of the Bank – had accumulated a balance of vacation days that equaled NIS 323 thousand. This amount was fully provided for in the Bank's 2022 financial statements as part of his terms of employment as executive vice president, as stated. The redemption amount, grossed-up, shall be deposited in a separate, personal fund in the Bank's name, with the CEO being the beneficiary thereof and the funds therein together with the accumulated rights to be released to the CEO upon the termination of his service.

severance pay, when the vehicle shall be returned immediately upon termination of his service. The provision of the aforesaid vehicle as well as the applicable tax payments in respect to the benefit pertaining to the aforesaid vehicle, which shall be grossed up and paid by the Bank, are subject to the Maximum Fixed Compensation.

- 4.5 Expenses – the CEO shall be entitled to reimbursement of expenses associated with the performance of his duties including work-related entertainment expenses (as customary at the Bank), travel expenses from the workplace to his home, telephone expenses (at his home and a mobile phone that shall be provided for him), and expenses for newspapers (as customary at the Bank). In addition, the CEO shall be entitled to benefits in connection with banking operations and services (as customary for Bank employees). All the tax payments applicable in respect to this section shall be grossed up and paid by the Bank, subject to the Maximum Fixed Compensation.
- 4.6 Additional rights – the CEO shall be entitled to be funded by the Bank for a periodic health checkup, to be exempted from the duty of care, to be covered by officers’ liability insurance and to receive in advance an indemnification undertaking (as customary from time to time for the Bank’s officers), to the Bank’s participation in a collective life insurance policy (risk only) (as customary at the Bank), to post-retirement-age benefits and to additional rights that are customarily granted to the Bank’s senior employees employed under a personal contract.
- 4.7 Non-competition – In respect to the CEO’s undertaking not to be employed by nor to provide services or advice to a banking corporation or to a financial entity that is a significant competitor of the Bank for a period of six (6) months from the date of terminating his service, the CEO shall be entitled to a payment equivalent to his salary for six (6) months. The aforesaid non-competition payment shall be paid at the end of the non-competition period, subject to the CEO fulfilling the obligation for a non-competition period⁵.
- The portion of said payment that exceeds his salary for four (4) months shall be considered as variable compensation and shall be subject to the provisions prescribed in sections 3.8.2 and 3.8.3 of the Compensation Policy.
- 4.8 The CEO may request that changes and adjustments be made in the related benefits referred to in this section 4, including requesting that the contributions referred to in section 4.2 above be made in an amount that exceeds the maximum recognized tax-exempt amount, with this all being subject to changes and adjustments in other such related benefits, as required, and to the Maximum Fixed Compensation.

5. Alignment with the Compensation Law

Should the annual compensation of the CEO, excluding the payments and contributions referred to in section 4.1 above, exceed the maximum permitted amount under the Compensation Law, as relevant for that particular year (“**the Excess**”), the amount of the Excess shall be set off on the relevant pay slips for December or over several months or proportionally over several months, at the CEO’s discretion, should this be permitted (without prejudice to the salary that was reduced being the representative salary and without prejudice to the payments and contributions referred

⁵ Within the framework of his terms of service and employment as an executive vice president of the Bank, the CEO was entitled to an adaptation grant equivalent to his salary for four (4) months, subject to him fulfilling his obligation for a non-competition period of three (3) months.

to in section 4.1 above for the aforesaid month), provided that the aforesaid Excess does not stem from an expense that could not have been expected at the Commencement Date.

6. Annual Bonus

- 6.1 Subject to complying with the Group threshold terms prescribed pursuant to section 4.2 of the Compensation Policy, the CEO shall be entitled to a performance-based annual bonus of 2 Monthly Salaries, which shall be derived from the Bank's results in relation to Group indicators and goals that were set for the Bank's officers in relation to a particular year, in accordance with section 4.3.1 of the Compensation Policy.
- 6.2 In addition, the Compensation Committee and the Board of Directors may grant the CEO an annual qualitative bonus, which is not to exceed a total of 3 Monthly Salaries, if it is found, as judged by them, that reasons exist that justify the granting of such an annual bonus to the CEO, even if the terms referred to in section 6.1 above have not been fulfilled.
- 6.3 The annual bonus shall not constitute part of the CEO's monthly remuneration and shall not be included among the components taken into account for the purpose of calculating severance pay, benefits, social contributions or other benefits, or any other benefit or payment of whatsoever kind.
- 6.4 The entitlement to an annual bonus as referred to in this section 6 is subject to the following: that the maximum amount permitted under the Compensation Law (including Section 2(b) of the Law), while giving a weighting to the bonuses granted to the lowest compensation recipients, shall enable the payment of such a bonus and the amount of the annual bonus shall be reduced in accordance with the aforesaid maximum permitted amount.
- 6.5 The annual bonus shall be subject to the provisions of section 12 of the Compensation Policy, as this shall be from time to time, in regard to the refund of amounts in accordance with the Companies Law and the Supervisor's directive.



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ATTACHMENT 2

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 Annual General Meeting of the shareholders of ordinary “A” shares of the Bank (“the General Meeting”). The General Meeting shall be held on **Wednesday, August 16, 2023 at 12:30** at the offices of the Bank at 23 Yehuda Halevi Street (17th floor), Tel Aviv, Israel (“the Bank’s Offices”). If the General Meeting is adjourned, it shall take place on **Thursday, August 17, 2023 at 12:30.**, at the Bank’s Offices.

3. **Details of the topics on the agenda, which can be voted upon by means of a Voting Ballot:**

3.1. **Topic no. 1.2 on the agenda – Appointment of independent auditors and authorization of the Board of Directors to fix their fees**

The proposed resolution:

To reappoint Ziv Haft as independent auditors and Somekh Chaikin as independent auditors for a period of three (3) years through the end of the Annual General Meeting for 2026, and to authorize the Bank’s Board of Directors to fix the fees of the independent auditors.

For additional information, refer to section 1.2 of the immediate report regarding the convening of the Annual General Meeting that is attached to the Voting Ballot (“the Call Report”).

3.2. **Topic no. 1.3 on the agenda – Appointment of directors to the Board of Directors of the Bank – Companies Law external director**

To elect two (2) directors, with the status of external director, as this is defined in the Companies Law, 1999 (“Companies Law External Director”).

The election at this General Meeting is between the candidates proposed by the Committee for the Appointment of Directors at Banking Corporations appointed pursuant to Section 36A of the Banking (Licensing) Law, 1981 (“the Banking Law”) and pursuant to Sections 11D(a)(1) and (2) of the Banking Ordinance, 1941 (“the Banking Ordinance”):

1.3.1 Mr. Aharon Abramovich (a serving director who is a candidate for reappointment)

1.3.2 Mr. Ofer Levy



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1.3.3 Mr. Amir Kushilevitz-Ilan

The vote for each candidate shall be held separately. Those participating in the vote are entitled to vote for each of the candidates to serve as a director.

Presented below are details concerning the candidates for election, according to the best of the Bank's knowledge:

In regard to topic 1.3.1 on the agenda – Election of Mr. Aharon Abramovich

Candidate's name	Aharon Abramovich
ID no.	050838457
Date of birth	August 4, 1951
Address for service of court documents	26 Moriah Street, Ramat Hasharon, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Audit Committee, Compensation Committee, Risk Management Committee and Resources Committee
External director as defined in the Companies Law	Yes
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional qualifications	Possesses accounting and financial expertise and professional competence
Date on which service as a director shall commence	September 30, 2023 – third term of service
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No



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Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- A relation of the candidate (his daughter-in-law) is employed in a non-senior capacity at a corporation under the control of a material shareholder of the Bank. The Audit Committee has determined, further to its decision from June 25, 2020 on this matter, which was made prior to the proposal to appoint the candidate for a second term of service, that the work relations between the candidate's daughter-in-law and a company under the control of a material shareholder are "trivial and marginal" with the material shareholder, whereby they do not constitute a prohibited affiliation under the Companies Law. In addition, it has been determined that the relations are "insignificant relations" in accordance with the Banking Ordinance and the Supervisor's Letter, whereby they do not constitute a prohibited affiliation such as to prevent the candidate being eligible to serve as a director of a banking corporation having no core controlling interest under the Banking Ordinance. Among the reasons for this are the nature of the position that the candidate's daughter-in-law holds, the lack of linkage between her position and the holding in the Bank's shares, the fact that the affiliation is not of the candidate but of his daughter-in-law, the shareholding of the material shareholder is a financial holding rather than a strategic one, according to the holding permit from the Bank of Israel and the designated arrangements prescribed in the Banking Ordinance in connection with the appointment of directors of a banking corporation having no core controlling interest, and the limitations on material shareholders' ability to nominate candidates to serve on the Board of Directors.

The proposed resolution:

To appoint Mr. Aharon Abramovich as a director with the status of external director, as this is defined the Companies Law, 1999, for a period of three years, with effect from October 30, 2023, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.3.2 on the agenda –Election of Mr. Ofer Levy

Candidate's name	Ofer Levy
ID no.	052222577
Date of birth	February 15, 1954
Address for service of court documents	5 Carmeli Street, Ramat Gan, Israel
Nationality	Israeli



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Membership of Board of Directors' committees	Not yet determined. At the least, he will serve as a member of the Audit Committee and the Compensation Committee by virtue of his status as a Companies Law external director
External director as defined in the Companies Law	Yes, in accordance with the Committee for the Appointment of Directors' classification and the candidate's declaration attached to this immediate report.
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which she serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

The Audit Committee has confirmed that the business relations with the Bank in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

Other matters:

The candidate serves as a director of IBI Managing & Underwriting Ltd. ("IBI Underwriting"). Should he be elected as a director of the Bank, the candidate has undertaken to discontinue his service as a director of IBI Underwriting, due to concern of a conflict of interest.



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The proposed resolution:

To appoint Mr. Ofer Levy as a director of the Bank with the status of external director, as this is defined in the Companies Law, 1999, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.3.3 on the agenda – Election of Mr. Amir Kushilevitz-Ilan

Candidate's name	Amir Kushilevitz-Ilan
ID no.	028987048
Date of birth	February 5, 1972
Address for service of court documents	8 Hei be-Iyar Street, Tel Aviv, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined. At the least, he will serve as a member of the Audit Committee and the Compensation Committee by virtue of his status as a Companies Law external director
External director as defined in the Companies Law	Yes, in accordance with the Committee for the Appointment of Directors' classification and the candidate's declaration attached to this immediate report.
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional competence	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his



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relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to “retail business relations” as referred to in section 2.8 above, do not constitute an “affiliation” and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

- The candidate served as the Chief Risk Officer of Isracard Ltd. (“Isracard”) until July 2022. Business relations exist between the Bank Group and Isracard; these also existed during the period of the candidate’s service at Isracard, during the two years prior to the date of his appointment (should he be elected by the General Meeting). The Audit Committee has confirmed that the aforesaid business relations are “insignificant relations” in accordance with the Companies Law and the Banking Ordinance, both from the perspective of the Bank and also from the perspective of the candidate. Among the reasons for this are the nature and scope of the activity during the course of the companies’ normal business, the fact that these relations are those of the candidate’s former employer and not of the candidate himself and that, as part of his duties at Isracard, the candidate was not directly involved in business relations with the Bank Group.

Other matters:

The candidate serves as a director of Axio Capital Envelope Ltd. (“Axio”). Should he be elected as a director of the Bank, the candidate has undertaken to discontinue his service as a director of Axio, due to concern of a conflict of interest.

The proposed resolution:

To appoint Mr. Amir Kushilevitz-Ilan as a director with the status of external director, as this is defined the Companies Law, 1999, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

For further information, refer to section 2 of the Call Report”.

3.3. Topic no. 1.4 on the agenda – Appointment of directors to the Board of Directors of the Bank – 301 external director

To elect three (3) directors, with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives (“Directive 301”).

The election at this General Meeting is between the candidates proposed by the Committee for the Appointment of Directors at Banking Corporations appointed pursuant to Section 36A of the Banking (Licensing) Law, 1981 (“the Banking Law”) and pursuant to Sections 11D(a)(1) and (2) of the Banking Ordinance, 1941 (“the Banking Ordinance”):

- 1.4.1 Ms. Iris Avner (a serving director who is a candidate for reappointment)
- 1.4.2 Prof. Shlomo Mor-Yosef
- 1.4.3 Mr. Ari Pinto
- 1.4.4 Ms. Sigal Regev



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Presented below are details concerning the candidates for election, according to the best of the Bank's knowledge:

In regard to topic 1.4.1 on the agenda – Election of Ms. Iris Avner

Candidate's name	Iris Avner
ID no.	059240481
Date of birth	March 5, 1965
Address for service of court documents	9 HaMa'avak Street, Givatayim, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Audit Committee, Technologies Committee, Credit Committee, and Risk Management Committee
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes
Possesses accounting and financial expertise or professional qualifications	Possesses accounting and financial expertise and professional competence
Date on which service as a director shall commence	March 22, 2024 – third term of service
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which she serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

The Audit Committee has confirmed that the business relations with the Bank and a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or her relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and



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instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.

The proposed resolution:

To appoint Ms. Iris Avner as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, with effect from March 22, 2024, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.4.2 on the agenda – Election of Prof. Shlomo Mor-Yosef

Candidate's name	Shlomo Mor-Yosef
ID no.	050516012
Date of birth	April 27, 1951
Address for service of court documents	9 Zevulun Hammer Street, Jerusalem, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes, in accordance with the candidate's declaration. Subject to the Audit Committee's approval
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No



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Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and a corporation under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- The candidate serves as Chairman of Leumit Health Care Services ("Leumit"), which is his employer. Leumit has business relations with the Bank and corporations under the Bank's control in the course of normal business and with material holders/material shareholders in the Bank. The Audit Committee has confirmed that these relations, to the extent that they constitute an affiliation, are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of the candidate's employer and not of the candidate himself, because of the nature and scope of the activity in the course of normal business, the fact that they began prior to the candidate commencing his service at Leumit, the fact that the candidate is not involved in managing the aforesaid relations and that they are insignificant from his perspective, and because the relations are not material either from the perspective of Leumit or from the perspective of the Bank and the material holders/material shareholders in the Bank.

The proposed resolution:

To appoint Mr. Shlomo Mor-Yosef as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.4.3 on the agenda – Election of Mr. Ari Pinto

Candidate's name	Ari Pinto
ID no.	069042505
Date of birth	December 22, 1961
Address for service of court documents	144 Menahem Begin Road, Tel Aviv-Jaffa, Israel (Midtown Tower, c/o Adv. Ami Sivan)
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors



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Independent director as defined in the Companies Law	Yes, in accordance with the candidate's declaration. Subject to the Audit Committee's approval
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which he serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No

Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and corporations under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or his relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- The candidate serves as Chairman of Abra Information Technologies Ltd. ("Abra"). Abra and its subsidiaries ("the Abra Group") have business relations with the Bank and corporations under the Bank's control. Relations also exist between the Abra Group and material holders/material shareholders in the Bank. The Audit Committee has confirmed that the aforesaid business relations are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of the Abra Group and not of the candidate himself, because of the nature and scope of the activity in the course of normal business, the fact that the candidate is not involved in initiating and managing the aforesaid relations, and in light of the fact that some of the relations began prior to the candidate commencing his service as Abra's Chairman.



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Other matters:

Should he be elected as a director of the Bank, the candidate has undertaken to discontinue his service as Chairman and a director of Abra, due to concern of a conflict of interest.

The proposed resolution:

To appoint Mr. Ari Pinto as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, for a period of three years, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

In regard to topic 1.4.4 on the agenda – Election of Ms. Sigal Regev

Candidate's name	Sigal Regev
ID no.	022625750
Date of birth	August 1, 1966
Address for service of court documents	14 Shimon Ben Zvi Street, Givatayim, Israel
Nationality	Israeli
Membership of Board of Directors' committees	Not yet determined
External director as defined in the Companies Law	No. External director pursuant to Directive 301, in accordance with the classification of the Committee for the Appointment of Directors
Independent director as defined in the Companies Law	Yes, in accordance with the candidate's declaration. Subject to the Audit Committee's approval
Possesses accounting and financial expertise or professional qualifications	Refer to the candidate's declaration and subject to the approval of the Bank's Board of Directors
Date on which service as a director shall commence	Subject to election at the General Meeting and receipt of the Supervisor of Banks's consent
Education/professional diplomas	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employment in the last five years and details of the corporations in which she serves as a director	Refer to the curriculum vitae and the candidate's declaration attached to this immediate report
Employee of the Bank, a subsidiary, a related company or an interested party of the Bank	No
Relative of another interested party in the corporation	No



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Decision of the Audit Committee:

- The Audit Committee has confirmed that the business relations with the Bank and corporations under the Bank's control in the course of normal business, and the financial products provided by material holders/material shareholders to the candidate and/or her relatives, which meet the criteria prescribed by the Supervisor of Banks in regard to "retail business relations" as referred to in section 2.8 above, do not constitute an "affiliation" and instead constitute insignificant relations in accordance with the Companies Law and the Banking Ordinance.
- The candidate served as CEO of Kupat Holim Meuhedet until December 2022. Kupat Holim Meuhedet has business relations with the Bank and a corporation under the Bank's control in the course of normal business and with material holders/material shareholders in the Bank. The Audit Committee has confirmed that these relations, to the extent that they constitute an affiliation, are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of the candidate's former employer, of Kupat Holim Meuhedet and its subsidiaries, and not of the candidate herself, because of the nature and scope of the relations and their substance, and in light of the fact that the candidate was not involved in directly managing the aforesaid relations and that the relations are not material either from the perspective of Kupat Holim Meuhedet or from the perspective of the Bank and the material holders/material shareholders in the Bank.
- The candidate has served as Chairman of Raphael Hospitals Ltd. ("Raphael Hospitals") since February 2023. Raphael Hospitals has business relations with the Bank and a corporation under its control. The Audit Committee has confirmed that the aforesaid business relations are "insignificant relations" in accordance with the Banking Ordinance and the Companies Law. Among the reasons for this are the fact that these relations are those of Raphael Hospitals, and not of the candidate herself, the fact that the business relations are in the course of normal business and that the candidate herself has no business or professional connection with the Bank, and the fact that the major part of the relations commenced prior to the candidate commencing her service as Chairman of Raphael Hospitals. Another factor that was taken into consideration was that the candidate has undertaken to discontinue her service as Chairman of Raphael Hospitals if she is appointed a director of the Bank.
- The candidate has been nominated for the position of Chairman of Raphael Hospitals by Medica Medical Centers and by Harel Insurance Company Ltd. ("Harel"), which is a material shareholder in the Bank and a shareholder of Raphael Hospitals. The Audit Committee has confirmed that the fact that the candidate has been nominated for this position, should this fall within the realm of professional relations that create a prohibited affiliation between the candidate and a material holder in the Bank, this constitutes an insignificant relationship. Among the reasons for this are the short period of her service with Raphael Hospitals and the fact that the candidate has undertaken to terminate her service as Chairman of Raphael Hospitals if she is appointed a director of the Bank.



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- Relatives of the candidate (her daughter and her daughter's partner), though they not holding senior positions are salaried employees of Harel, a material shareholder in the Bank. The Audit Committee has confirmed that the nature of the employment relationship of the candidate's relatives with Harel is that of a "trivial and marginal relationship with a material shareholder", whereby it does not constitute a prohibited affiliation that prevents her serving as an external director pursuant to Proper Conduct of Banking Business Directive 301. Alternatively, the Committee has determined that these employment relations are "insignificant relations" in accordance with the Banking Ordinance and the Supervisor's Letter. Among the considerations that the Committee took into account in reaching this determination were the nature of the positions held by the candidate's relatives, the fact that the employment relations are not of the candidate but of her relatives, and the character of Harel's holding in the Bank, the nature of which is solely that of a financial holding rather than a strategic one. According to the holding permit from the Bank of Israel and the designated arrangements prescribed in the Banking Ordinance in connection with the appointment of directors of a banking corporation having no core controlling interest, and the limitations on material shareholders' ability to nominate candidates to serve on the Board of Directors.

The proposed resolution:

To appoint Ms. Sigal Regev as a director with the status of external director, as this is defined in Directive 301 of the Proper Conduct of Banking Business Directives, subject to receiving the consent or non-objection of the Supervisor of Banks to the appointment.

For further information, refer to section 2 of the Call Report".

3.4. **Topic no. 1.5 on the agenda – Approval of the terms of service and employment of the Bank's CEO, Mr. Avraham Levi**

The proposed resolution:

To approve the terms of service and employment of the Bank's incoming CEO, Mr. Avraham Levi, which are set forth in **Appendix A** of the agenda, with effect from July 9, 2023.

For additional information, refer to section 3 of the Call Report.

For further details pertaining to all the topics placed on the agenda, refer to the Immediate Report regarding the convening of an Annual General Meeting that is attached to this Voting Ballot.

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

The text of the proposed resolutions to be brought for approval at the General Meeting, the declarations of the candidates to serve as directors and the full text of the Bank's Financial Statements and the Report of the Board of Directors for 2022 can be viewed at the Office of the Secretary of the Bank, 23 Yehuda Halevi Street, Tel Aviv, Israel, by prior arrangement (telephone no. +972-76-8054499), during regular business hours,, as well as on the distribution website of the



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Israel Securities Authority and on the website of the Tel-Aviv Stock Exchange Ltd., whose addresses are given in section 10 below, and also on the website of the Bank (www.discountbank.co.il).

5. **The majority required for the General Meeting to pass the resolutions on topics that can be voted on by means of a voting ballot:**

5.1. For Topics no. 1.2 and 1.4 on the agenda

The majority required to pass a resolution is a simple majority of all the votes of holders of ordinary "A" shares voting at the General Meeting in person, by proxy, by means of a voting ballot or by means of an electronic voting system, and entitled to vote. In counting the votes of the said shareholders, abstentions shall not be taken into account.

5.2. For Topic no. 1.3 on the agenda

The majority required to pass the resolution (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 that are not controlling shareholders of the Bank or those having a personal interest in approving the appointment, other than a personal interest not resulting from that shareholder's relations with a controlling shareholder, participating in the vote; 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 total voting rights in the Bank.

5.3. For Topic no. 1.5 on the agenda

The majority required to pass the resolution according to the provisions of Sections 267A(b) and 272(c1) of the Companies Law and also according to Section 2(a) of the Compensation Law (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, other than those having a personal interest in approving the appointment; 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 total voting rights in the Bank.

5.4. It should be noted that Article 37D of the Bank's Articles of Association states the following:

"Should the number of candidates for appointment as directors, who receive a majority of the votes of the participants in the vote at the General Meeting, exceed the number of positions available for said appointment, the candidates who gained the most support in the vote at the General Meeting shall be selected. If any of the electees is disqualified from serving as a



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director for any reason, including pursuant to a decision by the Supervisor of Banks, the candidate who gained the greatest amount of support in the vote at the General Meeting, after the candidate who was disqualified as stated, shall be the person elected.

If a decision needs to be made between candidates who received an equal number of votes at the General Meeting, and among these candidates there is a person who is standing for an additional period of service, that person shall be considered as having gained the greatest amount of support at the vote at the General Meeting.

Where both candidates for director are standing for election for the first time, or have been serving for identical periods, a further vote shall be taken at the adjourned General Meeting on whose agenda shall be the appointment of the directors who won an equal number of votes.”

6. Pursuant to Regulation 36D(d) of the Securities Regulations (Periodic and Immediate Reports), 1970 and the Regulations, an interested party, a senior officer, an institutional investor and a party with a personal interest in passing the resolutions on topics 1.3 and 1.5 on the agenda, who is voting at the General Meeting on the aforesaid resolutions, 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 a party with a personal interest in the resolution, an interested party, 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 on 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 relations, etc., and/or a senior officer of the Bank, and of the nature of such relationship.

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 the Confirmation of Ownership of the non-registered 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) is attached to it or a photocopy of the identity card, passport or certificate of incorporation, if the shareholder is registered in the shareholders’ register.
- 7.2. A shareholder shall mark the manner of voting in 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 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



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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, August 16, 2023.**

- 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 up to six hours prior to the time scheduled for holding the General Meeting, viz., **by 06:30 on Wednesday, August 16, 2023.**
- 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, August 13, 2023, at 12:30.**
- 7.6. A shareholder may receive the Confirmation of Ownership at a branch of the Stock Exchange member or by mail, if so requested. The said request is to be given in advance for a specific securities account. An unregistered shareholder may instruct that his Confirmation of Ownership be sent by means of the Electronic Voting System.
- 7.7. A non-registered 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 the shareholder notified the member that he is not interested in receiving a link as aforesaid, or that he is interested in receiving Voting Ballots by mail, upon payment; the shareholder's notice regarding Voting Ballots shall also apply in 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 published in the Bank's reports can be viewed 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., **up to 06:30 on Wednesday, August 16, 2023, 2022.**
- 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 will be the one that is counted. For this purpose, the vote of a shareholder in person or by means of a proxy will be deemed more recent than a vote by means of a voting ballot.



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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., 23 Yehuda Halevi St. (18th Floor), Tel Aviv 6513601, 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 July 12, 2023).

10. **Addresses of the distribution website and the Stock Exchange 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>

Website of the Bank – www.discountbank.co.il



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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., 23 Yehuda Halevi St., Tel Aviv 6513601, Israel

Company No.: 520007030

Date and hour of the General Meeting: Wednesday, August 16, 2023, at 12:30.

Type of General Meeting: Annual

Record date: July 17, 2023

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.



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Manner of Voting

Number of Topic on the Agenda	Manner of Voting ¹			In regard to appointing an external director in accordance with Section 239(b) of the Companies Law and in regard to approving the terms of service and employment of the Bank's incoming CEO in accordance with Section 272(c1) of the Companies Law and amending the officers' Compensation Policy accordingly – do you have a personal interest in passing the resolutions? ²	
	For	Against	Abstain	Yes*	No
Topic No. 1.2 on the agenda Appointment of auditors and authorization of the Board of Directors to fix their fees					
Topic No. 1.3.1 on the agenda Appointment of Mr. Aharon Abramovich as a director with the status of Companies Law external director					
Topic No. 1.3.2 on the agenda Appointment of Mr. Ofer Levy as a director with the status of Companies Law external director					
Topic No. 1.3.3 on the agenda Appointment of Mr. Amir Kushilevitz-Ilan as a director with the status of Companies Law external director					
Topic No. 1.4.1 on the agenda Appointment of Ms. Iris Avner as a director with the status of 301 external director					
Topic No. 1.4.2 on the agenda Appointment of Prof. Shlomo Mor-Yosef as a director with the status of 301 external director					

¹ Failure to indicate in the table and describe the nature of the personal interest or the other attachment of the shareholder shall be treated as an abstention from the vote on that topic.

² A shareholder that does not complete this column or has marked it "Yes" but has not provided the aforesaid details – his vote shall not be counted.



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Topic No. 1.4.3 on the agenda Appointment of Mr. Ari Pintoas a director with the status of 301 external director					
Topic No. 1.4.4 on the agenda Appointment of Ms. Sigal Regev as a director with the status of 301 external director					
Topic No. 1.5 on the agenda Approval of the terms of service and employment of the Chairman of the Bank's CEO, Mr. Avraham Levi					

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, a senior officer in the company³ or an institutional investor⁴:

* Please provide details if you stated that you are considered as having a personal interest in topic no. 1.3 on the agenda:

* Please provide details if you stated that you are considered as having a personal interest in topic no. 1.5 on the agenda:

Date: _____

Signature: _____

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

⁴ As the term "institutional investor" is defined in Regulation 1 of the Companies Regulations (Voting Ballot and Position Papers), 5766-2005.



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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 Company – the Voting Ballot is valid with the attachment of a photocopy of the shareholders' identity card/passport/certificate of incorporation.