



# LEUMI WAY VISION, CORE VALUES AND ETHICS



Together we go further



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### Introduction

The establishment of Leumi in 1902, in the spirit of the vision of Dr. Theodor Herzl, was intended to create a financial instrument that will help in supporting the activities of the Zionist movement and the realization of its goals. Herzl, of whom the written word was his second nature, defined well a clear and simple vision for the Zionist bank: A "financial instrument" with efficiency and integrity. These highlights accompany us right up to this day.

Leumi, as a leading financial corporation in Israel, has a significant impact on the social and economic fabric in the country. From this recognition is derived our worldview, and the norms to which we are committed are determined. In 2005, the "Leumi Way" Code of Ethics was formulated and was the first written code of ethics in the banking system in Israel. The code was compiled by the Bank's employees and managers in an organization-wide process. "Leumi Way" gave expression to the values of Leumi and the spirit of the organization from the day of its inception: constantly striving to meet the highest standards of ethical, moral, and responsible conduct, towards all of its stakeholders.

We believe that an inspiring organizational culture and ethical behavior at a high level are essential and necessary elements in the success of the organization. Together with these, the changes constantly taking place in the social and business environment are to be examined, to outline for the Group the desirable courses of action and appropriate behavior. In the recent months, we have dealt with adapting "Leumi Way" to a changing reality. Updating the Code of Ethics was completed thanks to the active participation of employees and managers from all units of the Bank. In light of insights gained, an updated vision was formulated for the Group and its core values and strategic objectives were examined and revised.

"Leumi Way: Vision, Core Values and Ethics" serves as a compass that expresses our worldview at Leumi and outlines for us a path of desirable behavior and conduct with customers and stakeholders, within the Group for us and for the future. The Board of Directors of the Bank and its management are committed to work to promote business excellence together with behavior based on values and professional ethics.

This is our way. The "Leumi Way"..



President and Chief Executive Officer  
Rakefet Russak Aminoach



Chairman of the Board  
David Brodet



**Vision:**  
To conduct pro-active and innovative banking for the customer



We aim to design a dynamic business environment combining the values of the Bank with product and technological innovation. An environment that will be, for our customers, a place where they can find the best and the most appropriate answer for their financial needs, while striving for adequate profitability, maintaining the stability of the Bank, and creating a balance between the needs of employees and shareholders. As a financial group with a major impact on business and public culture in Israel, we see our commitment to community as a social and value-driven point of reference that we will continue to cultivate.



“ Focusing on the customer is the ability to give the customer the sense and feeling that he is important to us, and we will do everything (that is possible and legal) to give him a solution appropriate to his needs over time ”

Dorit Lazarovitch

From the Virtual Forum, March 2014



## Core Values

The core values are the compass that guides us in shaping the norms for appropriate ethical behavior in Leumi. This behavior reflects the value-driven concept in which we believe and to which we aspire in our activity for all stakeholders. Core values are the cornerstones in creating an organizational and unique culture, inspiring and nurturing the joy of being active among employees of the organization. We hold the view that this culture will lead Leumi forward and will leverage its business performance.

And these are the five core values of Leumi:



### Customers are the core of our work

They expect professional, quality, courteous and efficient service, so that at the moment of truth we will be there for them attentively with appropriate and useful value propositions.



### "Yes, we can"

Is a worldview which offers new ideas the possibility of taking shape and materializing. This is a worldview that honors and respects those dealing with challenges and that focuses on action, but also may involve possible errors, out of recognition that only he who dares, wins.



### Sharing

We live in a reality that places the value of cooperation in the foreground. To produce a force multiplier, we will cooperate with and within units with each of us thinking "Leumi", and thus ensure the achievement of our goals. In addition, we will display openness and will share courageously our opinions, our thoughts and our ideas.



### Modeling

Each and every one of us is a role model for someone. We must aspire to ensure that in every activity we do, we shall be a personal example to those around us.



### Excellence

The challenges and the changing reality obligate us to continually strive to improve and achieve better results. As employees of the Bank, excellence for us is knowing that our work has contributed to our customers and created business value to the organization.



## Customers are the core of our work

Leumi Group is committed to building its relationship with customers, and nurturing and preserving it over time. This relationship is based on trust, the provision of suitable and helpful services and products, and a high-quality service experience. To do this, Our range of activities rely on the criteria of compliance with laws, and government and regulatory rules while ensuring our professional system of values and ethics.

### Professional service

Good service is what gives each customer a basket of solutions and products according to the range of needs and characteristics of every customer, without preference or discrimination of any kind. When providing service, we are committed to taking a professional approach to the process of clarifying the customer's needs. We must show understanding of and responsibility to these needs as well as the degree of risk that the customer is prepared to take. Providing good service means to act honestly and fairly with our customers by providing full, clear and precise information.

### Maintaining confidentiality of information and the privacy of the customer

We ask our customers to trust us and give us relevant, timely and accurate information so that we can provide them the service that suits them best. We pledge to maintain their privacy and the confidentiality of the information held by us. Leumi employees do not make any use of the information to which they are exposed during their work, for their own benefit or personal needs. Providing information on customers is done solely by employees that are duly authorized. We do not disclose customer information, except in cases of an authorized official request from law enforcement authorities, and in accordance with the procedures of the Bank.

### Prevention and management of conflicts of interest

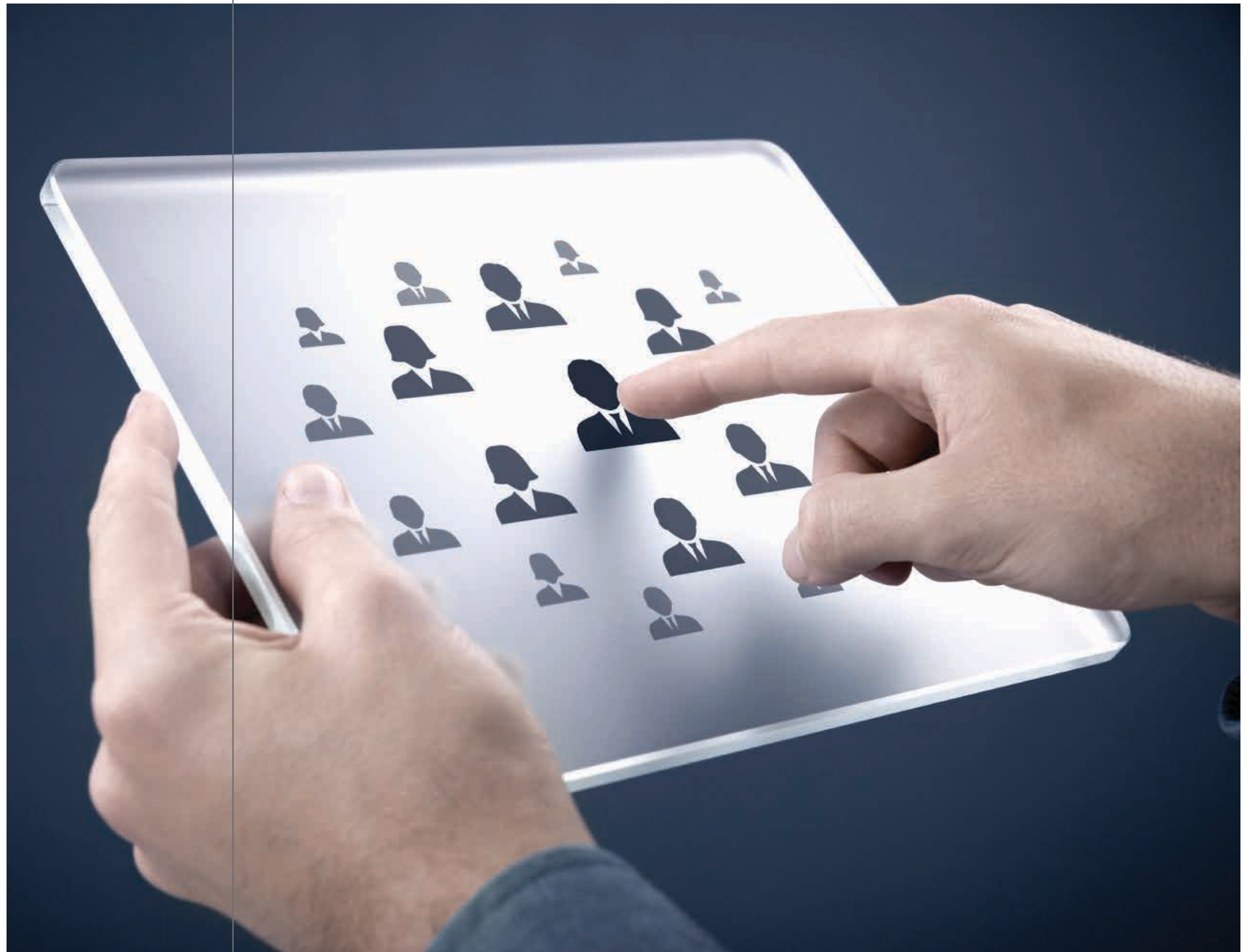
As a banking group, we occasionally have to deal with issues of conflict of interest in business and with customers. We do our best to identify potential conflicts of interest in advance and prevent their creation in the first place. In any event of concern of a conflict of interest, we will act according to the Bank's procedures.

### Prohibition on accepting gifts and benefits

We are obliged by the procedure prohibiting the receipt of gifts and benefits from customers, suppliers and / or any other parties, with whom we have working relationships. Giving gifts, benefits or special conditions to customers will be made solely according to Bank policy, by authorized persons and after due consideration. In the event of doubt, the party in charge is to be consulted and their approval received.

### Combating bribery and corruption

Leumi Group is subject to laws against bribery and corruption in all countries where it operates. Group employees are prohibited from offering, promising, receiving, or providing payment or any other item of value, including employment opportunities, in order to influence the recipient to perform any official act or to refrain from it so as to cause the recipient to enter a business relationship with the Leumi Group and / or to gain an unfair competitive advantage. Engagements with suppliers are based on price, quality, availability, reliability, conditions and service. We will do our utmost to avoid discrimination between suppliers, along with safeguarding the good of the Group, the confidentiality of information transmitted by suppliers and making decisions based on impartiality.





## “Yes, we can”

The new reality in the financial world is characterized by increasing competition in tandem with changes in values. In order to realize the business objective while remaining relevant and up to date for our customers, we must adapt ourselves to an organizational culture that encourages accountability, taking personal initiative and willingness to perform tasks, even if sometimes this involves making mistakes.

### Personal responsibility

We see ourselves as responsible and committed to achieving the business goals and objectives of the Group while maintaining our commitment to be relevant and useful to our customers. We honor our commitments and are ready to bear personal responsibility for our actions.

### Involvement and initiative

Leumi Group honors and respects involvement, initiative, originality and dealing effectively with the challenges of tomorrow. To do this, we need to show flexibility and open-mindedness that are sometimes involved with the ability to challenge the present reality, rapid reaction and personal courage. We are open to things which are new and different in order to reach solutions and achievements for the benefit of all the stakeholders.





## Sharing

Coping effectively with a complex and changing reality demands of us in Leumi Group to create and foster a work environment where every single person in the organization is respected. This is an environment where employees are free to act and make an impact for the benefit of inter-organizational and intra-organizational cooperation.

### Cooperation

We believe that the best possible cooperation, both between employees and between units of the Bank and the Group, allow us to give a better response to customers and all the stakeholders while contributing to the creation of an improved and inspiring working environment

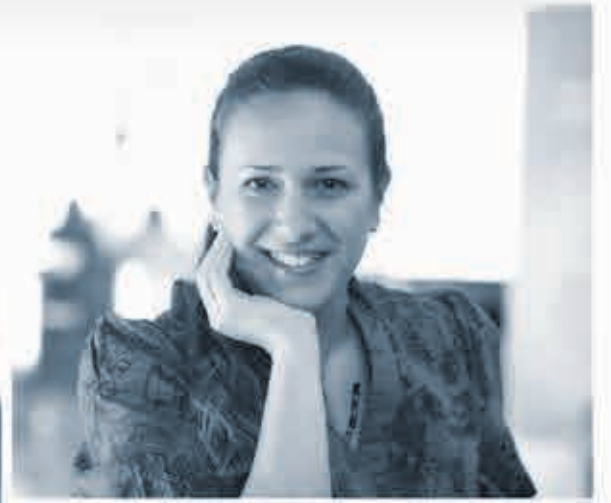
### Influence

We in Leumi Group believe in conduct that respects and encourages mutual respect, tolerance and trust among all employees, between the employees and their managers and between business lines and head office units. In our view, open and respectful dialogue contributes to synergy between people and between units and promotes the achievement of business objectives. Therefore, we welcome the free expression of opinions and attempt to influence when they are made within the framework of appropriate and acceptable processes of the organization.

### Policy of non-discrimination

Leumi Group is opposed to discrimination against all persons, and prohibits discriminatory behavior within the organization for reasons of age, gender, race, national origin, religion and outlook.





“Excellence is expressed also along the way. Not just the final result is a metric of excellence but also the way we act”

Rivki Greenberg

From the Virtual Forum, March 2014





## Modeling

By virtue of Leumi Group being one of Israel's leading financial institutions, it is committed to maintain the trust that customers and other stakeholders have for it. For this it relies in its activity on high professional norms, integrity, values and professional ethics.

### Standards of Behavior

Group employees in general and its managers in particular, are required to act professionally and ethically based on fulfillment and compliance with provisions of the law and the competent authorities on the one hand, and the procedures of the Bank, the Bank's values and code of ethics on the other hand. The value system and code of ethics are the guidelines for proper conduct of Leumi, but naturally do not address every situation. Group employees are required to act in the spirit of the core document "Leumi Way: Vision, Core Values and Ethics" and in case of doubt to consult with the party in charge.

### Social involvement

Leumi, as a leading banking group, has a great impact on the social, economic and environmental fabric in Israel (and in other countries where it operates). Accordingly, the organization and its employees are committed to work for the development of society and the economy and reduce adverse effects on the environment. We in Leumi encourage social awareness and involvement of employees, including volunteering for the community and activities to reduce social inequality gaps and to advance disadvantaged populations.

### Managers having influence

The responsibility for implementation of Leumi's values and the guidelines in the core document "Leumi Way: Vision, Core Values and Ethics" rests with each and every one of the Group's employees, without exception, all the more so when it comes to managers who must serve as leaders in the assimilation of this document. They serve as role models to their employees and are required to pay careful attention in their conduct, both in business and interpersonal relationship.



## Excellence

Leumi Group aims to create value for its customers and stakeholders through excellence in service and products. This concept is based on the quality of the people, on a highly professional level, and on an organizational culture that focuses on continual improvement.

### Human resource

The human factor is the major component of the Group's quality and is the basis for its activity and its success. Leumi group sees as its objective to cultivate and preserve the quality of its human resource, inspire its employees with a sense of pride in their workplace and serve as a magnet for people of quality.

### Professionalism and continuous improvement

Leumi Group operates out of professionalism and integrity, emphasizing the results as well as how they are achieved. We in the Group are committed to continuous learning and to learning lessons for the benefit of continuous improvement.

### Safeguarding of assets

We are committed to maintaining tangible assets - information and communication systems, property, equipment and facilities, and intangible assets - internal information such as business plans, marketing and service plans, lists of customers, vendors and payroll, various types of records and all the other business information of Leumi.

### Maintaining Reputation

Our reputation is the most important asset we can offer our customers, our employees and other stakeholders. Each and every one of us has a responsibility for safeguarding this reputation, to nurture and strengthen it. Furthermore, we must avoid any activity or action that may be harmful to it.



When we implement the core document "Leumi Way: Vision, Core Values and Ethics", we must ask ourselves:

How do we **know** whether a particular action is ethical or unethical?

How do we **deal** with possible tensions during our work?

How can we **reconcile** the conflicts of interest facing us?

The answers to these questions are contingent on our ability to identify an ethical dilemma and how to deal with it.

### What is an ethical dilemma?

Such a dilemma is a conflict between values that compels us to choose between courses of action that represent different considerations of appropriate conduct.

#### Examples of dilemmas:

Deliberation between our commitment to provide the best service to the customer and our commitment as the Bank's employees to meet the business objectives set.

Deliberation between the commitment to relevant considerations in promoting employees and the damage that could be caused to a unit of the Bank as a result of promoting one or other employee or transferring them to another job.

### How to deal with an ethical dilemma?

When we have a situation of conflict between values, we need to examine ourselves and our motives according to the following four questions:

#### 1. Legal test:

Is the proposed solution legal?

If this concerns a concern about violation of the law, there is no dilemma here.

We are always committed to keeping the law.

#### 2. Balancing test:

Does the solution provided have a balance between all the values in the core document "Leumi Way: Vision, Core Values and Ethics"? The balance can be expressed in two ways:

A. Does the proposed solution allow a situation of equilibrium when realizing some values in the document at the same time?

B. Does the proposed solution allow a situation of equilibrium between stakeholders? Namely, realizing the value does not always impact the interests or needs of a particular stakeholder.

#### 3. Appearance test:

How will I feel with the decision I take?

Can I sleep well at night following my decision? Will my conscience be clear? Will I recommend to my children to behave in the way I did, and can I defend my decision wholeheartedly?

#### 4. Publicity test:

Will I feel comfortable, if and when my decision is published in the media?

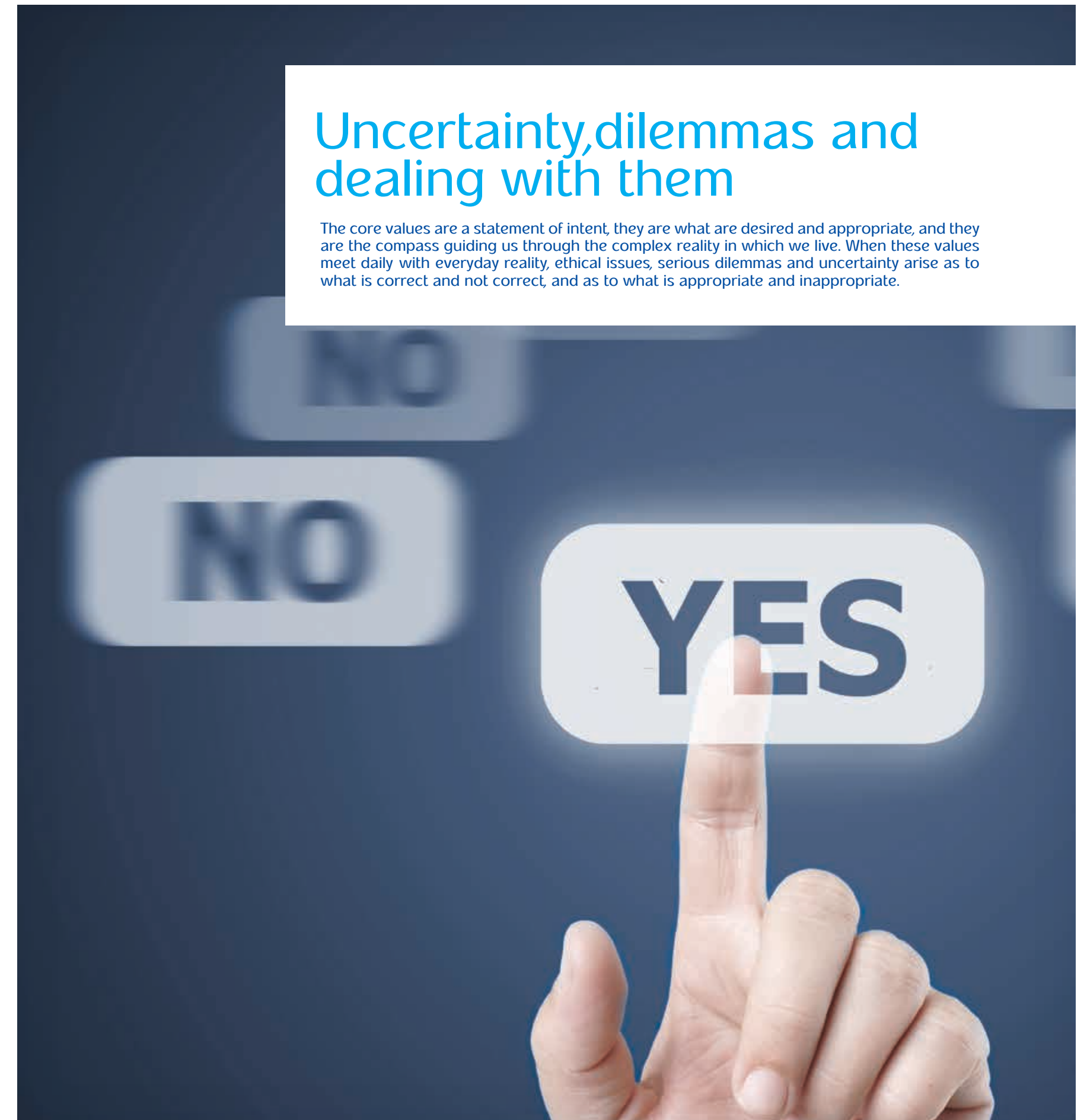
Will I be happy with my decision when I tell it to people close to me, and whether, when that action is published in public, people would think I've acted correctly?

### Summary

We must treat the core document "Leumi Way: Vision, Core Values and Ethics" as a compass that can help us and guide us when we are required to make decisions in order to cope with of situations. There is no ready-made solution that can be "pulled out of a hat" in light of the situation or dilemma. In the end, we rely on the personal integrity of Leumi employees, their discretion and their ability to select the appropriate solution based on this document.

## Uncertainty, dilemmas and dealing with them

The core values are a statement of intent, they are what are desired and appropriate, and they are the compass guiding us through the complex reality in which we live. When these values meet daily with everyday reality, ethical issues, serious dilemmas and uncertainty arise as to what is correct and not correct, and as to what is appropriate and inappropriate.



Below are details of these institutions and their activities:

### Officer in charge of ethics

A member of management whose functions are:

- To encourage and develop an organizational culture that promotes the core document "Leumi Way: Vision, Core Values and Ethics."
- To make certain that the heads of divisions lead and promote corporate culture and Leumi values.
- To ensure that all employees of Leumi, in every position and level, adopt Leumi's core values and act accordingly.
- To ensure that the core document "Leumi Way: Vision Core Values and Ethics" occupies an important place in the list of priorities and when making decisions.
- To represent Leumi with the relevant parties on issues related to core values.
- To appoint an officer responsible for ethics.

### Officer responsible for ethics

A senior manager serving for purposes of this role as the representative of the officer in charge of ethics and whose functions are:

- To lead the development and implementation of processes of distribution, assimilation, and passing on of Leumi's core values.
- To coordinate the activities of the Ethics Committee.
- To ensure the operation of the Ethics Hotline.

### Ethics Committee

The committee consists of representatives of the Human Resources Division (management staff administration, the training center), a representative of Internal Audit and representatives from the various units. The committee is an advisory body that supports and helps the officer in charge of ethics and the officer responsible for ethics, and assists in the development of the ethics program and its execution, and in responding to systemic ethical dilemmas in the Leumi Group

### Ethics Hotline

In any ethical dilemma, it is possible and recommended to consult with line managers and indirect managers and with the Ethics Hotline. It is possible to call the Hotline anonymously or openly. When the call to the Hotline is made openly, each employee is guaranteed protection from any possible harm in respect of the call.

The Ethics Hotline can be contacted in any of the following ways:

Fax: 077-8950204

Phone: 076-8850205

Email: mokedethica@bankleumi.co.il

### Mechanisms for the non-disclosure of the identity of those reporting unusual activity

To enable proper management of the Bank, all employees, regardless of their positions or status, can report any unusual activity regarding banking activity. Their call will be handled promptly, in accordance with procedures, with the maximum assurance of the full confidentiality of identifying information.

Reporting channels available to callers:

- |  |  |
|--|--|
| A. Direct supervisor                       | E. The Ethics Hotline                            |
| B. The Consumer Inquiries Bureau           | F. The Audit Committee of the Board of Directors |
| C. The Internal Audit Division             | G. The Chief Accountant.                         |
| D. The Compliance and Enforcement Function |  |

The method of making a report and the handling of these reports are defined in Procedure 147/08.



## Official institutions and functions

Several ethics institutions have been established at Leumi that were designed to promote the integration of the five core values, to aid Leumi employees in acting appropriately and to emphasize ethical aspects in their daily work.





# Conflict of interest – Guiding Principles

The high reputation and Goodwill of Leumi with the public are connected directly with the prevention of conflict of interest situations and maintaining fair business practices. All Leumi employees, junior and senior, are prohibited from being in a conflict of interest, legal and moral. It should be noted that Leumi has official and binding definitions relating to related conflicts of interest, such as "Procedure of the prohibition on conflict of interest" and the "Form for reporting on conflicts of interest" (Procedure No. 146/08). Nevertheless, we have decided to add to the existing procedure and give managers tools for preventing and dealing with situations of conflict of interest.

The attached document presents the principles for preventing a situation of conflict of interests and principles for dealing with a current situation of conflict of interest and preventing future damage:

## 1. Identifying conflicts of interest – preliminary stage

### The principle of self-mapping

- Every office holder will **identify and map** out his personal preferences affecting his personal discretion (such as family connection, friends, personal interests) and those who only appear to be so.
- The mapping will not be far-reaching on the one hand, but not tending towards allowances or leniencies on the other.
- After the mapping the employee will **organize possible conflicts of interest by the following delineation:**
- Conflicts of interest that will **definitely** involve some conflict with professional procedures.
- Conflicts of interest that may **sometimes** or in specific conditions conditions situations lead to a conflict of interests.
- Conflicts of interest do not exist in reality, but **may appear** like that, or that may be **interpreted as** irregular.

### The principle of consultation

- Every office holder after mapping out and organizing the range of their possible contradictions is to carry out a validation and consultation process with one or several of the following parties:
- Direct manager
- Experienced and professional colleagues
- Divisional ethics representative

**For example:** you are required to make a decision about a supplier of office equipment with whom you will work in forthcoming projects. Your friend is an office equipment supplier, the quality of his products is better than his competitors and a contract with him can benefit the Bank. May the relationship with him be construed as a conflict of interest? It is proper to hear another opinion of your managers or any other professional party before making a decision.

### The principle of transparency

Reporting to superiors about the possibility of a situation or an emergent situation, at the time and at the earliest detection of a conflict of interest.

**For example:** You have been invited to a festive event of a customer, you have to inform your superiors. This principle is particularly important because organizational treatment after reporting will be different in each of the following situations:

- a conflict of interest situation that is detected before it exists, in good faith and without any damage.
- a conflict of interest situation that was reported in good faith but has been some damage, because mapping out was not done at the proper depth and timing.
- a recurring conflict of interest situation, in which the office holder is aware of its prevalence and image-based or real damage has already occurred.

## 2. Taking measures and actions that will prevent future damage at a stage where there is already a process of conflict of interest:

### The principle of exclusion

A manager or employee who identifies a conflict of interest situation will **immediately cease providing or receiving a service**. In a situation where a conflict of interest has been identified an **organizational solution** will be found that distances the office holder from this situation.

**For example:** Your friend owns a big factory, you were promoted and now you are a credit manager at division headquarters. It is proper to distance yourself from discussing his affairs and for this purpose another office holder in the division will be appointed.

**Each office holder will be able to carry out a process of explanation and giving reasons**, in a case of conflict of interest which would remove from him any suspicion of having ulterior motives in the decision making processes.

**It is important that giving reasons be visible**, on time, and with the relevant parties - to create also a transparent learning and empowering process. A professional, systematic and factual explanation allows for learning for the benefit of conduct in similar future events and contributes to the organization's reputation.





# Code of Ethics for Investment Advisors

## Focusing on customer needs:

An investment advisor should always put customer needs at the head of the list of priorities, while keeping within the boundaries of the law, and demonstrating integrity, fairness and providing complete and accurate information.

## Responsibility:

An investment advisor shall take care to manage customer investments, while taking special care, and showing understanding and responsibility to the customer's needs and the level of risk that is right to take according to his financial planning. The advisor will do so through a process of preliminary investigation and direct dialogue, leading to the consent of the client as to the nature of the investment.

## Showing the complete relevant picture:

The investment advisor shall take care to present to the client various alternatives for his investment, with a professional and well-reasoned analysis of the benefits and disadvantages. Counseling will be based on customer needs and taking into account the market situation at the time.

## Equality in counseling:

The investment advisor will give professional advice and quality to every customer, without discrimination or preference arising from portfolio size, character of the customer or personal relationships.

## Sensitivity to conflict of interest:

The investment advisor will always consider his motives when deciding to take a specific action, which may conflict with the best interests of the customer, such as the Bank's interests, professional tendencies and the like. Awareness of sensitive situations, and therefore identification of the forces and tensions, is a prerequisite for taking fair and transparent action.

## Secrecy and confidentiality of information:

The investment advisor will respect the confidentiality of privileged information to which he was exposed during his work. The advisor shall not disclose this information to anyone, except in the case of an official request from competent law authorities, and will not use this information to his own advantage or personal needs.

## Transparency:

The investment advisor, although he is part of a profit oriented bank, shall put the benefit of the customer at the head of the list of priorities, act professionally and honestly and with full disclosure of his activities, and the implications thereof. An investment advisor shall not utilize mistakes or errors to the detriment of the customer, but will correct them, even retrospectively, while informing the customer and superiors alike.

## Continuous learning:

An investment advisor will aspire for professional excellence through continuous improvement of his capabilities – knowledge, tools, products and learning methods, which will rely both on his personal experience and current updating from research and professional publications.

## Recognizing the limits of knowledge:

An investment advisor has to recognize the limitations of his knowledge, and give advice only in areas that are within his competence and understanding. The advisor shall take care to highlight the limitations of counseling in light of the requirements of the law and professional ethics.

## Consultation:

An investment advisor shall take care to consult from time to time and as necessary with superiors, colleagues and mentors with regard to issues and professional ideas or value-based dilemmas. He will do so in order to deepen his understanding and professional expertise.

## Charter with suppliers

### Long term relationships

A "procurement system" aims to establish cooperative relations with suppliers, based on open discussion and interaction.

### Sensitivity to conflict of interests

A "procurement system" always examines its motives and considerations to avoid a situation where a gap is formed between the personal interests of the procurement representative and the interest of the Bank.

### Discretion

A "procurement system" is aware of the existence of professional, legal or ethical dilemmas that may come up when engaging one supplier or another, and consults with appropriate parties as needed.

### Proportional transparency

A "procurement system" gives suppliers all the information they need to submit an optimal proposal to the Bank; he does not utilize mistakes or errors to the detriment of the supplier and practices honesty and professionalism, with full disclosure of his actions.

### Secrecy

A "procurement system" respects the confidentiality of the information to which it is exposed. It does not provide information about any supplier to any of its competitors.

### Equality and Fairness

A "procurement system" provides clear criteria for selecting the winning bidder, practices equality throughout the procurement process, and maintaining integrity.

### Professionalism

A "procurement system" strives for excellence in the continual development of managerial and professional capabilities by expanding its areas of knowledge and improving professional skills

### Collaborations

A "procurement system" aims to act synergistically with its intra-organizational customers and subsidiaries, while utilizing the advantage of size and creating the infrastructure for effective work in all lines / segments / parts of the Group.





## Pension advice charter

This charter is a written undertaking and coordination of expectations related to providing pension consulting services in Leumi. The concept by which the Service Charter it was formulated places the customer at the center of activity. The Charter is intended to formalize the service concept related to pension consulting in Leumi, which is based on responsibility, availability, mutual respect, professionalism and accessibility.

**On the basis of these service values we, the pension advisors, undertake:**

- to treat our customers fairly and with dignity and to respect their privacy.
- to update our customers regarding receiving service, including contact information, work days and reception hours.
- to provide an appropriate response to the needs of the customer, within seven business days after receiving the customer's request seeking to arrange a meeting / discussion.
- to promote effective and available communication with the customer, to provide an initial response to all inquiries, to provide answers as clear and reasoned as possible and all this within two business days of receiving the customer's request.
- to provide a substantive response within a reasonable time to the request of a customer, to receive and forward a confirmation or document, to transfer a request to the institution to take action relating to the product and without derogating from other provisions in this regard.
- to give any document related to the customer and in his legal possession, including a former customer, within seven business days of receipt of the customer request.
- to provide the customer that made contact concerning a claim, information about their rights and to inform them of the courses of action available to them in the claim settlement process.



“ A successful personal example is one that causes others to desire to emulate it, and can emanate from a place of real trust and confidence in what they do, and mainly in how they act and behave. ”

Iris Baruchi

From the Virtual Forum, March 2014





## Social Media Charter

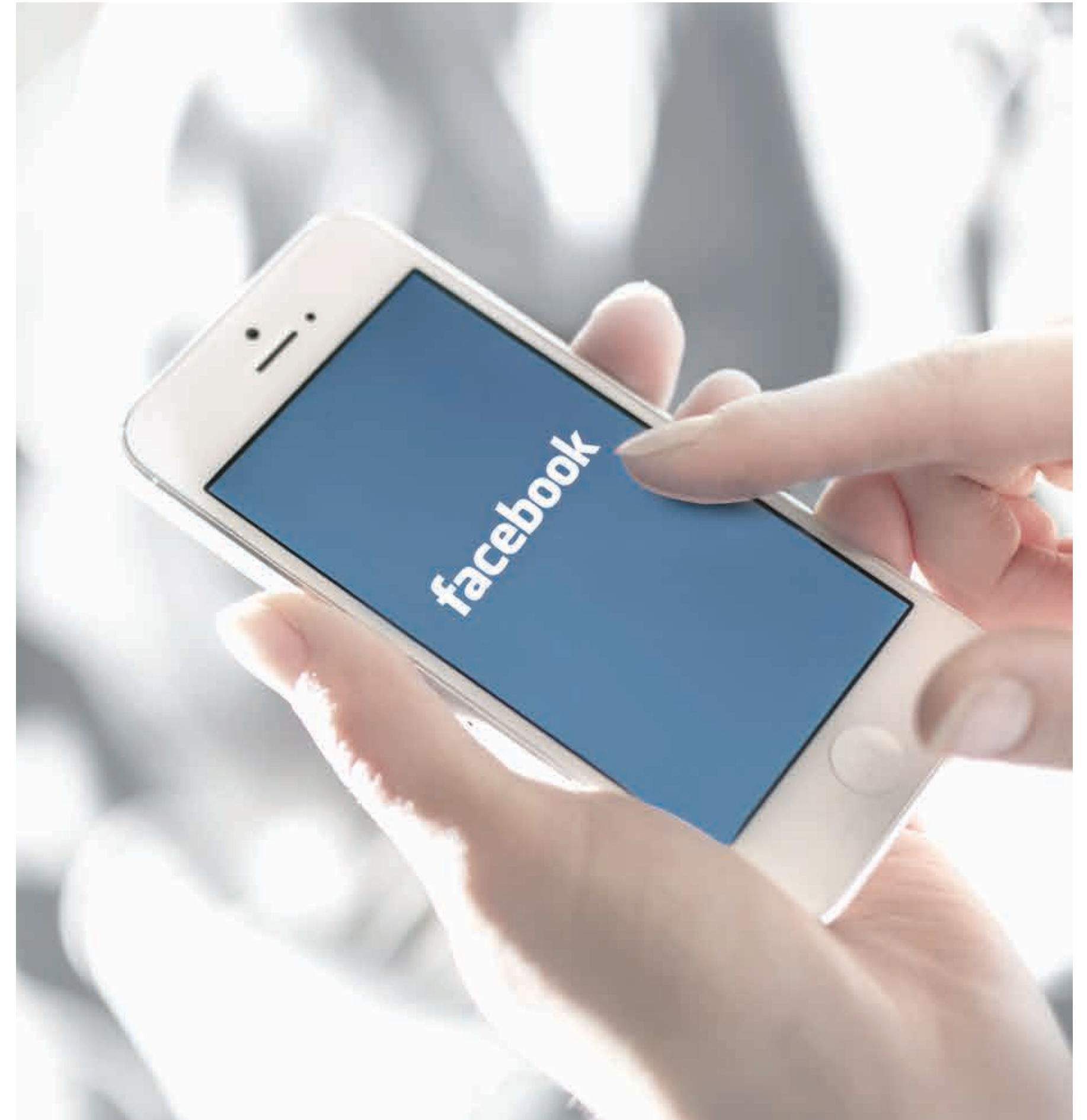
The development of the world of communications and the growth of social media on the Internet provide organizations and businesses with new tools that can be used in order to maintain a transparent, sharing and open dialogue with customers, potential customers, and the general public. Leumi too, by virtue of being one of the leading corporations in the Israeli economy, and as an organization aspiring to maintain a relationship as accessible and immediate as possible with its environment, has recognized the potential inherent in the new media and has already established a widespread and active presence, using the Bank's blog site, Facebook page and its Twitter page, and through other channels.

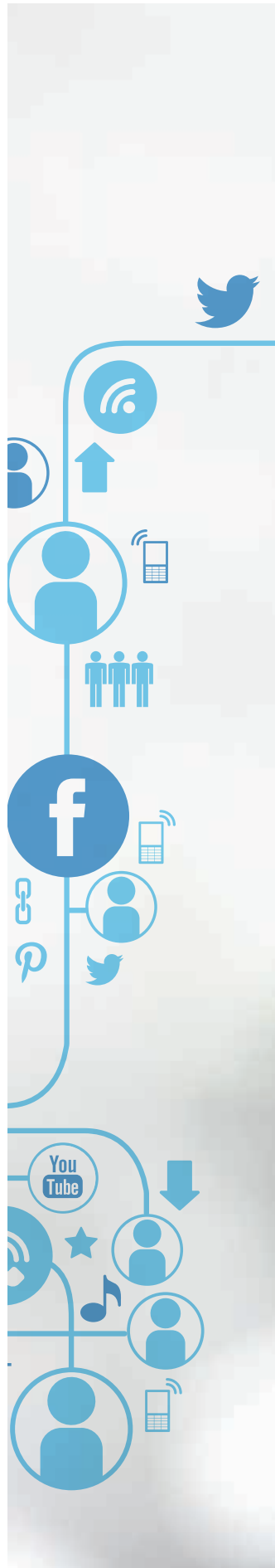
We see this new world as a rich field of opportunity, and want to see you, employees of the bank, taking part, enjoying it and knowing how to get personal and organizational benefit from it. To achieve this, you should understand the nature of the activity in the social networks, to understand its advantages and disadvantages, and to learn how you can take advantage of the benefits and protect against the disadvantages. To help you do this, we bring you the social media charter document.

Leumi's social media charter seeks to adapt the rules, principles and procedures that apply to you, Leumi employees, to this new type of discourse. The charter aims to set guidelines for your activity on social networks, direct you in your activity in them and help you in choosing the appropriate way, whether you subscribe to this media personally, or you identify yourselves as employees of Leumi. The charter contains recommendations and rules for all Leumi employees, including managers at every level, Leumi former employees and temporary employees. The charter was written in collaboration with employees and managers from various units of the Bank and refers to activity on media sites and social networking media such as blogs, Facebook, Twitter, YouTube, file sharing sites (such as Flickr), Usenet, forums, and various websites that allow creating and publishing user-generated content independently.

### General Recommendations for social media activity

- The type of communications conducted on social networks is generally unleashed very and informal. However, your conduct on the Web should, just like your conduct in the non-virtual world, lead you to expression as law-abiding individuals that are interested in maintaining a productive and sharing dialogue and show respect to other users.
- You are solely responsible for the content that you publish on the Web. It is important to remember that the content you published or an opinion you expressed remain exposed for all to see over time, so you should give them consideration before they are published.
- Safeguard your privacy at the level that suits you, and even more strictly - the privacy of your interlocutors.
- Try to have dialogue that is not litigious, that refrains from verbal violence and that is conducted in good spirit.





### Emphases for activity of Leumi employees in social media:

Boundaries are blurred in social media, including the fine line that exists sometimes between professional life and private life. For the sake of transparency, and because we would be happy to see you all as ambassadors of the organizational messages of Leumi, our expectation is that you, in the process of joining a social network, specify in addition to your full name also your workplace – but specifying this is at your own personal discretion. If you choose to specify the fact of being a Leumi employee, you must remember that your activities on the Web may be perceived as representing the position of the Bank, and behave while being mindful of the recommendations of the previous section, as well as the following emphases:

- Avoid publishing confidential content of Leumi and / or content related to what is happening in Leumi, including information about customers and their photographs, without you being given their consent for this.
- Be alert prior to the publishing of image files and / or video taken in Leumi or events related to Leumi, in case they contain information specified in the previous section.
- Only a party authorized by Leumi may make use of the logo of the organization and its official address, in order to avoid any deception online.
- Professional content in the name of Leumi, or which relate to Leumi, such as advertising promotions, services or new products, are first published by the Spokesperson's Section of the Bank. You may upload them to social networks or discuss them in discussion groups only after this first official publication. Spokesperson representatives are available and accessible, and should be consulted in any uncertainty or doubt. Remember also that promotions, services and products by their nature are constantly changing, and make sure that the contents are updated and relevant before you use them.
- If questions are directed to you on the web on banking issues or those concerning Leumi's activities, draw the attention of the relevant parties from the Spokesperson's Section and / or the social media function in the Banking Division, so they can address the matter officially and in accordance with its official policy.
- You are invited to join chats regarding Leumi on the Web, but while adhering to the emphases specified. Respond to content, share or act in accordance with the spirit of the channel in which the chat takes place, and be sure to be respectful to colleagues and competitors and avoid insult and slander.
- When you encounter unflattering opinions, reports or statements about Leumi, act responsibly and with restraint. Avoid responding on behalf of the Bank, and advise the Spokesperson's Section or the social media function.
- If you make a mistake – admit it and apologize. This approach will help to continue a reliable and productive dialogue.
- If you have any personal criticism against the Bank, treat it as appropriate, at home. Avoid publishing details of it on the Web.
- In cases where you are in social contact on the Web with a customer and / or supplier of Leumi, pay careful attention to the recommendations and rules for activity mentioned above.

### Activity of employees with managers (and vice versa) in social media:

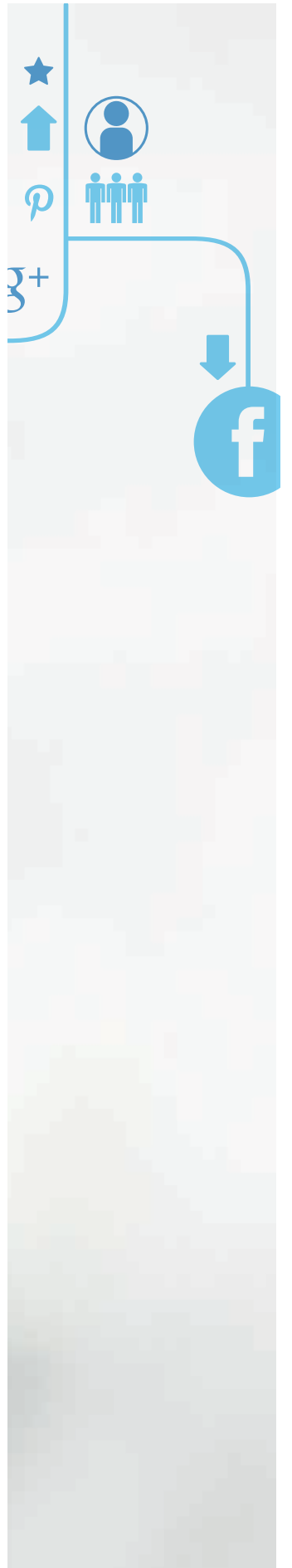
Joint activities of employees and managers, who choose to operate in the same social network, may strengthen and deepen working relationships – but can also trigger stress and mixed emotions with either party or both. Openness and invitation to dialogue is the key to creating productive and collaborative activity for both sides:

- It is recommended to initiate a conversation about joint activity on the social network. You should have a conversation with many participants that invites diverse opinions and open dialogue and encourages cooperation and openness on the network, without fear and with intelligent behavior.
- Employees and managers alike publish, as individuals, information on social networks. Be sure not to abuse this information.
- Respect the fact that on the Web too, everybody has their own will and a different level of readiness to create a dialogue.

### Important information for you:

- The channels in which Leumi is active in social media (as at the time of writing the charter are: Leumi Blog, Leumi Twitter, Leumi Facebook, Leumi Flickr and Leumi YouTube).
- If you have any doubts, questions, ideas, suggestions, and insights about the activity of Bank employees on social media, or if you want to take an active part in the official activity of Leumi in social media, please contact Marketing.

Multi-channel activity allows Leumi to be a leader, to be advanced, innovative and creative for its customers. Leumi active in social media strengthens multi-channel activity and enhances the customer experience. Your understanding of activity in these channels and your intelligent activity in it, will help you and Leumi to continue to lead and be the first choice among customers.



# Charter for intranet behavior

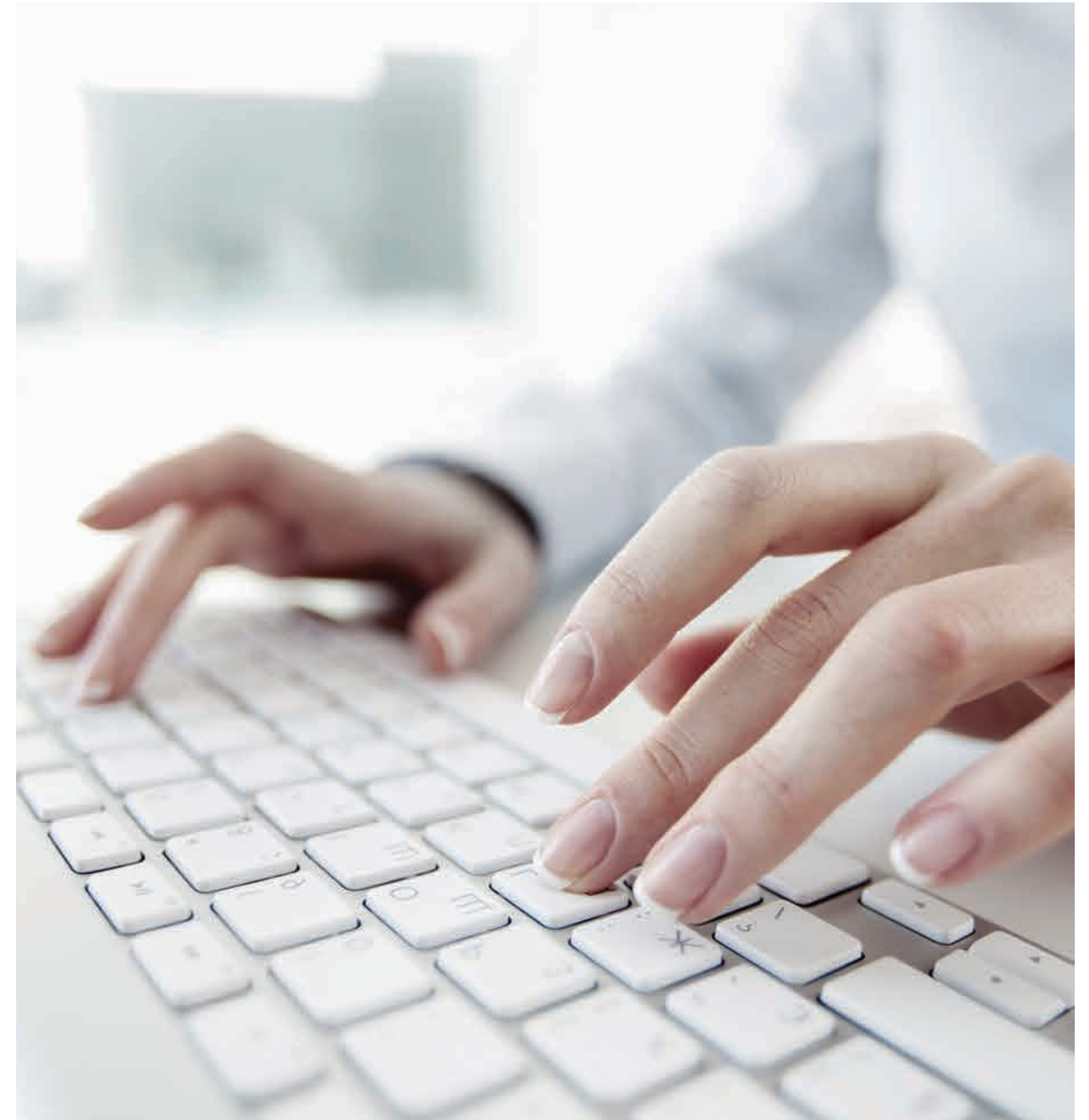
The charter for ethical conduct in the Leumi intranet environment ("hereinafter" the charter") is another layer in the code of ethics "Leumi Way", and joins it as a chapter detailing professional standards - ethical and practical - designed to be used by all those present on the intra-organizational Web. The charter suggests clear rules of action and practical and normative conduct concerning the desired and proper conduct in the Leumi intranet environment.

## Terms and clarification of the charter

Intranet space; intranet environment; intra-organizational network: a private computer network, intra-organizational, operating in the internet environment, where access is allowed only to users (= knowledge consumers) within the organization. Similar to the internet, the intranet also allows the viewing of web pages, including dedicated sites, and access to the information systems of the organization. Access to the information systems in the intranet environment improves internal communications, organizational knowledge management and its transfer and work processes in the organization. Leumi intranet systems: knowledge management system, circulars and procedures, Outlook, computerized forms, corporate phone book (144) and more.

## Operators:

- **Training Center:**  
Responsible for outlining a concept and policy regarding the management of organizational knowledge, especially as it is applied in the "Knowledge management" system in the organization, while imparting and implementing work methodologies and tools that support it. In addition, personnel in this field are responsible for the Bank's knowledge management platform and how knowledge management methodology is applied to the various sites.
- **Knowledge managers:**  
Responsible for knowledge management processes, as they are expressed in one or more content worlds in knowledge management system websites, including permitting writing, publishing and viewing. Knowledge managers are divided into several sub - groups by areas and volumes of their responsibilities in the knowledge management activities at the Bank:
- **Webmasters:**  
Assist in realizing and achieving business objectives in the unit through the implementation of the concept of knowledge management on the website. They are responsible for the initiation, specification, construction, maintenance, implementation and entering content on the website that they manage in the knowledge management environment. The webmasters do this through integration between all site activities, business objectives and requirements of knowledge management in the unit and with the help of broad-based vision and managing the knowledge leaders as a resource.
- **Knowledge leaders:**  
Assist in realizing and achieving business objectives through the implementation of the policy of a concept of knowledge management. They are responsible for development, specification, construction, maintenance and integration of the worlds of content they are in charge of in the knowledge management environment. Knowledge leaders even have authorization for filtering and publishing content in these content worlds. Often, knowledge leaders are also experts in content: they have knowledge and are those who contribute to the site content drawn from their professional world and their routine work.
- **Users: Knowledge consumers (=system users);**  
All employees of the organization and managers that view and use existing knowledge available to them in intra-organizational intranet systems, and that are fed from them for the purposes of their work. In addition, all consumers of knowledge can add content and respond to existing content and respond to the different contents.
- **Professional community:**  
Virtual organization created by a group of managers and employees in the Bank that have a common professional basis and / or common processes. This organization allows members to share their insights, tools and professional experience together with managing an open dialog on issues and professional dilemmas. In fact, the intra-organizational intranet environment provides a platform to members of the community for storing information and creating knowledge used by them in their work. In addition, the community has a routine of face-to-face meetings.





## Values of the charter

The values of the "Charter for ethical conduct in the Leumi intranet environment" stem from the values of the "Leumi Way", and are expressed in two working interfaces:

- between the employee and Leumi;
- between the employee and his co-workers.

**Each of the interfaces described below includes some values and rules derived from each value. It should be noted that the written order of the values is arbitrary and does not necessarily reflect a hierarchical order.**

In addition, in Leumi we believe that there is a very significant additional value affecting the general behavior of these interfaces - the value of representation. It should be remembered that Leumi personnel represent the Bank at all times in intra-organizational intranet systems in theory and in practice. Therefore, the presence and activity of Leumi staff in the intranet environment should be always in the spirit of the vision and strategy of Leumi with regard to:

- The realization and promotion of the Bank's values as specified in the "Leumi Way";
- The content posted in the various systems and various sites around the intranet; Patient, tolerant and respectful conduct towards peers in the intranet environment.

### Between the employee and Leumi

**Informed transparency:** The operators of the knowledge management environment aspire routinely to transparency of information, content and relevant working processes, in order to realize excellence and maximum organizational excellence. In addition, in the course of their work they act out of careful consideration, sensitivity, and from a systemic perspective, and continue to contribute content and update it, provided

- They do not harm the Bank, its employees or its customers.
- There is no contradiction between their activities and Leumi's values.

#### Therefore, the operators have to

- Promote the existence of productive, open and inviting discourse on the themes and content published.
- Share, improve and enhance the level of service, work processes and the aspiration for excellence in Leumi.

**Partnership and collaboration:** all Leumi employees aspire to promote the sharing of knowledge, including the description of instances of successes, failures, challenges and lessons learned, to the benefit of intra-organizational learning and for the imparting of common professional, personal and organizational skills.

#### Therefore, the operators have to

- Act out of a broad-based and comprehensive perspective to promote information sharing in order to achieve leadership and organizational excellence in performing quality processes.
- To work in ongoing coordination to establish environments that contain and make information, knowledge and business tools accessible, for the benefit of users of this in intranet systems.

#### And, all Leumi employees, operators as well as users have to

- Aspire, act and lead to maximum cooperation in reliable and quality knowledge for the benefit of all employees of the units, the Bank and the Group.
- To act with impartial judgment, and in consideration of and with reference to the knowledge requirements of Leumi.

**A. Quality:** The professional and social content, published in the intranet environment, must have added value for consumers of knowledge and for the organization. The content should enrich professional knowledge, improve individual and organizational learning, streamline processes, contribute to a sense of organizational membership, and improve service and intra-organizational communications. In accordance with the concept that views this content as tools and learning for Leumi employees, it is required that they focus on the needs of the consumers of knowledge in Leumi, while ensuring high reliability at all times.

#### Therefore, the operators have to

- Aspire to write focused, concise and clear content and avoid overloading unnecessary information on knowledge consumers.
- Ensure on a regular basis that content appearing on websites is updated and reliable and give a professional and appropriate response to requests by consumers of knowledge.
- Validate the information and content on websites, and to use the most appropriate software experts to do so.

**B. Responsibility:** Content authors and advertisers have a large and significant effect on processes such as professional and personal decision-making, professional learning, organizational integration processes and more. It is clear that contents that are missing or not validated or updated, may damage the integrity of these processes. Therefore,

- All Leumi personnel, operators and users, realize that knowledge is the property of the organization and all its employees. Hence the responsibility for knowledge sharing applies to all Leumi personnel, without exception.
- Operators have to make an effort to give access to the content and facilitate its retrieval and use. Particularly with regard to its location on different sites, its relevance, its updating and that it is plain and clear.

#### The interface between the employee and his colleagues

**A. Privacy:** The Leumi intranet environment is fertile ground for dialogue and professional and personal expression. Insensitive conduct in this environment may impair the privacy of colleagues. Therefore,

- Operators and users should be aware of the fine line that passes the content that is relevant and not relevant to organizational discourse, both on the professional and personal level. They should avoid infringement of privacy of their colleagues regarding content they post on the intra organizational network.
- Operators are to avoid publications that are not relevant or are of a personal nature, and even more so without prior approval of the object of the publication.

**B. Respect:** The features of the intranet environment (instant publication, broad accessibility, its virtual nature, multi-participant and more ...) combined with this environment being an inexhaustible and irreplaceable source of enrichment and professional and personal contribution may be detrimental in dealing honorably and respectfully in the intranet environment. Therefore,

- Operators and users are to respect the right of expression of all their colleagues, to act with tolerance and to adopt a respectful style of writing and speech, in order to create a sound basis for knowledge sharing and management and productive, genuine and inviting dialogue.
- Operators are to answer all inquiries on intra-organizational websites in a substantive and dignified manner, while keeping to clear and cultivated language and within a reasonable time.
- Operators are to be strict in specifying the names of all the partners in working and writing when posting a content that is the result of the work of several colleagues.

**C. Freedom of expression:** Leumi's intranet environment supports freedom of expression, including the expression of opinions and ideas freely and independently on any topic, as long as it does not harm privacy, human dignity and desired banking confidentiality. Therefore,

- Operators are to use their authority sparingly, with prudence and value judgment, when making a decision on disqualification of any content designed for publication on the intra-organizational network.







## Reservists charter

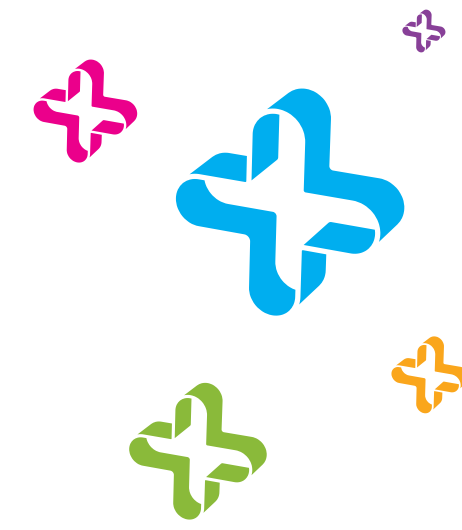
### Ethical charter

Leumi, which has its roots deep in the history of the Zionist enterprise, and which played a major role in the creation of the State of Israel, in building and designing it as a modern society, values, cherishes and promotes the ethical and social contribution inherent in reserve duty. As a leading organization in the Israeli economy, which operates and is managed as an integral part of the community, society and the Israeli reality around it - Leumi encourages its employees to fill this civic duty.

We see in reserve duty the expression of values of social involvement, mutual support and concern for the community, and aware of the heavy burden imposed on employees who serve in the reserves, and wish to express our appreciation to them.

**Out of appreciation and recognition to employees that contribute through their reserve duty to strengthening national security and defense, we undertake to protect the rights of employers serving in the reserves and to maintain items of the charter listed below:**

- To support our employees called to serve in the reserves and appreciate them for it.
- To help as much as possible to reservists during reserve duty and when they return to work.
- To keep up contact with employees during long-term reserve duty.
- To ensure that there will be no harm to an employee or an applicant for work due to being a reservist.
- To express our gratitude through a variety of channels and activities throughout the year.





Modeling



Excellence



Sharing



"Yes, we can"



Customers are  
the core  
of our work

