



September 20, 2018

To:

Mr. Elie Zenou Mr. Matias Lindholm Research Analyst Senior Associate

ISS ISS

Re: A call to oppose the election of Dr. Yoram Turbowitcz for the position of an external director in Bank Leumi Ltd.

Dear Sirs,

On behalf of Financial Justice and Lobby99, both Israeli NGOs, we respectfully urge you to consult to your Clients and/or other entities holding voting rights, to vote against the election of Dr. Yoram Turbowitcz for the position of an external director in Bank Leumi Ltd. (hereafter, "Bank"). Our arguments briefly are as follows.

- 1. On Aug 28, 2018, the Bank announced its annual meeting to take place on October 04, 2018, whereas the agenda includes the election (or re-election) of its external directors, as defined by the Israeli law.
- 2. Amongst the candidates is Dr. Yoram Turbowitcz.
- 3. Dr. Turbowitcz has been "marked" as a prime candidate to replace the current Chairman, Mr. David Brodet, when Mr. Brodet completes his term in about a year¹.
- 4. Dr. Turbowitcz, by his own statement², confirms that he has no accounting and financial experience; hence, his lack of expertise renders him unfit to serve as an external director, and certainly not to be elected later as Chairman of the bank.
- 5. Even more importantly, Dr. Turbowitcz had strong working and compensation ties³ to the largest Israeli groups of debtors and their controlling shareholders, also known as "the tycoons", that caused major financial damage to the public, by defaulting huge leveraged debts, including from Leumi.

¹ https://www.globes.co.il/news/article.aspx?did=1001253764

² See paragraph 8 below

³ See his CV, included in the link to item 8(d) below





- 6. In addition, the BoD of Leumi, which has no controlling nucleus, is characterized by small sociological and ethnical diversity⁴; Dr. Turbowitcz contributes little to a better diversification thereof.
- 7. In light of the great challenges that the Israeli banking system is facing in general, and Leumi in particular, and the need for the public trust, we believe that Dr. Turbowitcz should not serve in Leumi's BoD, let alone being its chairperson.
- 8. As a supplement material to this letter, here are links to the following documents (in Hebrew):
 - a. Our letter to the Bank's BoD as of May 17, 2018 <u>link</u>
 - b. Our letter to the pension funds manages as of September 19, 2018 <u>link</u>
 - c. An article in Globes newspaper as of September 17, 2018, criticizing the candidacy of Dr. Turbowitcz link
 - d. The affidavit, declaration and CV of Dr. Turbowitcz <u>link</u>, p.38 and on.
- 9. We are at your service for any additional material, if needed; you can contact us at financial.justice.is@gmail.com.

About us

<u>Lobby 99</u> is a civil organization that took upon its mission to represent the public at large visa-vis the Government and the Parliament, being a counter-measure to the lobbyists of the interest groups.

<u>Financial Justice</u> is a civil organization whose mission is to promote financial competitiveness, fairness and transparency for the benefit of the public.

TheMarker Maganize selected both organizations among the 100 influencers for 2018⁵.

Sincerely,

Dr. Harel Primack
Co-Chairman
Co-Chairman
Financial Justice

Barak Gonen
Co-Chairman
Deputy CEO
Financial Justice
Lobby99

⁴ https://www.globes.co.il/news/article.aspx?did=1001184879

⁵ https://www.themarker.com/magazine/EXT-INTERACTIVE-1.6436034