



PAZAK¹ INTEREST OPTION

Account No.

Time			

Date of execution		
Year	Month	Day

Name of customer: _____

Type of customer: Individual
 Body corporate

To
Bank Jerusalem Ltd. (hereinafter: "the Bank")

I the undersigned wish to open a fixed term deposit in my name of the **"Pazak Interest Option"** type and to deposit thereto an amount and on the conditions set in this form.

Amount of deposit (NIS)		Period		Type number (for internal use)
		<input type="checkbox"/> 3 months	<input type="checkbox"/> 6 months	51
		<input type="checkbox"/> 12 months	<input type="checkbox"/> 14 months	73
		<input type="checkbox"/> 14 months	<input type="checkbox"/> 24 months	533
		<input type="checkbox"/> 24 months		534

Rates of interest for the deposit at the time of making the deposit:

The deposit will bear annual interest at the rate which is the higher of the following two possibilities according to the Bank's calculations:

Alternative A	
Fixed interest	
Nominal annual	Adjusted annual

Alternative B		
Variable interest according to prime rate		
Deduction of fixed margin from prime rate	Nominal annual	Adjusted annual

Telephone instruction:

Where notice has been given by way of telephone and/or facsimile device for performing an operation, the following details shall in addition be mentioned:

Given by: _____ Name of recipient of instruction: _____

Brief summary of the conversation: _____

I hereby confirm what is recorded above including the tracks marked with an X. I further confirm that the remaining general conditions appearing in this form are known to me and are binding on me.

¹ PAZAK = Fixed Term Deposit

CONDITIONS FOR PAZAK INTEREST OPTION

1. Definition

- a. **"Deposit"** –
Unlinked Pazak at interest calculated according to the higher of the following two alternatives: fixed interest or variable interest, for the period, the amount and on the conditions as set forth in this form.
- b. **"Account"** –
An account maintained by the Customer at Bank Of Jerusalem Ltd.
- c. **"Business day"** –
Any day except a Saturday, holidays, the two days of Rosh Hashanah, eve of Yom Kippur and Yom Kippur, the first and eighth days of Sukkoth, Purim, the first and seventh days of Pesach, Independence Day, the Shavuot festival and Tisha b'Av, and any day in respect of which it is specified by the Supervisor of Banks that it is not a banking business day.
- d. **"Interest table"** –
A table of interest rates for the Pazak interest option as fixed by the Bank from time to time and as published on the notice board at the branch.
- e. **"Fixed interest"** –
Interest at an annual nominal rate as mentioned in this document, which is fixed for the entire period of the deposit.
- f. **"Variable interest"** –
A rate of interest comprised of the prime rate as prevailing from time to time less a fixed margin from prime interest as mentioned in this form.
- g. **"Prime interest rate"** –
The basic interest fixed from time to time by the Bank as the basic interest for credit and for deposits in shekels, and which changes from time to time according to the Bank's decision, as such interest may change from time to time.

2. General

All the conditions, agreements, instructions, arrangements, undertakings and documents that we have signed and/or may sign in the future in connection with the deposit and/or the account at any time (hereinafter: "the Agreements"), as well as the procedures and rules practiced and customary at the Bank in accordance with the Bank's decisions, as same apply at present and as same may apply and/or be changed from time to time (hereinafter: "the Procedures"), in connection with and relating to the deposit and/or the account, shall apply to the deposit, including with regard to the interest, negative interest (breakage penalty), your charges and commissions, your expenses, the manner and ways of calculation of everything stated in this document, and any debit and/or credit in respect thereof, and same shall be binding on us accordingly. Should there be any discrepancy or conflict between the Agreements and/or the Procedures and the conditions of this document, I

agree me that the provisions of this document shall take precedence, unless the Bank, in its sole discretion, should decide to act otherwise.

3. End of the deposit period

At the end of the deposit period the amount of the aforesaid deposit will be transferred and credited to our account together with the interest that has accrued in respect thereof.

4. Calculation of interest

- a. The deposit will bear annual interest the rate of which will be according to the higher of the following two alternatives: fixed interest as specified in this form or variable interest as mentioned in this form, which will be updated from time to time according to the change in the prime rate of interest as described in this form. If no rate of interest is mentioned in this form as aforesaid, the deposit will bear annual interest at rates as shall be determined according to the table of interest rates customarily used and prevailing at the Bank at the time the deposit is made.
- b. During the period of the deposit the interest will be calculated separately according to each of the alternatives mentioned in clause (a) above, so that the deposit will accrue interest according to each of the alternatives separately and at the end of the deposit period the Customer will be credited with the interest which has accumulated for him in the deposit according to the higher of the two alternatives.
- c. Calculation of the interest according to each of the alternatives mentioned in clause (a) above will be made according to the actual number of days in that period in relation to the exact number of days in that year (on a basis of 365 days or 366 days as the case may be) without annual compound interest, except deposits in which the period is in excess of 12 months.

5. Cancelled

6. Crediting of accounts

Any amount of principal and/or interest that may be credited to me, whether in the account (as defined above) or in any other account, whether at the end of the deposit period and/or in respect of full or partial repayment of the deposit during the deposit period, will not bear any interest.

7. Date which is not a business day

The execution of any operation to the credit or the debit of the account and/or the deposit account (principal and/or interest) in connection with the abovementioned deposit which falls on a day which is not a business day, shall be postponed to the next following business day, and the interest will be paid according to the actual days.

8. Date of making deposit

Any deposit that is made after the end of the business day, as published by the Bank as at the time the deposit is made shall be deemed to be a deposit

made on the next business day following the date the deposit was made. The rate of interest will be determined according to the interest table that prevails at the Bank on the next business day.

9. Encumbrances

- a. The deposit and/or the account and/or our rights *vis-à-vis* the Bank in connection with the deposit and/or the account will not be transferable or assignable or capable of being encumbered or pledged to any person or body, except the Bank, unless the Bank's prior written consent thereto has been given.
- b. Where the deposit moneys have been encumbered, and so long as they are encumbered as aforesaid, we will not be entitled to perform any operation in the deposit account, including any withdrawal of money, except with prior written consent signed by the Bank.
- c. We are also aware that in a case in which the deposit and/or the account and/or our rights *vis-à-vis* the Bank are encumbered in favor of the Bank and/or in favor of another bank, in such case the deposit moneys will be subject to the provisions of any encumbrance agreement as aforesaid and the Bank will be entitled not to act as stated in Clause 3.

Notwithstanding anything stated in this clause and in Clause 3, if the amount of the deposit is encumbered to the Bank and/or to another bank, the Bank will be entitled not to transfer the amount of the deposit to the account. In the case of such encumbrance, the Bank will be entitled at any time to act in accordance with the agreement for the encumbrance of the deposit moneys, and any agreement and/or other undertaking which applies to the deposit and as required pursuant thereto.

10. Prohibition on premature withdrawal

We are aware that we will not be entitled to withdraw the deposit prior to the time of termination of the deposit period arriving or prior to the date of its renewal arriving (hereinafter: "Breakage"). If the Bank has, in its discretion and according to its conditions allowed Breakage of the deposit, the deposit or any part of the deposit which is withdrawn will not bear any interest and the Bank will be entitled to debit us with a Breakage penalty at the rate which is customarily practiced at the Bank at the time of the Breakage.

In addition, the amount of the deposit will not be transferable or assignable or capable of being encumbered, unless the Bank's prior written consent thereto has been given, except to the credit and to the order of the Bank as security for debts and/or obligations and/or liabilities in our name (as principal debtor, or as a guarantor, or otherwise) *vis-à-vis* the Bank and in accordance with the Bank's records.

11. Set-off and lien

Without derogating from any right the Bank may have pursuant to the Agreements or according to any law, the Bank will have a full right of set-off and lien over the deposit moneys and/or the account and/or our rights *vis-à-vis* the Bank, in respect of any liability and/or debt we may have to the Bank, whether alone or together with others, whether the liability or our debt arose in the past or may arise in the future, and all

our rights with respect to the deposit moneys will be subject to the Bank's right of lien and/or set-off. These provisions are in addition to and do not derogate from the Bank's right of set-off and/or lien pursuant to any other document.

Tax

The Bank will be entitled, in accordance with the provisions of the law, to deduct at source and/or in any other manner the tax (income tax and/or any other tax and/or levy) which may apply to the moneys deposited in the deposit and/or the interest in respect of these moneys (hereinafter: "**the Tax Deduction**") in a manner that the amounts in the deposit will only stand to my credit after the Tax Deduction.

Body corporate customer

Where the deposit has been made by a body corporate (hereinafter: "the Body Corporate"), the Body Corporate hereby confirms that it is duly incorporated, that it is authorized according to the corporate documents to perform the operation of making the deposit and that all the resolutions in connection with encumbering the deposit in the case in which it is encumbered have been passed and that the signature of the depositor on this document is binding on the Body Corporate according to law.

Force of conditions of the account

The conditions which apply to the account shall also apply to this deposit and same constitute an integral part thereof. Any instruction that was given with respect to the account and an authorization to act on the account shall be deemed to have been given also with respect to this deposit.

15. Telephonic instructions

Where a telephone instruction has been given by us, and the Bank has agreed to execute it, the contractual documents of the Bank in regard to the giving of instructions other than in writing shall apply to the aforesaid instruction as if same had been signed by us. The Bank's agreement to execute one telephone instruction shall not be deemed to be general consent and agreement to execute all our telephone instructions, unless the Bank has agreed thereto in advance.

16. Interpretation

In this document the plural shall also include the singular, and *vice versa*. And everything stated in connection with a person shall also include a body corporate, and *vice versa*. Where this document has been signed two or more persons, their signatures shall be deemed to bind all of them jointly and/or each of them severally, as against the Bank.

17. Subjection to provisions of the law

The terms and conditions of the deposit will be subject to the provisions of any law and to the directives of the competent authorities, as same may vary from time to time, and any change in such provisions shall be binding on the Customer notwithstanding the matters set for above.

Bank Jerusalem

Name and signature

Customer's signature