

Summary of Disclosure Pursuant to the Payment Services Law
Summarized Description of the Main General Terms and Conditions for the Management of an Account
Regarding the Provision of Payment Services

For your attention, the particulars appearing below constitute a summary only regarding provision of payment services. To obtain additional information, please review the remaining provisions of the General Terms and Conditions for the Management of an Account, which are available at all times at the Bank's branches and on the Bank's website: www.bankjerusalem.co.il

Account Management General Terms		For further details see Clause XX of the Terms and Conditions
Version _____ Date:		
General Terms		
Name of payment service provider	Bank of Jerusalem Ltd., Co 52-002563-6	
Address of payment service provider	The Bank has branches all over the country, as set forth on the Bank's website	
Substantial particulars in the General Terms and Conditions for the Management of an Account, in connection with the Payment Services Law		
Nature and quality of the service	Managing an account at the Bank for the customer, in which the customer shall be entitled to request the Bank, from time to time, to provide him with various banking services, including issuing debit cards, a cash withdrawal card, communication banking services, provision of credit, management of deposits, activities regarding securities, foreign currency and various types of service as the Bank may provide from time to time. In order to obtain additional banking services as aforesaid, the customer shall submit to the Bank individual applications and shall sign the Special Terms, to the extent required, in the texts and in the manner as shall be customary at the Bank from time to time, and the Bank shall examine the applications at its discretion and shall give the customer its reply.	1, 4-16
Succession of operations constituting means of payment, manner of use thereof and the vital component	<p>The customer's means of payment shall be approved from time to time by the Bank, at its discretion, based on individual applications for issue thereof to be submitted by the customer to the Bank from time to time.</p> <p>The means of payment which the Bank offers to its customers and the vital component in the means of payment are set forth in Appendix A to the Account Management General Terms and Conditions, as revised from time to time and published by the Bank. The principal means of payment currently offered by the Bank are:</p> <p>Giving payment instructions via the teller at the branch, giving payment instructions by telephone, whether to the branch or the Bank's telephone help desk, giving payment instructions via the Bank's website, giving payment instructions via written communication (SMS or WhatsApp), as well as via debit cards and bank cards which the Bank issues to its customers.</p> <p>General provisions concerning the manner of using the means of payment:</p> <ul style="list-style-type: none"> Use of the means of payment involves certain risks, as set forth in the Account Management General Terms and Conditions, and the customer shall act in a manner that will prevent misuse of the means of payment. <i>Inter alia</i>, the customer shall safeguard the means of payment and the vital 	27-41, 59, Appendix A to the Account Management General Terms and Conditions



	<p>component therein, and shall act according to the Bank's guidelines and the Account Management General Terms and Conditions.</p> <ul style="list-style-type: none">• Giving payment instructions via the various means of payment might require use of vital components, including use of various means of identification (such as username and password, one-time password) to be determined by the Bank.• The customer is entitled to give payment instructions via the beneficiary.• In order to give payment instructions on transfer of funds to a third party, the customer shall fill in the required particulars, including an identifying detail which the Bank shall determine for the customer in order to identify the beneficiary with certainty (e.g., beneficiary's name, Bank, account number and branch number). The customer shall ensure that the beneficiary's identifying particulars have been entered properly. It is clarified that in the event that the Bank effects payment operations based on these identifying particulars, such payment operation shall be considered to have been performed by the Bank properly with respect to the beneficiary's identity.	
Suspension of means of payment	The customer may, at all times, ask the Bank to suspend the use of any means of payment issued to the customer by the Bank (including suspension of a debit authorization), for a period of no more than 14 days after the date of the notice, or for a longer period to the extent the Bank enables it with regard to a particular means of payment.	61.A



	The Bank may suspend the use of any means of payment issued by it to the customer, if required as provided in any law, and on reasonable grounds, including a concern for impairment of security of the means of payment and/or concern for misuse thereof, or fraud, and/or real concern that the customer will not fulfill his obligation to repay any credit made available to him by the Bank which the customer uses for the purpose of payments made via the means of payment.	
Authorization to debit the account	The customer may apply to the Bank to establish authorization to debit the account, directly or via the Beneficiary, according to the form customary in the Bank from time to time, and via means that the Bank will make available to the customer from time to time. The Bank will enable the customer to limit the debit authorization in the account by amount and/or period, at the customer's choice. Both the customer and the Bank may cancel the authorization to debit the account at any time by a written notice to the other party.	59.A
Definition of business day	Every day, excluding Shabbat, days of rest, both days of Rosh Hashana, the eve and day of Yom Kippur, the first and last days of Sukkot, Purim, the first and 7th days of Passover, Independence Day, Shavuoth, Tisha Be'av, and any day determined by the Supervisor of Banks as a day which is not a bank's business day.	2.15
Definition of business day for foreign currency	A business day which is also a day on which the Bank actually performs transactions in the relevant foreign currency, without limit to the amounts of the transactions.	2.16
Period of contractual arrangement regarding account management terms and methods of renewal thereof	The Account Management General Terms and Conditions are not delimited by time and will remain in effect until the Bank or the customer notifies or decides to close the account and to terminate the contractual arrangement.	
Renewal of contractual arrangement regarding account management terms and conditions	To the extent the account is closed, whether on the initiative of the Bank or the customer, it will not be possible to renew the contractual arrangement on the same management terms. Opening a new account will constitute a new and separate contractual arrangement.	76.1, 76.3
	To the extent the Bank issues to the customer a means of payment for which an expiry date is determined, if on the said expiry date the Bank issues to the customer an alternative means of payment - the previous contract shall be considered to have been renewed on the same terms.	



Termination of contractual arrangement regarding the account management terms and conditions (closing the account) and/or termination of contract to provide the services of issuing means of payment or clearing payment operations	<ul style="list-style-type: none"> • Customer's termination of the contractual arrangement regarding the Account Management General Terms and Conditions: The customer may terminate the contractual arrangement regarding the Account Management General Terms and Conditions, at any time, by a written notice to the Bank. To the extent there is no legal impediment for doing so, the Bank shall close the account within 5 business days after the date on which the customer has completed all operations required to close the account as set forth in the Account Management General Terms and Conditions. • Termination of contract regarding issue of means of payment or clearing payment operations: The customer may terminate the contractual arrangement under the contract at any time by a written notice to the Bank, and the contract shall be terminated at the end of the business day after the date on which the notice was delivered. • The Bank's termination of the contractual arrangement under the Account Management General Terms and Conditions or the contract for the issue of means of payment: The Bank may terminate the contractual arrangement under the Account Management General Terms and Conditions and close the account and/or terminate the contract for the issue of means of payment after giving the customer 45 days' prior written notice, except in extraordinary circumstances justifying immediate termination of the contract. 	76.1, 76.2
Dates/times concerning the provision of payment services	<p>End of business day for the purposes of giving the Bank a payment instruction: Any request or instruction received by the Bank after the hour published by the Bank from time to time regarding the end of the business day at the relevant branch or automatic facility, or via the relevant means of communication, or at the last hour for receipt of request or instruction of this type for execution on that business day or foreign currency business day, as the case may be, shall be considered to have been received by the Bank on the following business day or foreign currency business day.</p> <p>The dates anticipated for completion of a payment operation: The dates for executing a payment operation vary according to the specific characteristics of each payment operation. The Bank will present to the customer anticipated dates for execution of payment operations at the time of giving the payment instruction to the Bank directly, in accordance with the channel via which the payment instruction is given.</p> <p>Date for crediting the account by virtue of a payment instruction given by a third party for the customer: The customer's account will be credited on the same business day on which the funds were received by the Bank or at a later date, in circumstances set forth in the Account Management General Terms and Conditions.</p> <p>Date for the Bank to give its response to a request for authorization to debit an account, submitted to the Bank by the customer or via the Beneficiary: Within 5 business days after the Bank's receipt of the request.</p> <p>Date on which cancellation of authorization to debit an account takes effect: Within one business day after receipt of the customer's notice concerning his decision to cancel an</p>	<p>17.1.4</p> <p>33</p> <p>17.1.6</p> <p>59.2</p> <p>59A.4</p>



	<p>authorization to debit the account (whether given to the Bank directly by the customer or via the Beneficiary).</p> <p>The customer's notice to the Bank concerning cancellation of a particular debit by virtue of an authorization to debit the account: Within 3 business days after the debit date.</p> <p>The customer's notice to the Bank concerning theft or loss of the vital component in the means of payment or of misuse of the means of payment: As soon as the customer learns of the loss or theft, or of the misuse, as the case may be.</p>	<p>59A.5</p> <p>62A.2</p>
Amounts payable by the customer for the service	The customer shall pay the Bank account management commissions as well as commissions according to the services to be given to the customer from to time by virtue of these Terms and Conditions, as set forth in the pricelist published on the Bank's website.	
Deduction of commissions or charges from funds transferred to the account	According to the Account Management General Terms and Conditions, and as stipulated in Section 14(b) of the Payments Services Law, the Bank may deduct any debt, charge, commission, expense, cost or commission due to it from the customer out of funds due to the customer as beneficiary in the account, including by virtue of an instruction to transfer funds to the account given by a third party.	70.2
Terms of liability in respect of the service, defect in executing a payment instruction and liability for misuse of means of payment.	<p>The Bank's general liability: The Bank shall be liable in circumstances imposing liability on the Bank under the law and in case of the Bank's breach of its duty under the law or its negligence. The Bank shall be exempt from liability in circumstances specified in the Account Management General Terms and Conditions and in the law.</p> <p>The customer's general liability: The customer will be liable in the circumstances set forth in the Account Management General Terms and Conditions.</p> <p>The customer's liability for misuse of the means of payment: The customer's liability for misuse of means of payment is limited to amounts set forth in the Account Management General Terms and Conditions, and no liability shall apply to the customer concerning misuse of means of payment, excluding the liability stipulated for him in Clause 62A of the Account Management General Terms and Conditions.</p>	<p>4.8, 11.2.11, 12.2, 13.4, 14.2, 15.3, 15.6, 26.2, 48.6, 59.1, 62A, 65, 113, 115.2, 141.1, 143.3, 144.3, 145.7, 152, 154.4, 155.1, 157</p>
	The Bank's liability for a defect in executing a payment operation: The Payment Service Law stipulates a normative framework regarding the Bank's liability with respect to a defect in effecting a payment operation. The Bank shall not be liable for any damage or expense that may be caused, if any, to the customer and/or any third party, due to a defect in performing a payment operation that was caused due to an action or omission by the customer and/or anyone on behalf of the customer and/or by any other payment service provider.	
Terms for cancelling a payment instruction and the related dates, as well as instructions that cannot be cancelled	The customer may cancel a payment instruction given by him to the Bank subject to fulfillment of all the following conditions, to the Bank's full satisfaction: (a) the payment instruction which the customer wishes to cancel is of the type that can be cancelled; (b) the payment instruction has not yet been executed; (c) the customer has furnished to the Bank a written application to cancel the payment instruction by the end of the business day on which the original payment instruction was given to the Bank, or by the latest time at which it is possible to cancel the payment instruction, as the Bank shall publish from time to time on the website regarding the various types of payment instruction and/or as the customer shall be advised on the date on which the payment	17.3



	<p>instruction was given to the Bank; and (d) the Bank will be able to discontinue execution of the payment instruction in accordance with reasonable technological limitations applicable to the Bank.</p> <p>Payment instructions for immediate execution or given as part of a secured payment operation, as defined in the Payment Services Law, may not be cancelled.</p>	
Waiver by a "business" of various rights and protections under the Payment Services Law	As stipulated in the Account Management General Terms and Conditions, the provisions of Sections 14, 19 and Chapter F of the Payments Services Law (regarding misuse of means of payment), as well as the clauses in the Account Management General Terms and Conditions deriving from such Sections, shall not apply to customers whose annual sales turnover exceeds NIS 30 million.	62.C

GENERAL TERMS AND CONDITIONS FOR MANAGING AN ACCOUNT

PART ONE: OPENING AND MANAGING AN ACCOUNT

CHAPTER ONE: INTRODUCTION

1. Request for banking services

- 1.1 The customer is requesting that the Bank open an account for him in which the customer from time to time ask the Bank to provide him with various banking services, including the management of deposits, provision of credit, activity in securities and various spheres of activity and types of service. For the purpose of the aforesaid, the customer shall submit individual requests to the Bank, in the form of wording and manner customary at the Bank from time to time.
- 1.2 The allocation of an account number, furnishing of a copy of the account opening documents or submission of any request to the Bank shall not oblige the Bank to provide any service or constitute the Bank's approval of the account's management or its management in the spheres of activity or through the types of service chosen by the customer. The decision whether or not to fully or partially accept any request of the customer shall be in the Bank's discretion, without it having to give grounds for its decision, subject to the law. The Bank may agree to execute a request of the customer even if the customer has not yet signed a designated request. It is hereby agreed that an act done in the account constitutes proof that the account has been made available to the customer.
- 1.3 Without derogating from the generality of the aforesaid, it is agreed by the customer that the Bank provides banking services in accordance with the policy determined from time to time and that it does not provide all the banking services at all its branches. The customer agrees that the Bank may add to and/or derogate from the type of services provided by it in accordance with any change in its policy, including the addition and/or removal of the possibility of the customer drawing checks on his account and any other change. Any change as aforesaid shall bind the customer upon the Bank's notice to the customer, provided that such shall not affect acts done by the customer prior to the change in reliance on the Bank's previous policy. The customer undertakes to cooperate with the Bank in such cases, including by returning the checkbooks in his possession and any other act.
- 1.4 **The Bank and the customers agree that the following terms and conditions for managing the account and the services rendered in connection therewith, shall be subject to the provisions of any law in effect from time to time.**

2. Definitions:

- 2.1 **"means of payment"** - succession of acts which the customer has to do in order to give payment instructions to the Bank, whether or not it includes use of an object or item specific to the customer designed to verify his identity.
- 2.2 **"credit"** – any transaction, service or act of whatsoever type pursuant where to or by virtue where of or in consequence of which a debt, liability or obligation of the customer to the Bank arises, or by virtue of which a debt, liability or obligation as aforesaid arises in future, in Israeli currency or in foreign currency, in Israel or overseas, and including – a credit facility, one-time credit, revolving credit, fixed-term loans, credit cards, discounting of bills, giving of a guarantee or indemnity at the customer's request, documentary credit, activity in securities, provision of service or other payment, issued at the customer's request and in respect of which the Bank is obliged to make any payment;
- 2.3 **"collateral"** – including any guarantee, surety, charge and pledge of whatsoever type that has been and/or shall be given to the Bank by the customer and/or any third party for the customer, including a guarantor of the customer, pledgor of an asset as a guarantee for the customer's obligations, and all the rights, assets and monies of whatsoever type now and/or in future deposited in the customer's name at the Bank and/or held by the Bank and/or anyone on its behalf for the customer and all the bills, monies (in Israeli currency and in foreign currency), assets, negotiable documents, non-negotiable documents, deposits, securities, chattels, other rights of whatsoever type and the consideration of any of the aforesaid that the customer and/or the customer's guarantor has furnished the Bank at any time for collection and/or custody and/or as collateral and/or otherwise;
- 2.4 **"law"** – as defined in the Interpretation Law, 5741-1981 and any law, regulation, order, directive, instruction, permit, request and demand of a government authority, including Bank of Israel and the Supervisor of Banks, as governing and in force from time to time;
- 2.5 **"the Bank"** – Bank of Jerusalem Ltd and any of its branches or offices;



- 2.6 **"expenses"** – any expense incurred by the Bank in connection with the customer's account, including in respect of the sending of notices and preparation of documents, registration of collateral, execution and court fees, legal costs (including advocates' professional fees) and any other expenses involved in the account's management and doing of any act in the framework thereof, subject to any other specific definition in this agreement;
- 2.7 **"payment instruction"** - the customer's instruction to the Bank to effect a payment operation, given via means of payment, including if given by means of another, including the beneficiary, excluding a payment instruction by means of a bill, as defined in the Bills Ordinance.
- 2.8 **"the index"** – the consumer price index, also known as the cost-of-living index, including fruit and vegetables, which is published by the Central Bureau of Statistics (hereinafter referred to as **"the CBS"**), including such index even if published by another government entity and including any official index replacing it, whether or not built on the same data as the existing index. If the existing index is replaced by another index, the CBS shall determine the ratio between them, and if it does not do so within six months of the other index's publication, the ratio shall be determined by the Bank in consultation with economic experts, provided that the determination as aforesaid shall apply to all the Bank's customers;
- 2.9 **"authorization to debit"** - authorization given by the customer to the Bank to effect a payment from his account or via the customer's means of payment, at the demand of a beneficiary and subject to the terms and conditions specified in the authorization.
- 2.10 **"access privilege"** – as specified in section 12a1 of these terms and conditions.
- 2.11 **"debt", "the customer's debt", "debt amounts"** – any obligation or debt of the customer to the Bank and all amounts – in Israeli currency and in foreign currency – now or in future due to the Bank from the customer, in any account and/or in any way and/or on any cause, whether their payment date has arrived or not and whether their payment date is conditional upon the fulfilment of any conditions, including amounts that have been called for immediate payment by the Bank pursuant to this agreement or any other agreement or at law, and/or any liability deriving from an undertaking given by the Bank at the customer's request or pursuant to the terms and conditions of any agreement with him, even if their payment date has not yet arrived and even if demand for payment in respect thereof has not yet been sent, and including in respect of any demand for collateral of the Bank or any other entity executing acts for the customer's account;
- 2.12 **"month"** – a Gregorian month;
- 2.13 **"Payment Services Law"** - the Payment Services Law, 5779-2019, as amended from time to time, and all the provisions, regulations and orders issued by virtue thereof.
- 2.14 **"account" or "the customer's accounts"** – the account the number of which is specified in the account opening request, in Israeli currency or in foreign currency, as the case may be, including the "current account" or any other account managed in the framework thereof or any other account replacing it, and any other account of the customer or held by him at the Bank that is used for any activity, including a business name account, subject to the provisions of this agreement;
- 2.15 **"Payment Account"** - without derogating from the definition of "Account" above, an account designated, *inter alia*, for executing payment operations.
- 2.16 **"business day"** – any day except for Saturdays, national Israeli holidays, the two days of Rosh Hashana, the eve of Yom Kippur and Yom Kippur, the first and eighth days of Succoth, Purim, the first and seventh days of Passover, Israeli Independence Day, Shavuot, the 9th of Av and any day that the Supervisor of Banks decides is not a bank business day;
- 2.17 **"FC business day"** – a business day that is also a day on which the Bank actually executes transactions in the relevant foreign currency, without limitation as to the amount of the transactions;
- 2.18 **"LIBOR" (London Inter-Bank Offered Rate)** - the rate to be decided from time to time as the highest interest rate at which interbank deposits in the loan currency for a 6-month period are offered on the Interbank Euro Market in London. This interest rate will be determined in the way that is customary for that purpose at the Bank from time to time, including, if so customary at the Bank, according to the interest rate determined by the British Bankers Association (BBA) quoted at 11:00 (London time) or thereabouts, published by the Reuters news service. To the extent that, at any relevant time, the above interest rate is not published by the Reuters news service, as aforesaid, the Bank will determine the LIBOR rate in the above manner based on the publications of another news service or on any alternative interbank interest rate that is published which may, in the Bank's opinion, constitute an appropriate alternative to the LIBOR interest rate which was normally published by Reuters.
- 2.19 **"customer"** – including customers, anyone whose details and signature or approval appear in the account opening request;



- 2.20 **"FC"** - foreign currency;
- 2.21 **"IC"** – Israeli currency;
- 2.22 **"credit facility"** – any facility for the receipt of credit in the account that has been approved for the customer by the Bank, as provided below in this agreement;
- 2.23 **"securities"** – all securities and the income thereon of whatsoever type (including all the rights and benefits ancillary and/or added to the aforesaid securities), whether issued pursuant to a prospectus or without a prospectus, whether or not listed for trade on a stock exchange in Israel or overseas, whether traded on the stock exchange and/or off the stock exchange and/or through banks and/or through corporations and/or other entities, in Israel and overseas; including securities included in the definition of the Securities Law, 5728-1968, securities issued by the State and/or pursuant to special laws, bonds of any type, convertible securities, warrants and/or rights, various types of mutual fund participation units, foreign securities, as defined below, financial assets as defined below, any right to receive monies, assets or any other right deriving from the execution of future transactions and/or option transactions and/or transactions with rights and/or any other transaction executed in connection with and/or through future or financial assets and/or rights generally traded on the capital markets;
- 2.24 **"end of business day"** - the time for the end of a business day, or foreign currency business day, as published by the Bank from time to time on the website, at its branches or in any other way determined by it.
- 2.25 **"the Bank's books"** – including any book, ledger, deposit or account statement, loan agreement, undertaking, bill signed by the customer, card index, spreadsheet and any electronic computer data storage means made in the Bank's ordinary course of business;
- 2.26 **"acts in the account"** – the execution of any act in connection with assets and/or rights existing in the account and/or the execution of a payment instruction, conversion instruction and/or any other instruction in connection with the account by the customer and/or an authorized signatory on his behalf;
- 2.27 **"payment operation"** - transfer of funds by or for the customer (even if the customer in question is one and the same), including: (1) transfer of funds deposited in one account to another, provided that one of them is a payments account; (2) deposit of cash in a payment account; (3) withdrawal of cash from a payment account. It is clarified that a payment operation made by virtue of a bill shall not be considered a payment operation for the purposes of this Agreement.
- 2.28 **"maximum interest"** – the highest interest rate customary at the Bank from time to time that also embodies the unauthorized overdraft supplement, in respect of debit balances in current accounts in IC or FC (depending on the type of account and the case), and where there is a credit facility, balances deviating from the credit facility and/or balances not paid to the Bank on time;
- 2.29 **"prime interest", "prime"** – the prime interest rate prevailing at the Bank from time to time and in the event that the Bank stops publishing prime interest – the nominal annual interest rate for the base interest prevailing at the Bank from time to time in shekel current loan accounts, on approved credit facilities and/or any other definition given by the Bank for prime interest;
- 2.30 **"records"** – including any record or copy of a record made or copied in handwriting or by way of typewriter, printing, duplication, photocopying or through any mechanical, manual, magnetic, optical, electrical or electronic device or electronic computer recording means or any other means of recording or presenting words or figures or any other marks customary at the banks;
- 2.31 **"(the) vital component"**, in the means of payment - a component in the means of payment, specific to the customer, including the verification object or item of which use was made as part of the means of payment, or combination of such components, by means of which the owner of access to the component or combination of components can give a payment instruction, all as determined by the Bank regarding various means of payments and/or different types of payment instructions, as set forth in Appendix A attached to these Terms and Conditions, as revised from time to time by the Bank and transferred to the customer by a method customary at the Bank.
- 2.32 **"bill/s"** – as defined in the Bills Ordinance, including promissory notes, bills of exchange, checks, documents of title, assignments of right, payment orders, negotiable documents of any type and any other document embodying an obligation that may be transferred by delivery, endorsement or otherwise without the need for a third party's consent;
- 2.33 **"misuse", of means of payment** - use of means of payment or the vital component thereof by whoever is not entitled to do so according to the Account Opening Request and these Terms and Conditions, and/or any other specific agreement between the Bank and the customer in connection with the issue of means of payment to the customer.
- 2.34 **"check"** – as defined in section 72 of the Bills Ordinance (New Version);

- 2.35 **"electronic banking services"** – as provided in Chapter Five of Part One of this Agreement.
- 2.36 **"open banking services"** – a service that allows the customer to grant access privileges to third parties to information in the customer's account.

CHAPTER TWO:

PROVISIONS RELATING TO THE CUSTOMER AND THE TYPE OF ACCOUNT

Article One: The Account's Characterization

3. **Account of an individual customer**

An account managed in the name of one customer, who is an individual, whether opened as such from the outset or becoming an individual account after the opening thereof.

4. **Joint account**

- 4.1 A joint account is an account managed in the name of two or more customers, whether individuals, corporations or individual/s with corporation/s, opened as such from the outset or becoming joint after the opening thereof.
- 4.2 A condition for the rights of each customer who is the joint holder of an account (hereinafter referred to as **"the joint account holder"** and jointly as **"the joint account holders"**) is that he has signed this agreement and all the Bank's documents that are required for the account's opening. Where the customer has requested to open a joint account with another person who has not yet signed the documents required by the Bank for such purpose, the other person shall in no event be deemed a joint account holder until he has signed the aforesaid documents, and the mere mention of his name in the account documents shall not vest him with any rights in the account.
- 4.3 All the joint account holders are jointly and severally responsible and liable vis-à-vis the Bank for all the debts directly or indirectly relating to or deriving from the joint account.
- 4.4 All the deposits in the joint account and any right of a customer vis-à-vis the Bank in connection with the joint account shall be deemed, vis-à-vis the Bank, as belonging to all the joint account holders jointly and severally. For the avoidance of doubt, it is hereby clarified to the customer, and he agrees thereto that he is not entitled as against the Bank to a certain or defined portion of what is deposited in the Account and of the rights therein.
- 4.5 An agreement between the joint account holders shall not bind the Bank, whether or not it was aware of the contents thereof, unless the Bank has agreed expressly and in writing to act in accordance with its provisions. Without derogating from the aforesaid, the exemption for any reason of a joint account holder from his duty to perform any obligation pursuant to the agreement shall not derogate from the liability of the other joint account holders vis-à-vis the Bank.
- 4.6 Signatory rights in the joint account:
- 4.6.1 A joint account requires the combined signature of all the joint account holders, excluding an instruction to suspend any of the means of payment in the account, which may be given separately by any one of the joint account holders.
- 4.6.2 Notwithstanding the aforesaid, if the joint account holders have given notice that the signatory rights shall rest with each of them severally, each of them may alone execute any act in the joint account and to give any instruction in connection with the joint account (hereinafter referred to as **"the authorization"**), including: payment instructions, instructions to suspend the use of any means of payment, to obtain credit, with or without collateral, to withdraw from and debit the account, whether it has a credit balance or a debit balance, for the benefit of himself or others, to charge the account, to grant access privileges to third parties to financial information in the customer's account, and to sign for the purpose of all the aforesaid any document required, in the Bank's opinion, and the Bank may treat such signature as binding all the joint account holders. Nonetheless, the Bank may in suitable circumstances, in its discretion, demand that instructions in connection with the account shall be given by all the joint account holders together. The aforesaid shall not be interpreted as meaning that the authorized signatory may authorize someone else to do any act as aforesaid.
- 4.6.3 The authorization shall be cancelled on the occurrence of one of the following events, provided that the Bank, through one of its authorized entities, has received written notice of the event's occurrence:
- 4.6.3.1 the Bank receives notice cancelling the authorization from one or more of the joint account holders (or anyone replacing him pursuant to any law or court order), provided that the cancellation notice shall not apply retroactively and/or to a service that has already been provided by the Bank;
- 4.6.3.2 the Bank is given notice of any diminishment or change in the independent capacity, *de jure* or *de facto*, of one of the joint account holders, excluding cases of death, to which the

provisions of clause 4.8 below shall apply, and including cases of bankruptcy, declaration of legal incapacity, grant of an order for instituting proceedings under the Insolvency and Economic Recovery Law, 5778-2018 (hereinafter: "**Insolvency Law**") against or in the matter of the customer, a liquidation order against the customer, appointment of a provisional liquidator, grant of a receivership order and a creditors' arrangement.

Each of the joint account holders may severally receive any information in connection with the account, even if the signatory rights in the account are joint.

4.7 The right to act in a case of death – survivorship clause

4.7.1 In the case of an account the joint account holders of which, or some of them, are individuals, if a suitable instruction is given in advance and so long as another instruction has not been given in accordance with clause 4.6 above, on the death of one or more of the joint account holders, the surviving joint account holders may continue to act in the account and to give instructions in relation thereto for all intents and purposes, including payment instructions with regard to the withdrawal or transfer of the monies, deposits, securities and bills deposited in the account, and they may open any safe deposit box, if they had a right to open it alone when the deceased joint account holders were alive, and without derogating from and subject to the aforesaid, in the case of an account in which each of the joint account holders is authorized to act alone, or in any other combination of the account holders, the account holders may act in accordance with this authorization. The provisions of this clause are subject to directives and instructions that will be given by the Bank of Israel from time to time.

4.7.2 It is expressed that the above provisions regarding the survivors' right to act in the account only applies on the level of the relationship between the Bank and the joint account holders and do not amount to a determination regarding the ownership relations between the joint account holders inter se or between them and their heirs, in relation to the monies, deposits, securities and bills deposited as aforesaid or in relation to any property deposited in a safe-deposit box; however, the Bank shall be exempt from any liability and claim if it acted in accordance with the instructions of the surviving joint account holders or their authorized signatories as aforesaid.

4.7.3 If the joint account holders or some of them notify the Bank in writing that they do not agree to the survivors continuing to give instructions in the account, on the death of some of the joint account holders, the surviving joint account holders or anyone authorized on their behalf to act in the account in accordance with the law may only execute acts in the account with the administrator of the estate, and if an administrator of the estate has not been appointed, only together with all the heirs, provided that such notice shall not apply to instructions or acts that have already been done prior to the notice's receipt by the Bank. It is expressed that notwithstanding the aforesaid, the Bank may act in accordance with the survivors' instructions so long as it has not received such notice, or if in the Bank's opinion the notice's contents are unclear.

4.7.4 Notwithstanding the aforesaid, the Bank may, in any event, without obligation, prevent certain and/or all acts in the account, if it believes for cautionary reasons that such is necessary and/or if a probate order or succession order has not yet been given, and the surviving joint account holders and/or the heirs and/or the administrator of the estate and/or any third party shall not have any claim and/or plea against the Bank in such regard.

4.8 The customer hereby exempts the Bank from liability for any reasonable expense, loss or damage that might be occasioned to him, directly or indirectly, as a result of an act of a joint account holder who is authorized as provided above in this clause (in its entirety) or as a result of any act done by the Bank on the basis of any instruction or request of the aforesaid authorized signatory, provided that the Bank shall not be exempt if the damage, loss or expense was occasioned as a result of its negligence, including in deviation from the authorization, or if they were caused in circumstances imposing liability on the Bank under the law.

5. Account managed in the name of a corporation

5.1 Where the account is opened in the name of customers which are a corporation, or where one or more of the customers is a corporation, the account's management and/or the corporation's activity in the framework of the account shall also be governed by the provisions of this clause.

5.2 The persons who have been authorized by the corporation, as provided in minutes of a resolution of the corporation that was duly passed and/or certificate of the corporation's attorney that shall be annexed to the account opening request, in the composition and manner noted in the minutes and/or certificate (hereinafter referred to as "**the authorized signatories**"), may represent the corporation and act in its name and stead in all its business and activity with the Bank, including: to open the account as aforesaid and to manage it in the



corporation's name on the terms and conditions set forth below, and on the terms and conditions customary at the Bank from time to time, and to sign any document required by the Bank for such purpose, until receipt of minutes and/or an attorneys' certificate from the corporation regarding the passing of another resolution by the corporation. By signing the account opening request, the corporation warrants and confirms that any written undertaking signed or appearing to be signed by the authorized signatories in its name and any request or act in the account by the authorized signatories in its name, as well as any act or instruction performed by the Bank on the instructions of the authorized signatories, including any payment instruction and/or instruction to suspend the use of any of the means of payment, shall bind the corporation for all intents and purposes. In the account of a body corporate, the Bank will be entitled to come to an agreement with a customer which is a body corporate that anyone who has been authorized by the customer will act alone in the framework of electronic banking services, also in places in which the authorization to act in the account other than in an electronic banking framework is different, subject to receiving authenticated approval from the competent entity in the body corporate. Without derogating from the aforesaid, it is hereby clarified that each of the authorized signatories, separately, shall be entitled to give the Bank instructions to suspend any of the means of payment in the account.

- 5.3 If the corporation is a registered partnership or registered limited partnership, as the case may be, all the partners warrant that they are the only partners or the only general partners, respectively, in the partnership, and that they are jointly and severally liable vis-à-vis the Bank for all the instructions and acts executed in the corporation's name by the authorized signatories, without derogating from their liability pursuant to any law and/or from the corporation's liability to the Bank for all intents and purposes.
- 5.4 Without derogating from the corporation's duty to obtain the Bank's consent where necessary, the corporation undertakes to notify the Bank in advance, or immediately upon learning thereof, of any change in the corporation's structure, holdings composition, corporate documents and/or of any event as defined below in clause 5.6. The notice's receipt by the Bank does not amount to consent to its contents.
- 5.5 Until receipt of notice as aforesaid, the Bank may treat the corporation as continuing to exist as though the change and/or event had not occurred, and the corporation, and in the case of a partnership – also all the partners, and all those acting in their name or stead, shall continue to be jointly and severally liable for all the corporation's debts and obligations.
- 5.6 The aforesaid does not derogate from the liability of the corporation, and in the case of a partnership – also from the liability of the partners, jointly and severally, for all the debts and obligations of whatsoever type of the corporation, currently existing or existing at the time notice as aforesaid is given, whether or not their payment date has arrived.

For the purposes of this clause, "event" means that the corporation has been or is about to be struck off from a register that is kept pursuant to any law, or that a liquidator or receiver or similar official has been appointed for the corporation's property or part thereof, or that an application has been filed for an appointment as aforesaid, or that a liquidation application or receivership application has been filed, or that a creditors' meeting has been convened, or that a compromise offer or arrangement has been approved or made between the corporation and its creditors, or that a suspension of proceedings order has been issued or applied for against the corporation, or that rehabilitation proceedings have been commenced, or that the corporation has passed a winding up resolution, and in the case of a partnership – also any change deriving from the addition, replacement, bankruptcy, retirement or death of any partner or partners in the partnership.

6. Business name account

Where the customer has instructed, in the account opening request, that the stamp of a business name that is the name of a registered business or the name of an unregistered business (hereinafter referred to as "**the business name**"), or the printed business name, be added to the signature of the person authorized to act in the account, the customer confirms, warrants and undertakes, by signing the request, as follows:

- 6.1 the use of the business name does not negate or derogate from the customer's obligations to the Bank pursuant to these terms and conditions, pursuant to any other document that has been and/or shall be signed by him vis-à-vis the Bank and pursuant to any law;
- 6.2 the customer or customers constitute all the persons / entities managing their business under the business name and there is no other person / entity claiming any right in connection with the business name and no other business is being managed under this name;
- 6.3 the Bank may honor and execute any instruction in connection with the account bearing the signature/s consistent with the instructions given to the Bank by the customer together with the business name stamp or



the printed business name. Without derogating from the aforesaid, it is expressed that the Bank may collect, for the customer, checks, bills and other documents drawn up or endorsed to the order of the business name;

- 6.4 the customer undertakes to indemnify and compensate the Bank, immediately on the Bank's demand, for any demand or claim addressed to the Bank deriving from use of the business name in accordance with his request as aforesaid, save for a claim deriving from the Bank's negligence;
- 6.5 the Bank may cancel its consent to the use of the business name at any time, in its exclusive discretion, on notice to the customer.

7. Account managed in the name of a recognized entity

Where the account is opened in the name of a customer which is a recognized entity, as defined in the Checks Without Cover regulations, 5741-1981, the persons whose details appear in the minutes annexed to the account opening request, in the composition and manner noted in the minutes, shall be authorized to act in the account and to debit it for all intents and purposes, until other minutes are received from the recognized entity, in a form of wording satisfactory to the Bank.

8. Account of a minor that is opened by another

- 8.1 Where the account is opened in the name of a customer who is a minor, by his parents as natural guardians or either of them, a court-appointed guardian or any third party (hereinafter referred to as "**the minor's representatives**"), the account's management shall also be governed by the provisions of this clause.
- 8.2 The minor's representatives agree and undertake that the account shall be managed in accordance with these terms and conditions as customary at the Bank from time to time with regard to minor's accounts, and in compliance with the provisions of any law applicable to the management of a minor's account, including the provisions of the Legal Capacity and Guardianship law, 5722-1962 and the regulations pursuant thereto, or any other law replacing it, as shall be from time to time.
- 8.3 The minor's representatives are liable for the correctness of the minor's details and the other details furnished by them, and they undertake to notify the Bank of any change therein.
- 8.4 Where the account has been opened by someone who is not the minor's parent or his appointed guardian, the person opening the account undertakes on behalf of the minor that the monies and the rights in the account constitute a gift to the minor and that he will notify the minor's parents or his guardian, as the case may be, about the giving of the gift.
- 8.5 So long as the Bank does not receive written instructions to the contrary from the minor's representatives, before he turns 18, it may honor and execute any instruction in the account, including the withdrawal of monies, if signed in the composition and manner noted in the account opening request and all subject to any law, including provisions of the Legal Capacity and Guardianship Law, 5722-1962 and the regulations thereunder, or any other law which may come in its stead, as may apply from time to time.
- 8.6 Notwithstanding the aforesaid, the Bank may demand that certain documents and/or any request, or in special circumstances – all the activity in the account, be signed and/or given by all the minor's representatives together and/or that an application or operations in the account or in special circumstances will only be possible subject to obtaining express written consent from the Administrator General or a court.
- 8.7 On turning 18, the minor alone shall be entitled to act in, give instructions and manage the account, unless otherwise determined by the court, with this subject to performing the acts required in accordance with the Bank's procedures as same apply at that time, including compliance with the identification and verification rule as required according to the law and the Bank's procedures.

9. Minor's account opened by the minor (youth account)

- 9.1 Where an account is opened by a customer who is a minor, by the minor himself, it is agreed that the account shall be opened and managed solely in accordance with the provisions of any law governing minors' accounts of the same type as the account, as shall be from time to time.
- 9.2 Where the Bank, pursuant to the provisions of any law or in its discretion, requires the consent of the minor's parents or guardian, as the case may be, for the opening of the account and/or any act therein, the customer agrees that he shall not do any act as aforesaid before obtaining the consent of his representatives as aforesaid.

10. Trust account

10.1 Trust account pursuant to a trust agreement / endowment deed

- 10.1.1 Where the Bank has agreed, at the request of a customer who is a trustee pursuant to a trust agreement or an endowment deed (hereinafter referred to as "the trustee") to open an account in his

name and manage it as a trust account, the account's management shall also be governed by the provisions of this clause.

10.1.2 The trustee warrants that the account is being opened for the benefit of the beneficiary as specified in the account opening request (hereinafter referred to as "the beneficiary") and in accordance with the trust agreement and that he undertakes to manage the account for the benefit of the beneficiary in compliance with any duty imposed on him as trustee pursuant to the trust agreement and at law. The Bank does not and shall not bear any liability for the performance of the trustee's obligations pursuant to the trust agreement.

10.1.3 It is warranted that the trustee is liable for the correctness of the beneficiary's details and the other details furnished by him and he undertakes to notify the Bank of any change therein.

10.1.4 Where the account is opened by two or more trustees, the account shall also be governed by the following provisions:

10.1.4.1 the right to act in the account on behalf of the trustees shall be in the composition and manner noted in the account-opening request. Where the trustees have not given the Bank instructions as to who is entitled to act in the account, the right to act in the account shall rest with all the trustees jointly. Where one of the trustees is provisionally or permanently unable to perform his position, the account shall be operated in accordance with the court's instructions;

10.1.4.2 in the case of an endowment account, the right to act in the account shall be in accordance with the Registrar of Endowment's approval, the provisions of the document creating the endowment or the court's instructions.

10.2 Trust account at law

10.2.1 Where the Bank has agreed to the request of a customer appointed by the court in any official capacity (such as liquidator, receiver, special manager, trustee, administrator of an estate and the like) (hereinafter referred to as "**the trustee at law**") to open an account in his name and manage it in accordance with a court decision that has been furnished to the Bank, the account's management shall also be governed by the provisions of this clause.

10.2.2 The trustee at law undertakes to manage the account in accordance with the instructions of the court and/or any competent authority, as shall be from time to time, and in compliance with the provisions of any law.

10.2.3 The trustee at law undertakes to notify the Bank of any addition to or change in the court's instructions in connection with his appointment.

10.2.4 Where the account is opened by two or more trustees at law, the account shall also be governed by the following provisions:

10.2.4.1 the right to act in the account on behalf of the trustees at law shall be in accordance with the court's instructions. In the absence of instructions as aforesaid, the right to act in the account shall rest with all the trustees at law jointly;

10.2.4.2 on the death of any of the trustees at law, the survivors may not act in the account until instructions have been received from the court.

10.3 An account in the name of a person for whom a guardian has been appointed - opened by a guardian

Where an account is opened in the name of a customer who is a person for whom a guardian has been appointed, by a guardian in accordance with a court decision that has been furnished to the Bank, the account shall also be governed by the above provisions of this clause regarding a trust account at law.

10.4 Indemnity and compensation

Where the account is opened as a trust account, minor's account or in the name of a person for whom a guardian has been appointed, as the case may be, the trustee / trustee at law, minor's representative or the guardian for a person for whom a guardian has been appointed, undertake, respectively, without derogating from and in addition to any other provision in these terms and conditions, to indemnify and compensate the Bank for any demand or claim addressed to the Bank deriving from or relating to the account's management by any of them other than in accordance with their special obligations as set forth above.

Article Two: General Provisions Governing The Customer's Activity

11. The customer's activity through an attorney

11.1 Activity through an attorney (hereafter referred to as "**the attorney**") shall be conditional upon the customer signing a power of attorney in the Bank's customary form of wording and (hereinafter referred to as "**power**")

of attorney") upon the Bank's consent to the attorney's appointment. So long as the Bank has not approved the power of attorney, as customary at the Bank, it shall not be liable to act in accordance with the attorney's instructions.

11.2 Where the Bank has approved the customer's request, the following provisions shall apply:

- 11.2.1 the attorney's powers shall be unlimited or limited, as provided in the power of attorney and subject to the Bank's approval;
- 11.2.2 all the attorney's acts, including his notices, representations and intentions, signature on various documents and undertakings, instructions, acts, omissions and anything that he does or does not do – shall bind the customer;
- 11.2.3 the grant of a power of attorney does not derogate from the customer's liability and obligations to the Bank pursuant to this agreement or at law;
- 11.2.4 the customer shall be liable to the Bank for all the attorney's acts and omissions and shall bear all the expenses and consequences of the attorney's acts and omissions, vis-à-vis the Bank; the customer undertakes to indemnify and compensate the Bank, on its first demand, at any time, for any damage and expense occasioned to the Bank in connection with and relating to the attorney's acts and/or omissions;
- 11.2.5 the customer may cancel the power of attorney at any time on written notice to the Bank, receipt of which has been acknowledged by the Bank in writing, pursuant to the provisions of any law or in accordance with the provisions of the power of attorney;
- 11.2.6 Without derogating from the aforesaid, the customer may make a change in the power of attorney or replace the attorney, provided that he has signed the Bank's customary documents and the Bank has agreed to such change in writing. It is emphasized that so long as the Bank, through its competent organs, did not have actually knowledge of a change in the agency pursuant to the power of attorney, the Bank may treat the agency pursuant to the power of attorney as continuing in accordance with its terms and conditions, with everything implied therefrom;
- 11.2.7 it is expressed that in the event of any change in connection with the attorney's authority for any reason that has not been approved by the Bank as provided above, the Bank may, without obligation, treat the change as absolute cancellation of the authorization;
- 11.2.8 in addition to the aforesaid, the customer undertakes to notify the Bank immediately, by registered letter or in a letter that is personally delivered to the branch of the Bank at which the customer's account is managed, of any change in connection with the attorney's authority, even for a reason that is not dependent on the authorization itself, including diminishment of capacity, death, liquidation or any other change;
- 11.2.9 it is expressed and agreed that so long as the Bank has not actually been informed, through its competent entities, of the termination of the agency pursuant to the power of attorney or of any change in the terms and conditions thereof, whether the termination or change came about pursuant to notice of the customer or pursuant to the provisions of the law or for any other reason, the Bank may treat the agency pursuant to the power of attorney as continuing in accordance with the terms and conditions thereof, and the customer shall be liable for all the acts (including payments) done in reliance on the existing authorization, and the Bank shall not be liable for any act done by it, including any payment made by it, in consequence of carrying out any instruction of an attorney as aforesaid;
- 11.2.10 the Bank shall not be liable for acts of an attorney that deviate from his powers, so long as they are within his purported powers or the act is interpreted in good faith by the Bank as being included amongst the attorney's powers, even if such interpretation is mistaken;
- 11.2.11 if contradictory instructions to act in the account and/or instructions to act in the account that in the Bank's opinion are irreconcilable are received, including from the customer and/or the attorney, the Bank may act in accordance with those instructions that in its opinion should be carried out, or it may refuse to carry out any of the instructions. The customer releases the Bank from liability for any act or omission of the Bank in such a case;
- 11.2.12 without derogating from the generality of the above provisions of this article, the Bank may notify the attorney that for reasons of caution it is not willing to carry out his instructions without obtaining express instructions from the customer, and once it has given notice to such effect, it shall be deemed to have given such notice to the customer, and the Bank shall not be liable for any consequence deriving from the non-execution of such instruction.

12. Death of the customer and diminishment of capacity

- 12.1 In the event of any de jure or de facto diminishment of or change in the independent capacity of the customer or the attorney, including in cases of death, bankruptcy, declaration of legal incapacity and/or arrangement with creditors of the customer, the Bank may, without obligation, take one or more of the following steps: treat any instruction reaching it from the customer or someone on its behalf after the occurrence of the aforesaid event as void; block the bank account; refrain from any act in the account so long as it is not presented with a binding order regarding those authorized to act in the account, including a succession order, probate order, order appointing an administrator of the estate or order appointing a guardian, including compliance with the aforesaid, insofar as necessary, and so long as the right of those specified in the order to act in such account has not been clarified in a manner satisfactory to the Bank.
- 12.2 It is expressed that where the Bank is not given written notice of an event of the aforesaid type, and in the period until it receives written notice, it shall not bear any liability for acting in accordance with instructions of the customer or the attorney, even if his authority to give such instructions has lapsed by virtue of such event. In addition, subject to the provisions of any law, the Bank may, without obligation, execute any instruction of the customer and/or the attorney given to it prior to the aforesaid event's occurrence or prior to receiving notice thereof but not yet executed.

CHAPTER THREE: OPEN BANKING

12a Third Party Access Privileges to Financial Information Regarding the Account

- 12a1 Subject to the customer joining the electronic banking services, communication channels and the level of service required to receive the services listed in this section below, as the Bank shall publish from time to time, the customer may, from time to time, grant the Bank direct and explicit online authorization to permit any third party online access to financial information regarding the account for the purpose of obtaining services from that same third party and/or another third party, and all in accordance with the law and the Bank's procedures as they will be from time to time ("access privilege").
- 12a2 By granting access privilege, the customer will be entitled to choose the information that will be transferred to that same third party from the information baskets that will be permissible at that time in accordance with the law and the instructions applicable to the Bank, as published on the Bank's website.
- 12a3 Access privilege shall be valid for the period defined by the customer with the relevant third party, and not more than the maximum period granted at that time by law.
- 12a4 The customer will be entitled to revoke access privilege at any time by the provision of notice to the Bank by the customer or by any third party to whom the customer has granted access privilege. Insofar as any third party to whom access privilege has been granted by the customer has notified the Bank of the revocation of the access privilege to the customer's account granted to it, the Bank will regard this as having received notice from the customer regarding revocation of the said access privilege. It is hereby clarified that insofar as the customer wishes to update an access privilege granted by him to a third party regarding information to be transferred to that same third party, he will have to revoke the access privilege that it wishes to change and to grant a new access privilege.

The Bank may suspend or revoke privilege of access to information regarding a customer and/or to any third party under circumstances established by law or regulation, including the event that the customer's joining the electronic banking services in the relevant communication channels is cancelled or updated in a way that does not allow account transactions through the relevant communication channels or insofar as the Bank has reasonable concern regarding a data security breach in the account for which an access privilege was granted or with the third party to whom the access privilege was granted, or where in accordance with the Bank's risk management, this is a high-risk account regarding the open banking.

12b Granting access to a joint account

Without derogating from the provisions of section 12a above, and in addition thereto, the following shall apply in a joint account.

- 12b1 Granting access to any third party will require the consent of all partners to the joint account.
- 12b2 Notwithstanding the foregoing, in a joint account in which all the partners have provided notice that signing authorization shall be for each of them separately, as stated in section 4.6.2 above, any third-party access privilege granted by one of the account partners shall be deemed to be access privilege granted by all account partners.
- 12b3 In a joint account in which all the partners in the account have provided notice that the signing authorization will be for each of them separately, when one of the partners in a joint account



receives access privilege, the Bank will notify all other partners in the same account whose explicit consent to the granting of the aforesaid access privilege was not received, as soon as possible and in the manner in which the Bank gives notice to these customers. Each of the other partners in the account shall be entitled to revoke the aforesaid access privilege, as specified in section 12a4 above.

- 12b4 In a joint account where one of the partners in the account gave the Bank notice regarding revocation of access privilege to any third party or the Bank received notice from the third party to whom the aforesaid access privilege was granted, regarding revocation of the access privilege that had been granted to it, the Bank will revoke the access privilege and will notify all the other partners in the joint account as soon as possible.
- 12b5 Upon joining of a customer as a partner in an existing account where access privileges have been granted, the consents given by the partners in the account prior to his joining will not be affected and will remain in full effect, and his joining the account will be considered consent to the existing access privileges, as stated, and no consent will be required of him in this regard. No change shall apply in respect of the validity of said privileges even in the case of any partner withdrawing from the joint account. However, upon the withdrawal of the partner in the account who initiated the engagement with any third party and who gave his consent to this, the aforesaid access privilege will be revoked.
- 12b6 In a joint account where not all the partners in the account have given notice that the signing authorization will be for each of them separately, and therefore positive consent of all partners in the account is required to grant access privilege, when consent for the granting of access privilege is given by one of the partners in the account, the Bank will permit the other partners in the account to give their consent online. If the consent of all partners in the account is not received within 5 business days, the Bank will consider the said consent for the granting of access to that same third party, as void.

12c Limitation of the Bank's liability in connection with open banking services

- 12c1 The Bank is not liable for uses made by any third party that has received access privilege to information that it received by virtue of the access privilege to the customers' account and the customer shall have no grievance and/or claim against the Bank in this matter.
- 12c2 Without derogating from any other provision in these terms and conditions, the Bank will not be liable to the customer for not granting access privilege in any case where an event has occurred that is beyond the Bank's control for which it was not possible to obtain the privileges in the Bank's system and/or implement the privileges by virtue thereof, and/or in any case of a technical and/or operational failure, and the customer shall not have any grievance and/or claim against the Bank in this matter.

CHAPTER FOUR: MANAGEMENT OF THE ACCOUNT

13. The giving of instructions by the customer

- 13.1** The account's management by the Bank and the giving of instructions by the customer to the Bank, for the execution of acts in the account or any other instruction in connection with the account, shall be done pursuant to and in accordance with the terms and conditions of the account opening documents and the terms and conditions of the banking service in connection with which or through which the acts are executed in the account. The instructions of the customer and/or someone on his behalf to the Bank and his requests of the Bank that are not as provided in this agreement require the Bank's approval.
- 13.2** Without derogating from the aforesaid, instructions and notices shall be sent to the Bank in writing, and if the Bank requires and/or it is customary at the Bank that they be given on special forms, the instructions or notices shall be given through such forms, which shall be signed by the customer.
- 13.3** Where the customer has requested to give instructions and/or receive information through electronic banking systems, as defined in this agreement, he shall sign a request to receive information and give instructions through electronic banking systems in this agreement, or any other request acceptable to the Bank (hereinafter referred to as "**the request**"). If the Bank approves the customer's request, the terms and conditions of the request and the terms and conditions of the Bank's approval shall apply, in addition to these general terms and conditions.
- 13.4** So long as the customer has not signed a request as aforesaid, the Bank shall not be liable to accept and/or execute any instruction, notice, information and/or document, unless sent to the Bank in writing, and the Bank shall not be liable to send the customer any instruction, notice, information and/or document other than in the manner noted in these terms and conditions or in the Bank's customary manner from time to time. If the Bank receives from, executes or sends the customer any instruction, notice, information and/or document other than as provided above in accordance with the customer's request, the customer shall be liable for the act and its consequences, and the Bank's consent to act as aforesaid in a particular case shall not be deemed general consent.
- 13.5** Subject to the provisions of clause 20.1.4 below, the Bank shall only be deemed to have received any notice or instruction from the customer upon it actually reaching the Bank's official competent to act pursuant thereto for such customer. It is hereby clarified that if, in order for the Bank to execute a notice or instruction given by the customer, the latter will be required to remit to the Bank or sign any documents, the Bank shall be considered to have received the notice or instruction only after it has received the said documents in full, signed by the customer and to the Bank's complete satisfaction.

14. The customer's signature

- 14.1** The signature of the customer and/or the attorney (as provided below in this agreement) on any bank form that is designated for a specimen signature, or in the absence of signature on such a form – his signature on these terms and conditions, shall serve as the specimen signature and shall bind the customer. By signing this agreement, the customer agrees and confirms that any written document bearing his signature or a signature reasonably appearing to be his signature, any instruction given in the ways mentioned in this agreement or in other agreements with the customer and any instruction or act of his authorized signatories shall bind the customer for all intents and purposes. Without derogating from the aforesaid, the customer expressly agrees that should he give instructions via the Bank's communication system, or should he give his consent or approval in any other way permitted by the Bank from time to time regarding the various acts and/or services, including consenting to or approving via any other online means which the Bank may make available to the customer from time to time, the customer shall be deemed to have signed the forms in the text customary at the Bank at that time in order to execute the said instruction.
- 14.2** The Bank shall not bear any liability for acting in reliance on the customer's consent or approval, as aforesaid, or a signature that appears to be that of the customer, so long as the signatures are reasonably similar. If an instruction is given by the customer and the document is not signed as aforesaid, the customer shall be precluded from denying the transaction merely by reason of the fact that the document was not signed as required.

15. Instructions and deposits through a swift service box

- 15.1** Instructions to execute acts in the account, as provided below in this clause, that are given to the Bank through a swift service box (hereinafter referred to as "**the box**") shall be drawn up and recorded on the



Bank's customary forms for executing such acts (hereinafter referred to as "**the instruction forms**") through the box in accordance with the terms and conditions noted therein, and shall be in a closed envelope.

- 15.2 The customer may give the Bank instructions to execute acts in the account through the box only in relation to such acts and amounts as permitted by the Bank from time to time for such purpose, of which it shall notify the customer on the instruction forms as aforesaid, or in any other way the Bank deems fit.
- 15.3 Liability for instructions given contrary to the aforesaid and/or that do not bear all the details required by the Bank, including the identification details of the person giving the request and/or the amount of which exceeds the amount determined by the Bank from time to time for the giving of instructions as aforesaid through the box, or instructions to deposit checks that have not been endorsed by the customer and/or that are contrary to provisions regarding credits in respect of checks and bills drawn in Israel, shall be borne by the customer alone, and the Bank may refuse to honor them.
- 15.4 The Bank shall examine the contents of the envelope and based on its findings shall credit or debit the account, as the case may be. If there is a discrepancy between what is recorded on the envelope and the contents thereof, the act shall be executed in accordance with the envelope's actual contents according to the Bank's findings.
- 15.5 The customer undertakes to make enquiries at the Bank, at or about the time of giving the instructions through the box, as to the results of the examination of the envelope's contents as aforesaid, and to immediately make his observations, if any.
- 15.6 The customer waives any plea vis-à-vis the Bank in connection with damage, loss or theft of envelopes and their contents that are furnished to the Bank through the box, unless occasioned due to the Bank's negligence.
- 15.7 The customer acknowledges that not all the Bank's branches have swift service boxes, and that this clause should not be treated as an undertaking by the Bank that every branch of the Bank shall have a swift service box. The customer is also aware that the emptying of the box and the execution of the instructions furnished to the Bank through the swift service box shall take place at the times noted on the box.

16. Limits on the withdrawal of monies from the account / unauthorized overdraft

- 16.1 The customer undertakes to withdraw monies from the account only to the limit of the credit balance in the current account at such time or to the limit of the credit facility provided to him in the account (if at all), subject to the provisions of clause 25 below.
- 16.2 The customer undertakes not to give any instruction and/or execute any act, withdrawal and/or debit that will cause the account to go into a debit balance, if a credit facility has not been approved for the customer, or that will cause a deviation from the credit facility or be contrary to the terms and conditions of the credit facility, if a credit facility has been approved for the customer, and to ascertain that on the date fixed for debiting the account with any charges, including unavoidable charges such as: commission and interest charges, certain credit card charges and the like, the account will have an adequate credit balance or credit facility balance to cover such charges (any act in relation to the aforesaid is hereinafter referred to as "**unauthorized overdraft**").
- 16.3 The Bank shall not be liable to honor any withdrawal, instruction or request of the customer that will create or increase an unauthorized overdraft. The honoring of any withdrawal, instruction or request as aforesaid or any part thereof in one case shall not be interpreted as consent to also do so in the future or in general.
- 16.4 Without derogating from any other obligation of the customer, the customer undertakes to repay any debit balance arising in the account as a result of an unauthorized overdraft, immediately upon its creation. A debit balance as aforesaid that is not paid to the Bank immediately shall bear, as of the date of its creation until actual payment in full, maximum interest accruing on a daily basis at the maximum interest rate for each day.
- 16.5 The interest as aforesaid shall be computed by the Bank on the daily balances, in accordance with the number of days that have actually elapsed from the date on which the debit balance in the account arose until the actual discharge thereof in full, computed on the basis of the exact number of days in such year (365 / 366), provided that a debit balance in FC shall be charged interest computed on the basis of a 360 day year or another basis customary at the Bank.
- 16.6 Interest computed as aforesaid shall be debited to the account and bear interest as provided above (or accrue and bear compound interest) at the end of each month or at such other interval as determined by the Bank, in its discretion. The aforesaid does not exempt the customer from his duty to immediately pay the debit balance in the account plus the interest that has accrued thereon.
- 16.7 The Bank may from time to time alter the maximum interest rate, including each of its components, the manner of computing it and the date and/or intervals for its debiting and/or accrual, on notice as required by

law. It is expressed that changes as aforesaid shall apply to the customer both in respect of debit balances existing on the date of the change and in respect of any debit balance arising thereafter.

16.8 The provisions of this clause shall also apply if the Bank files a legal claim for collection of the debt amounts or some of them and/or takes any other steps to collect the aforesaid amounts.

17. Execution of instructions by the Bank

17.1 Place and form of execution

- 17.1.1 Any instruction and act in connection with the account shall be executed by the Bank in accordance with the terms and conditions of this agreement and in accordance with the arrangements customary at the Bank at present or on the date of executing such instruction or act, subject to the provisions of any law.
- 17.1.2 Acts in the account shall be executed in accordance with the customer's instructions as given to the Bank from time to time, provided that they are given within the time frame for giving instructions determined by the Bank from time to time and published as customary at the Bank, and subject to the provisions of this agreement and the law.
- 17.1.3 If the Bank has assumed the execution of any act for the customer for which an execution date was not specified, the Bank shall execute it within the reasonable period of time generally required to execute such an act.
- 17.1.4 Subject to the provisions of clause 17.3 below, a request or instruction received by the Bank after the time determined by the Bank periodically for the close of the business day at the Bank's relevant branch or ATM or relevant electronic means, or as the deadline for receiving a request or instruction of such type for execution on the same business day or FC business day, whichever is earlier, or a request or instruction received by the Bank on a day that is not a business day or FC business day or trading day (in respect of activity in securities), as the case may be, shall be deemed to have been received at the Bank on the first business day or FC business day or day on which securities are traded (in respect of activity in securities) following the date of the request thereafter.
- 17.1.5 Unless otherwise expressly provided in relation to any banking service, if the date of any payment or debit falls on a day that is not a business day or FC business day, as the case may be, the date of the payment or debit shall be postponed to the first business day or FC business day, respectively, thereafter.
- 17.1.6 Should the customer be entitled, subject to the provisions of this Agreement, to receive from the Bank, as beneficiary in the account, funds coming to him in the present or the future, at any time, including by virtue of payment instructions given by any third party for the customer, the account shall be credited by virtue of the said instruction on the same business day on which the funds were received at the Bank, or at a later date as agreed between the customer and the Bank ("the Credit Date"). Notwithstanding the aforesaid, it is agreed that, in circumstances that justify it, the Credit Date may occur at a later date, provided that the Bank credits the account on the earliest possible date after the above circumstances cease to exist. Without derogating from the generality of the foregoing, the Credit Date may occur at a later date, among other things, in each of the following cases:
- 17.1.7 If the Bank is under any legal impediment regarding execution of the credit on the Credit Date, including an impediment deriving from fulfilment of the provisions of the law, custom or procedure, connected with the prohibition of money laundering or of financing terror.
- 17.1.8 If the delay is caused as a result of constraints due to special characteristics connected with the nature of the instruction given to credit the customer, including in the case of crediting the account in foreign currency and/or as a result of the activity of the correspondent bank or other third parties providing services to the Bank, whether inside or outside Israel.
- 17.1.9 If the credit instruction is unclear or not completely understood by the Bank, or if there is a distortion, discrepancy or error in the instruction received by the Bank to credit the account.
- 17.1.10 In the absence of any instruction to the contrary by the customer, the place and manner of executing the requested act shall be in the absolute discretion of the Bank.

17.2 The Bank's right not to execute certain instructions

- 17.2.11 The customer agrees that the Bank may, in its discretion and as the case may be, refuse to execute all or part of the customer's instruction, or execute it late, and regarding a payment instruction - not



to execute it on reasonable grounds, on the occurrence of one or more of the following events, and that the customer shall not have any plea against the Bank in such regard:

- 17.2.1.1 if the instruction is contrary to the provisions of any law and/or the Bank's customary procedures and/or if in the Bank's opinion there is any legal or other impediment to executing the instruction;
 - 17.2.1.2 if the instruction is received by the Bank after the deadline specified for its delivery or after the time specified for its execution;
 - 17.2.1.3 if the request is given other than through the Bank's customary form or in the manner provided herein for the giving of instructions by the customer;
 - 17.2.1.4 if the request is tainted by lack of clarity, in the Bank's discretion, and/or the absence of necessary documents and/or necessary signatures and/or the enclosure of documents tainted by any defect or the details of which are inconsistent with their description in the form with which they were enclosed;
 - 17.2.1.5 if the request is inconsistent with another request given at such time, or is given contrary to the provisions of this agreement;
 - 17.2.1.6 if the execution of the instruction might, in the Bank's opinion, result in an unauthorized overdraft, as defined above, or if the account lacks sufficient collateral for the act's execution, as required pursuant to any agreement or law and/or if in the Bank's opinion the instruction's execution in full and on time will expose it to risks that the Bank has not expressly agreed to bear;
 - 17.2.1.7 if the Bank is unable to provide the banking service the subject of the request because it is not available at the Bank at such time, or the request concerns an act that the Bank does not execute, including because it deviates from minimum amounts and/or maximum amounts specified by the Bank for such banking service, or the Bank does not execute it through the channel by which it was requested;
 - 17.2.1.8 if the Bank does not have adequate means to execute the request other than in consequence of its intentional act or negligence, such as by reason of inability to determine an exchange rate, cessation of trade and the like and/or if in the Bank's opinion the instruction cannot be executed or cannot be executed in full and on time.
- 17.2.12 The Bank shall notify the customer of any late execution, non-execution, partial execution or proximate execution of any instruction. The aforesaid does not derogate from the customer's duty to ascertain execution, non-execution, partial execution or proximate execution of any instruction. If in the Bank's opinion the impediment to execute the customer's request as aforesaid has been removed, it may, without obligation, execute it at a later date. Regarding non-payment of a payment instruction, the Bank will notify the customer within a reasonable time in the circumstances and will set forth the grounds for the refusal and the manner in which the customer can rectify the defect that led to the refusal, if any. The Bank will not set forth for the customer the grounds for its refusal to perform the payment instruction if it believes, at its sole discretion, that giving such information might thwart the purpose for which the refusal was required, including if giving such details is forbidden by law or if, in the Bank's opinion, there is reasonable concern that the customer is committing a fraud.

17.3 The customer's right to cancel a payment instruction

The customer may cancel a payment instruction he gave the Bank by means of a written notice to the Bank up to one hour before the end of the business day on which the payment instruction was given to the Bank or up to an earlier time according to the times published by the Bank from time to time, provided the Bank shall have the possibility of halting the payment instruction in accordance with reasonable technological restrictions applicable to it in the circumstances. Payment instructions that are payable immediately, or that were given pursuant to a secured payment act, as defined in the Payment Services Law, cannot be cancelled, or altered.

18. Credit balances in the account

Credit balances in the account shall not bear interest. If the Bank decides to pay interest on credit balances in a current account, the interest shall be computed by the Bank at the rate and in the manner customary at the Bank from time to time and shall be credited to the current account at such times as determined by the Bank from time to time, less the amounts that the Bank is liable to deduct at law. The aforesaid does not impose any duty on the Bank

to pay any interest on all or part of a credit balance in a current account and/or to invest such credit balance in any way.

19. Crediting of the customer's account and attribution of payments

- 19.1 The Bank may credit all or part of any amount and/or payment howsoever due to the customer to any account of the customer managed at the Bank in the customer's name.
- 19.2 All the amounts credited to the account shall firstly be used to pay commission and expenses, secondly to pay the credit allocation commission owed by the customer at such time, thirdly to pay the interest and finally to reduce the other amounts that the customer owes in the account at such time.
- 19.3 The Bank may hold any amount and/or payment received prior to the payment date of all or some of the debt amounts without being under a duty to use it to reduce the debt amounts, even if the amount and/or payment were allocated for this object by the person who is entitled to allocate them.

CHAPTER FIVE: CHECKS AND BILLS

Article One: Checking Account

20. General

The customer agrees that the account's management as a checking account is subject to the approval of the Bank, in its discretion, and that the Bank does not allow checks to be drawn on every account. The customer further agrees that the Bank may also withdraw its consent to manage the account as a checking account, in its discretion. Where the Bank has agreed to the customer's request to draw checks, in Israeli currency or in foreign currency, to the debit of the account, the following provisions shall apply.

21. Check forms and their cancellation

- 21.1 For the purpose of making withdrawals from the account by way of checks, the customer must use only the check forms that he has received from the Bank or that are approved by the Bank for the purpose of withdrawals from the account, which shall bear the account number and any other detail required by law. The customer shall not alter any detail printed or impressed on any check form as aforesaid and he agrees that even if the account number impressed on the check form is deleted or altered, the account might be debited in respect thereof.
- 21.2 The customer shall adopt reasonable cautionary measures to safeguard the check forms and prevent their use by unauthorized persons. The customer shall notify the Bank immediately upon learning of any theft, loss or forgery of a check form and shall request the form's immediate cancellation, all as provided below.
- 21.3 The customer's notice as aforesaid and any instruction of the customer regarding a check form's cancellation, whether or not signed by him, shall be in writing. The instruction shall include details of the cancelled check form, including the full number of the check or check form and all the other details known to the customer. If the details of the check or check form are not known to the customer, the cancellation instruction shall be general and shall be deemed the giving of a cancellation instruction in respect of all the checks presented to the Bank as of the date on which the Bank's receives the customer's instruction (hereinafter referred to as "**cancellation instruction**").
- 21.4 It is expressed that if the customer may give instructions through electronic banking services or some of them, he may also give the Bank a cancellation instruction through such services. Notwithstanding the aforesaid, where the customer gives an instruction to cancel a check form other than in writing, he undertakes to furnish the Bank, within a reasonable period of time, with another cancellation instruction in writing. The aforesaid does not derogate from the Bank's duty to act reasonably in accordance with an unwritten instruction of the customer.
- 21.5 If the Bank is not given a cancellation instruction, it shall not be under any duty not to honor the check.
- 21.6 If the customer gives a cancellation instruction to the Bank after the check has been paid by the Bank, such that the debit cannot reasonably be cancelled, the customer's account shall be debited notwithstanding his cancellation instruction, subject to the law.
- 21.7 The customer acknowledges that the check's cancellation does not prevent the check being recorded as a dishonored check for the purposes of the Checks Without Cover Law, 5741-1981, if there is no cover for the check at the time of its presentation for payment.

22. Dishonoring of check

- 22.1 The drawing of a check is an instruction by the customer to withdraw monies from his account and shall be governed, in addition to the provisions of this chapter, by all the provisions relating to the withdrawal of



monies from the customer's account. Without derogating from the generality of the aforesaid, the Bank shall not be liable to honor a check that gives rise to an unauthorized overdraft, as defined herein, and/or any check that should not be honored pursuant to the provisions of the law, including the Clearing House Rules, and any other provision of this agreement or any other agreement between the Bank and the customer.

- 22.2 If the account is debited in respect of a check notwithstanding the fact that the Bank has chosen not to honor the check on the grounds detailed above, the Bank may credit the account with the amount of the check and return the check. A debit balance arising in the account in the period of time between the check's presentation for payment until the date of its return by the Bank shall bear interest in accordance with the rules governing debit balances in the customer's account.

Article Two: Deposit of Checks

23. Presentation of checks for collection

- 23.1 The Bank may present checks for collection in any way acceptable to the Bank. The checks' collection expenses shall be borne by the customer and the Bank may debit the account in respect thereof.
- 23.2 The Bank may return checks that it is unable to present for payment and/or that are dishonored, for any reason, to the customer in any way it deems fit, including by sending them by ordinary mail, or continue to hold them as collateral for payment of the debt amounts, in its discretion.
- 23.3 The customer releases the Bank and its agents from any duties of a holder of a bill in respect of presentation for acceptance or payment, notice of forfeiture and the like; the Bank may, without obligation, perform one of the above duties.

24. Checks as collateral

- 24.1 In the event that the Bank holds checks that have been signed or endorsed by the customer, which have been or shall be furnished to the Bank for collection, custody, collateral or otherwise, they shall be, and shall be deemed, charged to the Bank by way of a first-ranking charge to secure the payment of any debit balance arising in any account of the customer, for any reason.
- 24.2 The Bank may sell or discount the checks, take all the legal or other steps, as it deems fit for the purpose of collecting the checks and debit the customer's account with the collection expenses. The Bank may settle with the signatories, endorsers or guarantors or any one of them, waive, release, accept partial consideration from them and use the checks' consideration for the payment of any debit balance arising in the customer's account. The acceptance of the checks or the acceptance of their full or partial consideration as aforesaid does not derogate from the customer's duty to pay the debit balances in the account.
- 24.3 The customer warrants that checks furnished by him to the Bank from time to time are in his full possession and ownership and are unencumbered by any charge, attachment and third party right of whatsoever type, and the customer may pledge them and charge them to the Bank. In the event that checks are furnished to the Bank for discounting or otherwise, and the customer has been given consideration for them and the checks have not been paid, the Bank may debit the customer with the amount of the unpaid checks.
- 24.4 The customer agrees that if the Bank decides to sell the checks itself, three days' notice of the steps that the Bank intends taking shall be deemed reasonable for the purposes of section 19(b) of the Pledge Law, 5727-1967 or any other statutory provision replacing it.
- 24.5 The customer undertakes not to create, without the prior written consent of the Bank, any pledge, assignment or other charge over the checks with rights that are preferential, equal or deferential to the rights given to the Bank pursuant to this agreement and any documents signed by the customer with the Bank.

25. Crediting

- 25.1 Any credit of an account of the customer in connection with checks for collateral or collection or to the credit of the account shall be deemed temporary and shall become final at the end of an additional three business days from the date of the credit, or on a later date that is permitted pursuant to the provisions of any law, including Bank of Israel's directives.
- 25.2 So long as the credit is temporary, the customer may not withdraw the checks' consideration. Without derogating from the aforesaid, the Bank may, at the times prescribed by law, insofar as prescribed, debit and re-debit the account with the amount of the checks that were not honored, together with the amount of its commission. The debit shall be valid retroactively from the date of the temporary credit as aforesaid (the aforesaid does not determine the material rights of the parties to the check inter se).



26. General

- 26.1 Without derogating from any other obligation, the customer agrees and undertakes as follows:
 - 26.1.1 that the customer is liable for the genuineness of all the signatures, endorsements, guarantees, dates and details on any check deposited by him or on his behalf, and for the wholeness and intactness of any check deposited by him or on his behalf, for absolute consistency between the name of the payee and the first endorsement on the check and for the deposit thereof not before its payment date, unless he has requested to deposit it as a post-dated check;
 - 26.1.2 not to deposit to the credit of the account checks the negotiability of which has been prohibited, unless the customer is the beneficiary of such check, and in addition, not to deposit to the credit of the account a check the negotiability of which has been prohibited as aforesaid, which also includes a provision prohibiting changes being made to the check, if a prohibited change has been made to it. With regard to non-negotiable checks in respect of which the customer is the beneficiary – the customer hereby empowers the Bank to act on his behalf to collect them.
- 26.2 The Bank shall be exempt from liability for any theft, loss, destruction or damage of checks and/or bills and may cancel the credit in respect thereof, where the theft, loss, destruction or damage of the checks and/or bills was occasioned other than through its negligence. The provisions of this sub-clause do not apply to checks and/or bills furnished to the Bank for collection, in respect of which the Bank shall be liable for their theft, loss, destruction or damage, unless their theft, loss, destruction or damage was occasioned in circumstances that the Bank could not have foreseen and the consequences of which it could not have prevented.
- 26.3 The provisions of this clause shall apply, mutatis mutandis, to bills that are not checks.

CHAPTER SIX: ELECTRONIC BANKING SERVICES AND GIVING OF INSTRUCTIONS VIA FACSIMILE

27. Definitions

In this chapter:

- 27.1 **"the electronic banking systems"** or **"the systems"** or **"the service channels"** – systems, , means of communication and all other means or technologies, existing now or in the future, which the Bank will advise from time to time of the possibility of using them to enable the customer to connect with the Bank's systems and/or with anyone on behalf of the Bank and/or the Bank representatives at the branches and/or the Bank's designated help desks, including inter-computer communication systems, Internet channels (including: website, applications, electronic mail, various software for instant short message service or chats or audio/video calls), line, cellular or other telephony channels (including voice response, interactive voice response - IVR), SMS messages, facsimile, audio/video calls, automatic self-service stations and any other channel to be stipulated by the Bank from time to time.
- 27.2 **"third party systems"** – systems and/or the use of infrastructure that does not belong to the Bank (such as the EDI – Electronic Data Interchange system or the Swift Messaging Services Score system);
- 27.3 **"information acts"** – services involving the receipt and transfer of information through the electronic banking systems;
- 27.4 **"intra-banking acts"** – the giving of instructions and/or transfer of requests for the execution of acts by the customer in accounts or between accounts of the customer at the Bank through the electronic communication systems;
- 27.5 **"acts in favor of a third party"** – the giving of instructions and/or transfer of requests for acts by the customer constituting the debit of any of the accounts and credit of accounts of third parties at the Bank and/or credit of accounts at other banks through the electronic banking systems;
- 27.5 **"additional acts"** – the provision of technical support and/or other acts of whatsoever type, including the joining of new systems, the execution of which through the electronic banking systems is permitted by the Bank from time to time;
- 27.6 **"the accounts"** – the account as defined in the introduction to this Agreement and other accounts that are joined to the relevant system;
- 27.7 **"the machine"** – the computer, communication equipment, card reader, smart cards, identification means and any equipment, hardware and software used by the customer for the purpose of the communication and all the ancillary functions, including information security;
- 27.8 **"the Bank's equipment"** – all the components of the machine that are furnished to the customer by the Bank;
- 27.9 **"giving of instructions"** – the giving of instructions to execute acts through the systems, directly to the Bank's computers, without a banker's intervention. The Bank shall decide, according to such criteria as it determines from time to time, what types of acts shall be executed in the giving of instructions format;
- 27.10 **"transfer of requests"** – the use of systems for the transfer of requests to execute acts through a banker to the Bank. The Bank shall decide, according to such criteria as it determines from time to time, what types of acts will be handled in the transfer of requests format;
- 27.11 **"execution of an act through the systems by the customer"** – the giving of instructions as aforesaid or transfer of requests, insofar as approved by the Bank and on such terms and conditions as approved.

28. General

- 28.1 The provisions of this chapter shall apply to any case in which the Bank allows the customer to receive services through electronic banking systems, in addition to all the terms and conditions of this agreement. Furthermore, the joining of third-party systems might be subject to agreements to which the Bank is not a party, between the customer and third parties, and it is expressed that they do not derogate from the customer's obligations pursuant to the terms and conditions of this agreement.
- 28.2 The services might be at different levels, in accordance with the customer's election and/or the Bank's approval and/or the type of service, and might include: information acts, intra-banking acts, acts in favor of a third party, additional acts (hereinafter jointly referred to as **"the types of service"** or **"the services"**). If the Bank approves the customer joining systems or some of them, the services shall be provided to him fully or partially, subject to the terms and conditions of this chapter.
- 28.3 Without derogating from the provisions of this chapter, the Bank is entitled to revise from time to time the Bank's communication systems, to add to them or detract from them or to alter the communication channels and/or the systems, the technologies, the means and methods for making contact with the Bank and/or the



Bank's systems and/or to receive or give information and/or to perform operations in the Bank's communication systems, at the Bank's exclusive discretion, the technological restrictions and means available to him, and the customer's signature on these Terms and Conditions and any request or document in connection with electronic banking, does not obligate the Bank to make available to its customers any of the electronic banking systems. Moreover, the Bank will stipulate from time to time, at its exclusive discretion, which operations can be performed by means of the service channels, as well as to stipulate various terms, including minimum and maximum amounts, and any other condition, as well as what information and instructions can be received via the service channels, the types of systems by which it is possible to obtain information and to give instructions or to perform certain operations, as well as what means of identification and verification are required regarding each of the electronic banking systems.

29. The services' receipt

- 29.1 The customer and/or the authorized persons as defined below may execute acts that the Bank from time to time permits to be done through the systems joined by the customer, in accordance with such types of service and in such accounts and/or deposits as elected by the customer and approved by the Bank.
- 29.2 The customer undertakes to study and familiarize himself with the systems, the way in which they operate and the possibilities of acting through them, before commencing the use thereof. The services' receipt by the customer shall be in accordance with the Bank's guidelines, as furnished from time to time. In addition to the aforesaid, a customer who uses third party systems must obtain additional guidelines from their suppliers regarding their manner and terms of use.
- 29.3 The execution of any act by the customer through the electronic banking systems shall be subject to the Bank's customary rules, terms and conditions for such type of account and such act, as are on the date the instructions are given or the customer's request approved, as though the act was executed at the Bank's branch. The customer hereby agrees that the aforesaid rules, terms and conditions shall apply to and bind him and that he shall be deemed as having signed the forms in the Bank's customary form of wording at such time for the purpose of executing such act. The customer acknowledges that he may inspect the terms and conditions applicable to each type of account, the types of services provided by the Bank and the terms and conditions of each act and/or transaction on the Internet website and at any of the Bank's branches during opening hours.
- 29.4 Before the giving of an instruction and/or transfer of a request by the customer to execute any act, the customer undertakes to ascertain that he has complied with all the terms and conditions of the agreement and the understandings with the Bank regarding such act, including the signature of any agreement or form required by the Bank for the act's execution, the existence of an adequate balance to cover such act in the relevant account and the existence of suitable collateral that the Bank has agreed to consider. The customer knows and agrees that the Bank may, without obligation, execute the act even if the customer has not complied with any of the terms and conditions of the agreement and/or understandings as aforesaid, and the customer undertakes to immediately rectify any such irregularity, including to immediately pay the Bank the amount of the unauthorized overdraft or provide additional collateral. For the avoidance of doubt, it is expressed that the Bank's consent to execute any act in the absence of the aforesaid circumstances does not oblige it to agree to execute additional acts in such cases and does not derogate from the customer's aforesaid duties.
- 29.5 The customer agrees that the giving of an instruction and/or transfer of a request to execute an act does not guarantee the actual execution thereof. Actual execution is dependent on all the terms and conditions of this agreement and any other agreement with the customer (including the presentation of documents, insofar as necessary) and is subject to the act not being likely to expose the Bank to considerable or unreasonable risk, in the Bank's discretion. In the above cases, the Bank may refuse to execute the act or execute it fully, partially or proximately, and regarding a payment instruction – not to execute it.
- 29.6 Without derogating from the generality of the aforesaid, in the event that the Bank reaches the conclusion that any instruction and/or request is tainted by a lack of clarity, or in the Bank's opinion should not be executed in its entirety without obtaining further explanations, information or details from the customer, the Bank may, at its election, refuse to act at all in accordance with such instruction and/or request or execute it only partially or act in another way that in the Bank's opinion, in the circumstances of the case, amounts to proximate execution of such instruction and/or request, and regarding a payment instruction – not to execute it..
- 29.7 "Lack of clarity" for the purposes of this clause means whether the lack of clarity relates to the contents of the instruction and/or request or the manner in which the instruction and/or request was received.



- 29.8 The Bank may refuse to execute a request transferred through any of the systems on reasonable grounds, and also having regard to circumstances existing on the date intended for its actual execution.
- 29.9 The customer agrees that whenever an instruction and/or request for the execution of any act is transferred to the Bank, the Bank may do all the acts thereby obliged, in its opinion, and any act done by the Bank as aforesaid shall bind the customer.
- 29.10 The customer hereby authorizes the Bank to debit any of his accounts in all the amounts required for the purpose of the acts' execution, including for the purpose of making transfers and paying levies and taxes pursuant to any law.

30. Finality of instruction and/or request

- 30.1. Acts executed through the systems in the giving of instructions format may not be cancelled.
- 30.2 Requests to execute acts that are transferred through the systems may be cancelled through those systems so permitting, so long as they have not been approved by the Bank.
- 30.3 It is clarified that payment instructions given via the systems may be cancelled in accordance with and subject to the provisions of Chapter C of these Terms and Conditions, regarding the customer's right to cancel a payment instruction. However, cancellation of a payment instruction given via the systems will be possible by application to the branch or the Bank's telephone help center.

31. Limitation of amounts

The Bank may from time to time determine a daily, monthly and/or other ceiling for the execution of an isolated act through the systems (hereinafter referred to as "**ceilings**"), in addition to the limitations imposed on their execution pursuant to the terms and conditions hereof. The customer undertakes to act only within the framework of the permitted ceilings as published by the Bank from time to time. If the Bank receives instructions or requests through the systems to execute acts that deviate from the ceilings determined by it, it may, without obligation, execute them, and such acts, if executed, shall bind the customer.

32. Additional terms and conditions applicable to the execution of any act

- 32.1 In addition to the applicability of the laws of the State of Israel as provided below, acts executed through the systems that involve international trade services shall be governed by the relevant rules published by the International Chamber of Commerce in Paris in force on the date on which the instruction to execute the act is given by the customer (and in respect of acts executed in the transfer of requests format – on the date on which the Bank executes the act, if approved).
- 32.2 The customer undertakes to furnish the Bank with all the documents and approvals required at law for the execution of any act in respect of which he gave an instruction or transferred a request for execution.

33. Dates of the services' receipt

Acts in respect of which instructions are given and/or requests transferred for their execution through the systems, if executed, shall receive the business day value (in Israeli currency or foreign currency or as specifically defined in respect of such act, as the case may be) consistent with the guidelines published by the Bank from time to time.

34. Risks, liability, and information security measures

- 34.1 The Bank uses advanced technologies and employs means in order to protect the computer systems and the information contained therein. Notwithstanding this, by virtue of the fact that they are based on software, hardware and communication networks, the systems are exposed to the risks inherent in systems of such type, including harmful software (viruses, Trojan horses and the like), on-line eavesdropping, hacking by hostile entities, impersonation of the Bank's sites or any of the systems and other on-line frauds, aberrations in the operation of the systems and/or their response times, unavailability of the systems and/or any of their services (and in each of these cases an alternative operating channel will not always be available to the customer) and the like. The Bank is investing a great deal of effort in providing protection against these risks; nonetheless, it is not possible to totally block them and there might be damages and/or losses in consequence of the realization of any of the risks, including the disclosure and/or disruption of information flowing through and/or presented in the systems and/or lack of currency thereof, the disruption of instructions and/or requests, unauthorized acts in accounts and the non-execution, faulty execution and/or late execution of any instruction and/or request. Special emphasis is placed on the aforesaid in view of the uses of the systems and/or components that are not in the Bank's control. In order to reduce the risk, the customer must pay strict attention to information security, as provided below.



- 34.2 The use of data protection software, such as the latest anti-virus software, Firewall, etc., can minimize the risks that are attendant on the use of the Internet channel. Whenever the systems are used and whenever contact is made with a support center, the customer must exercise information security and identification methods as provided in the guidelines published by the Bank from time to time. The customer undertakes to maintain absolute confidentiality in respect of codes, subscription numbers, passwords, personal identification numbers (PINs) and/or private keys and the like, including the physical means on which they are recorded, as well as the means used for identification and/or information security in the systems (hereinafter referred to as "**information security means**") and to keep them in his exclusive possession and inaccessible by others.

If the customer acts in the systems through authorized signatories of whom the Bank has records (hereinafter in this clause referred to as "**the authorized signatories**"), the customer undertakes to inform them of these terms and conditions and to ensure that each of the components of the customer and the authorized signatories acts as provided in this clause. Insofar as the customer receives information security means for the authorized signatories, he undertakes to immediately furnish each authorized signatory with the information security means intended for him, with them being closed and intact. The information security means are personal and the customer acknowledges the importance of their safeguarding by anyone on behalf of him and the authorized signatories personally, since they are used exclusively for their identification.

Without derogating from the aforesaid, it is emphasized that the storage of information security means on computer is absolutely prohibited. The customer and the authorized signatories shall be liable to replace those information security means directed by the Bank at least at the intervals determined by the Bank. Codes, passwords and the like that are decided by the customer and the authorized signatories shall be random and as difficult to guess as possible.

- 34.3 The customer agrees and undertakes as follows:

- 34.3.1 that he shall not transmit false information, spam and the like and mistaken and/or unreasonable information;
- 34.3.2 that he shall not allow change, duplication, unauthorized use and/or sabotage of the information security means or the Bank's equipment;
- 34.3.3 that he shall be exclusively liable for safeguarding any information received by him through the systems;
- 34.3.4 that any communication with or instruction given to the Bank telephonically by a person introducing himself in the course of such conversation as the customer or someone on his behalf or as one of the authorized signatories shall be treated as a communication or instruction of such customer or authorized signatory, even if it transpires that such person was not the customer or authorized signatory, provided that the Bank has adopted the cautionary measures required to prevent the abuse of telephone instructions in accordance with the Proper Conduct of Banking Business Procedures and the Bank's procedures;
- 34.3.5 that for the purpose of communicating with third party systems that use a public key (such as an EDI system) or other information relevant to communication with the Bank and receiving the services through them, the customer must furnish the Bank with the public key for decoding their transmissions and/or the aforesaid information;
- 34.3.6 that in the event of any change in the public keys and/or any of the information mentioned in sub-clause 34.3.5 above by the customer, the customer must furnish them to the Bank before commencing the use thereof;
- 34.3.7 that the setting out of the risks as detailed in this clause does not derogate from the liability of any of the parties.

35. Notice of malfunctions, irregularities, and unserviceable systems

- 35.1 Without derogating from the provisions of clause 62a below, the customer undertakes to notify the Bank immediately upon learning of any case involving abuse of the systems, or the existence of reasonable concern thereof, including exposure and/or loss and/or theft of any instrument or device by means of which he receives electronic banking services, and of the information security means and/or a vital component and/or the giving of an instruction or transfer of a request to execute any act in his accounts and/or information received or transferred without his authority, and of any case involving disruption and/or malfunction and/or mistake and/or receipt of information about any third party and/or about accounts managed in the name of others, through the systems.

- 35.2 It is hereby clarified to the customer, and he agrees that there might be cases in which it is not possible to use the systems, fully or partially, for any reason. In these cases, the customer shall act at the Bank's branches and/or through ATMs and/or other service channels to which he has subscribed (subject to their operating hours).

36. The machine's installation, operation and maintenance

- 36.1 The customer alone shall be liable for the machine's installation, operation, and maintenance.
- 36.2 With regard to the Bank's equipment, the customer agrees and undertakes as follows:
- 36.2.1 the Bank's equipment shall at all times be owned by the Bank and the customer shall only have personal permission to use it for his own purposes, in accordance with the Bank's instructions. The customer undertakes not to allow any third party to use the Bank's equipment without the Bank's prior written consent. The customer undertakes to take all reasonable steps in order to protect the Bank's equipment from abuse and/or use other than for the objects for which it was given;
- 36.2.2 the customer undertakes to maintain the Bank's equipment in good condition and inter alia to act for such purpose in accordance with the Bank's instructions;
- 36.2.3 on final cessation of the services as provided below, the customer shall be liable to return the Bank's equipment to the Bank's branch within 10 days of the services' cessation, in intact and good condition. The software shall be returned to the Bank and the customer shall destroy all the copies thereof in his possession. If the Bank's equipment is not returned to the Bank within this period of time or is not in intact and/or good condition on its return, the customer shall be liable to pay the Bank the cost of the Bank's equipment, in accordance with the Bank's prevailing tariff, and the Bank may debit the customer's account in the aforesaid amount.

37. The systems' software

- 37.1 It is agreed that all the rights of whatsoever type, including – and without prejudice to the generality of the aforesaid – copyright, patent, trade secret, trade mark and any property right in any software developed by or for the Bank in the framework of and/or in connection with the systems (referred to herein as "**software**") shall be exclusively, fully and absolutely owned by the Bank, or the third party from which the Bank acquired the right to use such software.
- 37.2 The customer undertakes not to infringe the rights of the Bank and/or any third party in any software furnished to him (including by way of download) and to adopt all available measures to prevent infringement as aforesaid by third parties, including its employees and anyone on its behalf.
- 37.3 The customer undertakes not to duplicate the software other than for backup purposes and not to allow any other person and/or entity to make any use of the software or part thereof.

38. Change, blocking / cessation of the services

- 38.1 The Bank may at any time, in its discretion, change the services and/or finally or temporarily, fully, or partially block and/or cease the provision of the services to the customer and/or the authorized signatories through the systems, on 30 days' notice, as well as to suspend the use of the electronic banking systems, subject to and in accordance with Clause 61A below.
- 38.2 Notwithstanding the aforesaid, the Bank may finally or temporarily, fully, or partially block and/or cease the provision of the services in its discretion, without notice, in exceptional cases deriving from an immediate need of the Bank to protect its customers and/or itself and/or third parties, including in any one of the following cases:
- 38.2.1 in the event that the Bank learns of cases of the types detailed above in connection with irregular events and malfunctions and in any other case of malfunction, disruption, significant fault and/or enquiry and/or existence of reasonable concern of hacking into and/or abuse of the systems;
- 38.2.2 in the event that the Bank receives notice of cancellation of the authorization of any of the authorized signatories or of the occurrence of an event that brings an end to the authorization;
- 38.2.3 in the event that any activity takes place in any of the systems that deviates from the Bank's instructions or from current operations on the account;
- 38.2.4 in the event that the Bank is entitled to reduce or cancel the customer's credit facility or call for the immediate payment of any credit given to the customer;
- 38.2.5 in the event that the Bank is precluded from continuing to provide the services for reasons dependent on a third party and/or for technical reasons and/or pursuant to any law and/or in accordance with Bank of Israel's directives, as shall be from time to time.



- 38.3 Without derogating from all the aforesaid, it is expressed that the services might be ceased for the purpose of performing maintenance work and/or upgrades, in which case notice shall not necessarily be given.
- 38.4 The customer may at any time notify the Bank in writing of his desire to suspend the services as provided in Clause 61A below and the suspension will take immediate effect, or that he no longer wishes to receive all or some of the services, in which case the cessation shall take effect within seven days of the Bank's receipt of the customer's notice. Notwithstanding the aforesaid, in exceptional cases the customer may cease receiving the services without the need for a waiting period, and the cessation shall take effect as soon as possible after the request's receipt by the branch at which the account is managed or the support center.

39. The instructions' validity

Notwithstanding the following provisions in relation to the evidential standing of the Bank's records, it is expressed that the customer's choice of a particular type of act through any of the systems' screens and/or the transmission by the customer of a message that has a particular format, as recorded on the Bank's computers, shall constitute admissible evidence as to the genuineness of their contents regarding the election of the type of act and/or transmission of the message.

40. Information about the execution of acts through the systems and information transmitted through the systems

- 40.1 Information about acts executed through the systems shall appear in the relevant account statements of the customer. It is agreed that save for cases in which there is a legal duty to do so, the Bank shall not be liable to send the customer notices of the execution or non-execution of acts in respect of which instructions were given, or requests transferred, through the systems.
- 40.2 After the transfer of any request, the customer must check its execution or non-execution, through the status report, if existing in the systems, or by contacting the Bank in any other way.

41. The Bank's records, the safe-keeping thereof and the sending of notices

- 41.1 The Bank shall keep mechanized records of all acts executed through the systems for a reasonable period of time which shall not be less than six months. In addition, the Bank may, without obligation, record the customer's communications through the systems and store the recordings. In such case, the aforesaid records and recordings shall constitute part of the Bank's records.
- 41.2 All the Bank's records regarding the existence of an instruction and/or request to execute an act and/or receipt or transfer of information through the systems, time and date thereof, content thereof and transmission of information by the Bank to the customer and/or to his e-mail – shall serve as admissible evidence as to the genuineness of their content.
- 41.3 Without derogating from the aforesaid, the customer agrees that the Bank shall not be liable to again send him, in any other way, any mail, including account statements, notices, letters and any other information, that is transmitted to him through the systems, including information that was e-mailed. The aforesaid shall not apply to mail in respect of which there is a legal duty to send it to the customer in another way, if it is not opened or downloaded by the customer within a reasonable period of time (according to the type of mail). Information e-mailed by the Bank shall be deemed to have actually reached the customer one business day after the date on which it is e-mailed.
- 41.4 In the event of any contradiction between the provisions of this clause and any other provision of this agreement, the provisions of this clause shall prevail.

CHAPTER SEVEN :ADDITIONAL PROVISIONS RELATING TO FOREIGN CURRENCY

42. Applicability

In the event that the Bank agrees to open a current account, credit facilities and/or deposits for the customer that are managed in foreign currency (hereinafter in this chapter referred to as "**the FC account**"), they shall be governed by the terms and conditions of this agreement, *mutatis mutandis*, and in addition by the terms and conditions of this chapter.

43. Credit balances in the account

The provisions of this agreement in connection with credit balances in the account shall also apply to FC accounts, *mutatis mutandis*. In addition and without derogating from the aforesaid, in the event that the Bank is obliged, in respect of a credit balance in the FC account, to hold or deposit liquid amounts at Bank of Israel in a currency that is not the currency in which the FC account is managed, the Bank may debit the FC account with interest at a variable rate, as prevailing at the Bank from time to time in respect of FC current accounts in the same currency as the FC account (hereinafter referred to as "**negative interest**"). The negative interest shall be debited to the FC account at the end of each month or at any other interval customary at the Bank from time to time.

44. Limits on the withdrawal of monies from the FC account

The provisions of this agreement regarding limits on the withdrawal of monies from the account shall also apply to FC accounts, *mutatis mutandis*. Without derogating from the aforesaid, so long as a credit facility has not been approved for the customer, he undertakes that acts in the FC account will only be executed if and when there are current balances in the account (that are not deposited in a fixed-term FC deposit) in an amount adequate to cover the act's execution. It is agreed that in the absence of adequate current balances at the time of the act's execution, the Bank may refuse to execute the act or, in the Bank's discretion, break a fixed-term FC deposit for the purpose of executing the act. This might result in changes in the deposit terms and conditions of the deposit that were specified in advance for the FC deposit and in damage to the customer in consequence of being debited with interest and/or breakage commission and other expenses relating to the breakage of fixed-term FC deposits.

45. Purchase and sale of foreign currency

The purchase and sale of foreign currency in accordance with an instruction of the customer shall be executed at the order rate (noon rate) or at the "real time" rate or trading room quote rate, as detailed in the transaction form; however, if a rate is not elected in accordance with one of the last two alternatives, the customer's instruction shall be deemed an instruction to execute at the order rate; in the case of an unwritten instruction and insofar as not expressly otherwise agreed with the customer, the Bank may act in accordance with the order rate or the "real time" rate, in its discretion; in the event that the Bank receives the customer's instruction after the deadline fixed by the Bank for transferring instructions to execute at the order rate and before the end of the FC business day, the customer's instruction shall be deemed an order to execute at the "real time" rate, which is a continuous rate until the closing of the business day.

46. FC checks, bills and travelers' checks

- 46.1 The provisions of this agreement in relation to checks and bills shall also apply to checks and bills (including travelers' checks) in foreign currency, *mutatis mutandis* and subject to the following provisions.
- 46.2 The customer may not make withdrawals from the FC account through checks or magnetic cards, unless he has received express authorization to do so from the Bank, and if he has received authorization to make withdrawals through checks, the above provisions in connection with the use and safekeeping of check forms shall apply.
- 46.3 Any credit of any account of the customer in connection with checks / bills shall be deemed temporary. The customer may not withdraw their consideration before their collection by the Bank. The Bank may debit the account credited as aforesaid with the amount of any check / bill that is not paid or that is returned to the Bank as unpaid and in the case of a check drawn on the Bank, with the amount of the check in respect of which the Bank is unable to debit the drawer's account.
- 46.4 Without derogating from the aforesaid, in the event that the Bank learns, after it has credited the customer's account with the amount of any check / bill or part thereof, that the check / bill was lost and/or was not received by the Bank's correspondent, unless it was lost in consequence of the Bank's negligence; that the check / bill was not paid; that the Bank was debited with the amount thereof; and/or that the Bank was credited with its consideration but was later called upon to return the credit, at any time and for any reason, including – without derogating from the generality of the aforesaid – by reason of a forged signature on the



check / bill or by reason of the absence of endorsement or by reason of a change made in the check / bill or because the correspondent is unable to transfer the consideration or the Bank's share thereof to the Bank for any reason, the customer undertakes to pay the Bank the amount of the check / bill immediately upon its first demand plus any interest or expense borne by the Bank in connection therewith and plus commission. Without prejudice to the generality of the aforesaid, the Bank may debit any account of the customer at the Bank with the said amounts, including the amount of the check / bill, whether the account has a credit balance and/or a debit balance, and convert any currency pursuant to the terms and conditions of this agreement into the currency in which the Bank was obliged to pay the amount of the check or any payment in respect thereof.

- 46.5 The Bank shall be exempt from all the duties of a holder of any checks / bills as aforesaid. The Bank may send the checks / bills for collection / return them to the customer in such manner as it deems fit.

47. Terms and conditions for the purchase of travelers' checks by the customer

- 47.1 Insofar as the Bank provides this service, travelers' checks shall be purchased by the customer from the entity issuing the travelers' checks, through the Bank, and the terms and conditions for the purchase, holding and use of the travelers' checks shall be determined by such issuer alone.
- 47.2 If the travelers' checks, or any of them, are lost, stolen or damaged, the return of their consideration from the issuer of the checks shall be subject to the terms and conditions agreed between the customer and the checks' issuer and shall be done in the issuer's exclusive discretion.
- 47.3 The customer undertakes to add a first signature in the designated place on all the travelers' checks purchased by him immediately upon receiving them, and to again sign them in front of a banker at the time of their redemption.

48. Transfer of FC overseas / payment to foreign resident / payment to Israeli resident

- 48.1 An instruction of the customer for the transfer and/or purchase and transfer of FC overseas and/or for the making of any payment in FC overseas to a foreign resident and/or in Israel to an Israeli resident, as the case may be (hereinafter referred to as "**the transfer**") shall be given to the Bank through a special form on which the customer shall fill out all the details required for the purpose of the transfer, unless the Bank has agreed to accept the instruction in another way (hereinafter referred to as "**the instruction**"), provided that the customer complies with all the conditions set by the Bank, including the furnishing of the documents and approvals required by law. It is agreed that for purposes of executing the customer's instructions as aforesaid, the Bank will be entitled to use the services of correspondent banks and/or other service providers in Israel and abroad, and such parties will be entitled to make use of additional correspondent/service provider services.
- 48.2 The Bank shall debit the account in respect of the purchase and transfer of foreign currency and in respect of all the commission, expenses as provided in this agreement and all the taxes and/or compulsory payments applicable, if at all.
- 48.3 The purchase of the foreign currency for the purpose of executing the transfer, as aforesaid, shall be done in accordance with the exchange rate determined by the Bank for acts of such type at the time of the relevant foreign currency's actual purchase by the Bank.
- 48.4 In the event that the instruction is given when the exchange rate has not yet been determined by the Bank and/or when the Bank does not yet have the necessary quantity of the foreign currency the subject of the instruction, the Bank may postpone the transfer's execution until the exchange rate has been determined by it and/or until it has the necessary quantity of the relevant foreign currency for the purpose of executing the transfer, subject to the provisions of the agreement.
- 48.5 It is agreed that the instruction will only be executed if there is no legal or other impediment to the transfer's execution.
- 48.6 It is agreed that the Bank will not bear any liability for any damage and/or loss and/or expense that may be incurred by the customer, if incurred, as a result of the execution and/or non-execution of his instructions and/or in respect of breakdowns and/or delays that are likely to be caused in the transfer of foreign currency to its destination as a result of disruptions in the post, SWIFT, or any other means, and/or as a result of the crediting of the payee's account which was recorded by the customer even though it transpires that this is not the payee's account to which the customer wished to make the transfer and/or as a result of the giving or recording of an incorrect IBAN number by the customer, provided that the aforesaid damage and/or loss and/or expense was not caused as a result of the Bank's negligence.

49. Joining of transactions



It is agreed that the Bank may execute the customer's instructions to execute a transaction or transactions in foreign currency, in its discretion, as a separate transaction or as separate transactions or join them to other similar transactions for the purpose of executing the aforesaid instructions.

50. The deposit's designation

Any amount in FC that is deposited to the credit of the FC account without noting the deposit's designation shall be deposited in accordance with the Bank's election, and subject to the provisions of any law, to the credit of the FC account or an FC deposit.

51. Payments and conversions

The customer undertakes that whenever the Bank may or must debit the account with any foreign currency or make a payment or transfer from the account in any foreign currency, in respect of the customer's instruction or in respect of another debit applicable to the account, the account shall have the necessary amount in the relevant FC for the purpose of the debit. If the account does not have the necessary FC amount as aforesaid, the Bank may convert any amount in an account in another currency at the highest conversion rate prevailing at the Bank in similar cases, and debit the customer with the cost of such conversion.

CHAPTER EIGHT: COLLATERAL

52. Definitions

In this chapter –

- 52.1 **"the monies due to the customer"** – all the monies, in Israeli currency or foreign currency, now or in future due to the customer, subject to any law, from the Bank in the account and in any other account / deposit of the customer at the Bank and/or in any way and on any cause;
- 52.2 **"the customer's assets"** – the assets and monies at any time due to the customer, subject to the law, including bills, checks, securities, financial assets, bills of lading, negotiable documents, other documents, gold coins, insurance policies, assignments of right, chattels and other assets of whatsoever type of the customer (given to the Bank by the customer or by any third party for him for collection, collateral, custody and/or for any other object) and their consideration, and including all the customer's rights in connection with all the aforesaid;
- 52.3 **"the debt amounts"** – any obligation or debt of the customer to the Bank and all amounts – in Israeli currency or in foreign currency – at any time due to the Bank from the customer in any account and/or in any way or on any cause, whether or not their payment date has arrived and whether or not their payment date is conditional upon the fulfillment of any conditions, including amounts called for immediate payment by the Bank pursuant to this agreement or any other agreement or at law, and/or any liability deriving from an undertaking given by the Bank at the customer's request or pursuant to the terms and conditions of any agreement with him, even if their payment date has not yet arrived and even if a call for payment has not yet been sent in respect thereof, and including in respect of any demand for collateral of the Bank or any other entity executing acts for the customer's account;
- 52.4 **"the existing debt amounts"** – all the debt amounts (including a liability deriving from an undertaking given by the Bank at the customer's request or pursuant to the terms and conditions of any agreement with him) the payment date of which has arrived and/or in any way or on any cause, including amounts the payment date of which has arrived in consequence of a call for immediate payment and/or acceleration of payment pursuant to the law and/or as agreed with the customer.

53. Lien

- 53.1 The Bank shall have a lien over the customer's assets and may at any time, without having to notify the customer thereof in advance, detain them until all the debt amounts have been discharged, maintaining a reasonable ratio between the customer's assets that have been detained and the debt amounts. It is expressed that the Bank may, in its discretion, choose which of the customer's assets to detain.
- 53.2 The Bank may act in accordance with the above provisions in connection with debt amounts the payment date of which has not yet arrived, if it has reasonable concern that these amounts will not be paid to the Bank in full and on time.
- 53.3 In addition to the aforesaid, in the event that an attachment is imposed over any amount and/or over any of the customer's assets – the Bank shall have a lien over such amount and/or asset, as the case may be, until the attachment's removal, provided that the lien pursuant to this paragraph shall only apply to assets of the customer the overall value of which does not exceed the unpaid balance of the debt amounts, as shall be from time to time.
- 53.4 In the above cases, the customer may not withdraw the amounts and assets due to him from the Bank or any part thereof, or act with or in relation to them in any other way, without the Bank's consent, and the Bank may prevent the customer from making any disposition with them.
- 53.5 The Bank shall notify the customer of the exercise of any of its rights pursuant to this clause after the exercise thereof.

54. Right of set-off

- 54.1 Without derogating from the Bank's lien as aforesaid, the Bank may (without obligation), at any time, without having to notify the customer thereof in advance:
- 54.2 set off any amount from the debt amounts existing on the date of the set-off against all or some of the monies due to the customer, even before the payment date of the monies due to the customer against which the set-off is effected;
- 54.3 purchase foreign currency in the amount required to discharge any amount from the existing debt amounts, or sell any foreign currency held by the Bank to the customer's credit, and use the sale proceeds for the discharge of any amount from the existing debt amounts, or, as the case may be, for the purchase of another foreign currency that is required for the discharge of any amount from the existing debt amounts;



- 54.4 debit any account and any deposit of the customer at the Bank, whether or not mentioned in this agreement, with any amount from the existing debt amounts, and if the aforesaid amounts, or some of them, are in respect of FC credit, debit any account and any deposit as aforesaid of the customer that is managed in the credit currency, or any account of the customer that is managed in Israel currency or in another foreign currency with its consideration, in the currency in which such account is managed, at the Bank's customary rate on the date of debiting the account as aforesaid;
- 54.5 Deleted;
- 54.6 any purchase or sale in foreign currency as provided in this clause (in its entirety) shall be done (if done) at the Bank's customary rate, from amounts in Israeli currency, or from amounts in foreign currency, as the case may be, held by the Bank to the customer's credit or received on the realization of any collateral given to the Bank by or for the customer;
- 54.7 any debit in accordance with this clause (in its entirety) shall be made (if made) in an existing deposit or account or in a deposit or account opened for such purpose by the Bank in the customer's name, whether the account or deposit that is debited has a credit balance, debit balance or unauthorized overdraft, or a debit balance or unauthorized overdraft arises therein as a result of being debited as aforesaid, and the unauthorized overdraft (if any) in the account or deposit debited as aforesaid shall bear interest at the maximum rate;
- 54.8 if a debit in FC results in or increases an unauthorized overdraft in a shekel account, the Bank may (without obligation) credit the shekel account against the debiting of another account of the customer in the relevant FC. If a debit in shekels results in or increases an unauthorized overdraft in an FC account, the Bank may (without obligation) credit the FC account against the debiting of another account of the customer in shekels;
- 54.9 it is hereby clarified to the customer and he agrees that where which the Bank exercises rights of set-off as aforesaid before the payment date of any amount from the customer's amounts that are placed in deposits of the customer at the Bank, there might be changes to the customer's detriment in relation to his rights in respect of or in connection with such amount (for example, with regard to interest rates, linkage, rate differentials, rights to grants or loans, exemption from or discount on income tax and deductions at source), and the Bank may deduct from the aforesaid amounts commission, expenses and damages that it customarily collects on the breakage by the customer of deposits of any type, including savings plans, shekel deposits and FC deposits;
- 4.10 in addition, subject to the provisions of any law, the Bank may effect set-off against the debts amounts the payment date of which has not yet arrived (even if it has not called for the immediate payment thereof) if there is reasonable concern that the customer will not perform all or some of his obligations, provided that the customer is given notice of the set-off.

55. Guarantees and collateral

- 55.1 The customer undertakes to furnish the Bank with such collateral as agreed with the Bank from time to time. Without derogating from the generality of the aforesaid and from any other obligation in this agreement or any other obligation of the customer vis-à-vis the Bank in relation to collateral or in general, the customer is requesting that the customer's assets that have been deposited in the account shall serve as collateral for the customer's credit in such account.
- 55.2 The customer undertakes to maintain the value of any asset that he has given to the Bank as collateral, including against any damage and loss, and to insure any such collateral to the Bank's satisfaction, including a charge of the insurance policy in favor of the Bank, or the addition of the Bank as a beneficiary under the policy.
- 55.3 In the event that the Bank learns that an asset the subject of any collateral as aforesaid has been damaged, might be damaged, has lost or might lose a considerable percentage of its value, or that an event has occurred that might affect the financial ability of any guarantor who or which has given the Bank a guarantee for the discharge of all or some of the amounts due to the Bank as aforesaid, the customer shall furnish the Bank, immediately upon its first demand, with additional collateral or guarantees, to the Bank's satisfaction. The provisions of this clause are in addition to and do not derogate from the Bank's right to call for the immediate payment of credit pursuant to this agreement or any other agreement with the Bank.

CHAPTER NINE – GENERAL

56. Debit or payment dates

Where any payment or debit falls on a day that is not a business day, the debit or payment date shall be postponed to the first business day thereafter. However, in respect of index-linked credit or deposits, if the payment or debit date falling on a day that is not a business day is also the last day of any month, the payment or debit date shall be brought forward to the last day of such month that is also a business day.

57. Use of correspondents

For the purpose of executing the customer's instructions, the Bank may use the services of correspondents and/or brokers in Israel or overseas, at its election. The customer undertakes to pay the reasonable expenses and commission that the Bank is required to pay the correspondents in connection with the execution of the customer's instructions as aforesaid.

58. Right to debit the account

Where the Bank is entitled to debit an account of the customer, it may do so whether such account has a credit balance or a debit balance or goes into a debit balance as a result of being debited as aforesaid.

59. Standing order to debit the account in favor of a third party

Where the customer requests the Bank to debit the account, from time to time, and to transfer the debit amount to the credit of accounts managed in the name of any third parties (hereinafter referred to as "**the beneficiary**"), whether the request is furnished to the Bank directly by the customer or by the beneficiary, the customer warrants and undertakes as follows:

- 86.1 that liability for furnishing correct, full and clear information for the purpose of executing the transfers to the beneficiary's credit rests with him, and it is agreed that such information is not examined by the Bank and that the Bank shall not be liable for any damage and/or loss that might be occasioned to him in consequence of the furnishing of erroneous, inaccurate or unclear information, save for damage occasioned as a result of the Bank's negligence;
- 59.2 that the customer has received the beneficiary's consent to the transfer and crediting of his account with the amount of the transfer, and the Bank may furnish the beneficiary with the customer's details. If the beneficiary instructs the Bank, at any time, to return the amount transferred to the customer, the Bank may credit the account with the amount of the transfer;
- 59.3 that the customer shall notify the Bank of any change in the beneficiary's details. So long as the Bank has not been furnished with notice as aforesaid, it may continue executing transfers as aforesaid, in accordance with the details in its possession;
- 56.4 that the customer and the Bank may at any time cancel the arrangement to debit the account to the beneficiary's credit pursuant to this clause, on written notice to the other party. The cancellation notice of the customer shall take effect one business day after the notice's receipt by the Bank from the customer;
- 56.5 that the customer shall be exclusively liable for any damage, loss or expenses that might be occasioned to him, the Bank, the beneficiary and/ or any third party, directly or indirectly, as a result of such transfers, save for damage deriving from the Bank's negligence or a breach of this agreement by the Bank.
- 59.6 The directives of the Bank of Israel as may be specified from time to time shall apply to an authorization for the debiting of an account as aforesaid.

59A Authorizing a third party to debit the account

The customer may authorize any third parties (the "beneficiary") to debit the account from time to time and to transfer the amount of the debit to accounts managed in the name of the beneficiary, subject to the following provisions:

- 59A.1 The customer submits to the Bank an application to establish a debit authorization, by himself or by means of the beneficiary, on the Bank's designated form or any other document delivered to the Bank, all in accordance with and subject to the law and the Bank's procedures (the "Application").
- 59A.2 In the event the Application is submitted by means of the beneficiary, the date of submission shall be considered the date on which the Application was received by the Bank.
- 59A.3 The Bank may refuse the Application to establish the debit authorization.
- 59A.4 The customer may cancel the debit authorization, at any time, by a notice to the Bank or to the beneficiary, and such notice by the beneficiary to the Bank shall be considered a notice given to the Bank



by the customer, and the Bank may rely on the beneficiary's notice, and in such case the customer shall not have any claims due to the cancellation of the debit authorization. Cancellation of an authorization to debit an account by the customer shall take effect within one business day after the Bank's receipt of the cancellation notice.

- 59A.5 The customer may cancel a particular debit which he was debited by virtue of a debit authorization, by a notice given to the Bank no later than three business days after the date of the debit. The provisions of this sub-clause shall not apply to types of debit authorization and/or when terms determined by law apply.
- 59A.6 The Bank may cancel a debit authorization or not execute a payment at the beneficiary's demand by virtue of the debit authorization, on reasonable grounds.
- 59A.7 A debit authorization that has not been used for 24 months from the date of confirmation or from the date of the last debit made by virtue thereof - shall expire.

60. Furnishing of details and databases

- 60.1 The customer acknowledges that for the purpose of the account's opening and management, he will be required to furnish the Bank with identification details of each of the components of the customer, the furnishing of some of the details being required by law and the furnishing of other details to the Bank being dependent on his will and consent. The customer shall also be required, by law, to furnish the Bank with details as aforesaid of entities related to the customer, including attorneys, beneficiaries and guarantors ("related entities"). The details furnished by the customer to the Bank ("the details") are required by the Bank for its customer service work and for the purpose of making decisions regarding the provision of the service, the scope of the service and the manner of providing it. The customer acknowledges that he has received the related entities' consent to the furnishing of details as aforesaid.
- 60.2 The customer acknowledges and agrees that the details and all the information and balances in connection with the account shall be kept, in whole or in part, in databases of the Bank and/or someone acting on its behalf (hereinafter referred to as "information"). The Bank shall keep the information secret, subject to the following provisions:
- 60.2.1 the Bank may use of the information, including for the purpose of offering additional services to the customer and making decisions in connection with the relationship with the customer and the related entities, subject to the Bank's duty of confidentiality;
- 60.2.2 the Bank may use of the information in connection with legal proceedings that are being conducted by the Bank against the customer or the related entities, or vice versa;
- 60.2.3 without derogating from the aforesaid, the customer agrees that the Bank may furnish the information to any attorney in the account; to any judicial authority or other judicial or quasi-judicial entity (including in the framework of legal proceedings) and/or competent authority, in Israel or overseas, on its demand, and to any person or entity who or which has been empowered pursuant to the law by such an authority; to any person or body in accordance with the provisions of any law; to anyone whom the customer or the attorney have agreed to the information being transferred; to any guarantor for the customer or the account, including anyone who has given the Bank collateral to secure repayment of the debt amounts in the account; to any agent of the Bank, including an advocate acting on behalf of the Bank or an accountant who is auditing the Banks books (subject to the duty of confidentiality and the law); and to a subsidiary of the Bank – provided that such is intended to protect a legitimate interest of the Bank (subject to the duty of confidentiality and the law).

The Bank may furnish details in accordance with the above clauses without first turning to the customer and without informing him that it is furnishing the details, whether prior to or after furnishing them.

61. Deleted

61A. Suspension of use of a means of payment

- 61A.1 The customer may, at any time, request the Bank to suspend the use of any means of payment issued to the customer by the Bank (including suspension of a debit authorization), for a period to be determined by the customer, which shall not exceed 14 days from the date of the notice, or for a longer period, to the extent the Bank shall enable it from time to time, regarding certain types of means of payment. The customer's request to suspend the means of payment shall be given to the Bank in a way in which the



Bank shall direct, from time to time, regarding the various types of means of payment, in any way in which the Bank may direct, as aforesaid.

- 61A.2 The customer undertakes not to make use of the suspended means of payment in the suspension period.
- 61A.3 The Bank may suspend the use of any means of payment, if it is required under the provisions of any law, as well as on reasonable grounds, including the concern for damage to security of means of payment; concern for misuse of the means of payment or fraud; real concern that the customer will not fulfill his obligations to the Bank; reasonable concern that the means of payment might be used to commit an offense or cause the Bank to breach the provisions of the law; in any case of malfunction, distortion, breakdown or inquiry connected with use of the means of payment in the circumstances of the case and/or the type of means of payment; in any other case in which, at the Bank's discretion, further use of the means of payment might cause damage to the customer or to the Bank.
- 61A.4 It is clarified that suspension of the use of the means of payment, as set forth in this clause above, whether on the initiative of the customer or of the Bank, shall not detract from the validity of any of the customer's present and future debits and credits via the suspended means of payment, regarding which the payment instructions relating thereto were given before the date of suspension of use of the above means of payment, and after the end of the suspension period.
- 61A.5 From the moment a means of payment is suspended until removal of such suspension, the customer will not be able to perform payment operations via the said means of payment, and to the extent payment instructions were given by that means of payment - they shall be rejected. In certain cases, taking into account, *inter alia*, of the type of means of payment, the technological restrictions existing in the Bank and the circumstances of the case, suspension of use of a means of payment could lead to suspension of further services provided to the customer via the suspended means of payment, whether payment services or otherwise (such as: viewing information, giving instructions other than payment instructions, and the like), and the customer will have no claim vis-à-vis the Bank in this matter.

62. Deleted

62.A Theft or loss of a vital component or misuse of a means of payment

- 62A.1 It is the customer's responsibility to use all security means required in order to protect the means of payment and the vital component that are issued to him from time to time, and to keep them confidential, including not to make them available for the use of another, and to act as stipulated in Clause 34 of these Terms and Conditions, and in accordance with the information security policy published from time to time by the Bank.
- 62A.2 The customer shall notify the Bank, as soon as he learns of it, of the theft or loss of the vital component in the means of payment or of any misuse of the means of payment (the "Notice"), by any method which the Bank shall enable the customer from time to time, and he shall not be responsible for misuse of the means of payment after he has given the Notice, and the Bank shall not be responsible for any direct or indirect damage to the customer and/or any third parties if it has acted in good faith and without negligence pursuant to the Notice.
- 62A.3 The customer shall give the Bank the particulars of the circumstances of the theft or the loss or the misuse, as the case may be, of the payment operations made by misuse of the means of payment and any additional relevant information that may be required in the circumstances, and shall also take all reasonable steps to assist in minimizing the damage, and any other measures that may be requested by the Bank.
- 62A.4 The Bank may charge the customer for any payment operation via the means of payment regarding which the Notice was given, that was performed up to the date of giving the said Notice, up to an amount that is the lower of the following: (a) the amount by which the account was debited during the misuse; and (b) a fixed amount of NIS 75, plus NIS 30 for each day that passes in which the customer or anyone on his behalf knew of the loss or misuse (as the case may be) up to the date of delivery of the Notice. Notwithstanding the aforesaid, if the Notice is given within 30 days after the initial misuse of the means of payment, the amount of the charge shall not exceed NIS 450. The amounts set forth in this clause above may be altered by an order of the Minister of Justice ("Limit of Liability").
- 62A.5 The aforesaid Limit of Liability shall not apply, and the Bank may debit the account regarding any payment operation performed prior to giving the Notice to the Bank if: (a) the customer acted with fraudulent intent in connection with the misuse of the means of payment, and in such

case the customer shall be exclusively responsible for the misuse of the means of payment; and (b) the means of payment was used after the customer made the vital component in the means of payment available to another person, whether or not the use was made with his knowledge. However, the provisions of this clause shall not apply if one of the following occurs: (1) the vital component in the means of payment was made available to another person in reasonable circumstances for the purpose of safeguarding only, or was made available to the beneficiary in order to give payment instructions by means of the beneficiary; or (2) the misuse occurred after the vital component in the means of payment that was made available to the other person was stolen from that person or if he lost it.

62A.6 The customer shall not be responsible for misuse of any means of payment in the suspension period thereof, or after the date on which he returned the relevant means of payment to the Bank or after closing the account.

62A.7 The customer shall not be responsible for any misuse of a means of payment, excluding as set forth in this Clause 62.A above, while it is clarified that the provisions of this Clause 62.A shall not apply to an authorization to debit the account.

62.B Responsibility for defect in executing a payment instruction

62.B.1 The Bank shall not be liable for any damage or expense that may be incurred, if any, to the customer and/or any third party due to a defect in executing a payment operation, that was caused by any action or omission of the customer and/or anyone on his behalf and/or by another provider of payment services.

62.B.2 A payment operation performed on the basis of the specific identification code of the beneficiary as given by the customer, whether given alone or with other particulars, shall be considered an action performed as required regarding the identity of the beneficiary, and the Bank shall not bear any liability for any damage that might be incurred to the customer, and the customer shall indemnify and compensate the Bank for any damage, loss and expense, of any kind or sort, whether direct or indirect, whether foreseen or unforeseen, that may be incurred to the Bank as a result of a demand, complaint or claim by any third party due to the Bank's failure to perform a payment operation or any defect in the performance thereof, provided that the said failure to perform or the defect were caused due to the Bank's reliance on the erroneous specific identity code given to the Bank by the customer.

62.C Waiver by a business of various protections under the Payment Services Law

Definitions in this clause:

62.C.1 "business" – a business whose annual sales turnover exceeds NIS 30 million or any other amount determined from time to time by the Minister of Finance by an order, under Section 51(b) of the Payment Services Law.

62.C.2 "annual sales turnover" - the amount of receivables from any source and of any kind, received by the customer in the fiscal year preceding the customer's annual financial statements for that year, and if no annual financial statements were prepared as aforesaid, the said annual sales turnover shall be determined in accordance with customary and accepted procedures and rules, or as customary and accepted from time to time at the Bank.

62.C.3 "annual financial statements" - periodic financial statements, prepared in the format determined under any law and according to generally accepted accounting principles, which the customer shall be obligated to prepare under any law.

62.C.4 Notwithstanding the aforesaid in these Terms and Conditions, should the customer be a business, the rights and protections conferred under Sections 14, 19 and Chapter F of the Payment Services Law shall not apply to the customer, as well as the clauses in these Terms and Conditions deriving from the above provisions, despite the fact that such protections could have been available to the customer if it were not for the waiver mentioned in this clause, including:

- (a) The Bank may deduct commissions and other charges from funds transferred pursuant to a payment instruction given by the customer, and the provisions of Section 14(a) of the Law shall not apply in this case;
- (b) The protections set forth in Section 24 of the Payment Services Law shall not apply to the customer, including the Limit of Liability set forth in Clause 62A above, and he shall be fully liable for the amounts he was charged due to theft or loss of the vital component in the means of

- payment or due to misuse of the means of payment until the Notice was given to the Bank in accordance with Clause 62.A.2 above;
- (c) The protections set forth in Section 32 of the Payment Services Law shall not apply to the customer, including in a case where a payment instruction was given by the customer, who is the beneficiary, and the Bank is required to refund to the payer all or part of the amount of the charge, under Section 27 of the Payment Services Law. The Bank shall charge the customer with any amount refunded to the payer as well as other expenses incurred by the Bank in that regard. The Bank shall have the right to charge as set forth in this sub-clause (c) above by way of offsetting funds to which the customer (as beneficiary) is entitled, without requiring the customer's written consent thereto.
 - (d) The customer shall not be entitled to the special protections specified in the following sections of the Payment Services Law:

Section 14(b) of the Payment Services Law, which stipulates that in the case of a provision as in Section 14(a) of the Payment Services Law, when the customer is the beneficiary, the Bank shall state to the customer the amount of money transferred to the customer's credit and the amounts it will deduct therefrom; Section 19 of the Payment Services Law, which defines the liability imposed on the Bank in performing a payment operation, and stipulates, *inter alia*, the Bank's responsibility: (a) to perform the payment instruction precisely so long as the payment service provider to the beneficiary, as defined in the Payment Services Law, has not received the funds transferred pursuant to the payment operation; (b) to execute the transfer of the funds to the customer precisely upon receipt of the funds received for the customer in the Bank, when the customer is the beneficiary; (c) to transfer the payment instruction precisely to the payment services provider to the payer, as defined in the Payment Services Law, in a case where the payer gave a payment instruction by means of the beneficiary, who is the customer, or in a case where the customer (as beneficiary) demanded to perform a payment operation by virtue of a debit authorization; (d) concerning a defect in performing a payment operation, inquiry into and rectification thereof; (e) to compensate or indemnify the customer, upon his demand, for any damage or expenses he incurred due to a defect in performing a payment operation;

Section 25 of the Payment Services Law, which limits the customer's liability for misuse of the means of payment in the suspension period of the means of payment, or after termination of the payment services contract or return of the means of payment to the Bank;

Section 26 of the Payment Services Law, which qualifies the limit of liability due to misuse of the means of payment only to a case where the customer acted with fraudulent intent;

Section 27 of the Payment Services Law, which directs the Bank to refund to the customer amounts he was debited for misuse of the means of payment;

Section 28 of the Payment Services Law, which directs the Bank to refund to the customer the difference between the amount he was debited in the payment operation performed according to an instruction given by means of the beneficiary, and the amount which the customer notified that he undertakes to pay and the amount debited was increased without authorization;

Section 29 of the Payment Services Law, which directs the Bank to refund to the customer the amount of debit or difference between the unauthorized increased debit and the amount which the customer undertook to pay, in a case where the customer was debited for a payment operation in a missing document, as defined in the Payment Services Law;

Section 30 of the Payment Services Law, which stipulates that an exemption due to misuse of means of payment or limit of liability of the customer pursuant to Chapter F of the Payment Services Law, shall not be conditioned on giving particulars to the payment services provider on the circumstances of the theft or loss of the vital component in the means of payment or of the payment operations made while misusing the means of payment;

Section 31 of the Payment Services Law which stipulates that no liability shall be incurred by the customer due to misuse of the means of payment, excluding that set forth in Chapter F of the Payment Services Law.

63. Miscellaneous expenses, legal proceedings, stamping of documents and jurisdiction

- 63.1 The laws of the State of Israel shall govern this agreement and the documents mentioned therein or relating thereto, including their interpretation.
- 63.2 The Bank and the customer agree that sole jurisdiction for the purposes of this agreement shall rest with the court in the city closest to the branch at which the account is managed from amongst the following



cities: Jerusalem, Tel Aviv, Haifa, Beer Sheba or Nazareth, or – at the plaintiff's election – the court nearest to the branch at which the account is managed. However, with regard to a customer who is a foreign resident, the aforesaid shall not prejudice the Bank's right to institute legal proceedings against him in any competent court or execution office outside the State of Israel.

- 63.3 All the reasonable expenses involved in exercising rights to collect the debts due pursuant to this agreement or in respect of any other service received by the customer, including the reasonable expenses involved in any claim or realization of the guarantees and collateral furnished by the customer to the Bank, including the Bank's advocates' professional fees, as well as stamping expenses, if any, shall be borne by the customer. The amount of the professional fees shall be as determined in a judgment or decision of the court. In the event of execution proceedings, if specific advocates' professional fees have not been determined, the minimum professional fees pursuant to section 81 of the Chamber of Advocates Law, 5721-1961 shall apply, and in any other case – as agreed between the Bank and the customer. The customer shall pay the Bank, immediately upon its first demand, any expense as aforesaid together with maximum interest, in respect of the period commencing on the date on which the expense was incurred by the Bank until the actual payment thereof.
- 63.4 Where any claim, proceeding or demand is filed by a third party against the Bank in Israel or overseas, in connection with any account of the customer at the Bank, or the Bank becomes involved in any claim, demand or proceeding that totally concerns a dispute between the customer and a third party, or a dispute between the customer and someone on his behalf, including attachment proceedings and other temporary relief, the customer shall indemnify and compensate the Bank for any reasonable expense, damage and loss occasioned to it as a result of any such claim, demand or proceeding. Notwithstanding the aforesaid, direct legal costs (advocates' professional fees) in respect of litigation in proceedings as aforesaid that are being conducted before a court or execution office shall only be borne in accordance with the order of the court or execution authority, unless the customer has requested (expressly or impliedly) the Bank's intervention in the proceeding, in which case the costs of the proceeding shall be borne in full by the customer.
- 63.5 For the avoidance of doubt, it is expressed that the Bank's right to debit the account shall apply in respect of any amount due to the Bank from the customer pursuant to this clause. In addition to the aforesaid, the Bank may debit any account of the customer with it, whether or not mentioned in this agreement, with any amount due to it from the customer as a result of any claim, demand or proceeding as mentioned above.

64. The customer's warranties and undertakings

- 64.1 Without derogating from and in addition to any other warranty or undertaking in this agreement, the customer undertakes that all the information, facts and/or documents furnished to the Bank by him and all his representations and/or warranties to the Bank prior to the execution of this agreement (hereinafter jointly referred to as "**the customer's representations**") are accurate, correct and valid, and without derogating from the aforesaid – that the customer's representations correctly reflect his financial position prior to the execution hereof.
- 64.2 Without derogating from the generality of the aforesaid, the customer is liable to the Bank for the genuineness and correctness of all the details and signatures appearing in all the documents furnished by him to the Bank. It is hereby clarified to the customer and he agrees that the Bank is agreeing to contract with him pursuant hereto and provide the services to him pursuant hereto and/or pursuant to any other agreement between the parties in reliance on the customer's representations and undertakings as aforesaid.

65. Exemption from liability in special circumstances

The customer is exempting the Bank from liability for any direct and/or indirect damage, loss, expense and payment (hereinafter jointly referred to as "**damage**") that might be occasioned to him as a result of any one of the following cases:

- 65.1 in any circumstances in which the Bank is exempt from liability at law, including by reason of the fact that it acted in accordance with an order, recommendation, procedure or directive given to it by Bank of Israel or another competent authority, even if it transpires that Bank of Israel or such authority were not competent to give such order, recommendation, procedure or directive; by reason of frustration in the widest sense known at law; and/or in cases in which the damage is a result of a negligent or intentional act of the customer or a breach by the customer of an agreement between the customer and the Bank;



- 65.2 as a direct result of circumstances over which the Bank has no control or during the existence of such circumstances, provided that the Bank makes every reasonable effort to perform its obligations;
- 65.3 as a result of the Bank's reasonable use of various communication means, such as mail, telephone, facsimile or any other delivery or communication method, whether private or public, and as a result of any loss, delay, misunderstanding, damage or fault by reason of use as aforesaid, provided that the Bank shall not be exempt from the damage, loss or expense if it occurred as a result of the Bank's negligence;
- 65.4 in the event that the damage is a result of a mistake of someone other than the Bank, or of a defect, invalidity, incorrect description or condition, incompleteness of the signature, if not apparent ex facie on a reasonable inspection of the document, and of any good faith mistake in any service, regarding the significance thereof, translation thereof or manner of acting in accordance with any document furnished to the Bank pursuant whereunto it is requested to act;
- 65.5 the aforesaid does not prejudice the provisions exempting the Bank from liability in specific circumstances.

66. The Bank's records, notices and confirmations

- 66.1 The entries in the Bank's books, a copy of the aforesaid entries or of any excerpt from the aforesaid entries or of the last page of the aforesaid entries shall constitute admissible evidence of the genuineness of their contents.
- 66.2 The customer shall inspect any account copy, notice and letter sent or delivered to him in any way by the Bank, including through an ATM, or through a computer terminal (and such notices shall be deemed to have been delivered to the customer by the Bank) and shall furnish the Bank with his written comments thereon, if any, within 60 days of the date of the delivery or dispatch by the Bank, unless another period is stipulated in a specific provision in these Terms and Conditions.
- 66.3 The Bank's written confirmation of the interest rates, maximum interest, the Bank's prevailing rate or the Bank's commission in the period or periods to which such confirmation relates shall constitute admissible evidence of the genuineness of the contents thereof.

67. Mailing address

The customer's address for the purpose of sending him mail, including court process and notices and warnings pursuant to the Checks Without Cover Law, 5741-1981, is the address noted in the relevant account opening request as his mailing address, or any other address in Israel of which the customer notifies the Bank by registered letter, the receipt of which is confirmed by the Bank in writing. With the Bank's consent, the customer may also give the Bank an e-mail address as his mailing address, which shall for all intents and purposes be deemed the customer's address. The Bank may send or deliver any notice, demand, account copy or other document of whatsoever type (including any negotiable document) to the customer by ordinary mail or otherwise, at its election (including by ATM or computer terminal or e-mail), and if a document as aforesaid is sent to the customer by ordinary mail in accordance with his aforesaid address, it shall be deemed to have been received by him within 72 hours of being mailed. The Bank's written confirmation regarding any dispatch or delivery and the time and date thereof shall constitute admissible evidence vis-à-vis the customer of the dispatch, delivery and time and date mentioned therein, and of the contents thereof.

68. Transfer of rights

The customer may not transfer and/or encumber and/or assign and/or endorse his rights or obligations pursuant to this agreement and/or the documents mentioned therein or relating thereto and/or in an account pursuant hereto to another without the prior written consent of the Bank. The provisions of this clause do not derogate from any other provision in this agreement absolutely prohibiting a transfer of the rights in any deposit or account.

The Bank will be entitled to assign and/or transfer and/or sell and/or endorse its rights or obligations pursuant to this agreement, in whole or in part, including in respect of any credit facilities that may be given to the customer pursuant to this agreement and in accordance with applications to receive credit facilities as defined in this agreement, to any person or other body, without the necessity for obtaining the customer's consent, provided that the customer's rights pursuant to this agreement and under the additional agreements that may be signed between him and the Bank (if any) shall not be adversely affected. Without derogating from the foregoing, it is agreed that an assignment and/or sale and/or endorsement will not be deemed to constitute prejudice to the customer's rights.



It is hereby agreed by the customer that the Bank will be entitled to disclose to any potential assignee or transferee, or to any other person or body, including a person or body wishing to enter into a contract with the Bank in connection with credit facilities or any part thereof, particulars about the customer and details relating to the customer's rights and obligations, including any credit facilities that have been made available to him.

69. Waivers and/or compromises

- 69.1 A waiver by the Bank of any previous breach and/or non-performance of any of the customer's obligations pursuant to this agreement and/or the grant of an extension by the Bank in relation to any right vested in it pursuant to any document, or pursuant to any law, shall not give the customer cause to continue the breach or non-performance of the obligation, shall not constitute cause for a new or additional breach of any of the conditions of this agreement and shall not be interpreted as a waiver of such right.
- 69.2 A waiver by the Bank and any compromise with the customer shall not bind the Bank, unless made in writing.

70. Commission and expenses

- 70.1 Commission in connection with an account, acts relating thereto, various services including the preparation of legal documents, attachments imposed on the account and orders or decisions of courts or other competent authorities that are filed in connection with the account, at the Bank's customary tariff from time to time, shall be debited to the account in which the act was executed or any other account of the customer as the Bank decides, at such times as customary at the Bank from time to time. The commission tariff shall be available for the customer's inspection at the branch or as required by law.
- 70.2 The Bank may debit any account as aforesaid with any reasonable expense occasioned to the Bank in connection with the account, acts relating thereto and various services, and without derogating from the generality of the aforesaid - in respect of the transmission of faxes, and telephone conversations.
- 70.2.1 Without derogating from the aforesaid, the Bank may charge the customer commission or expenses as aforesaid by way of deducting them from any amount due to the customer in connection with any transaction.
- 70.2.2 Subject to any law, the Bank shall not be liable to submit an invoice or give notice to the customer in respect of the debit, and the mere debiting of the account shall be deemed submission of an invoice in relation to the debit.
- 70.2.3 The customer hereby agrees and approves to the Bank to deduct any debt, charge, expense, cost or commission due now or in the future from the customer to the Bank, including under these Terms and Conditions, from funds due to the customer, as the Beneficiary in the account, from the Bank, at any time and from time to time, including pursuant to an instruction given by a third party to transfer funds to the account.

71. Special expenses and taxes

- 71.1 The customer undertakes to pay the Bank any amount demanded by it for the payment of any levy, tax, fee or compulsory payment (save for the payment of income tax for which the Bank is liable pursuant to the laws of the State of Israel) that the Bank and/or the customer is liable to pay in connection with any service received from the Bank, including in respect of payments overseas pursuant to the foreign law (hereinafter referred to as "**taxes**").
- 71.2 Without derogating from the generality of the aforesaid, if the customer is liable for the payment of taxes, levies and compulsory payments pursuant to any law, the Bank shall deduct this amount at source in accordance with the law, or debit the account with any amount required for the payment of any taxes, unless the customer furnishes the Bank, in advance, with a suitable certificate from the authorities regarding an exemption from deduction as aforesaid.
- 71.3 All the amounts of whatsoever type that are due to the Bank from time to time pursuant to this agreement shall be paid by the customer to the Bank in full, after all the taxes, as such expression is defined above, in respect thereof have been paid and deducted. Without derogating from the aforesaid, it is expressed that where any amounts due from the customer to the Bank as aforesaid are subject to the payment of taxes, they shall be increased respectively such that after payment of the taxes, the Bank shall be left with all the amounts due to it from the customer pursuant to this agreement, in full.
- 71.4 Without derogating from the aforesaid, where any duty, condition or restriction is imposed on the Bank pursuant to the law in any country, or by virtue of a directive or agreement made by the Bank with Bank of Israel including those concerning taxation, provisions, special deposits, cash ratio, liquidity or requirements in relation to capital adequacy or other forms of fiscal, monetary or regulatory control, or any

duty, condition or restriction in connection with international financial markets, such that the Bank determines that as a result of the aforesaid the cost to the Bank in connection with the service's provision will increase, the Bank may compute the additional cost in respect of this duty and add it as an expense of the customer, in addition to any other expense, commission or interest.

71.5 The Bank may debit the account from time to time with all the aforesaid amounts, and in addition debit the customer with the aforesaid amounts by deducting them from any amount due to the customer in connection with any transaction.

71.6 Without derogating from the aforesaid, the Bank may deduct any tax, payment and fee as aforesaid from any payment due to the customer, without notice to the customer.

72. Change in the account holder's details

The customer warrants that all the details furnished by him to the Bank are correct and accurate. The customer undertakes to notify the Bank immediately upon any change in one or more of these details, including any change in his address, the telephone numbers given by him to the Bank, electronic mail address, as well as any data serving as a verifying and identifying detail of the customer.

73. Technical changes

73.1 The Bank may change the number of the account and/or any prefix, or make any other technical change in the account, if in its opinion such is necessary or desirable for any reason. The customer acknowledges that the validity of the terms and conditions of this agreement shall not be affected in the event of a change as aforesaid.

73.2 In addition, the Bank may, on notice to the customer, transfer the balance in the account, whether it is a credit balance or a debit balance, to another account that shall be opened in the customer's name for such purpose, if the Bank believes that such is necessary for office, administrative or technical reasons.

74. Rectification of mistakes

If the Bank believes that any act was mistakenly entered in the account, or that there was a mistake in any entry in the account, including in consequence of a mistaken amount, mistaken date, mistaken rate, mistaken nominal value and the like, or that any act was not entered in the account in consequence of mistake, the Bank may at any time rectify the mistake and its consequences. The rectification shall be done by debiting and/or crediting the account, as the case may be and in the circumstances of the case, and subject to Bank of Israel's directives.

75. Change of terms and conditions

The Bank may from time to time change the terms and conditions regulating the customer's activity at the Bank, whether they are included in this agreement or in any other document and/or add new terms and/or conditions and/or new provisions, provided that it notifies the customer thereof in advance, in such manner as determined by it, in its discretion, at the times prescribed by law. If the customer notifies the Bank in writing that he does not agree to the change in the terms and conditions as aforesaid, the Bank may stop providing him with all or some of the banking services, and in such context call for the immediate payment of credit provided to the customer, cancel credit facilities and even close the account completely.

76. The account's closure or reducing and limiting the scope of services

76.1 The Bank may at any time, by a written notice to the customer, close the account or cease one or more of the spheres of activity and/or service channels provided to the customer pursuant to this agreement or strip the customer of his right to act in the account through checks or similar documents (hereinafter - "Termination of Service by the Bank"), including in cases in which the customer has failed to furnish the Bank with a declaration he was obliged to give according to any law or agreement and/or if such declaration has been found to be incorrect and/or if the Bank has demanded to receive explanations and documents regarding the nature and essence of an operation in the account or in regard to the source of money that has been credited to the account or regarding the character of the customer's business, and the customer has failed to provide detailed explanations to the Bank's satisfaction. Termination of Service by the Bank shall take effect 45 days after delivery of the Bank's notice (or at a later date as stipulated in the Bank's notice). Notwithstanding the aforesaid, it is clarified that the Bank is entitled to terminate the service immediately (including closing the account) if, in the Bank's opinion, irregular circumstances are fulfilled that justify immediate Termination of the Service by the Bank as aforesaid. The customer undertakes to return to the Bank all of the checkbooks, credit cards, and debit cards of any kind in his possession, at the time of closing the account. In the event of the account's closure – by



the Bank or by the customer – any debt or liability to the Bank in the account, as well as the interest and the maximum interest, if any, which has accrued to date, shall be discharged immediately upon the account's closure. The operations described above shall be performed in accordance with the procedures that have been laid down or will be laid down by the Bank of Israel. Details can be obtained at the branch of the Bank at which the account is maintained. Without derogating from the aforesaid in this clause, to the extent the customer does not instruct the Bank to close the account after termination of receipt of the specific services for which he engaged with the Bank under these Terms and Conditions and/or other special terms, the Bank shall be entitled to close the account as provided in this Clause 76.1 above and in the Bank's procedures, as they shall be from time to time.

- 76.2 The customer is entitled at any time to terminate his contractual arrangement pursuant to these Terms and Conditions and/or the other agreements by virtue of which he may engage with the Bank from time to time, if any, for any reason whatsoever, by a written notice to the Bank. If the customer notifies the Bank of termination of the contractual arrangement under these Terms and Conditions and/or the other agreements, as aforesaid, the date of termination shall be as follows:
- 76.3 Regarding termination of the contractual arrangement between the Bank and the customer for the service of issuing means of payment or clearing payment operations – at the end of the business day after the date of delivery of the notice as aforesaid.
- 76.4 Regarding the termination of the contractual arrangement between the Bank and the customer for the service of managing the account - to the extent there is no legal impediment to do so, at the end of five (5) business days after the date on which the customer completed all the actions required to close the account, as set forth in the manual on transferring operations and closing the account, available on the Bank's website and at the Bank's branches, including the following: (a) payment of all obligations connected with the means of payment, including debit cards issued by the Bank to the customer, if any; (b) settlement of obligations to a third party, which the Bank undertook with respect to the customer's account; (c) receipt of a notice from all of the customer's individuals, to be given via any of the communication methods, that no use will be made of check forms that have not yet been drawn, to the extent any are in the possession of any of them; (d) coverage of all of the customer's obligations vis-à-vis the Bank; and (e) signature by all or some of the customer's individuals on an identification document in cases in which reasonable concern arises regarding the identity of the person who applied to close the account.
- 76.5 It is hereby agreed by the customer that, to the extent the Bank issues a means of payment to the customer, and in these Terms and Conditions and/or special terms which the customer shall sign from time to time a date is set for the end of the contract regarding such means of payment ("End of the Term of the Contract"), it will be possible to renew the contract without executing a new contract if, at the End of the Term of the Contract, the Bank makes a new means of payment available to the customer, and the previous contract shall be considered to have been renewed on the same terms (as revised from time to time, if any, as provided in these Terms and Conditions).

77. Status of the signatories to this agreement

- 77.1 The provisions of this agreement shall apply to all the components of the customer who have actually signed it, jointly and severally. Any mention of "customer" or "customers" in this agreement shall only refer to those components of the customer who have actually signed it.
- 77.2 In the event that any account or deposit is managed in the name of more than one customer, everything provided in respect of them, insofar as referring to the customer, shall be deemed as having been written in the plural.

78. Furnishing of information to the authorities

- 78.1 The customer agrees that notwithstanding the duty for secrecy imposed on the Bank with regard to operations in the bank account, the Bank will be entitled to pass on any information, including information with respect to the customer's holdings of securities, which may be demanded according to the foreign law or in accordance with Israeli law, to the Stock Exchange, to the Securities Authority and to any other authority (including the tax authorities and any competent authority according to the Prohibition of Money Laundering Law, 5760-2000 and any law which may replace that law), whether in Israel or abroad, and in particular, and without derogating from the foregoing, to tax authorities and authorities for the prohibition of money laundering and terrorism financing abroad, whether on a current basis or according to demand. The customer hereby waives any duty of secrecy in this connection, and expressly agrees that the passing on of such report by the Bank will not be deemed to be a violation of the



duty for banking secrecy or any other obligation the Bank is likely to have to the customer, and the customer will have no allegation or claim against the Bank in connection with the passing on of such information.

- 78.2 The customer agrees that, upon presentation of a demand for rendering a report with respect to his holdings of securities in accordance with the Israeli law or according to any foreign law, he undertakes to furnish the Bank and/or any body or authority concerned in the matter, including tax authorities, any report and any information that is requested by such authority.
- 78.3 Without derogating from the foregoing, the customer hereby undertakes to furnish the Bank with all the information that may be required, if required, by the Bank, for purposes of providing the Bank's report in accordance with any law, including a report to the Bank of Israel in accordance with the Bank of Israel Order (Information regarding Transactions in Foreign Currency Derivatives and Short-term Debt Instruments), 5771-2011, and/or pursuant to the Bank of Israel Order (Information regarding Developments in the Foreign Currency Market in Israel), 5770-2010, all in the format, with the particulars and at the times specified therein, and in accordance with the definition of the terms appearing therein, including, inter alia, any information concerning a transaction or transactions of an Israeli resident or a foreign resident with the Bank or through the Bank, whether for himself or for others, in foreign currency derivatives, the cumulative par value of which, in all the customer's accounts with financial brokers is equivalent to 10 million dollars or more in a single day, or concerning a transaction in options in any amount, or concerning a transaction or transactions of a foreign resident, with the Bank or through the Bank, whether for himself or for others, in debt instruments, including buyback transactions in securities, the cumulative gross par value of which, in all the customer's accounts with financial brokers is equivalent to 10 million new shekels or more in a single day.

PART TWO: DEPOSITS

CHAPTER ONE: APPLICABILITY AND DEFINITIONS

79. Applicability

Every deposit that the Bank agrees to open for the customer shall be governed by all the following provisions, and in the event of any irreconcilable discrepancy, they shall apply in accordance with the following order: firstly, the specific terms and conditions agreed between the Bank and the customer, as noted in the deposit request that was approved by the Bank or in the deposit terms and conditions form or in the confirmation of the deposit's execution or in any form, request or notice reflecting the specific terms and conditions of the customer's deposit as customary at the Bank (hereinafter referred to as "**the deposit form**"); secondly, the specific terms and conditions customary at the Bank in respect of such deposit at the time of making the deposit, or at the time of its renewal; thirdly, the provisions of this part and thereafter the provisions of the first part of this agreement.

In this chapter, the expression "**deposits**" shall mean both deposits and savings plans, in shekels or in foreign currency, unless otherwise stated or unless the context otherwise admits.

80. Definitions

In this chapter:

- 80.1** "**base index**" – the consumer price index last published prior to the day on which any deposit was made;
- 80.2** "**new index**" – the consumer price index last published prior to the payment date of any amount on account of the deposit;
- 80.3** "**base rate**" – the representative rate of the relevant foreign currency published in respect of the business day on which the deposit was made, and if not published on such day, the representative rate last published prior to such day, unless otherwise provided in the deposit form;
- 80.4** "**new rate**" – the representative rate of the relevant foreign currency published in respect of the business day on which any payment on account of the principal or interest falls due, and if not published on such day – the representative rate last published prior to such day, unless otherwise provided in the deposit form;
- 80.5** "**linkage differentials**" – where the deposit's terms and conditions provide that the deposit will be linked to the index, the positive or negative difference arising from changes in the ratio between the new index and the base index; Where the deposit's terms and conditions provide that the deposit will be linked to any foreign currency, the difference (positive or negative) arising from changes in the ratio between the new rate and the base rate;



- 80.6** **"interest table"** – the Bank's interest table, as shall be from time to time. The table includes reference to the interest determined by the Bank from time to time for various types of deposits, for various terms, and for amount graduations, and is presented in nominal annual interest terms;
- 80.7** **"margin"** – the interest rate determined by the Bank from time to time for the customer or for a group of customers, for a type of currency or for all the currencies, and for a type of deposit or for all the deposits, which is added to or subtracted from the prime interest or anchor interest in the case of a variable interest shekel deposit and added to or subtracted from the LIBOR interest in the case of a variable interest FC deposit, and which is determined and varies from time to time in accordance with the Bank's decision;
- 80.8** **"fixed interest"** – annual interest at a fixed rate. If the interest rate is not noted in the deposit form, the interest rate specified in the interest table for such type of deposit, for a similar term and for a similar graduation, shall apply;
- 80.9** **"variable interest"** – interest based on the prime interest or on the anchor interest (provided that if the parties have not agreed on anchor interest in writing, the prime interest shall apply), in the case of a shekel deposit, and on the LIBOR interest, in the case of an FC deposit, less (or plus) a fixed annual margin. If a margin is aforesaid is not noted, the margin specified in the interest table shall apply. It is expressed that any change in the prime interest or in the LIBOR interest shall also apply respectively to the variable interest with the same base, which shall change accordingly;
- 80.10** **"anchor interest"** – an interest rate based on external source data that is not in the Bank's control, as agreed between the customer and the Bank (such as interest based on the short-term loan ("Makam") yield and the like), the rate of which changes automatically from time to time whenever there is a change in the external source, and pro rata to the change in the external source;
- 80.11** **"interest term"** – the number of months or days noted in the deposit form in relation to the interest's payment or computation, and if not noted in the deposit form – the interest term shall be one month in the case of a shekel deposit and three months in the case of an FC deposit, from the deposit date until the overlapping date at the end of such period and so on and so forth;
- 80.12** **"deposit date"** – the date of crediting the customer's deposit account with the deposit amount;
- 80.13** **"breakage"** – as defined in clause 88.1.

CHAPTER TWO: GENERAL

81. Acceptance and cessation of deposits

The Bank may refuse to accept any deposit that does not conform with its policy and/or spheres of engagement. Without derogating from the generality of the aforesaid, the Bank may determine minimum and maximum amounts for the acceptance of deposits of any type from the customer, and it may also determine that only deposits in certain currencies shall be accepted, and the Bank may at any time cease offering a certain type of deposit, provided that such shall not prejudice the rights of the customer whose monies are placed in the deposit.

82. Day of deposit

Any deposit made after the end of the business day, as customary at the Bank on the deposit date, shall be deemed a deposit made on the following business day. The base rate, the base index and the interest rate shall be determined accordingly.

83. Linkage

A deposit shall not bear linkage unless otherwise agreed with the customer or otherwise provided in this agreement.

84. The interest rate and its computation

A deposit shall not bear interest unless otherwise agreed with the customer. Where the Bank and the customer have agreed that a deposit shall bear interest, the interest shall be in accordance with the type, rate and terms specified in the deposit form, and if not agreed with the customer – in accordance with the interest rate and type customary at the Bank for such type of deposit, term and graduation in accordance with the interest table.

The interest on a deposit (if any) shall be computed in accordance with the actual number of days that have elapsed from the deposit date until the end of the deposit term or the withdrawal date (whichever is earlier), in relation to the exact number of days in each year (365 or 366). In the case of a variable interest shekel deposit, the variable interest shall change automatically and without further notice to the customer whenever there is a change in the prime interest or the anchor interest, in accordance with the change in the prime interest or the anchor interest.

In the case of a variable interest FC deposit, the interest shall change in each interest term, in accordance with the following computation: at the beginning of each interest term the variable interest shall be computed on the basis of the relevant LIBOR interest rate for the bank business day falling two business days prior to the day on which the interest term commences, or, at the Bank's election, the relevant LIBOR interest rate applicable on the first day of the interest term, less (plus) the margin. The aforesaid interest rate shall apply in respect of the entire interest term.

85. Attribution of payments

All the amounts credited to the deposit, in respect of a payment of the customer or in any other way, shall firstly be used to pay the Bank's expenses and commission, if any.

86. The deposit term

The deposit shall be for the term specified in the deposit form, and if no term has been agreed upon – in the Bank's discretion.

87. Crediting of interest and linkage and the deposit's expiry

87.1 The interest and linkage (if any) accruing on the deposit as aforesaid shall be paid at the end of the interest term or at the end of the deposit term, as agreed with the customer (and if not agreed, at the Bank's election), by way of crediting the account, less any tax or payment applicable to them at any time pursuant to the law.

87.2 On the deposit term's expiry, the Bank shall act in accordance with the customer's instructions, provided that they are given three days prior to the deposit term's expiry, or in accordance with the provisions of the law, if any.

87.3 In the absence of instructions as aforesaid, the amount in the deposit that has expired, in shekels or in FC, as the case may be, shall be transferred to the customer's account at the Bank. However, the Bank may, without obligation, treat the amount in the deposit that has expired as being deposited for an additional identical term or for a short additional term – whichever is closer to the original deposit term, and so on and so forth, on such terms and conditions and at such interest rate as determined by the Bank from time to time, except in a case in which regulatory provisions apply that compel the investment of the money in a different way. Any amount of principal and/or interest and/or linkage and/or any other payment that is credited to the customer in the account at the end of the deposit term and/or after breakage and/or during the deposit term shall not bear interest and/or linkage, subject to the binding provisions of the law.



- 87.4 Where the payment date of any amount on account of the deposit, including payment on account of linkage, interest and/or principal, or the date of executing any act to the debit or credit of the deposit and/or in respect of the deposit, falls on a day that is not a business day, the payment shall be made or act executed on the first business day thereafter, subject to the provisions of any law. A change in the payment date pursuant to this clause shall not result in a change in the linkage computation, while the interest (insofar as agreed on) shall be paid in accordance with the actual number of days of the deposit. Everything stated above in this clause shall apply, unless otherwise specifically provided in the deposit form.

88. The deposit's withdrawal and early breakage

- 88.1 The customer may not withdraw the deposit or any part thereof before its payment date or renewal date, as the case may be. The Bank may, in its exclusive discretion and on such terms and conditions as it deems fit, allow the customer to withdraw the deposit or part thereof before the aforesaid dates (hereinafter referred to as "breakage").
- 88.2 It is agreed that if the Bank agrees to breakage as aforesaid, the Bank may charge the customer a breakage fine in such amount as customary at the Bank on the breakage date, as well as expenses and commission, and the customer shall not be entitled to interest and/or positive linkage paid and/or accruing to him in respect of the deposit, and in the case of a renewable deposit - in respect of the last deposit term. Any payments that have been made to the customer on account of the interest and/or positive linkage shall be returned to the customer by the Bank, and without derogating from the aforesaid, the Bank may deduct them or set them off from the payment to the customer. The customer acknowledges that in the event of breakage as aforesaid, he might receive even less than the original amount deposited by him.

89. Special set-off rights

In addition to the Bank's rights of set-off and lien pursuant to the law and this agreement, if the customer has signed a special deed of set-off and/or bond and/or deed of pledge in respect of the deposit, all his rights in the relevant deposit shall be subject to the Bank's rights pursuant to the special deed of set-off and/or bond and/or deed of pledge.

90. Charges and lien

Where the deposit monies are charged to the Bank and/or are subject to a lien, and so long as they are charged or subject to a lien as aforesaid, the customer may not do any act in the account (including the withdrawal of monies) without the prior, written and signed consent of the Bank, and the Bank shall not be liable to execute any act in the account, including the transfer of monies to customers or to their credit, without prejudice to any other right available to the Bank.

Any charge and lien over the deposit monies shall also apply to any account of the customers to which the deposit monies, deposit profits and/or payments in respect thereof are transferred.

91. Miscellaneous

- 91.1 If pursuant to any law the customer is liable for the payment of taxes, levies and compulsory payments in respect of any deposit, the Bank shall deduct this amount at source in accordance with the law, or debit the account with any amount required for payment of tax, unless the customer furnishes the Bank with a suitable certificate from the authorities regarding full or partial exemption from deduction as aforesaid, in which case the Bank shall act accordingly.
- 91.2 With the prior consent of the customer, the Bank may consolidate deposits of the same type and in the same currency, in accordance with the Bank's prevailing rules from time to time.
- 91.3 The customer's rights in the deposit may not be transferred, assigned and/or charged, other than to the credit and order of the Bank, except with the prior written consent of the Bank, and subject to the terms and conditions of such consent and the provisions of any law.

CHAPTER THREE: TYPES OF DEPOSITS

92. Index-linked shekel deposit

- 92.1 In this clause, "**index-linked shekel deposit**" means an index-linked deposit in new shekels in the amount, at the interest and on the terms and conditions agreed – insofar as determined at the time of actually making the deposit and/or in this agreement.
- 92.2 Linkage differentials – the amount in the deposit and the interest payable on an index-linked shekel deposit (if the payment of interest has been agreed) shall be index-linked, and shall bear index linkage, differentials.
- 92.3 Subject to the aforesaid, an index-linked shekel deposit shall be governed by all the other provisions of these terms and conditions.

93. Fixed-term deposit

- 93.1 In this clause, "**fixed-term deposit**" means a fixed-term unlinked deposit, for a pre-defined term, in the amount, at the interest and on the terms and conditions agreed, insofar as determined at the time of making the deposit and/or in this agreement. The deposit may be one-time - in accordance with the customer's instructions – or renewable automatically from time to time for an additional term or additional terms.
- 93.2 Interest rate – the amount in a fixed-term deposit shall bear only interest, at a variable or fixed rate, as agreed with the customer.
- 93.3 Automatic renewal of a weekly or monthly fixed-term deposit:
- 93.4 Unless the Bank is instructed otherwise in writing, the customer is requesting that the Bank renew the fixed-term deposit at the end of each deposit term, for an identical additional term. The interest on the renewed deposit shall be fixed or variable, as agreed at the time of the original deposit.
- 93.5 Unless the Bank is instructed otherwise in writing, at the end of each deposit term the interest, less the compulsory payments as defined in these terms and conditions, shall be added to the renewed deposit's principal.
- 93.6 The customer agrees that the Bank may refuse to renew a fixed-term deposit if on the renewal date deposits of such type are not customary at the Bank or for any other reasonable cause, in which case the deposit shall be paid to the customer's account or in accordance with his instructions and shall not bear any interest and/or linkage, subject to the binding provisions of the law.
- 93.7 It is agreed that the customer may stop the automatic renewal on notice to the Bank in good time and by no later than three business days prior to the end of the last deposit term.
- 93.8 Subject to the provisions of this clause, a fixed-term deposit shall be governed by all the other provisions of this agreement.

94. Current savings deposit

- 94.1 In this clause, "**current savings deposit**" means an unlinked shekel current savings deposit bearing interest, for a term of one day, which is renewable automatically on a daily basis for an additional term of one day until its withdrawal by the customer.
- 94.2 So long as the Bank agrees to accept such deposits, any amount placed in a current savings deposit shall at no time be less than the minimum amount determined by the Bank from time to time. If at any time the balance of the investment in the current savings deposit falls below the minimum amount, the Bank may transfer the balance to the customer's account.
- 94.3 The rate of the interest on the balance in the current savings deposit is fixed for the day of deposit only and likely to vary in accordance with the interest table prevailing at the Bank from time to time, having regard to the balance in the current savings deposit, and the Bank may change the interest rate at any time, including daily.
- 94.4 If the Bank has determined an interest rate and/or agreed an interest rate with the customer that is different from the rate in the interest table in respect of a certain current savings deposit and/or current savings deposit balance ("special interest rate"), the special interest rate shall bind the Bank for one day only, and the Bank may change the interest thereafter at any time, in accordance with the interest table as provided above.
- 94.5 Notwithstanding the aforesaid, the Bank may, in its exclusive discretion, determine different interest rates for different deposit amounts that were deposited separately (and that constitute the credit balance in the current savings deposit), in which case each amount shall be treated as a separate and independent deposit and shall be governed by the aforesaid terms and conditions, mutatis mutandis.



- 94.6 The interest on a current savings deposit shall be computed in accordance with the actual number of days from the deposit date until the withdrawal date relative to the exact number of days in such year (365 in an ordinary year), with daily compound interest.
- 94.7 The deposit may be withdrawn in whole or in part on any business day. The interest shall be paid to the account on the date of the deposit's withdrawal, in whole or in part, pro rata to the amount of the principal that is withdrawn.
- 94.8 The Bank may change the terms and conditions of a current savings deposit or cease offering it. Suitable notice shall be given by the Bank. In such case, the balance in the current savings deposit shall be paid to the account.
- 94.9 Subject to the provisions of this clause, a current savings deposit shall be governed by the other provisions of this agreement.

95 FC-linked deposit

- 95.1 In this clause, **"FC-linked deposit"** means an FC-linked new shekel deposit, in the amount, at the interest and on the terms and conditions agreed, insofar as determined at the time of making the deposit and/or in this agreement.
- 95.2 The amount in the deposit and the interest payable thereon (if the payment of interest has been agreed) shall be linked to the US dollar or to the euro in accordance with what is stipulated in the deposit agreement and shall bear FC linkage as defined below. If the payment date of the deposit falls on a day that is not an FC business day or a day on which Bank of Israel does not publish a representative rate, the new rate shall be computed in accordance with the representative rate published on the last business day prior to the payment date.
- 95.3 Subject to the provisions of this clause, an FC-linked deposit shall be governed by all the other provisions of this agreement.

96 FC deposit

- 96.1 In this clause, **"FC deposit"** means an unlinked deposit in foreign currency.
- 96.2 The term of the deposit – an FC deposit shall be for the term agreed in writing between the Bank and the customer, and in the absence of agreement as aforesaid – for such term as prevailing at the Bank in respect of such type of deposit, in the Bank's discretion.
- 96.3 An FC deposit shall bear interest that shall be paid in the deposit currency. The rate of the interest shall be as agreed in writing between the Bank and the customer, and in the absence of agreement – fixed interest or variable interest at such intervals as determined by the Bank. The interest shall be the rate prevailing at the Bank on the date of making the deposit (and on the date of any interest term - in respect of variable interest) for deposits of such type and such term.
- 96.4 Commissions, expenses and compulsory payments – compulsory payments, commissions and expenses that the Bank may charge the customer shall be collected in FC or in Israeli currency, as agreed with the customer, and in the absence of agreement – in the Bank's discretion, subject to the provisions of any law in force from time to time.
- 96.5 Subject to the provisions of this clause, an FC deposit shall be governed by all the other provisions of this agreement.

PART THREE: CREDIT AND GUARANTEES

CHAPTER ONE: PROVISION OF CREDIT

97 Definitions:

- 97.1 "credit request" – as defined in clause 98.1 below;
- 97.2 "new index" – the index, as defined in Part One of this agreement, last determined or published prior to the payment date of the relevant interest or principal or prior to the date of actual payment, whichever is higher;
- 97.3 "Supervisor of Banks" or "Supervisor" - as defined in Section 5 of the Banking Ordinance, 1941.
- 97.4 "base index" – the index as defined in Part One of this agreement that was last determined or published prior to the provision of the credit or any part thereof, in respect of such part of the credit;
- 97.5 "base rate" – the representative rate of the relevant foreign currency published in respect of the business day on which the credit was provided and if a representative was not published on such day, the representative rate last published prior to the business day on which the credit was provided, unless another base rate is specified in the credit request;
- 97.6 "new rate" – the representative rate of the relevant foreign currency published in respect of the business day on which the payment date of the relevant interest or principal falls or in respect of the date of actual payment of the principal or interest, whichever is higher. If a representative rate was not published on one of the aforesaid dates, the representative rate last published prior to the aforesaid date shall be taken into account for the purpose of the determination;
- 97.7 "Fair Credit Law" – the Fair Credit Law. 5753-1993.
- 97.8 "credit facility" – as defined in clause 100.3 below;
- 97.9 "Bank of Israel interest" - the interest determined by the Bank of Israel pursuant to its periodic monetary decisions, which serves the Bank for the purpose of giving loans to banking corporations or for the purpose of obtaining loans from banking corporations, at the rate thereof from time to time, published on the website of the Bank of Israel, and that is known at the time of executing the loan contract.
- 97.10 "variable interest" – interest based on the prime interest or on the anchor interest (provided that where the parties have not agreed on anchor interest in writing, the prime interest shall apply), in the case of shekel credit, and on the LIBOR interest, in the case of FC credit, plus the margin, the rate of which shall vary automatically from time to time whenever there is a variation in the prime interest rate or the anchor interest or the LIBOR interest, respectively, and pro rata to the change in the prime interest, anchor interest or LIBOR interest. It is expressed that where the interest variation is negative, the variable interest shall be at the rate of zero (0%);
- 97.11 "default interest" – as defined in clause 126 of this agreement;
- 97.12 "anchor interest" – an interest rate based on external source data that is not in the Banks control, as agreed between the customer and the Bank (such as interest based on the short-term loan ("Makam") yield and the like), the rate of which changes automatically from time to time whenever there is a change in the external source, and pro rata to the change in the external source;
- 97.13 "actual cost of credit" - the ratio between the total supplements and the amount the customer actually received, calculated annually.
- 97.14 "actual cost of credit line" - the ratio between the total amounts which the customer is required to pay in connection with the application for credit line, as defined below, beyond the amount stipulated therein (excluding (1) interest on arrears; (2) reasonable expenditures made by the Bank in order to collect the amount payment of which the customer is in arrears, including, *inter alia*, lawyer's fees, fees, including the fee for opening an Execution Office file, messenger service;; (3) expenditures required in order to provide the credit line, of the type and in the amount determined by the Minister of Justice, on the date it was provided and the amount of the credit line approved by the Bank;
- 97.15 "supplements" - any amount which the customer is required to pay in connection with the credit application beyond the amount he actually received from the Bank, excluding the following: (1) interest on arrears; (2) reasonable expenditures made by the Bank in order to collect the amount in arrears; (3) expenditures required in order to provide the credit line, of the type and in the amount determined by the Minister of Justice, on the date it was provided.
- 97.16 "risk supplement" or "margin" – the interest rate determined by the Bank from time to time for the customer or for a group of customers, for a type of currency or for all currencies, and for a type of credit / loan or for all types of credit / loans, which is added to the prime interest or the anchor interest in

the case of variable interest shekel credit and added to the LIBOR interest in the case of variable interest FC credit, and which is determined and varies from time to time in accordance with the Bank's decision;

- 97.17 **"interest term"** – the interest accrual term, as determined in the credit request, and if no interest term is determined, as customary at the Bank for a similar type of credit, on the expiry of which the customer shall pay the interest to the Bank or the interest in respect of such term shall be added to the customer's credit principal.

98 Credit request

- 98.1 Where the customer has requested credit, the credit shall be in accordance with the amounts, terms, payment dates, interest rates, linkage and additional terms and conditions (if any) noted in a written request to be submitted by the customer to the Bank (or another document that is acceptable to the Bank), insofar as approved by the Bank or altered by it as a condition for the request's approval and/or in a written agreement for the receipt of credit (any request and/or agreement and/or document as aforesaid, in accordance with the terms and conditions of their approval by the Bank, is hereinafter referred to as **"credit request"**). The credit request shall constitute an integral part of this agreement.
- 98.2 Any credit that the customer receives from the Bank shall be governed by the provisions of this agreement and this part in particular, and the provisions of the credit request. In the event of any irreconcilable discrepancy, the provisions of the credit request shall prevail.
- 98.3 The Bank may at any time, without giving reasons, refuse to approve a credit request, or approve a credit request on such terms and conditions as it deems fit, in its exclusive discretion, or refuse to renew credit that was provided and that has become repayable, or agree to the renewal thereof in a reduced amount or on different terms and conditions from what was requested, or withdraw its consent to provide credit if the credit has not yet been given, such being in respect of all or part of the credit.
- 98.4 Where the credit is given to the customer for a particular object, the customer shall only use it for the object for which it was given, and such condition shall be deemed a fundamental condition of this agreement.

99 The credit's provision

The credit shall be provided by way of crediting the customer's current account, insofar as not otherwise agreed between the Bank and the customer. If the credit is in foreign currency, the current account in such currency shall be credited. The date of the credit's provision shall be the business day on which the account is credited.

Where the credit is provided through a credit facility in a current account, the date of any debit in the account shall be deemed the date of the credit's provision in respect of such debit.

99A Provisions governing customers' credit pursuant to the Fair Credit Law

Notwithstanding the contents of these Terms and Conditions, credit governed by the Fair Credit Law, which shall be made available to a borrower governed by this law, the provisions and terms set forth in the documents of the specific credit shall apply, to the extent there is any contradiction between them and these Terms and Conditions.

CHAPTER TWO:

SPECIAL TERMS AND CONDITIONS APPLICABLE TO CREDIT FACILITIES

100 Credit facilities

- 100.1 At the customer's request and subject to the Bank's approval, the customer shall be provided with credit facilities in the account, the terms and conditions of which shall be as agreed with the customer in the relevant credit request (hereinafter referred to as **"credit facility request"**). The credit facilities in the account may have different terms and conditions, including with regard to their terms and interest rates.
- 100.2 In addition, the Bank may, without obligation, in its exclusive discretion, provide the customer with a unilateral credit facility. The term of a unilateral facility may be different to the term of a credit facility provided at the customer's request. The Bank shall give the customer notice of the unilateral credit facility's provision and of its terms and conditions at or about the time it decides to provide it.
- 100.3 Credit facilities that are provided at the customer's request and unilateral credit facilities are hereinafter jointly and severally referred to as **"credit facility"**.
- 100.4 The Bank shall not be liable to give or renew all or part of any credit facility. For the avoidance of doubt, it is expressed that even if the Bank has provided a credit facility at the customer's request or a unilateral credit facility, such shall not be interpreted as consent on its part to doing so in the future, or to renew the credit facility, in whole or in part.

100.5 The customer undertakes to ensure that the account is only debited within the scope of the credit facility and not to deviate from it without the prior written consent of the Bank and to act in the account only in accordance with the terms and conditions of the credit request and this agreement.

100.6 It is agreed that the Bank shall not be liable to honor any withdrawal, debit, instruction or request that will result in a deviation from the credit facility, other than in the Bank's discretion and subject to the provisions of the law. The honoring of any withdrawal, instruction or request as aforesaid, or any part thereof, shall not be interpreted as consent to also do so in the future and in general.

101 Credit allocation commission

101.1 Credit allocation commission shall be payable quarterly on a credit facility provided at the customer's request, in the amount or at the rate agreed in the credit facility request and in accordance with the conditions specified in the Bank's tariff of commissions as may be revised and updated from time to time. The commission shall be paid in advance at the time of the credit facility's allocation or increase and thereafter in advance on the first business day of each of the months of January, April, July and October of each year.

101.2 Where a rate (in percentages) has been specified for the credit allocation commission, the computation shall be made by multiplying the amount of the credit facility by the specified rate and by the number of days until the facility's expiry or until the end of the quarter (whichever is earlier), divided by the number of days in the quarter. Notwithstanding the aforesaid, the Bank may determine a minimum amount and/or maximum amount for the credit allocation commission (as agreed in the credit facility request), all in accordance with what is specified in the Bank's tariff of commissions as will be revised and updated from time to time.

101.3 Credit allocation commission shall not be collected on a unilateral facility.

102 Cancellation / reduction of credit facility

The Bank may reduce or cancel a credit facility on 21 business days' notice. Notwithstanding the aforesaid, the Bank may reduce or cancel the credit facility immediately and without notice where there is a risk that the Bank will be unable to collect the credit in consequence of a change for the worse in the customer's payment ability and/or other terms and conditions obliging the credit facility's immediate reduction or cancellation, or in other cases permitted by law. In these cases, notice shall be sent to the customer simultaneously with the reduction or cancellation or immediately thereafter.

103 Payment of the debit balances in the account

The customer undertakes to pay the Bank any debit balance arising in the credit facility on the date specified for doing so or on the Bank's demand, including a debit balance arising as a result of charges that cannot be prevented and/or any other charges, immediately upon the creation thereof.

104 Interest

104.1 Any debit balance arising in the account within the scope of a credit facility that was provided at the customer's request and in accordance with the terms and conditions thereof shall bear variable interest on the daily balances, at the rates agreed with the customer in the credit facility request.

104.2 A debit balance arising in the account within the scope of a unilateral credit facility, if the Bank has provided one to the customer, shall bear interest on the daily balances as follows: interest at the rate agreed with the customer for the last credit graduation in the credit facility request, if existing, and in any other case, the highest interest rate prevailing at the Bank from time to time in respect of debit balances in such type of credit facility.

104.3 A debit balance in the account that for any reason exceeds the amount of the credit facility shall bear - in respect of the period from the day of the deviation until the actual payment thereof in full - interest on the daily balances as follows: if the last credit facility request agreed upon specified a maximum interest rate on a deviation from the credit facility (hereinafter referred to as "maximum default interest rate"), this interest rate shall apply. If the customer does not have a valid credit facility or a maximum default interest rate has not been specified, the maximum interest as defined in this agreement shall apply. It is expressed that the Bank's right to maximum interest as aforesaid and the actual collection thereof or debiting of the account or another account of the customer in respect thereof shall not derogate from the Bank's right to take (or continue taking) all the steps available to it for the purpose of collecting any amount not paid to it by the customer pursuant to the terms and conditions of the agreement with the customer. The provisions of this sub-clause shall also apply if the Bank files a legal claim for collection of



the amounts due to it in accordance with the provisions of this agreement, and the customer agrees to the judicial authority ordering it to pay maximum interest as aforesaid.

104.4 The interest shall be computed on the basis of the daily debit balances in the account relative to the exact number of days in such year (365 / 366 respectively), and shall be paid or debited to the account quarterly, on the first business day of each of the months of January, April, July and October of each year for the previous quarter, or at the end of any other period or on any other date, as determined by the Bank.

104.5 Any interest in the account, including the maximum interest, shall be computed in accordance with the number of days on which the debit balance in the account existed.

104.6 The Bank may at any time change the prime interest rates, provided that if the interest is changed, the Bank shall give notice thereof as required by any law and as provided in this agreement. As of the date of any change in interest, the new interest rate shall apply both to debit balances arising thereafter, until actual payment in full of the balance of the credit and the debt balance, as well as the commission and interest in respect thereof.

CHAPTER THREE: **SPECIAL TERMS AND CONDITIONS GOVERNING CREDIT AND LOANS**

105 In this chapter, "credit and loans" means fixed-term credit and loans, including credit lines and on-call credit.

106 Interest on fixed-term shekel credit

- 106.1 The rate of the interest on fixed-term IC credit shall be as follows:
- 106.2 a fixed rate noted in the credit request (hereinafter referred to as "**fixed IC interest**"); or
- 106.3 variable interest including a margin at the rate noted in the credit request (hereinafter referred to as "**variable IC interest**").
- 106.4 The Bank may determine and/or change the prime interest rates at any time, provided that if the interest is changed, the Bank shall give notice thereof as required by law and pursuant to the provisions of this agreement. As of the date of any change in the interest, the new interest rate shall apply to the unpaid balance of the credit.
- 106.5 Interest on fixed-term FC credit
- 106.6 The rate of the interest on FC credit or FC-linked credit shall be as follows:
- 106.7 a fixed rate noted in the credit request (hereinafter referred to as "fixed FC interest"); or
- 106.8 variable interest including a margin at the rate noted in the credit request (hereinafter referred to as "**variable FC interest**").
- 106.9 The mechanism for determining the variable FC interest shall be as follows: on the bank business day falling two business days prior to the date of the first interest term's commencement, or – at the Bank's election – on the date of the first interest term's commencement and on the bank business day falling two business days prior to the commencement of any other interest term, or – at the Bank's election – on the date of the other interest term's commencement, the Bank shall determine the LIBOR rate and on the basis thereof shall compute and determine the rate of the interest that the customer is liable to pay on the unpaid balance of the credit. The interest rate determined as aforesaid shall apply from the relevant interest term's commencement until the conclusion thereof. For the purpose of this sub-clause only, the expression "bank business day" means a day on which the banks in London execute transactions between them in deposits in the credit currency, on the London inter-bank Euro market. Any determination and computation made by the Bank in accordance with the provisions of this clause, or for the purpose of defining the LIBOR, shall bind the customer.

107 The Actual Cost

The actual cost of the loan is based on the interest rate stipulated in the application for an Israeli currency loan, and the amounts of the commissions and additional charges known on the date the credit is provided, and that are stipulated in the application for an Israeli currency loan, to the extent the Fair Credit Law applies to the credit. The actual cost of the credit known on the date of signature of the loan agreement shall not exceed the maximum cost of the credit known on that date.

108 Maximum Cost of the Credit

- 108.1 Regarding a loan and/or credit line granted in New Israeli Shekels - Bank of Israel interest plus 15 percent;
- 108.2 Regarding a loan granted in foreign currency - LIBOR interest plus 15 percent, and if the loan is given in currency of a foreign country regarding which the LIBOR index is not published - interest of the central bank in that country plus 15 percent.
- 108.3 Regarding a loan for a period not exceeding three months, whether in New Israeli Shekels or in foreign currency, such interest in sub-clauses 111.1 or 111.2 above, as the case may be, plus 5 percent.

109 FC linkage

- 109.1 In addition to the above provisions regarding determination of the interest rate in accordance with the type of credit, in the case of FC-linked credit that is provided by the Bank, the following provisions shall also apply:
- 109.2 Payments of the principal and interest on the credit shall be linked to the relevant FC, as defined below. Accordingly, on the date of making any payment on account of the principal or interest, the

customer undertakes to also pay the Bank, in addition to principal or interest, FC linkage on the principal and interest, if any.

109.3 For the purposes of this clause:

"the relevant FC" – the currency specified in the credit request, and if no currency is specified in the terms and conditions appendix, the relevant FC shall be the US dollar;

"FC linkage" – if on the date of making any payment on account of the principal or interest it transpires that the new rate has risen compared with the base rate, the customer shall pay the Bank such amount increased pro rata to the rise in the new rate compared with the base rate. If on the date of making any payment on account of the principal or interest it transpires that the new rate has fallen compared with the base rate, the customer shall pay the Bank such amount reduced pro rata to the fall in the new rate compared with the base rate. If the date of the credit's provision or its payment date or the date of its actual payment falls on a day that is not an FC business day, or a day on which Bank of Israel does not publish the representative rate, the representative rate shall be determined in accordance with the previous business day, or the following business day, at the Bank's election.

109.4 The provisions of this clause do not derogate from any other provision of this agreement and/or the law concerning defaults in making the payments.

110 Interest and linkage terms for index-linked credit

In addition to the above provisions regarding determination of the interest rate in accordance with the type of credit, in the case of index-linked credit that is provided by the Bank, the following provisions shall also apply:

110.1 Payments of the principal and interest on the credit shall bear index-linkage, as defined below. Accordingly, on the date of making any payment on account of the principal and/or interest, the customer undertakes to also pay the Bank, in addition to principal and interest, index-linkage on the principal and interest, if any.

110.2 For the purposes of this agreement:

"index-linkage" – if on the date of making any payment on account of the principal or interest it transpires that the new index has risen compared with the base index, the customer shall pay the Bank such amount increased pro rata to the rise in the new index compared with the base index. If on the date of making any payment on account of the principal or interest it transpires that the new index has fallen compared with the base index, the customer shall pay the Bank such amount unchanged (and the payment shall not be reduced in consequence of the fall in the index), unless otherwise agreed expressly and in writing.

111 Special provisions regarding daily / on-call credit

111.1 Credit provided to the customer by the Bank that is defined as daily credit or on-call credit shall at all times be credit for a term of only one business day, the payment date of which shall be the first business day after the credit's provision.

111.2 Notwithstanding the aforesaid, the Bank and the customer agree that the credit shall be automatically renewed by the Bank each day, on the terms and conditions set forth below (hereinafter referred to as "the credit's renewal"), until the occurrence of one of the following events, whichever is earlier, in which case the credit and interest shall be paid without prepayment commission being charged:

111.2.1 where the Bank and the customer have specified in advance, in the credit request, the duration of the credit's automatic renewal (and any credit term in a credit request relating to on-call credit shall be deemed the date on which the automatic renewal comes to an end as aforesaid), in which case the credit and the interest thereon shall be paid at the end of the term specified in the credit request as aforesaid;

111.2.2 Where the Bank notifies the customer that he must pay the Bank the credit and the interest thereon, the customer undertakes to repay the credit and the interest thereon on the business day on which the notice is given. It is agreed that a demand by the Bank as aforesaid may also be given through one of the following channels: (a) a telephone call to one of the telephone numbers noted in the credit request; (b) by facsimile (without the need for telephone confirmation of the facsimile's receipt) to each of the facsimile numbers noted in the credit request; (c) by way of written notice to the address appearing in the Bank's records as the address for sending notices to the customer, and shall take effect immediately upon its delivery;

111.2.3 Where the customer notifies the Bank that he wishes to pay the credit and the interest thereon, in which case the credit and the interest thereon shall be paid on the same business day on which the notice is given. Notice as aforesaid by the customer to the Bank may only be given to persons holding the positions detailed in the credit request, by way of a telephone call, by

facsimile or in writing to the customer's branch of the Bank or any other address in Israel of which the Bank notifies the customer.

- 111.3 The unpaid balance of the credit shall bear interest on the daily balances, in respect of the term commencing on the date of the credit's provision until the actual payment thereof to the Bank, which shall be computed and added to the credit principal each day, unless the Bank has specified another date, at its election. The interest shall be paid by the customer at the end of each month or on the payment date of the credit, whichever is earlier.
- 111.4 The credit shall bear variable interest at a rate equal to the prime interest plus the margin, as determined in the credit request. The credit shall be renewed each day on similar terms and conditions (subject to a change in the prime interest rate), unless the Bank notifies the customer of a change in the margin or of a change in the method of computing the interest and/or of a reduction or increase in the amount of the credit (hereinafter referred to as "change of terms"). In the event of a change of terms as aforesaid, the customer hereby requests that the Bank renew the approved credit subject to the new terms and conditions, unless the customer notifies the Bank of his desire to pay the credit and pays the credit immediately.

CHAPTER FOUR: BANK GUARANTEES

112 Provisions governing guarantees and guarantee requests

- 112.1 A guarantee in favor of a third party that is issued by the Bank at the customer's request shall be governed by the provisions of the guarantee request, as defined below, the provisions of this chapter, the provisions relating to credit in this agreement and the provisions of this agreement and any other agreement between the customer and the Bank. In the event of any irreconcilable discrepancy, the provisions shall apply in order noted above (firstly the provisions of the guarantee request shall prevail, and so on and so forth).
- 112.2 For the purposes of this agreement, "credit" includes a guarantee and any other undertaking issued by the Bank in connection with the guarantee.
- 112.3 Where the customer has asked the Bank to issue a guarantee in favor of any third party, he shall submit a written request to the Bank, in the Bank's customary form of wording, and the Bank may, in its exclusive discretion, refuse to allow the request, approve the request or approve it subject to such terms and conditions as it deems fit. The request, insofar as approved by the Bank and subject to the terms and conditions of its approval, shall be referred to as a "guarantee request". For the purposes of this clause, the furnishing of the guarantee to the customer shall be deemed approval of the guarantee request by the Bank, in accordance with its terms and conditions, additional terms and conditions specified by the Bank and the provisions of this agreement.

113 The guarantee's form of wording

The guarantee shall be in the Bank's form of wording and on such terms and conditions as detailed in the guarantee request or, if the Bank agrees, in the form of wording requested by the customer (in which case the customer shall bear full liability for the form of wording requested by him).

114 The guarantee's independence

- 114.1 The customer agrees that the Bank's obligations pursuant to any guarantee issued at the customer's request constitute irrevocable banking obligations on the part of the Bank vis-à-vis third parties, such that the withdrawal of the monies and debiting of the account pursuant to the guarantee cannot be prevented by the Bank.
- 114.2 It is further agreed that the Bank's obligations pursuant to the guarantee are autonomous and independent of any agreements made between the customer and/or another / others and the beneficiary/ies, or of undertakings given by the customer and/or another / others vis-à-vis the beneficiaries, or the fulfillment of any conditions by the beneficiary/ies – save for the terms and conditions expressly noted in the guarantee itself, and no payment by or on behalf of the Bank to the beneficiary/ies shall require the customer's consent, or be conditional upon notice to the customer or his prior authorization.

115 Payments to the Bank on account of the guarantee

- 115.1 A guarantee issued by the Bank shall be treated like credit in the amount of the guarantee – plus linkage and/or rate differentials and/or interest as provided in the guarantee and/or applicable to the Bank



in respect of the guarantee, plus the expenses applicable to the Bank in respect of the guarantee, including legal costs and advocates' professional fees, and plus the commission that the customer is charged by the Bank in connection with the guarantee as provided below and/or in the Bank's in the tariff of commissions as revised from time to time (hereinafter referred to as **"the amount of the guarantee"** or **"the amount of the guarantees"**, as the case may be).

- 115.2 In the event that the Bank issues a guarantee at the customer's request – the customer shall compensate and indemnify the Bank for any liability and obligation assumed by or imposed on the Bank, directly or indirectly, in respect of or in connection with such guarantee, and in addition, in respect of all the expenses and damages paid out by or occasioned to the Bank as a result of any liability and obligation as aforesaid.

Without derogating from the generality of the aforesaid: (1) the customer shall pay the Bank any amount that the Bank pays or is called upon or ordered to pay pursuant to or in connection with any guarantee, in such currency as the Bank paid it, or is called upon or ordered to pay it as aforesaid; for the avoidance of doubt, the customer agrees that if in consequence of any court order the Bank does not pay any amount pursuant to the guarantee on time, and the order is subsequently set aside – the customer shall also compensate the Bank for any additional amounts paid by it in connection with the guarantee, in consequence of the delay, provided that the Bank believed that it was liable to pay such additional amounts; (2) in the event that any legal or other steps are taken against the Bank and/or any of the parties in connection with the guarantee, by any third party or by the customer, or the Bank otherwise becomes involved in any claim or demand relating to the guarantee, and in addition in the event that the Bank sees reason to take any steps in connection with any guarantee as aforesaid – the customer shall indemnify and compensate the Bank immediately upon its first demand for any loss, damage or reasonable expense, including advocates' professional fees, incurred by the Bank in respect of or in connection with the taking of such steps, and shall pay the Bank any amount that the Bank paid, was called upon to pay or ordered to pay any third party in consequence or as a result of any of the aforesaid steps, in the same currency that the Bank paid, was called upon to pay or ordered to pay them as aforesaid.

- 115.3 Amounts due from the customer to the Bank as aforesaid shall be paid by the customer immediately upon the Bank's first demand; nonetheless, the Bank may (without obligation) immediately debit any account of the customer with it in these amounts, on the earliest date on which the Bank pays these amounts or is called upon or ordered to pay them, without having to give notice thereof to the customer. Any debit as aforesaid shall be subject to the provisions of this agreement.

- 115.4 Any amount that the Bank pays, is called upon to pay or ordered to pay pursuant to or in connection with any bank guarantee shall bear maximum interest in respect of the period commencing on the date on which the Bank pays, is called upon to pay or ordered to pay them until its actual payment in full by the customer to the Bank.

- 115.5 Without derogating from the aforesaid, the Bank may at any time call upon the customer to pay it all the amounts that the Bank undertook to pay pursuant to any guarantee issued at the customer's request – even before the Bank is called upon to pay them – and the customer undertakes to pay the Bank all the aforesaid amounts immediately upon its first demand. Without derogating from the generality of the aforesaid, on the occurrence of an event vesting the Bank with a right to call for the immediate payment of the customer's debts and liabilities to the Bank, on any cause, the customer shall be liable to immediately pay the Bank the aforesaid amounts, without the need for prior demand or notice by the Bank. This provision shall apply even prior to the payment date of the guarantees, or some of them, and/or even if the Bank has not yet been called upon to actually pay the amount of the guarantees and/or even if the Bank has not yet actually paid the amount of the guarantees, or some of them. In such case, the customer shall be liable to pay the amount of the guarantees immediately and the Bank shall have all the rights of set-off and lien and the right to realize the collateral as provided above in this agreement and/or any other agreement between the Bank and the customer, in respect of payment of the debt as aforesaid.

Where the customer pays the Bank any amount before the Bank pays the guarantee's beneficiary and thereafter, on its return or the expiry of its validity, whichever is later, it transpires that the amount the Bank was called upon to pay in respect of the guarantee (including any expense, commission and linkage of the Bank and/or borne by it) was less than the amount that the customer paid the Bank, the Bank shall credit the customer's account with the amount of the difference, plus interest as customary at the Bank in respect of such cases at such time.

116 Commission

In addition to any other commission, the customer shall pay the Bank annual commission in respect of the guarantee's issue, in accordance with the Bank's tariff of commissions as may be revised from time to time.

117 Payment of a guarantee by the Bank

- 117.1 A demand for payment of a guarantee given in accordance with its terms and conditions shall serve as adequate proof to the Bank regarding payment of the amount demanded and the Bank need not instruct the guarantee's beneficiary to prove his entitlement to the amount called.
- 117.2 Any payment made by the Bank in accordance with a guarantee shall bind the customer and be accepted by him as adequate proof that the Bank owed the payment.
- 117.3 The customer undertakes not to ask the Bank, at any time and in any circumstances, not to perform a guarantee issued by the Bank at the customer's request vis-à-vis the beneficiary, other than pursuant to a judicial order issued at the request of the customer or a third party against the guarantee's payment.
- 117.4 If the customer and/or any third party applies to court or another judicial instance for the issue of an order restraining the Bank from paying the guarantee, the customer shall bear any expenses incurred by the Bank in connection therewith, regardless of the outcome of the litigation.
- 117.5 In no event may the customer raise any plea against a payment made by the Bank pursuant to this agreement or another agreement with the customer in respect of the guarantee, including pleas and/or defenses by virtue of the Guarantee Law, 5727-1967, pleas to the effect that the Bank might have been exempt from performing the guarantee, or part thereof – by virtue of the law or for any other reason, pleas that the guaranteed obligation is not valid and/or has expired and/or was defective and/or reduced and/or increased, pleas that the Bank paid the guarantee notwithstanding the customer's request not to pay it, pleas that the Bank paid despite the fact that the customer believed that the Bank was not liable to pay the guarantee, pleas that the guarantee's beneficiary caused the non-performance of the obligation to secure which the guarantee was issued and any other plea of whatsoever type.
- 117.6 The customer hereby waives in advance any plea or defense that might be available to it vis-à-vis the Bank in respect of any of the above cases, both prior to the Bank's payment pursuant to any guarantee issued by it pursuant to this agreement, or thereafter.

118 Extension of a guarantee's validity

The Bank may, in its absolute discretion, and subject to notice to the customer, extend the validity of any guarantee issued at the customer's request, and in the event that the Bank does so and in the event that the Bank amends, with the customer's consent, the terms and conditions of any guarantee, the terms and conditions of this document shall apply to any extended or amended guarantee as aforesaid, and the customer shall pay the Bank the commission in respect of the guarantee's issue and/or extension as aforesaid.

119 Collateral and the realization thereof

- 119.1 It is agreed that any collateral in respect of which it has been agreed that it will serve to secure payment of the customer's credit, including rights of set-off and lien, shall serve as collateral for the purpose of the guarantee.
- 119.2 In addition, the Bank may pay the customer's debt in respect of realization of a bank guarantee issued pursuant to this agreement and/or in respect of a demand for payment pursuant thereto, even if not yet actually paid by the Bank, from any account of the customer at the Bank and/or from any account managed at another bank that is charged in favor of the Bank and/or in respect of which irrevocable instructions to act in this account and/or an assignment of rights in favor of the Bank in respect of such account have been given (hereinafter referred to as "**the charged account**"). The Bank may also, in its exclusive discretion, transfer monies directly to beneficiaries of the guarantee issued pursuant to this agreement, payment pursuant where to has been demanded of the Bank, from the customer's account at the Bank and/or from the charged account, without having to obtain the customer's consent. Where the Bank has paid the guarantee's beneficiary the amount demanded pursuant to the guarantee from the customer's account at the Bank and/or from the charged account as aforesaid and/or the Bank has paid the customer's debt in respect of the realization of guarantee issued pursuant to this agreement from the customer's account at the Bank and/or the charged account, the customer shall be liable to deposit this amount in the account from which it was withdrawn immediately upon the Bank's demand.
- 117A It is agreed that issuance of a bank guarantee and/or extension its period shall not constitute a consent by the Bank to the issuance of another bank guarantee instead of the guarantee which has been issued and/or in continuation to her and/or in addition to her.

CHAPTER FIVE: GENERAL PROVISIONS GOVERNING ALL TYPES OF CREDIT

Subject to the express terms and conditions of any credit, and insofar as not otherwise specified (in respect of particular provisions regarding particular credit), all the following provisions shall apply to any credit.

Article One: Interest

120 Interest computation methods

The interest on any credit given to the customer shall be computed in accordance with the following rules, unless otherwise provided in the credit request or credit facility request, in this agreement or in the provisions of this chapter:

- 120.1 For the purposes of this clause, "daily debt balance" means the balance of the debt from any source and on any cause that the customer owes the Bank on any day, whether or not all the details thereof have been entered in the account and whether deriving from debits made prior to such date or from debits made on a later date retroactively to such date.
- 120.2 A daily debt balance shall be deemed unpaid if not paid by the date determined by the Bank and in any event by the end of the bank business day.
- 120.3 The unpaid balance of any credit shall bear daily interest, on each occasion at the interest rate applicable on such day, and at the end of each month or at such other interval as determined by the Bank, the interest shall be added to the amount of the credit for the purpose of computing the interest for the next period.
- 120.4 The interest shall be computed in accordance with the number of actual days for which it is payable, having regard to the number of days in such year (365 or 366). If it has been requested or agreed in writing that the principal and interest will be paid in accordance with the Shpizer table or that the interest will be computed in accordance with the LIBOR interest, the interest will be computed on the basis of a 360-day year.
- 120.5 The interest shall be paid to the Bank on the dates specified in the credit request (and any date for the payment of interest as aforesaid is hereinafter referred to as "the interest payment date"). If dates are not specified in the credit request, or a debt balance arises to the customer's debit without a credit request and without an agreement – the dates for the interest's payment shall be those generally specified by the Bank for the payment of interest on similar credit, and in the absence of similar credit – the interest shall be paid monthly or on the Bank's demand, whichever is earlier.
- 120.6 The first interest payment shall be made in respect of the period from the date of providing any credit to the customer until the next interest payment date after the date of providing the credit, inclusive. On any interest payment date after the aforesaid payment, interest shall be paid in respect of the period that has elapsed from the interest payment date preceding the said interest payment until such interest payment date, inclusive.

Article Two: The Credit's Payment

121 The credit's payment

The customer undertakes to pay the Bank any credit, including principal, interest, linkage, expenses and commission in respect of thereof, precisely and on the dates specified in this agreement and in the credit requests. This clause is of the essence of this agreement and a breach thereof by the customer shall be deemed a fundamental breach of this agreement and/or of any other agreement executed between the customer and the Bank.

122 The currency of record for the credit's payment

- 122.1 Any credit, principal, interest, linkage and commission shall be paid in the currency specified in the credit request (hereinafter referred to as "**the currency of record**"). If no currency has been determined as aforesaid, the credit shall be paid in shekels, provided that the Bank may demand that such credit be paid in the currency in which it was provided.

122.2 Notwithstanding the aforesaid, the Bank may also accept payment of credit in another currency and/or debit the customer's current account even if such account is managed in a currency that is not the currency of record, in an amount that is sufficient to purchase FC for the credit's payment, as provided below.

122.3 Where the credit is paid in a currency other than the currency of record, the Bank may at any time, in its exclusive discretion, convert the amount received in payment of the credit to the currency of record at the sale rate for transfers and checks determined by the Bank for the day of the conversion, and the customer shall bear the costs of the conversion. Any debt balance arising as a result of such conversion shall be added to the unpaid balance of the relevant credit or debited to the customer's current account, in the Bank's discretion, and shall be governed by the relevant provisions of the agreement.

123 Payment of credit from current account

123.1 On the date of any payment on account of the credit, including principal, commission, interest, linkage and/or related expenses, as well as any debt or liability of whatsoever type of the customer, the Bank may, without obligation, debit the customer's current account in respect thereof, whether it has a credit balance or a debit balance at such time, or goes into a debit balance and/or unauthorized overdraft as a result of the debit.

123.2 Where the Bank credits the account in which the credit was provided and debits the customer's current account, the following provisions shall apply:

123.2.1 the loan shall not be deemed paid until the debit balance in the current account deriving from such debit has been paid. This provision shall not apply where the debit balance is within the scope of a credit facility approved by the Bank, provided that there are movements to the credit of the account at least in the amount of the debit, including interest thereon, in the one-month period following the debit, and that during the said month the Bank does not take steps to cancel or reduce the credit facility;

123.2.2 a debit balance arising in the current account as a result of a debit as aforesaid shall be governed by the ordinary terms and conditions applicable to a debit balance in such account;

123.2.3 in the event that the customer is required to discharge a debit balance arising as a result of a debit as aforesaid, and does not do so, the Bank may, in its discretion, treat the debit balance as a default in payment of the original credit in respect whereof the account was debited, from the date of debiting the current account, and default interest as defined in this agreement shall be payable in respect of the entire period until the debit balance's payment.

173.3 Without derogating from the generality of the aforesaid, if the Bank reaches the conclusion, at any time, in its discretion – and taking into account acts credited to the account or acts that it knows for sure will be credited to the account – that the account and/or the credit facility that was approved for the customer in the account does not have adequate cover for the aforesaid payment or part thereof, the Bank may cancel the debiting of the account in respect of the aforesaid payment and transfer it, in whole or in part, back to the debit of the loan and/or credit account or a separate account in the customer's name, or any other account of the customer, in the Bank's discretion.

124 Prepayment by or on behalf of the customer

124.1 The customer and/or anyone else whose right might be affected by the grant or realization of a guarantee or collateral may not prepay credit granted by the Bank before the specified payment date, save as provided in this agreement. Without prejudice to the generality of the aforesaid, it is agreed that for the purpose of the provisions of section 13(b) of the Pledge Law, 5727-1967, or any other provision amending it, adding thereto or replacing it, neither the customer nor anyone else shall have a right to early redemption or payment of the collateral.

124.2 The customer may request, through a written request that shall be given to the Bank in accordance with the Bank's prevailing procedure or as required by law, to pay the credit or any part thereof (hereinafter in this clause referred to as "the request"), in which case the following provisions shall apply:

124.2.1 the customer may pay the amounts due, or some of them, prior to their agreed payment date (hereinafter in this clause referred to as "prepayment"), subject to the payment of prepayment commission and the other terms and conditions customary at the Bank on the date of making any prepayment as aforesaid;

124.2.2 if on the date of making the prepayment there is a legal provision (including Bank of Israel's directives) limiting the amount of the prepayment commission that the Bank may collect, or specifying other terms and conditions for making the prepayment subject to the provisions of

such law, the Bank may make the prepayment conditional upon payment of the highest rate/s and/or amount/s for the prepayment commission that is permitted by law on the date of making the prepayment, for such type of credit, and subject to fulfilling the terms of the prepayment according to the provisions of law. In any other case, the Bank may make the prepayment conditional upon the payment of prepayment commission and other payments and other preliminary conditions that in the Bank's opinion reasonably reflect the damage that will be occasioned to it as a result of making the prepayment on such date.

- 124.3 All the amounts credited to the account shall first be used for payment of the Bank's expenses, thereafter for payment of commission, then for payment of the interest and index-linkage or FC linkage and finally for payment of the credit's principal. The Bank may choose another order of crediting the amounts.

125 Call for immediate payment by the Bank

Without derogating from any other right and relief available to the Bank pursuant to any agreement, other document or understanding with the customer or at law, on the occurrence of any one of the following events the Bank may, without obligation, take any one of the following steps:

125.1 The events ("events of breach"):

- 125.1.1 if the customer does not pay the Bank any amount due from him on time or does not perform any financial and/or other obligation to the Bank, and if the Bank has concerns that any debt will not be paid at all or that it will be paid substantially late, or that an obligation will not be performed at all or that it will be performed substantially late;
- 125.1.2 if it transpires that any of the customer's warranties pursuant to the credit documents and/or any other warranty given to the Bank by the customer is incorrect or inaccurate;
- 125.1.3 if there is a breach or, in the Bank's opinion, there is reasonable concern regarding the breach or validity of the agreements with the customer or some of them;
- 125.1.4 if the customer commits any act that amounts to the preference of other creditors over the Bank or if early payment of debts that he owes other creditors is called for;
- 125.1.5 if the customer does not provide the Bank with any collateral that he undertook to provide, unencumbered by any third party right (save insofar as otherwise agreed in writing with the Bank) or does not insure it as required or does not register the collateral in the relevant registries;
- 125.1.6 if, notwithstanding the Bank's demand, the customer does not furnish the Bank with additional collateral on the date stipulated by the Bank;
- 125.1.7 if the customer transfers or charges any collateral he has given the Bank to another, and any collateral that the customer has given the Bank is destroyed, damaged or lost, or the validity thereof is cancelled, or the value of the collateral decreases materially, and the customer does not immediately furnish other collateral to the Bank's satisfaction;
- 125.1.8 if the customer does not furnish the Bank with any document or information he is liable to furnish to the Bank within 14 days of the Bank's demand;
- 125.1.9 if the Bank believes, in its discretion, that an event has occurred that might materially affect the customer's financial ability or the Bank's ability to obtain payment from the customer;
- 125.1.10 without derogating from the generality of the aforesaid, if the customer stops paying its debts to the Bank or others, or in the Bank's opinion there is substantial concern that the customer will not be able to pay these debts, or if the risk of non-payment as aforesaid increases at a significant rate, or his business closes or is substantially limited, or the business license required for the management of a principal business of the customer expires or is cancelled, or the customer sells a material part of his business;
- 125.1.11 if an attachment is imposed that is not removed within 30 days and/or a permanent or provisional receiver or receiver and manager is appointed for an asset of the customer that serves as collateral or for all or some of the amounts standing to the customer's credit; and/or if an application is filed for an appointment as aforesaid and/or an execution act is taken against the customer and/or his property and/or any collateral given as aforesaid and/or in respect of amounts standing to the customer's credit, or if an order to commence proceedings under the Insolvency Law is issued against the customer or if an application to commence proceedings under that law is filed against him;
- 125.1.12 if the customer becomes a restricted customer pursuant to the provisions of the Checks Without Cover Law, 5741-1981;



- 125.1.13 if the customer's business activity, production activity or commercial business is ceased, or materially reduced, and is not fully renewed within 60 days of the cessation, or if the customer's assets or most of them are sold;
 - 125.1.14 on the customer's death, legal incapacity, arrest or if he leaves the country or an application is filed for the issue of a receivership order, or an application is filed by the customer or someone else to commence bankruptcy proceedings or the customer approaches his creditors for the purpose of regulating his debts, reaching a compromise regarding the payment of his debts or receiving an extension for the purpose of regulating his debts;
 - 125.1.15 in the case of a customer which is a corporation – in addition to the aforesaid, also if: proceedings are instituted against it for its winding up, including voluntary winding up; a winding up resolution is passed by the general meeting; receivership proceedings are instituted in respect of its assets or some of them; the number of members falls below the required minimum; it is struck off from the registry or given notice of the intention to strike it off; the corporation passes a merger resolution, as an absorbing corporation or as an absorbed corporation; suspension proceedings or a creditors' arrangement exist in respect of it; there is a change in the control thereof and/or a change in the composition of the person or organs who or which may pass resolutions on its behalf and if there is a change in the corporation's directors or shareholders; if a transaction is executed with the customer's controlling shareholders in a manner that might materially affect the customer's profitability, property or obligations; or one of the events mentioned in this clause has occurred in respect thereof, and if the corporation is a partnership, if there is a change in the partners or the partners' rights;
 - 125.1.16 any other event in respect of which it is provided in this agreement or any other agreement with the customer that it will constitute a breach or vest the Bank with a right to take any of the steps mentioned below.
- 125.2 The steps that the Bank may take (in addition to any other step and relief pursuant to agreement or law):
- 125.2.1 refuse to provide the customer with any additional credit, even if it has undertaken to do so;
 - 125.2.2 call for the immediate payment of the balance of the credit and/or any debt of the customer or part thereof, and take any steps for the purpose of exercising any right of the Bank and for the purpose of realizing the charge and all the collateral in favor of the Bank. If the Bank calls for the immediate payment of the credit or part thereof and/or a debt of the customer or part thereof, as aforesaid, the customer shall pay the Bank, immediately and without the need for any further notice, the full amount called for immediate payment, including any interest, linkage, expenses and commission in respect thereof and any expense incurred by the Bank in respect of the event of breach and for the purpose of collecting the debt that has arisen;
 - 125.2.3 raise the interest rate on the credit or any part thereof to such rate as determined by the Bank in its exclusive discretion, provided that it shall not be higher than the default interest rate that the Bank may charge on the credit (hereinafter referred to as "new interest rate"). The new interest rate shall apply to the credit from the date of the Bank's notice until payment in full of the credit and any interest, commission and expense in respect thereof or until the date on which the Bank gives notice, in writing, of the new interest rate's cancellation.
 - 125.2.4 Notwithstanding the aforesaid, the Bank shall not call the balance of the credit and/or the customer's debt, all or part of them, for immediate repayment, unless it first sends the borrower a written warning 21 business days in advance of its intention to do so, except in special cases in the circumstances of which there is a need to act without delay, all subject to any law.
- 125.3 A decision and act of the Bank as aforesaid shall not derogate from the customer's obligation to rectify the event of breach immediately or from the Bank's rights pursuant to any agreement and law.
- 125.4 In any case in which notice is required, notice of three days in advance shall be deemed adequate. Notwithstanding the aforesaid, if the Bank believes that there is substantial concern that the customer's payment ability will be affected and/or that the Bank's ability to obtain payment from the customer will be affected as a result of the grant of notice as aforesaid, it may call for the immediate payment of the balance of the credit and/or the debt without notice, subject to the provisions of any law that may not be qualified. The customer shall not have a right of prepayment of any debt or right or other benefit as a result of the existence of an event of breach as aforesaid.

Article Three: General Provisions



126 Default interest and interest in legal claims

- 126.1 Any amount due to the Bank from the customer that is not paid at the time specified for the payment thereof or that is not paid on the Bank's first demand, where the Bank may call for payment on demand or early payment of the interest and/or credit, shall bear, in respect of the period from the date specified for its payment until its actual payment in full, interest at the default interest rate specified in the credit request or in the credit agreement relating to the credit, and if default interest is not specified as aforesaid or cannot be charged in accordance with the provisions of the law:
- 126.1.1 in respect of unlinked shekel credit – maximum interest;
 - 126.1.2 in respect of index-linked shekel credit at the Bank's election: maximum interest without linkage, or index-linkage plus the interest specified in the credit request in respect of such credit and plus default interest at a rate of 15%; however, if the interest is limited by law, not more than the maximum interest permitted by law, all at the Bank's election;
 - 126.1.3 in respect of FC credit or FC-linked shekel credit at the Bank's election: interest at the rate prevailing at the Bank at such time in respect of a debit balance in FC current accounts that deviates from the customers' approved credit facility at the Bank, plus FC linkage, or interest at the highest rate prevailing at the Bank from time to time in respect of loans, credit and credit facilities, in foreign currency or in Israeli currency linked to the FC rate, that is not paid to the Bank on time, or interest at the rate specified in respect of such credit plus 10% per annum, or interest at 11% per annum more than the 24 hour LIBOR, at the Bank's election.
- 126.2 To the extent the Fair Credit Law applies to the credit, the interest on arrears known on the date of execution of the contract shall not exceed the maximum rate of interest on arrears known on that date.
- 126.3 Maximum interest on arrears – is the maximum cost of the credit multiplied by 1.2, calculated on an annual basis.
- 126.4 For the avoidance of doubt, it is expressed that the Bank's right to interest as aforesaid and the actual collection thereof shall not derogate from its right to take or continue taking all the steps available to it pursuant to this agreement and/or any other agreement or understanding with the customer and/or any law for the purpose of collecting any amount not paid to it by the customer on time or on the Bank's demand.
- 126.5 Where the Bank files a claim against the customer for the payment of any liability, it may claim in respect of such amount, at its election, from the date on which the cause of action arose or from the date of filing the claim, until the date on which the amount is actually paid, default interest as aforesaid, having regard to the type of liability, or the maximum interest permitted pursuant to the Adjudication of Interest and Linkage Law, 5721-1981, or any law replacing it, and the customer agrees to the court ordering as aforesaid. It is agreed that the interest rate on an FC debt shall for the purposes of this Law be 11%, unless provided otherwise in the Law.

127 Commission and expenses

- 127.1 The Bank may also debit the account, in addition to interest, with commission as provided in the credit request, and any other commission relating to the credit's provision and management and/or the services provided by the Bank in the course of the credit's provision, in accordance with the Bank's tariff as shall be from time to time, which shall be published as required by law. The Bank's tariff shall be available for the customer's inspection at the Bank's branches or as required by law.
- 127.2 Subject to any law, the Bank may from time to time debit the account with various expenses and commission, in such amounts and at such times as prevailing at the Bank at such time, including non-execution commission, collateral and/or credit handling fees, commission on the handling of attachments or decisions of a court or other competent authority that are imposed on connection with the account and any expenses involved in collecting a debt of the customer and/or realizing collateral, including advocates' professional fees.
- 127.3 Such commissions will be charged according to the Bank's tariff of commissions as may vary from time to time. The customer agrees that the Bank will be entitled, subject to the provisions of the law, to alter the tariff of commissions, and included in this to add and/or to change amounts thereof and/or a revaluation of commissions and/or tariffs and/or to add commissions.
- 127.4 It is agreed that nothing in the foregoing shall derogate from the Bank's right to collect expenses and/or commissions which do not appear in the tariff of commissions, all subject to any law.

128 Notice of determination of and change in commission and interest rates

Whenever notice must be given of the determination of or change in interest or commission pursuant to the provisions of this part or at law, even if personal notice is not given to the customer of the determination or change as aforesaid, the delivery or publication of the notice to the customer of the change and of the date of its commencement in the Bank's customary manner (insofar as such manner is permitted by law) or publication of the determination or change in the manner required by law shall be deemed the grant of notice to the customer.

129 Debiting of special expenses

- 129.1 The customer undertakes that all the payments made by the customer shall be free of and unencumbered by any tax and deduction, without any set-off or counterclaim and without any deductions in respect of or on account of any set-off or counterclaim.
- 129.2 Where any levy, tax, fee or other compulsory payment is imposed on the credit or on the credit's provision, the amount of such levy, tax, fee or other compulsory payment, insofar as relating to the credit, shall be borne by the customer, in addition to any expense, commission or interest pursuant to this agreement and any other agreement or understanding between the Bank and the customer.
- 129.3 The Bank's right to demand a cost supplement, accelerate payment or convert credit:
- 129.3.1 In the event that the Bank determines, at any time (and any such determination of the Bank shall bind the customer) that as a result of changes in the London inter-bank Euro market it does not have the means to fairly determine the LIBOR rate, it shall give notice thereof to the customer and suggest written terms and conditions to the customer that in the Bank's opinion are, from a financial point of view, a suitable alternative to these terms and conditions. If the customer agrees to these terms and conditions within 30 days ("the interim period"), the validity of the arrangement shall be retroactive from the date of the Bank's notice. If the customer does not agree to the arrangement, the Bank may refuse to provide the credit to the customer, in whole or in part, and if the credit or any part thereof has already been provided to the customer, the customer shall pay the Bank, at the end of the interim period, without any demand by the Bank, the unpaid balance of the credit (plus interest), provided that if any interest payment date falls within the interim period, the customer shall pay the Bank, instead of interest as provided in the credit request, an amount that in the Bank's opinion is such as to compensate it for the credit's continuation during that part of the interim period that falls after the interest payment date as aforesaid. If the customer does not pay the Bank the unpaid balance of the credit and the amount of the compensation or part thereof on such date, he shall pay the Bank, in respect thereof, an amount that in the Bank's opinion is such as to compensate it for the default period plus 10% per annum on the amount of the compensation.
- 129.3.2 If as a result of any change in the law (as defined below) or as a result of compliance with any demand, order or request given or addressed to the Bank by Bank of Israel or another competent authority, or as a result of performing an obligation, order, demand or request deriving from any change in the law as aforesaid or from an agreement made from time to time, between the Bank and Bank of Israel or another competent authority:
- (1) the Bank is compelled to hold or deposit any FC, IC or liquid assets or the amount of any FC or IC or the value of any liquid assets that the Bank is liable to hold or deposit are increased; or
 - (2) the amount of the credit that the Bank may provide or continue or the amount of the deposits that the Bank may place with others are restricted or reduced; or
 - (3) any demands are imposed on or apply to the Bank (or any change occurs that in the Bank's opinion amounts, so far as it is concerned, to any requirements becoming stricter) with regard to the ratio between the Bank's reserves, on the one hand, and the credit that the Bank may provide or continue providing or assets or deposits that the Bank may hold or receive, on the other hand; or
 - (4) any restrictive conditions are imposed on or apply to the Bank (or any change occurs that in the Bank's opinion amounts, so far as it is concerned, to any condition or restriction becoming stricter) in connection with the London inter-bank Euro market or in connection with the Bank's business or acts on the aforesaid market (without derogating from the other cases detailed above in this clause); or
 - (5) interest, fines, levies or other payments are imposed or apply to the Bank, or the Bank is required to pay them, other than in consequence of omissions of the Bank (or any change occurs that in the Bank's opinion amounts, so far it is concerned, to these payment requirements becoming stricter);

and the Bank determines that as a result of all or any of the aforesaid there will be an increase in its costs or expenses in connection with the credit's provision (in whole or in part) or in connection with the credit's continued provision (in whole or in part) or a reduction in the amounts of the principal and interest that the Bank is entitled to receive in connection with the credit, in which case (that is to say, in any of the cases mentioned above) the Bank may refuse to provide the credit, in whole or in part, to the customer. If the Bank has provided the credit facilities – the customer shall pay the Bank, from time to time, on the Bank's first demand, an amount that in the Bank's opinion is such as to compensate it for the increase in the Bank's costs and expenses in connection with the credit or the reduction in the principal and interest as aforesaid, and the amount of the compensation as determined by the Bank from time to time as aforesaid shall bind the customer; however, if the Bank demands compensation from the customer in accordance with this paragraph, the customer may, with the prior approval of the competent authorities in Israel (if such approval is required by law) pay the Bank the entire unpaid balance of the credit, provided that the following three conditions are fulfilled:

- (a) the customer gives the Bank at least 15 days' written notice of his intention to pay the Bank the entire unpaid balance of the credit (plus interest); and
- (b) the entire unpaid balance of the credit (plus interest) is paid by the customer on any interest payment date (but not before 15 days) as provided in paragraph (a) above); and
- (c) together with the discharge of the unpaid balance of the credit (plus interest) and in addition thereto, the customer pays the Bank the compensation mentioned above, in respect of the period originating with the event noted in the Bank's said demand until payment of the entire unpaid balance of the credit (plus interest) and for the purposes of this paragraph the expression "change in the law" means a change in the State of Israel and/or any other country of any law, regulation, order, directive or rule or a change as aforesaid in the interpretation of the aforesaid by any court, tribunal or other authority in such country that is entrusted with the execution or performance of such law, regulation, order, direction or rule.

129.3.3 If at any time the Bank determines (and a determination as aforesaid shall bind the customer) that as a result of any change in the local and/or international money market and/or any change for the worse in the credit rating of the Bank and/or the country there will be a reduction in the sources available for providing FC credit and/or impairment of the Bank's ability to finance itself in the FC credit currency, the Bank may refuse to provide the FC credit, or part thereof, to the customer, or if the FC credit, or part thereof, has already been provided to the customer, the Bank may, in its discretion, convert the FC credit into IC credit, by providing IC credit, as the case may be, in the amount required to cover all the amounts due at such time on account of the relevant credit the consideration for which will be credited to the existing credit account. The credit shall be converted at the Bank's customary rate on the date of the conversion and the terms and conditions thereof shall be as similar as possible to the terms and conditions of the original FC credit. The rate of the interest on the IC credit shall be as agreed between the Bank and the customer. If the parties are unable to reach agreement within seven days, the Bank may demand the immediate discharge of the unpaid balance of the credit (plus interest) and if the customer does not discharge the unpaid balance of the credit to the Bank, the Bank may convert the credit as aforesaid, and the rate of the interest on the IC credit shall be the maximum interest customary in respect of similar IC credit. It is expressed that for the purposes of the aforesaid conversion, the customer shall not be liable for payment of the exchange commission charged by the Bank on the purchase or sale of FC.

129.3.4 If at any time the Bank determines (and a determination as aforesaid shall bind the customer) that as a result of any change in the law the provision of the credit, or part thereof, to the customer, or if the credit, or part thereof, has already been provided to the customer – the credit's continuation, becomes illegal, impossible or impractical for the Bank, the Bank may refuse to provide the credit, or part thereof, to the customer, or if the credit, or part thereof, has already been provided to the customer – the Bank may demand that the customer discharge the unpaid balance of the credit (plus interest), and the customer undertakes to pay the Bank all the aforesaid amounts within 30 days of the Bank's first demand, provided that in the said demand it is noted that the demand is based on the provisions of this paragraph.

130 Attribution of payments

- 130.1 Any payment and amount received from or for the customer shall be applied in the following order: firstly, towards payment of all the expenses occasioned in connection with such payment's collection; secondly, towards payment of all the expenses and commission due to the Bank; then, towards payment of all the interest due to the Bank and the linkage thereon; and then, towards payment of the credit principal and the principal of any debt due to the Bank. The provisions of this clause shall prevail over any instruction given by the customer or anyone who has transferred the payment for the customer.
- 130.2 Deleted.
- 130.3 The Bank may hold any amount and/or payment received prior to the payment date of the debt amounts, or some of them, in the account, without being under a duty to use it to reduce the debt amounts, even if the amount and/or payment were allocated for such object by the person entitled to allocate them. In addition, the Bank may also transfer the credit balance to the account without notice to the customer or without obtaining the customer's consent.

131 Prohibition of merger

- 131.1 The customer undertakes (if the customer is a corporation) not to merge, undertake to merge or take any steps towards a merger with another/other corporation/s without the prior written consent of the Bank. For such purpose, the customer undertakes to immediately furnish the Bank with all the information and documents needed by the Bank, in its discretion, in relation to the requested merger, for the purpose of determining its position thereon.
- "Merger" for the purposes of this document means a merger pursuant to Part Eight or Part Nine of the Companies Law, 5759-1999 and/or any act the result of which is the acquisition of most of the customer's assets by an individual or corporation, or pursuant whereto the customer directly or indirectly acquires most of the assets of another corporation or shares of another corporation vesting it with control thereof. For the purposes of this clause, "control" bears the meaning attributed to it in the Securities Law, 5728-1968.

132 The customer's books of account and the furnishing of financial statements

- 132.1 The customer undertakes to regularly and routinely keep full and proper books of account in accordance with the law and the Bank is irrevocably authorized, at all times, to inspect and examine the books. Without derogating from the aforesaid, the customer undertakes to furnish the Bank, on its first demand, with any balance sheet, statement, account ledger, card, magnetic substrate, film, book, written support, other document and any information and explanation in connection with the customer, as well as information in connection with its financial, operating, property and business position, as required by the Bank. The Bank is irrevocably authorized to contact the customer's accountants and obtain all the aforesaid from them, subject to notice to the customer.
- 132.2 It is hereby clarified and agreed that the failure to furnish statements on time shall constitute, *inter alia*, a breach of Bank of Israel's directives, and the customer agrees that in such case he shall pay the Bank compensation in the amount that the Bank decides is a reflection of the additional cost occasioned to it as a result of a breach as aforesaid. The aforesaid does not constitute permission to the customer to default in furnishing the financial statements or derogate from any other right of the Bank in an event of breach.

133 Deleted.

134 Obligations concerning interested parties

The customer (if the customer is a corporation) undertakes not to grant interested parties and/or related persons and/or entities any loans and/or assistance for the receipt of credit and not to create any guarantees in their favor, without the prior written consent of the Bank; not to however repay or pay any interested party any loan and/or monies lent by its shareholders to the customer or any amounts invested in the customer by the shareholders, without the prior written consent of the Bank.

If the customer is paid any amounts on account of its share capital, it shall notify the Bank thereof immediately and transfer them to the Bank and they shall be used for payment on account of the customer's debts and liabilities to the Bank;

The customer undertakes to notify the interested parties of the customer's obligations to the Bank pursuant to this clause.

PART FOUR: ACTIVITY IN SECURITIES

CHAPTER ONE: APPLICABILITY AND DEFINITIONS

135 Applicability

- 135.1 If the customer wishes to carry on activity in securities, and the Bank agrees, in its exclusive discretion and without being under a duty to do so, to carry on the activity for the customer and/or to provide him with the requested services or some of them, of whatsoever type, the provisions of this part shall apply, in addition to the other provisions of this agreement.
- 135.2 In addition, where the customer's activity in securities involves any credit exposure for the Bank, including activity of the customer other than from the credit balance in his account, short activity or loan activity and any other activity that creates credit exposure for the Bank, the giving of an instruction by the customer to act as aforesaid shall constitute his consent that the relevant provisions of the part dealing with credit shall apply to him. The aforesaid does not oblige the Bank to execute instructions of the customer to which it has not expressly consented.
- 135.3 Without derogating from the aforesaid, it is agreed that certain services require the signature of additional documents by him, and the customer undertakes to sign these documents and to act in accordance with their provisions as a condition for the activity.

136 Definitions

- 136.1 **"financial assets"** – as defined in the Advice Law, whether traded in Israel or overseas;
- 136.2 **"the Advice Law"** – the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 5755-1995, or any other legal provision replacing the said Law, and any regulations pursuant thereto, as shall be from time to time;
- 136.3 **"the Securities Law"** – the Securities Law, 5728-1968;
- 136.4 **"the Mutual Fund Law"** – the Joint Investment Trust Law, 5754-1994;
- 136.5 **"foreign securities"** or **"overseas securities"** – securities registered for trade outside Israel or traded on a regulated market outside Israel, or shares or units of a fund registered outside Israel;
- 136.6 **"activity in securities"** – any transaction in securities and/or the receipt of services in connection with securities in the account, including (and without derogating from the generality of the aforesaid) the purchase and sale of securities and related assets and ancillary acts in connection therewith, such as the conversion of bonds, exercise of options, acceptance of purchase offers, collection of any interest, dividend, principal amounts becoming redeemable and other income and consideration due to the customer in respect of securities deposited and/or recorded to the customer's credit in the account and/or the Bank from time to time and/or the sale thereof;
- 136.7 **"transaction"** – any transaction in securities, including the purchase or sale of securities, exercise of a right vested in holders of securities and receipt of any benefit in respect of securities;
- 136.8 **"stock exchange"** – the Tel Aviv Stock Exchange Ltd and any other stock exchange on which securities are traded or held, including an over-the-counter market, in Israel or overseas.

CHAPTER TWO: GIVING OF INSTRUCTIONS AND EXECUTION OF ACTS

137 The customer's instructions according to law

- 187.1 It is hereby clarified to the customer and he agrees that in addition to the provisions of the general law, transactions in securities are also governed by the rules and/or regulations of the stock exchange and/or clearing house on or through which the securities the subject of the transaction are traded and/or cleared, as the case may be (which are all for the purposes of this part referred to as **"the relevant law"**), and the customer undertakes to give the Bank instructions that are consistent with the relevant law. Without derogating from the aforesaid, the customer agrees that the Bank shall not be obliged to execute any transaction that is contrary to the relevant law or any part thereof.

138 Prohibition on the giving of instructions that result in an unauthorized overdraft

- 138.1 It is agreed that so long as the Bank has not approved a credit facility request in writing, the customer may only execute a transaction in securities in the framework and to the limit of the credit balance in the account. Where the bank has approved a credit facility for the customer for the purpose of activity in securities, the customer may only execute a transaction in securities within the scope of the approved credit facility, as defined in this agreement, and subject to the terms and conditions thereof.
- 138.2 The customer undertakes to ensure that whenever he gives an instruction to execute a transaction in securities – the account shall have sums of money adequate for the execution of his instruction and/or ensuring that there is no deviation from the approved credit facility for the purpose of activity in securities, as shall be from time to time, and that the account has suitable collateral for the instruction's execution as agreed with the customer, and in the absence of agreement – as customary at the Bank in respect of transactions of such type ("suitable collateral").
- 138.3 If the customer gives an instruction or makes a request the execution of which would result in a debit balance in the account, or an increase in the debit balance in the account, or a deviation from the credit facility approved for him (if approved) by the Bank, or in the absence of suitable collateral as aforesaid, the Bank may, without obligation, at any time including after receiving the customer's instruction, act in one or more of the following ways, without having to give notice:
- 138.3.1 refuse to execute the instruction, or part thereof, as aforesaid;
 - 138.3.2 in the case of a standing order to buy securities – stop it;
 - 138.3.3 in the case of a purchase instruction and sale instruction, refuse to execute the purchase instruction before execution of the sale instruction and receipt of consideration covering the cost of the purchase instruction.
- The Bank may act as provided in this clause even if it has already agreed to execute the instruction and/or request (unless it has agreed expressly and in writing to the said deviation), and even if it has undertaken to perform the act vis-à-vis another party, and the customer shall be liable to the Bank for any damage occasioned to the Bank as a result of the non-execution or partial execution of the acts.
- 188.4 Without derogating from the aforesaid, the Bank may honor any instruction or request pursuant to this clause, in whole or in part, and such shall not be deemed consent by it to grant the customer a credit facility, grant the customer credit in another case or act without suitable collateral. Where the Bank honors an instruction or request as aforesaid, the following provisions shall apply:
- 138.4.1 the customer shall be liable to pay the debit balance arising in the account immediately, and the provisions of the chapter dealing with credit in this agreement shall apply to such deviation;
 - 138.4.2 in the event of a collateral deficiency, the customer shall be liable to immediately deposit the suitable collateral in the account;
 - 138.4.3 without derogating from the aforesaid, the Bank may sell securities purchased by the customer or allotted to him pursuant to such instruction without notice to the customer and/or sell all or some of the other securities that the customer has at the Bank, if any, at any time and at any price the Bank deems fit, in its exclusive discretion, and use the consideration received from the sale (less commission and any tax, levy or compulsory payment applicable at any time to a sale as aforesaid) for the full or partial discharge of the said debit balance.
- These rights shall be in addition to, and without derogation from, the Bank's right to take other steps, including all the relief available to it in the case of an event of breach of this agreement.
- 188.5 The customer agrees that whenever he gives the Bank a sale instruction, it shall not be under a duty to check whether the securities the subject of the sale instruction, or any part thereof, are actually in the account. Accordingly, if it transpires that the account does not have all or some of the securities detailed in the sale instruction, the Bank may, without obligation, buy back the lacking securities for the customer on such dates and at such prices as the Bank deems fit, and debit the account with the price of the securities plus commission and expenses, after the Bank makes an attempt, insofar as possible in the circumstances of the case, to give advance notice thereof to the customer.

139 Buying on issue

- 139.1 The customer undertakes to give the Bank an instruction to buy on issue only after learning of the terms and conditions of the prospectus.
- 139.2 The customer undertakes and agrees to accept securities he has requested to buy in the framework of a buy on issue instruction, in accordance with the terms and conditions of the prospectus,

subject to the provisions of the corporate documents of the company which issued the securities, and in accordance with the issue's outcome.

- 139.3 Without prejudice to the generality of the aforesaid, it is hereby clarified to the customer, and he agrees that a delay in executing any instruction to purchase on issue may be caused, inter alia, in consequence of loads on the means used for the relay of instructions and/or computer malfunctions and/or other circumstances that are not in the Bank's control.

140 Execution of instructions

The customer agrees as follows:

- 140.1 In the event that the Bank carries on activity in securities for him, his account shall be credited or debited in accordance with the financial acts required to carry on the activity, including in respect of ancillary expenses and commission.
- 140.2 The Bank may make the execution of an instruction of the customer conditional upon the customer doing any act that to the best of its understanding is necessary to enable the instruction's execution.
- 140.3 The execution of any instruction received by the Bank after the close of trade on the Bank's business day and of any act the execution date of which falls on a day that is not a business day (for transactions with securities) shall be postponed until the next business day.
- 140.4 Cancellation or postponement in consequence of the cessation of trade:
- 140.4.1 In the event of the cessation of trade:
- 140.4.1.1 a daily instruction for the purchase or sale of a security that has not yet been executed at the time of the cessation of trade shall be deemed cancelled, unless trade is renewed on that same day and the instruction may be executed on that day;
- 140.4.1.2 an instruction for the future sale or purchase of a security that is conditional upon the price of the security (which is also known as an ongoing instruction) shall be executed on the first trading day, after the end of the cessation of trade, on which the condition is fulfilled, provided that the validity of the conditional instruction did not expire by then.
- 140.4.2 "Cessation of trade" means the cessation of trade in the security the subject of the instruction or the general cessation of trade on the stock exchange on which such security was traded, for any reason.
- 140.5 The Bank may, without obligation, refuse to execute an instruction given to it by the customer in accordance with the provisions of this agreement if in the circumstances of the case, in its discretion, the instruction's execution is not possible, or is not possible within a reasonable period of time, or the instruction arrives after the time for its execution, or is not sufficiently understandable or clear or lacks details, or is inconsistent with the Bank's procedures or is of a type of instructions that the Bank does not execute, or is inconsistent with the provisions of any agreement between the customer and the Bank, or is contrary to the provisions of any law, including the relevant law, or there is any other legal impediment to its execution.
- 140.6 Without derogating from the aforesaid, where the customer gives an instruction to execute a transaction with a security the negotiability of which is not high and/or with foreign securities that are traded off the stock exchange and/or with foreign securities that are cleared through bond clearing houses in Europe, there might be situations in which there is a delay in the transaction's execution or the transaction is not executed or is executed partially and/or is executed as customary on the markets on which these securities are cleared.

141 Execution through communication systems

- 141.1 The customer authorizes the Bank to also provide all or some of the services through communication systems, as defined in this agreement. To the extent no liability applies to the Bank by virtue of the law, the customer acknowledges and agrees that the Bank shall be exempt from liability for any damage, loss or expense (hereinafter referred to as "**damage**") that might be occasioned to the customer as a result of the use of communication systems, provided that the Bank used the communication systems reasonably and that the damage was occasioned other than as a result of the Bank's negligence, including, but without derogating from the generality of the aforesaid, in respect of any one of the following:
- 141.1.1 a malfunction in the communication systems and any consequence thereof, including in the definition, relay, reception and/or execution of the information and instructions, and including

the timing of the relay and execution. "Malfunction in the communication systems" for the purposes of this clause includes any fault, shutdown or malfunction in the Bank's communication systems to which the information and instructions are relayed, in the communication lines between them and in any equipment involved therein;

141.1.2 the exposure and/or disclosure of information to any third party as a result of the communication systems' use.

141.2 The Bank undertakes to make a reasonable effort in the circumstances of the case in order to repair any malfunction or fault in the communication systems and to reduce any damage as aforesaid.

142 Custody of securities

142.1 The Bank may hold securities purchased for the customer at the Bank or anywhere else, in its discretion, and it may hold any type of security together with other securities of the same type that are held by the Bank and divide them from time to time into groups for the purpose of redemption or for any other purpose, in the Bank's discretion and having regard to the convenience of handling these securities.

142.2 If the Bank holds securities of the customer together with other securities, it may return to the customer, instead of the securities deposited by the customer, other securities of the same type as those deposited by the customer for the Bank's custody.

142.3 Insofar as required for the purpose of trading in securities in accordance with the customer's instructions or for the purpose of exercising the Bank's rights, the Bank may (without obligation) act to register securities with the relevant registration company, in accordance with the prevailing arrangements of the Tel Aviv Stock Exchange and the banks.

142.4 In addition, the Bank may deposit the securities in the account at any time in its name with the Tel Aviv Stock Exchange Clearing House.

142.5 The customer shall sign all the relevant transfer deeds and other documents and furnish them to the Bank on its first demand, insofar as necessary, in the Bank's exclusive discretion, to enable the Bank to carry on activity in securities or otherwise handle securities in accordance with the provisions of the customer's agreements with the Bank.

143 Collection of income and redemption of securities

143.1 The Bank may return securities that have matured or become redeemable against the receipt of payment of their consideration.

143.2 The Bank may collect, for the customer, any interest, dividend, redeemable principal and other income due in respect of securities deposited in the account, from time to time, on their payment date, and the consideration received in respect thereof shall be credited to the account until additional instructions are received from the customer. The Bank may, without obligation, deduct any tax, commission or expense applicable to the said payments or the customer and credit the customer's account with the net consideration.

143.3 Without derogating from the aforesaid, the Bank may, without obligation, make payments or pay expenses, including taxes, in accordance with payment calls on account of securities or in connection with collection of the securities' consideration or the dividend or interest coupons or any other matter relevant to securities, and all the aforesaid expenses and payments shall be debited to the customer. The Bank shall be exempt from any liability for the aforesaid payments not being made at all or not being made on time or in the correct manner, save insofar as the aforesaid derives from the breach of a legal duty of the Bank or the Bank's negligence.

144 Rules regarding convertibles and rights

144.1 Whenever the customer is able to exercise a right deriving from the holding of any securities (such as a right to exercise an option, a conversion right or a purchase right), he shall instruct the Bank in advance how to act until such time as determined by the Bank.

144.2 The customer agrees that so long as the Bank does not receive another notice from the customer in accordance with the provisions of this agreement, the Bank shall sell, without warning and/or notice to the customer, options and/or rights in the account on the last trading day of such options and/or rights, before the final expiry thereof. The customer waives, in a final and absolute waiver, any plea and/or demand and/or claim against the Bank due to or in connection with any expense and/or damage and/or loss which may be caused to it as a result of the above-mentioned sale.

- 144.3 Without derogating from the aforesaid, it is expressed that the Bank shall not be liable to give notice of the exercise, conversion, expiry date or ways of acting available to the customer, save insofar as required by law. It is expressed that the Bank shall not be liable to give notice in respect of convertibles purchased less than 21 days prior to the date of the conversion or expiry, and liability in such regard shall rest with the customer alone. The customer shall not have any plea, demand and/or claim vis-à-vis the Bank in such regard and/or by reason of the fact that he did not exercise the convertibles on time. For the purposes of this clause, "convertibles" means convertible bonds and/or warrants.

145 Foreign securities

- 145.1 Subject to the control of foreign currency directives and the provisions of any law, as shall be from time to time, transactions with foreign securities shall also be governed by the provisions of this chapter.
- 145.2 For the purposes of this part –
- 145.2.1 **"the relevant market"** – the foreign stock exchange / foreign regulated market on which the foreign security is traded;
- 145.2.2 **"the foreign law"** – the law governing the relevant market, including regulations, rules, trading procedures and directives of the foreign stock exchange / foreign regulated market and/or relevant market's clearing house, as well as any custom and practice on the relevant market;
- 145.2.3 **"the performing entities"**, "the entities" – the entities which execute the transaction or any part thereof, including the holding of the foreign security, inter alia stock exchange agents, banks, dealers, brokers, investment companies, financial institutions and/or other entities acting for the Bank in Israel or overseas.
- The customer acknowledges that the securities will be cleared by these entities or by clearing houses operating on the relevant market or in relation to securities traded thereon, and that they will be held by one of the said entities and/or clearing houses entitled to hold the securities (custodians) which operate on the relevant market or in relation to securities traded thereon.
- 145.3 In respect of any instruction, act or transaction with foreign securities, the customer agrees that any instruction given by him shall also be subject to the foreign law and that he shall not act in foreign securities without understanding the provisions of the foreign law relevant to such security.
- 145.4 Without derogating from the aforesaid, in the event that the customer wishes to execute transactions with foreign securities, the transactions' execution shall also be subject to the foreign law and the provisions of the agreements between the Bank and the performing entities which execute the said transaction for the Bank, as shall be from time to time.
- 145.5 It is agreed that the policy for arranging custodian services for securities abroad over the assets of the Bank and its customers, including criteria for selecting the executing parties as aforesaid who are entitled to hold the securities (custodians), is to be found on the Bank's website at the address: www.bankjerusalem.co.il.
- 145.6 If securities are traded on more than one foreign stock exchange or market, and if the customer does not instruct the Bank otherwise, the Bank may execute the customer's instructions on the foreign stock exchange or market elected by the Bank, in its exclusive discretion.
- 145.7 It is agreed that instructions relating to overseas securities shall or might be executed through the performing entities. The customer hereby authorizes the Bank to contract with the entities or any of them in its discretion in connection with the execution of transactions with foreign securities or any of them, and in connection with the securities' custody. The customer agrees that the performing entities are not obliged to hold the customer's securities separately from the securities of other customers of the Bank, and that the securities shall be held in the manner customary in the place where they are held and subject to the governing law there, including according to street name and not in the name of the Bank or the customer. It is hereby further clarified to the customer that the performing entities are acting in accordance with the governing law in the place of their activity, and in accordance with the rules of conduct of each and every entity. The customer exempts the Bank from liability for any damage, expense and/or loss occasioned to him, if at all, in consequence of the entities' activity, provided that the Bank acted reasonably and save for any damage, expense or loss resulting from the Bank's negligence.
- 145.8 Without derogating from the aforesaid, it is agreed that insofar as the Bank interacts with any entity at the customer's request, the customer shall be solely liable for such entity's activity, including for any damage, expense or loss occasioned to him, if at all, in consequence of such entity's activity or the interaction with it.

- 145.9 The price demanded by the performing entities as the purchase price, or the price reported by them as the security's sale price, shall bind the customer vis-à-vis the Bank for all intents and purposes, even if different, better prices are listed for the security on the purchase date or the sale date, as the case may be, on the relevant market or elsewhere, and even if the said security was purchased or sold at better prices by others, including the Bank, for its customers.
- 145.10 The customer's account shall be credited or debited, as the case may be, with the consideration for the transactions executed in the account only after the Bank is actually credited or debited, and any credit or debit of the account prior thereto, if at all, shall be deemed a conditional credit or debit only.
- 145.11 The customer undertakes to bear all payments, commission and expenses in connection with the execution of his instructions. Without derogating from the aforesaid, the customer undertakes to bear any commission demanded by the entities, including commission or expenses demanded by the entities in respect of "company events" (such as dividend, payment of interest and the like) and in respect of foreign securities held by them, and these payments shall be deemed expenses relating to the securities.
- 145.12 All the payments due to the Bank or the performing entities that are denominated in foreign currency shall be paid by the customer in foreign currency from the account at the Bank that is managed in such foreign currency. If the customer does not have such an account or it does not have an adequate balance, or if the customer instructs the Bank to do so, the Bank may make the payment at the customer's expense in foreign currency and do any act required for such purpose, including purchase the foreign currency required for the customer against Israeli currency at the highest exchange rate at which the Bank sells checks denominated in the aforesaid foreign currency to the public (plus any purchase commission in respect of the foreign currency as customary at the Bank). The purchase as aforesaid shall be done on the day on which the securities are purchased, or on the day on which the Bank is required to make the payments due in respect of the securities' purchase, or on the day of their actual payment by the customer, in accordance with the highest price. If the said payments are made by the customer in parts, the above provisions shall apply to each and every payment.
- 145.13 All the payments received to the customer's credit that are converted into Israeli currency, in accordance with the customer's instructions or in accordance with the law, shall be converted by the Bank in accordance with the lowest rate at which the Bank purchases checks denominated in the foreign currency in which the payment is denominated from the public, on the date on which the foreign currency is actually converted into Israeli currency. From the amounts in Israeli currency received on the foreign currency's conversion, the Bank shall deduct all its commission on the purchase of foreign currency from the public as customary at the Bank at such time.

146 Charge and power of attorney

- 146.1 In addition to and without derogating from the other provisions of this agreement or any other agreement, the customer agrees that the securities deposited in the account shall be pledged and charged to the Bank by way of a first-ranking pledge to secure any debt of the customer in respect of the securities or in respect of the account, and any other debt as agreed with the customer. The charge and pledge shall also apply to the interest, dividend and all the benefits and rights howsoever accruing to the securities, as well as to their proceeds.
- 146.2 The customer hereby gives the Bank an irrevocable power of attorney in the event that the customer breaches his agreements with the Bank and/or a debt arises in the account or in connection with the activity in the account from the customer to the Bank, to sell all or any of the securities in the account, at any time and at any price, in the Bank's exclusive discretion, subject to 48 hours' notice to the customer, for the purpose of covering the debt or the breach and/or for the purpose of realizing the pledge.
- 146.3 The aforesaid rights shall apply in addition to the lien, rights of set-off and lien and any other right available to the Bank pursuant to this agreement or any other agreement with the customer.

147 Deleted.

148 Expenses and taxes

- 148.1 The customer shall bear all the expenses incurred by the Bank in connection with activity in securities, including the expenses of third parties and the performing entities, as well as reasonable legal costs, court fees, advocates' professional fees as agreed between the Bank and the advocate and any other expense in connection with activity in securities, in accordance with Bank of Israel's directives (insofar as required) and subject to the law.

- 148.2 Without derogating from the aforesaid, any tax, levy, official fee, deduction at source or compulsory payment payable on any transaction with the customer or on any act for the customer or in the account and/or any service provided to the customer, which the Bank may legally collect from the customer, shall be borne by the customer.
- 148.3 The Bank may, in accordance with the provisions of the law, deduct at source and/or in any other way the tax (income tax and/or any other levy and/or tax) payable on the monies, securities or other assets deposited and/or held at or through the Bank, such that the amounts, securities and/or assets shall only stand to the customer's credit and/or be transferred to him after the tax's deduction.
- 148.4 If for any reason the Bank does not make the deduction or debit the account in respect of the payment of tax at the specified time, it may debit the account in any amount in respect of the payment of tax at any time in the future. The customer hereby gives the Bank an irrevocable instruction and authorization to debit the account as aforesaid, in the value corresponding with the date on which the tax deduction or payment should have been made.

149 Commission

The Bank shall charge the customer commission in accordance with the Bank's tariff of commissions as may be revised and updated from time to time on the services provided by it in connection with activity in securities. The customer agrees to the commission being paid separately or collected directly by the Bank from the monies deposited with it or from the proceeds, interest, dividends and/or other monies standing to the customer's credit at any time, in the Bank's discretion. The commission tariffs shall be available for the customer's inspection at the Bank's branch.

150 Prohibition of assignment and charge

Securities deposited in the account at any time may not be howsoever charged, assigned or transferred (save in favor of the Bank) without the prior written consent of the Bank.

151 Reports and notices

- 151.1 Subject to the provisions of this clause, the Bank shall give the customer written notice detailing the transactions on the date legally obliged, unless the customer gives the Bank written instructions not to furnish it with notices as aforesaid. The notice shall include the date of the transaction's execution; the name and number of the securities; the quantity purchased or sold at nominal value; the amount with which the account was credited or debit; and the commission with which the account was debited. If the transaction is executed off the stock exchange, this shall be stated in the notice.
- 151.2 In respect of transactions relating to investments in mutual funds pursuant to a standing order of the customer, a summary notice shall be sent to the customer at least once every six months, which shall include details of the transactions executed in this period.
- 151.3 It is hereby clarified to the customer that he may obtain from the Bank, on demand, on any business day, a report of the securities held in the account, and this report shall be sent to the customer by the Bank at least once a year. The customer acknowledges that the securities traded on foreign stock exchanges are not revalued on a daily basis and that there might therefore be discrepancies in the value of these securities as appearing in the report.
- 151.4 The customer agrees that the Bank will not send him any notice and/or information on the following matters:
- 202.4.2 notices generally given to the holders of securities by public companies in publications of the stock exchange on which the relevant securities are traded, or in publications of another authority or in media publications;
 - 202.4.3 notices regarding the holding of meetings of the companies;
 - 202.4.4 balance sheets and other annual statements.
- 151.5 On arrival of the deadline for the exercise of options, conversion of bonds or issue of rights relating to securities that are in the account on the relevant date, the Bank shall send the customer, a reasonable time prior to such date, written notice detailing the deadline, the price and the other terms and conditions for exercising the customer's aforesaid rights.
- The customer agrees that if he has a choice regarding the exercise of a right as aforesaid in respect of securities held by him that are traded on the Tel Aviv Stock Exchange Ltd, the Bank shall not exercise the said right for the customer unless it has received written notice from the customer of his desire to exercise the relevant right by no later than the date specified in the Bank's notice.

In addition, it is agreed that if he has a choice regarding the exercise of a right as aforesaid in respect of securities held by him that are traded on foreign stock exchanges, the Bank may, without obligation, exercise the said right for the customer in accordance with the directions of the relevant stock exchange, even if it has not received any notice from the customer in such regard.

152 Activity in Derivatives in Israel and abroad

The customer agrees that the Bank shall not be obliged to execute any act relating to derivatives or to option derivatives, unless the customer has signed a special agreement concerning the execution of acts with such assets (hereinafter referred to as "agreement for operations in options and futures"). The customer shall bear full liability for any act executed by the Bank which relates to option derivatives at the customer's request, in accordance with the Bank's customary terms and conditions for transactions of such type.

153 Securities advice

The customer undertakes not to request or accept any advice from the Bank in connection with his investments and activity in securities and/or other financial assets without the execution of a separate advice agreement within the meaning thereof in the Advice Law before accepting advice services as aforesaid. Should the Bank agree to enter into a securities advice agreement, any advice shall be given in accordance with the provisions of any law and the directions of any competent authority. The Bank has the option of notifying the customer of cancellation of the securities advice agreement, as stipulated in the Agreement and in accordance with the Bank's procedures.

The customer expressly agrees that the Bank's investment advisors shall have access to information on the customer's activity in the account, including the customer's credit and investments. The provisions of this clause shall not apply to a customer which is a company, the securities of which are traded on the Tel Aviv Stock Exchange.

154 Activity in securities through a portfolio manager

154.1 If the customer gives a power of attorney, consent or authorization to a portfolio manager to manage or act in the account and to manage the customer's activity in securities (hereinafter referred to as "**portfolio manager**"), the portfolio manager may do, act, instruct, agree, execute and/or cease executing all the acts, instructions and transactions that the customer may do, act, instruct, agree, execute and cease executing pursuant to the terms and conditions of this chapter and any other document executed between the customer and the Bank.

154.2 If the customer gives a power of attorney, consent or authorization to a portfolio manager to manage or act in the account and to manage the customer's activity in securities, the customer undertakes, without derogating from any other duty or obligation to the Bank, to monitor, supervise, examine and audit the portfolio manager's activity in the account, including all the transactions the execution of which the portfolio manager has instructed, the transactions executed, the amounts with which the account has been debited or credited, the composition of the debits and credits, the commission charged thereon, the account balances, the composition of the account's assets and the value thereof.

154.3 If the customer gives a power of attorney, consent or authorization to a portfolio manager to manage or act in the account and to manage the customer's activity in securities, the Bank may turn to the portfolio manager in connection with anything that the portfolio manager may do as aforesaid, report to and furnish the portfolio manager with any information and make any demand of him in relation to the account, its balances and the state of the collateral, without turning to the customer first and/or simultaneously and/or at a later stage and/or without informing him in advance of the details of the matter, unless in the Bank's exclusive discretion this is necessary.

154.4 It is expressed that the grant of a power of attorney, consent or authorization to a portfolio manager does not exempt the customer from any duty, obligation and/or liability of the customer vis-à-vis the Bank.

155 Exemption from liability for information

155.1 It is hereby clarified to the customer that in many cases, and in particular insofar as relating to information about securities traded on foreign stock exchanges, the Bank furnishes the customer with information that has been furnished to it by foreign brokers or various information providers (such as: Bloomberg, Reuters, and the like) in Israel and overseas. It is agreed that in any such case the Bank shall not be liable for the correctness of such information and liability for the correctness thereof shall rest entirely with the relevant broker or information provider.

- 155.2 The Bank shall not be liable for any loss, damage or expense occasioned to the customer in the event of a decrease in the market price of securities purchased or received in accordance with the instructions of the customer or the terms and conditions of this agreement, or their redemption at less than the market price or for any other reason relating to securities.

156 Clarification of disputes

The customer agrees that in the event that any dispute arises in relation to the execution, non-execution or partial execution of a transaction, the Bank shall act and he also undertakes to act in accordance with the decision of the competent authorities, the relevant stock exchange and/or clearing house in Israel or overseas, insofar as relevant to the activity in securities as aforesaid and any entity appointed by them as customary or pursuant to the agreements with them. The customer agrees that any judgment or decision of an entity as aforesaid shall bind him and the Bank may act pursuant thereto.

157 Voting papers, position notices and confirmations of title

- 157.1 In accordance with the provisions of the Companies (Written Vote and Position Notices) Regulations, 5766-2005 (hereinafter referred to as "**the Regulations**"), voting papers, position notices and confirmations of title as defined in the Companies Law, 5759-1999 (hereinafter referred to as "**the Law**") shall be sent to the customer in accordance with his instructions in the account opening request in relation to general meetings of bodies corporate at which it is possible to vote according to law, and which the customer may hold in his securities at the effective date in accordance with the notices of the bodies corporate calling the meetings (hereinafter referred to as "**general meeting**").
- 157.2 It is hereby clarified to the customer that instead of obtaining confirmations of title by mail, confirmations of title for the purpose of his participating at the general meeting may also be obtained at the branch at which the account is managed, free of charge.
- 157.3 It is hereby clarified to the customer that he may vote every issue that will be on the agenda of the general meeting via Internet voting system established by the Israel Securities Authority, as opposed to certain issues permitted to vote via voting paper. Furthermore, the customer acknowledges that using the voting system will convert the need to obtain confirmations of title.
- 157.4 The customer agrees that if his instructions are not given to the Bank in the account opening request, confirmations of title shall not be sent to him. In addition, the texts of the voting papers and position notices or links to their texts on the website (Magna) and access codes to the Internet voting system shall also not be sent to him, unless the Bank has the customer's current e-mail.
- 157.5 Insofar as the customer has instructed that voting papers and/or position notices be sent to him by e-mail, he shall not have any plea and/or claim vis-à-vis the Bank in connection with the voting papers and/or position notices sent to him electronically as aforesaid that are not received by him and/or the delivery of which is rejected and/or that are illegible, save insofar as the malfunction occurred as a result of the Bank's negligence that was in its reasonable control. The customer acknowledges that the Bank is not liable for any malfunction in the dispatch, receipt or reading of the e-mail sent by it, unless occasioned as a result of the Bank's negligence that was in its reasonable control. The customer shall advise the Bank of any change in his e-mail address.
- 157.6 It is hereby clarified to the customer that liability regarding the publication of notice of a general meeting, the content thereof and anything else relating thereto, including with regard to the possibility of voting in writing or via Internet voting system, rests solely with the company holding the meeting. The customer shall not have any plea and/or claim vis-à-vis the Bank in such regard. The customer is under a duty to monitor and stay abreast of the existence of general meetings of companies the securities of which he holds and regarding all the details required for the purpose of voting thereat.
- 157.7 The customer agrees that his instructions in the account opening request relate to all the securities held in the account and not to particular securities.
- 157.8 The customer agrees that he alone is fully liable for compliance with the legal conditions for his participation / voting at the general meetings, including regarding the filling out of all the details required by the Regulations in the voting papers, and he shall not have any plea and/or claim vis-à-vis the Bank in such regard.
- 157.9 It is hereby clarified to the customer that in order to vote via Internet voting system, he must contact the Bank in advance in order to obtain the access code and password of the system.
- 157.10 In the case of a joint account – whether each of the owners may sign alone, the sole responsibility for regulating the relationship between them relies on the owners, so only one owner may vote on behalf of the account. Whether owners may sign jointly and not separately, the owners should sign on the Bank's

dedicated form, stating one of them to sign on behalf of the account. Owners, who are authorized only for jointly signing, that have not regulated the relationship between them will not be allowed to vote.

**Appendix A to the General Terms and Conditions for the Management of an Account –
Details of the Vital Components in the Various Means of Payment Issued by the Bank**

The vital component in every one of the means of payment issued by the Bank is each of the vital components set forth below regarding each of the means of payment, or a combination thereof:

Means of payment	Vital component
Giving payment instruction on the Bank's Internet website for execution of operations ("the Operations Website ")	Username for the Operations Website, password for the Operations Website, mobile telephone device of the customer and/or a communications element in it (such as: SIM).
Giving telephonic instructions for payment through the branch or through the Bank's call center	IVR code (four digits which the customer keys in for purposes of identification prior to his being transferred to the telephone representative at the Bank's call center), identity card/passport number of the customer, the customer's mobile telephone device and/or a communications element in it (such as SIM), details regarding the account and/or activities in the account.
Giving payment instructions via facsimile	Specimen signature of the customer, the customer's telephone numbers that have been given by him to the Bank.
Giving payment instructions at a branch	Specimen signature of the customer, identity card or passport of the customer.
Charge card	The card itself, the EMV element installed in the card, the card number, its validity, the secret code, the security code of the card imprinted on it (the CVV), identity number of the holder, identity document of the holder and biometric identification data of the holder, smart device or other means of communication and/or the communications element in it (such as: SIM), of which the holder has given the details to the issuer for purposes of obtaining a one-time password or link, that serve for transactions, and the abovementioned link or password.
Prepaid card	The card itself, the secret code for executing operations by means of the card, details of the card (card number, validity of the card, the 3 digits on the



	back of the card, name of the card owner), identity card or passport of the customer or the number thereof.
Bank card	The card itself, the secret code for executing operations on the card.
Giving authorization for debiting the account	<ul style="list-style-type: none">• By means of a telephonic instruction – IVR code (the four digits the customer keys in for purposes of identification prior to his being transferred to the Bank's call center), identity card or passport number of the customer, the customer's mobile telephone device and/or a communication element in it (such as: SIM), details regarding the account and/or activity on the account.• Through the branch – specimen signature of the customer, identity card or passport of the customer.• By means of the Operations Website – name of the user of the operations website, password for the operations website, the customer's mobile telephone device and/or a communications element in it (such as: SIM).• Via facsimile – specimen signature of the customer, the telephone numbers of the customer, which have been given by him to the Bank.
Giving a standing instruction	<ul style="list-style-type: none">• By means of a telephonic instruction – IVR code (the four digits the customer keys in for purposes of identification prior to his being transferred to the Bank's call center), identity card or passport number of the customer, the customer's mobile telephone device and/or a communication element in it (such as: SIM), details regarding the account and/or activity on the account.• Through the branch – specimen signature of the customer, identity card or passport of the customer.• Via facsimile – specimen signature of the customer, the telephone numbers of the customer, which have been given by him to the Bank.
Written communication (such as: SMS messages, WhatsApp)	The customer's mobile telephone device and/or the communications element in it (such as SIM), identity card or passport number of the customer.