



GENERAL TERMS AND CONDITIONS FOR THE MANAGEMENT OF AN ACCOUNT

These Terms and Conditions shall apply to all the Banking Services and activities of the Customer at the Bank. The Customer may be requested to sign additional specific terms and conditions with respect to the provision by the Bank of certain specific services and products and with respect to the use of certain communication channels.

The relationship of the parties shall also be governed by accepted bank-customer relations practices. These Terms and Conditions shall also apply if the Account number has been changed or if the Account has been split into several accounts, sub-accounts or has been assigned one or more suffixes.

The management of the Account shall be subject to the directives, guidelines, regulations and terms and conditions prescribed from time to time by any supervisory authority pursuant to the Law.

Chapter One: General Provisions for the Management of the Account

1. Providing instructions to execute transactions in the Account

- 1.1. All instructions and notices given by the Customer shall be given in writing and/or using Communication Channels that were approved in writing by the Bank, all subject to these Terms and Conditions.
- 1.2. Notices and instructions of the Customer shall only be deemed received by the Bank if actually delivered to the official authorized to receive it and act pursuant thereto (the “**Authorized Official**”) and shall only bind the Bank from the date of its actual receipt.
- 1.3. Any notice or instruction of the Customer in respect of which the Bank has a special form shall be given on such form and the Bank shall not be liable to execute the instruction unless it has been given on the appropriate form.

2. Executing the Customer’s instructions

- 2.1. The Bank may, at its sole discretion, decline to execute any instruction of the Customer (including instructions provided using Communication Channels) defer the execution thereof or execute it partially, in the following cases:
 - 2.1.1. if the instruction is not clear or understood by the Bank;
 - 2.1.2. if the instruction cannot be executed within a reasonable time in the circumstances of the case;
 - 2.1.3. if the instruction concerns the execution of a transaction that the Bank does not generally execute;
 - 2.1.4. if the monies or approved credit facility in the Customer’s Account are insufficient for the execution of the instruction; provided that if the Bank nonetheless approves any such instruction, such approval shall be binding on the Customer;
 - 2.1.5. if at the reasonable opinion of the Bank such instruction should not be processed without obtaining further details from the Customer;



- 2.1.6. if in the reasonable opinion of the Bank the instruction was given unlawfully or without due authority;
- 2.1.7. if the Bank believes, at its sole discretion, that the instruction is inconsistent and/or contradicting the Law or that based on any directive of any authorized authority in Israel or abroad the Bank is not allowed to execute the instruction, must postpone the execution thereof or partially execute it;
- 2.1.8. if the execution of the transaction may expose the Bank to unreasonable risk or prejudice any right of the Bank under any agreement and/or pursuant to the Law; and
- 2.1.9. in any other case that is detailed in these Terms and Conditions or in any other agreement between the Customer and the Bank.

2.2. The Bank shall not be liable for any direct and/or indirect damage caused to the Customer and/or anyone on its behalf and/or any third party as a result of the non-execution, partial execution or deferred execution of the Customer's instruction as mentioned in Clause 2.1 above, unless this is caused by the gross negligence of the Bank.

2.3. Subject to the provision of any Law, the Bank shall notify the Customer as soon as possible of the non-execution, partial execution or deferred execution of an instruction of the Customer.

2.4. An instruction given to the Bank on a day that is not a Business Day and/or after the end of the Business Day (as customary at the Bank) shall be executed by the Bank on the subsequent Business Day, unless otherwise notified by the Bank to the Customer.

2.5. If an instruction is given to the Bank without a date being mentioned for its execution, the Bank shall execute it within the reasonable period of time generally required to execute a transaction of such type.

3. Nomination of an Authorized Representative

3.1. The Bank may accept from any person who was nominated by the Customer in writing to be its authorized representative (an "**Authorized Representative**") any instruction including an instruction to debit the Account, whether the Account has a credit balance or a debit balance or will have a debit balance as a result of the execution of the instruction, including an instruction to execute transactions with the aforementioned Authorized Representative or in favour of the aforementioned Authorized Representative and use monies, assets and rights standing to the credit of the Customer in the Account in favour of the Authorized Representative, unless expressly provided otherwise in writing by the Customer to the Bank.

3.2. The Customer shall notify the Bank immediately upon the incapacity of any Authorized Representative.

3.3. The Bank shall not be liable for the consequences of any act performed in reliance on instructions by an Authorized Representative, who lacked capacity or whose nomination was revoked by the Customer, if the Bank did not receive due notice from the Customer of such lack of capacity or revocation of nomination, reasonable time prior to the time said instructions were delivered to the Bank.

4. Verifying signature and examining identity

4.1. The signature of the Customer and/or the Authorized Representative shall bind the Customer.

4.2. The Bank shall not be liable for any act done by it in reliance on a signature appearing to be that of the Customer and/or the Authorized Representative, so long as there is a reasonable resemblance between the signature on the document of instructions and the sample signature given to the Bank, provided that the Bank was not negligent in examining the match between the signatures.



- 4.3. The Bank shall only execute instruction delivered by the Customer using facsimile if such instructions are signed by the Authorized Representatives of the Customer.

5. Representations and warranties

The Customer represents, warrants and undertakes as follows:

- 5.1. (a) it is duly incorporated or, if the Customer is not a body corporate, is otherwise validly constituted and existing under the laws of the jurisdiction of its incorporation or constitution (as the case may be); (b) it has all necessary corporate or equivalent power and legal capacity to execute and deliver, and to perform its obligations under, these Terms and Conditions; (c) the execution and performance of these Terms and Conditions by it will not violate its constitutional documents, organisational documents or bylaws, the terms of any material contract or other instrument to which it is a party or by which it is bound or any duty, obligation, limitation or prohibition imposed on it by Law; and (d) the terms of these Terms and Conditions constitute legal, valid and binding obligations, enforceable against it;
- 5.2. that as of the date of these Terms and Conditions, no criminal investigation is being undertaken against it by any competent authority in Israel and/or abroad, it has not been convicted of any criminal offence and no application has been filed against it for the appointment of a receiver, liquidator, special manager or trustee in bankruptcy or for a moratorium of proceedings or similar proceedings;
- 5.3. that it has disclosed to the Bank all the facts, terms and conditions that may influence the decision of the Bank to open the Account and enter into these Terms and Conditions;
- 5.4. that all the transactions that will be executed by the Customer with the Bank are done by the Customer on its behalf and not on behalf of a third party. In the event that the funds used by the Customer to make any payment in connection with any transactions entered under these Terms and Conditions comes from a third party, the Customer will notify the Bank in writing as well as provide the name of said third party and meet any other requirements of the Bank;
- 5.5. the Customer is in compliance with all Laws that are applicable to these Terms and Conditions and the Customer's performance hereunder;
- 5.6. where the Customer is an Israeli corporation the Customer is not a "**Violating Company**" (*'hevrah meferah'*) (as defined in Section 362A of the Companies Law-1999) and has not received notice that it is expected to be registered as such; and
- 5.7. the Customer undertakes to notify the Bank in writing, within a reasonable time, of any change in the above representations.

6. Joint Account

- 6.1. Where two or more persons or entities are joint holders of an Account, each of them shall be deemed to hold all the rights and Debts in connection with such Account. Each of the Account holders may individually execute a transaction and/or action without limitation, unless otherwise provided in the details of the signatory rights, as furnished to the Bank in writing. The Account holders shall be jointly and severally liable for any of the aforementioned transaction, action and Debt. The action of an Authorized Representative in the Account shall bind all the Account holders jointly and severally.
- 6.2. In the absence of a written instruction to the contrary, the Bank may credit the joint Account with any amount and/or right received by it in the name of one of the joint Account holders, unless such joint Account holder holds another account at the Bank in its name alone.



7. Amending these Terms and Conditions

The Bank may amend these Terms and Conditions from time to time. The Bank shall notify the Customer of any such amendment(s) and the Customer shall be deemed to have agreed to the amendment(s), unless it notifies the Bank of its objection in writing within 30 days of the date of the Bank's notice. If the Customer notifies the Bank that it does not agree to the amendment, the Bank and the Customer shall conduct negotiations regarding the termination of these Terms and Conditions as set forth in Clause 9 below.

8. Transferring rights and obligations

The Customer may not assign, transfer and/or pledge all or any of its rights and/or obligations under these Terms and Conditions.

9. Terminating the business relations

- 9.1. Each of the Bank and the Customer may, at any time, give written notice of the termination of their business relations and these Terms and Conditions. The notice shall be sent a reasonable time prior to such termination. In such case, and subject to any other applicable agreement or the Law, any debt by either party shall become immediately due and payable. Any termination by either the Customer or the Bank that includes an early termination of a deposit shall be subject to payment of breakage fee as detailed in Clause 42 (*Braking a Deposit*). If the Bank has assumed an obligation pursuant to an instruction of the Customer and the Bank is unable to stop or cancel such obligation, the Customer shall be liable to make a deposit at the Bank in the currency of such obligation to the maximum amount for which the Bank might become liable. This deposit shall remain pledged and charged to the Bank until the expiration of the obligation of the Bank.
- 9.2. Following a notice terminating the business relations between the Bank and the Customer, the Customer shall return to the Bank any magnetic card, cheque book or other instrument received from and belonging to the Bank.
- 9.3. Without derogating from the generality of the aforesaid, the Account shall be closed in accordance with the directives of Bank of Israel.
- 9.4. The provisions of this Clause 9 shall not prejudice in any manner the rights of the Bank pursuant to any other provisions of these Terms and Conditions including the Bank's right to accelerate any Debt of the Customer.

10. Closing the Account on the demand of a competent authority

The Bank may close the Account without advance notice, if called upon to do so by any Authority or if required by Law, as determined by the Bank at its sole desecration.

11. The Bank's reports

The Bank shall send the Customer reports on the state of the Account from time to time, which shall include details of the state of its Debts, obligations, rights and assets at the Bank. The Customer shall examine the reports and notify the Bank within a reasonable time of receiving the report of any mistakes therein. The Customer shall notify the Bank immediately if it does not receive a report at the expected time for receiving it.

12. Customer complaints

In the event that the Customer has a complaint with respect to the quality of any Banking Services the Customer may approach its Bank representative or, alternatively, can write to the Ombudsman at the compliance department at our registered address in Israel. Further details of the complaints-handling process, including information with respect to the Bank's complaints management policy and the contact details of the Bank's Ombudsman at the complaints department, are available on the Bank's internet site.



Customer complaints concerning the execution or non-execution of any instruction given by the Customer shall be submitted immediately upon receiving the Bank's report of the transaction's execution and in the case of non-execution of a transaction - within a reasonable time after the Customer learns of such non-execution.

13. The Bank's Records

Copies of the Bank's Books or a certificate signed by the Bank's official regarding a debit balance or credit balance, interest rate, commission or expense and any institutional records of the Bank shall serve as admissible evidence of the details contained therein.

14. Recording telephone conversations

The Bank may record telephone conversations between the Customer and the Bank. The Customer confirms its agreement to the aforesaid and also confirms that its agreement binds any Authorized Representatives. The Customer also agrees that the aforesaid recordings shall serve as prima facie proof that the conversations took place and of their content.

15. Keeping Records

The Bank may keep Customer Information on any media and storage means, including in paper form, magnetic media, microfiche, microfilm, film, whether recorded by mechanical or electronic instrument, by electronic computer recording, or any other means by which it is possible to record and present words, numbers or marks used by the Bank. The Bank shall retain Customer Information for such retention period according to the internal policies of the Bank and subject to any Law.

16. Delivering documents and the parties' addresses

16.1. The Customer's address for the purpose of serving and/or delivering mail and documents, including court process, notices and warnings, is that set forth in the Account opening application or any other address of which the Customer notifies the Bank in writing.

16.2. The Bank may, at any time, request from a Customer who has provided the Bank with an address outside Israel to provide another address in Israel, including for the purpose of serving process.

16.3. The Bank may send or deliver notices or documents to the Customer by ordinary mail, and any Communication Channel, including facsimile, automatic device, e-mail or a computer terminal, all at the Bank's discretion.

16.4. Any notice sent to the Customer, will be deemed to be sent and received by it according to ordinary postal arrangements, unless proven otherwise. If a document is issued to the Customer through a computer terminal, it shall be deemed to have been received on the date of the document's issue, and if sent by messenger - on the actual delivery date. The Bank's written confirmation of any dispatch or delivery or issue and the date thereof shall serve as admissible proof that the dispatch or delivery took place and of the date thereof.

16.5. The Bank's address for the purpose of serving and/or delivering mail and documents, including court process, notices and warnings, is the address of the Israeli branch of the Bank.

16.6. All the Customer's approaches and notices to the Bank concerning the matters covered by these Terms and Conditions shall be referred, sent and/or delivered only in Israel.

17. Using Correspondents

17.1. The Bank may, at its sole discretion, use the services of Correspondents for the purpose of executing the instructions of the Customer.



17.2. The Bank may debit the Customer's Account with the costs, commission, Interest charges, Taxes and any other amount charged by the Correspondents for the purpose of executing the Customer's instructions, unless such charges are not reasonable under the circumstances.

18. Commissions

The Customer shall pay the Bank commissions for the Banking Services in accordance with the tariff published by the Bank as shall be on the date of the provision of such services, unless otherwise agreed in writing between the Customer and the Bank.

19. Costs

19.1. The Customer shall bear all the costs incurred by the Bank, directly or indirectly, as a result of the provision of Banking Services to the Customer. In relation thereto, 'costs' shall include, without derogating from the generality of the forgoing, SWIFT document collection costs, registration fees and insurance fees.

19.2. Subject to the provisions of the Law, the Customer shall bear all the Bank's reasonable legal costs that are incurred in connection with the Banking Services, including, without derogating from the generality of the forgoing, the payment of lawyers' professional legal fees, as agreed between the Bank and its lawyers or as awarded by a court, the costs of registering and handling securities and assets, preparing legal documents relating to attachment orders imposed on the Account and/or the Bank's costs in connection with the Account in respect of rulings and decisions of any competent Authority.

20. Taxes

20.1. Without derogating from the provisions of Clause 20.2, the Customer and each Connected Person acting in their capacity as a Connected Person (and not in their personal capacity), acknowledges they are solely responsible for understanding and complying with their Tax obligations (including but not limited to, Tax payment or filing of returns or other required documentation relating to the payment of all relevant Taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and/or Banking Services provided by the Bank and/or members of the HSBC Group. Certain countries may have Tax legislation with extra-territorial effect regardless of the Customer's or Connected Person's place of domicile, residence, citizenship or incorporation. The Bank and/or any member of the HSBC Group does not provide Tax advice. The Customer is advised to seek independent legal and/or Tax advice. The Bank and/or any member of the HSBC Group has no responsibility in respect of a Customer's Tax obligations in any jurisdiction which they may arise including, without limitation, any that may relate specifically to the opening and use of account(s) and/or Banking Services provided by the Bank and/or members of the HSBC Group.

20.2. The Bank may deduct any Tax or payment which is compulsory by Law from any payment to the Customer or from any payment instruction made by the Customer from the Account. Alternatively for such purpose the Bank may debit the Account with the Tax amount, even if on the date of the deduction the Account has a debit balance or will have a debit balance as a result of the deduction. The Customer hereby irrevocably instructs the Bank to debit the Account with any Tax amount required by Law as determined by the Bank at its sole discretion.

20.3. Tax gross-up

20.3.1. The Customer shall make all payments to be made by it to the Bank without any Tax Deduction, unless a Tax Deduction is required by Law.

20.3.2. The Customer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Bank accordingly.

20.3.3. If a Tax Deduction is required by law to be made by the Customer, the amount of the payment due from the Customer to the Bank shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

20.3.4. If the Customer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Law.

20.3.5. Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Customer shall deliver to the Bank an evidence reasonably satisfactory to the Bank that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

20.4. Tax indemnity

20.4.1. The Customer shall (within three (3) Business Days of demand by the Bank) pay to the Bank an amount equal to the loss, liability or cost which the Bank determines will be or has been (directly or indirectly) suffered for or on account of Tax by the Bank in respect of these Terms and Conditions.

20.4.2. Clause 20.4.1 above shall not apply (i) with respect to any Tax assessed on the Bank under the law of the jurisdiction in which the Bank is incorporated or, (ii) if different, the jurisdiction (or jurisdictions) in which the Bank is treated as resident for Tax purposes; or (iii) under the law of the jurisdiction in which the Bank's office is located in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Bank; or (iv) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 20.3 (*Tax gross-up*).

20.5. FATCA Deduction by the Bank

20.5.1. The Bank may make any FATCA Deduction it is required to make and any payment required in connection with that FATCA Deduction, and the Bank shall not be required to increase any payment in respect of which it makes such a FATCA Deduction. If the Bank becomes aware that it must make a FATCA Deduction in respect of a payment to the Customer (or that there is any change in the rate or the basis of such FATCA Deduction) it shall notify the Customer.

20.5.2. If the Bank becomes aware that it must make a FATCA Deduction in respect of any payment to the Customer as contemplated in Clause 20.5.1 above, it shall be entitled at its discretion to declare that any credit facility extended to the Customer will be cancelled.

21. Lawyers professional fees and costs in cases of Debt collection, realisation of security, litigation

21.1. The Customer shall bear all the costs of the Bank arising out of legal proceedings relating to the collection of Debts from the Customer, the realization of any security and any other litigation between the Bank and the Customer. For this purpose, legal costs shall include lawyers' professional fees.

21.2. Unless otherwise provided by the decision of any Authority, any such cost shall be debited from the Account and in case that such an account is in debit, shall bear the Interest that is charged in the Account including Maximum Interest.

22. Force majeure

The Customer exempts the Bank from liability for any damages, losses and expenses that might be incurred by the Customer as a result of circumstances over which the Bank has no control and during the occurrence of such circumstances, provided that the Bank has made reasonable efforts to perform its obligations.



23. Attributing amounts in the Account

All the amounts credited to the Account shall first be applied towards the discharge of commissions and expenses, secondly towards the discharge of the Interest and finally towards the reduction of the other amounts the Customer owes the Bank at such time.

24. Debiting and crediting the Account

- 24.1. If the Bank believes that any transaction was erroneously recorded in the Account or was erroneously not recorded or that there was an error in the recording of a transaction in the Account, it may debit and/or credit the Account, in accordance with the circumstances of the case. The rectification of the aforementioned error shall be performed in accordance with the Law.
- 24.2. The Bank may debit the Account at any time and at its sole discretion with any amount that the Customer owes the Bank, even if on the date of such debit the Account has a debit balance or will have a debit balance as a result of such debit.
- 24.3. The Bank may manage the Tax payments or expense account in such manner as it deems fit, including by way of a general account, or by debiting the Account.
- 24.4. The Bank shall not be liable for any direct and/or indirect damage incurred by the Customer and/or anyone on its behalf and/or any third party as a result of the aforementioned non-execution or partial execution or deferred execution of a credit and/or debit in the Account.

25. Obtaining details

The Customer agrees that the Bank may obtain financial, business or legal information on the Customer and its business from any Authority and public entities, through public databases. For the purpose of obtaining such information, the Customer hereby permits the Bank to transfer to the said entities, its name and corporation number and any other detail required for the purpose of obtaining the information required by the Bank via any means of communication or in any way elected by the Bank.

26. Collection, processing and sharing of Customer Information

26.1. Collection

The Bank and other members of the HSBC Group may collect, use and share **Customer Information** (including relevant information about the Customer, the Customer's transactions, the Customer's use of the Banking Services and the Bank's products and services, and the Customer's relationships with the HSBC Group). Customer Information may be requested from the Customer (or a person acting on the Customer's behalf), or may also be collected by or on behalf of the Bank, or members of the HSBC Group, from other sources (including from publically available information), generated or combined with other information available to the Bank or any member of the HSBC Group.

26.2. Processing

The Bank and/or members of the HSBC Group will process, transfer and disclose Customer Information in connection with the following Purposes: (a) providing Banking Services and for any transactions or actions requested or authorised by the Customer, (b) meeting Compliance Obligations, (c) conducting Financial Crime Risk Management Activity, (d) collecting any amounts due from the Customer, (e) conducting credit checks and obtaining or providing credit references, (f) enforcing or defending the Bank's, or a member of the HSBC Group's, rights, and/or (g) for internal operational requirements of the Bank or the HSBC Group (including, without limitation, credit and risk management, system or product development and planning, insurance, audit and administrative purposes) (the "**Purposes**").



26.3. Sharing

By using the Banking Services, the Customer agrees that the Bank may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information, including to the following recipients (who may also process, transfer and disclose such Customer Information for the Purposes):

- (a) any member of the HSBC Group;
- (b) any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
- (c) any Authorities;
- (d) anyone acting on behalf of the Customer, payment recipients, beneficiaries, account nominees, intermediary, Correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which the Customer has an interest in Securities (where such Securities are held by the Bank for the Customer);
- (e) any party acquiring an interest in or assuming risk in or in connection with the Banking Services (or any part thereof);
- (f) other financial institutions, credit reference agencies or credit bureaus, for obtaining or providing credit references;
- (g) any third party fund manager who provides asset management services to the Customer;
- (h) any introducing Broker to whom the Bank provides introductions or referrals; or
- (i) in connection with any Bank business transfer, disposal, merger or acquisition;

wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Banking Services are supplied.

26.4. Customer obligations

- (a) The Customer agrees to inform the Bank promptly in writing if there are any changes to Customer Information supplied to the Bank or a member of the HSBC Group from time to time, and to respond to any request from, the Bank, or a member of the HSBC Group relating to Customer Information.
- (b) The Customer confirms that every person whose information (including Personal Data or Tax Information) it has provided to the Bank or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms and Conditions. The Customer shall advise such persons that they may have rights of access to, and correction of, their Personal Data.
- (c) Where:
 - a Customer fails to provide Customer Information that the Bank reasonably requests, or
 - a Customer withholds or withdraws any consents which the Bank may need to process, transfer or disclose Customer Information for the Purposes, or
 - the Bank or a member of the HSBC Group has suspicions regarding the possible commission of Financial Crime or a Customer presents a potential Financial Crime risk to a member of the HSBC Group,



the Bank may:

- (i) be unable to provide new, or continue to provide all or part of the, Banking Services to the Customer and reserves the right to terminate its business relationship with the Customer;
- (ii) take actions necessary for the Bank or a member of the HSBC Group to meet the Compliance Obligations; and/or
- (iii) block, transfer or close the Account(s).

In addition, the failure of a Customer to supply its, or its Connected Person's, Tax Information and accompanying statements, waivers and consents, or other relevant circumstances relating to the Customer or their Connected Persons, may result in the Bank making its own decision with respect to the Customer's status, including whether to report such Customer to a Tax Authority, and may require the Bank or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to any Tax Authority.

27. Data protection

Whether it is processed in a home jurisdiction or overseas, Personal Data of the Customer's Connected Parties is protected by a data protection legislation that the Bank and any HSBC Group, to whom such Personal Data is provided by HSBC, are subject to.

28. Financial Crime Risk Management Activity

- 28.1. The Bank, and members of the HSBC Group, are required to, and may take any action considered appropriate in their sole and absolute discretion, to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("**Financial Crime Risk Management Activity**").
- 28.2. Such action may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Banking Services, or any payment sent to or by the Customer, or on its behalf, (b) investigating the source of or intended recipient of funds (c) combining Customer Information with other related information in the possession of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming a Customer's identity and status.
- 28.3. Exceptionally, the Bank's undertaking of Financial Crime Risk Management Activity may lead to the Bank delaying, blocking or refusing the making or clearing of any payment, the processing of Customer instructions or application for Banking Services or the provision of all or part of the Banking Services. To the extent permissible by Law, neither the Bank nor any other member of HSBC Group shall be liable to the Customer or any third party in respect of any loss howsoever arising, suffered or incurred by the Customer or third party caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

29. Priority and survival of Compliance Terms

- 29.1. In the event of any conflict or inconsistency between any of Clauses 20.1 and 26 to 28 (the "**Compliance Terms**") and those in any other service, product, business relationship, account or agreement between the Customer and the Bank, the Compliance Terms shall prevail. Any consents, authorisations, Bank requested waivers and permissions that already exist from the Customer in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by Law.
- 29.2. If all or any part of the provisions of the Compliance Terms become illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of the Compliance Terms in that jurisdiction.



29.3. The Compliance Terms shall continue to apply notwithstanding the termination of these Terms and Conditions, any termination by the Bank or a member of the HSBC Group of the provision of any Banking Services to the Customer or the closure of any Account.

30. Bearer shares

If the Customer or any of its direct or indirect shareholders is a corporation that issued bearer share or has the legal capacity to issue bearer shares, the Customer hereby undertakes to immediately inform the Bank in writing in the event of a change of ownership of any bearer shares or issuance of initial or new bearer shares by the Customer or its direct or indirect shareholders and to provide the Bank with any relevant information it may require.

31. The governing Law

The Laws of the State of Israel shall govern these Terms and Conditions and their interpretation.

32. Jurisdiction

The parties submit all their disputes arising out of or in connection with these Terms and Conditions to the exclusive jurisdiction of the competent courts in Tel-Aviv.

33. Amendment and waivers

33.1. Waiver and/or amendment of any of these Terms and Conditions shall only be binding on the Bank if made in writing.

33.2. No failure to exercise, nor any delay in exercising, on the part of the Bank, any right or remedy under these Terms and Conditions shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided to the Bank under these Terms and Conditions are cumulative and not exclusive of any rights or remedies provided by law.

34. Special Services

Special Banking Services, including, but not limited to, transactions in financial instruments (such as options, futures contracts, futures transactions in foreign currency), structured products, short transactions, the receipt of investment advice, Credit, documentary credit, shall only be given subject to the Customer signing customary documents for the execution of such banking transactions and after the Bank has approved a credit facility for the Customer to execute these transactions. The Bank has sole discretion regarding the approval of a credit facility as aforesaid.

35. Indemnity

35.1. The Customer unconditionally and irrevocably agrees to indemnify the Bank or the Bank's successors or assigns against all actions, proceedings, liabilities, claims, damages, losses, costs and expenses of whatever nature (including reasonable legal costs and including risk related to environmental protection and public health) all resulting from:

35.1.1. Claims, demands and/or proceedings made or commenced against the Bank, by any third party, local or foreign, in connection with the Account, the Account activities, the Banking Services, the Assets in the Account, and/or other assets that are pledged for the benefit of the Bank in connection with the Account;

35.1.2. Claims, demands and/or proceedings that the Bank will deem necessary or proper to raise and/or commence against a third party, local or foreign, in connection with the Account, the



Account activities, the Banking Services, the Assets in the Account, and/or other assets that are pledged for the benefit of the Bank in connection with the Account; and/or

35.1.3. Claims, demands and/or proceedings in which the Bank may become involved and which relate to a dispute between the Customer and any third party, foreign or local.

36. Interpretation rules

36.1. Plural and singular Masculine and Feminine

Wherever the Account is managed in the name of a number of entities, every reference herein to the Customer shall be deemed to have been written in the plural. Any reference herein to the masculine gender shall also include the feminine gender and vice versa.

36.2. Headings

The clause headings herein are for convenience and reference purposes only and shall not be used in the interpretation hereof.

36.3. Definitions

In these Terms and Conditions:

“**Account**” means the account of the Customer with the Bank, including any sub-account suffixed thereto.

“**Authorities**” means any, judicial, administrative or regulatory body, any government, or public or government agency, instrumentality or authority, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any agents thereof, having jurisdiction over any part of HSBC Group.

“**Bank**” means HSBC Bank plc, Israel Branch.

“**Bank’s Books**” means any book, ledger, account statement, agreement, undertaking, bill duplication or photocopy of any of the forgoing, any computerized system of storage and processing of data as well as any other means used by the Bank for the entry or storage of data, all when produced in the ordinary course of business of the Bank.

“**Base Interest**” means (1) the prime rate for ILS determined and published by the Bank; or (2) a known type of interest such as LIBOR, EURIBOR, the Accountant-General's interest or Bank of Israel interest or (3) any other benchmark interest determined by the Bank. If the Base Interest is less than zero, the Base Interest shall be deemed to be zero.

“**Broker**” means any person whom the Bank commissions to execute Securities transactions, whether at the Bank’s or the Customer’s initiative.

“**Business Day**” or “**Bank Business Day**” means, in relation to any banking transaction, a day on which that transaction may be executed, and, without derogating from the generality of the foregoing, which is also:

- (a) in relation to transactions in ILS, a “Business day” as defined in the Bank of Israel Proper Conduct of Banking Business Regulation 402 (*Business Day in Banking Corporations*); and
- (b) in relation to transactions in foreign currency, a day on which trading take place by the Bank and on which the Bank determines rates in the relevant currency.



“Banking Services” means any services provided by the Bank, including without limitation, (a) the opening, maintaining and closing of bank accounts of the Customer (b) the provision of Credit facilities and other banking products and services to the Customer (c) providing information and processing instructions of the Customer and/or (d) any other transaction between the Customer and the Bank and/or action taken by the Bank on behalf of the Customer or at its request.

“Compliance Obligations” means obligations of any member of the HSBC Group to comply with: (a) any Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, regulatory trade reporting, disclosure or other obligations under Laws, and (c) Laws requiring the Bank to verify the identity of its customers.

“Communication Channels” means communication channels, such as telephone (including cell-phone), facsimile, SWIFT, e-mail or other electronic channels customary at the Bank.

“Connected Person” means a person or entity whose information (including Personal Data or Tax Information) is provided by, or on behalf of, the Customer to any member of the HSBC Group or otherwise received by any member of the HSBC Group in connection with the provision of the Banking Services. In relation to the Customer, a **Connected Person** may include, but is not limited to, beneficiaries in the Account, any guarantor of the Customer, a director or officer of the Customer, Authorized Representative, partners or members of the Customer (in the event that the Customer is a partnership), any Substantial Owner, Controlling Person, or beneficial owner, trustee, settler or protector of a trust, account holder of a designated account, payee of a designated payment, representative, agent or nominee of the Customer, or any other persons or entities having a relationship to the Customer that is relevant to its banking relationship with the HSBC Group.

“Control” means as such term is defined in the Securities Law, 5728 – 1968.

“Controlling Persons” means those who exercise Control over an entity.

“Correspondent” means any person, in Israel or abroad, engaged by the Bank to execute transactions, on its initiative or at the request of the Customer, including any branch of HSBC Bank plc or any member of the HSBC Group.

“Credit” means any banking transaction as a result of which the Customer incurs indebtedness to the Bank, in local or foreign currency, including Loans, revolving facilities and overdrafts, documentary credits, guarantees, indemnities, discounting, purchasing or brokering of bills or negotiable instruments, certain Securities transactions, the carrying out of derivative transactions and/or transactions in various financial instruments, foreign exchange transactions, and risk participations.

“Customer Information” means Personal Data, confidential information, business and commercial information, Tax Information, financial statements and/or details of the source of funds, of either the Customer or any Connected Person (including accompanying statements, waivers and consents). In addition, Customer Information include details of the beneficiaries of any acts performed via the Account.

“EURIBOR” means the euro interbank offered rate administered by the European Money Markets Institute for the applicable Interest Period. EURIBOR shall be determined by reference to Reuters EURIBOR 01 screen as appropriate (at 11.00 am London time on such day) or, if not available, the interest at which deposits for a similar amount, currency and period are offered to the bank in the London Interbank Market on the Business Day on which the relevant Interest Period is due to commence.

“Financial Crime” means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or violations, or attempts to circumvent or violate any Laws or regulations relating to these matters.



“**HSBC Group**” means HSBC Holdings plc, and/or any of, its affiliates, subsidiaries, associated entities and any of their branches and offices, and ‘**any member of the HSBC Group**’ has the same meaning.

“**ILS**” means Israeli New Shekels.

“**Interest**” means Base Interest *plus* or *minus* a margin determined by the Bank or fixed interest agreed between the Customer and the Bank.

“**Law**” means as per the definition of “*din*” in the Interpretation Law, 5741-1981, and any law, regulation, ordinance, rule, judgement, decree, voluntary code, directive, sanctions regime, court order issued by any Authority, any agreement between any member of the HSBC Group and an Authority, or any agreement or treaty between Authorities and applicable to the Bank or a member of the HSBC Group, as in force from time to time.

“**LIBOR**” means the London Interbank Offered Rate for the applicable currency and Interest Period. LIBOR shall be determined by reference to Reuters LIBOR 01 screen as appropriate (at 11.00 am London time on such day) or, if not available, the interest at which deposits for a similar amount, currency and period are offered to the bank in the London Interbank Market on the Business Day on which the relevant Interest Period is due to commence.

“**Loan**” means funded Credit with a payment date.

“**Maximum Interest**” means Interest plus Unauthorised Overdraft Interest, which applies in general to the relevant type of account at the relevant time.

“**Month**” means a calendar month.

“**Personal Data**” means any data relating to an individual’s personality, marital status, health, financial status, opinions or beliefs or intimate details relating to an individual.

“**Secured Amounts**” or “**Debt**” means all amounts, in local or foreign currency, of principal, Interest, linkage, rate differentials, fees, charges and expenses of any kind at any time due to the Bank from the Customer, including amounts the Customer owes solely or jointly with others, whether matured or unmatured or maturing upon a contingency, and including the Customer’s liabilities in connection with any Credit, whether or not crystallised by judgement of a court or a tribunal.

“**Securities**” means ‘Financial Assets’, ‘Indexed Products’ and ‘Securities’ as defined in the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Business Law, 5755-1995, as well as such items which are unlisted, unregistered or issued pursuant to a particular statute or regulation.

“**Substantial Owner**” means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (and any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) in any applicable jurisdiction.

“**Tax Authorities**” means domestic or foreign Tax, revenue, fiscal or monetary authorities.

“**Tax Certification Forms**” means any forms or other documentation as may be issued or required by a Tax Authority or by the Bank from time to time to confirm the Tax status of an Account holder or the Connected Person of an entity.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment made pursuant to these Terms and Conditions.



“Tax Information” means any documentation or information (and accompanying statements, waivers and consents) relating, directly or indirectly, to the Tax status of a Customer (regardless of whether that Customer is an individual or a business, non-profit or other corporate entity) and any owner, Controlling Person, Substantial Owner or beneficial owner of a Customer, that the Bank considers, acting reasonably, is needed to comply (or demonstrate compliance, or avoid non-compliance) with any HSBC Group member’s obligations to any Tax Authority. **Tax Information** includes, but is not limited to, information about: Tax residence and/or place of organisation (as applicable), Tax domicile, Tax identification number, Tax Certification Forms, certain Personal Data (including name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship).

“Unauthorised Overdraft Interest” means the Interest supplement at the rate determined by the Bank from time to time in respect of unauthorised overdrawn amounts on a Credit facility in the Account.



Chapter Two: Deposits

37. Shekel deposits and foreign currency deposits

Deposits shall bear Fixed Interest rate or Variable Rate of Interest at the rate customary at the Bank for deposits of such type, of the same amount and for the same period, or at the rate agreed between the Bank and the Customer and indicated in the deposit advice that will be sent by the Bank to the Customer. Without derogating from the foregoing, the Bank may pay zero interest on a deposit or even determine negative interest. The Interest that shall be paid at the end of the Deposit Period shall be computed in accordance with the type of the deposit, as determined on the deposit advice.

For such purpose:

“**Fixed Interest**” means interest at a fixed rate from the deposit date until the maturity date or exit station, as the case may be, or at other intervals determined by the Bank in respect of a particular deposit; and

“**Variable Rate of Interest**” means Base Interest rate (with no 0% minimum) *plus* or *minus* a margin that shall be determined by the Bank in the deposit advice.

38. The deposit period

A deposit shall be made for the period requested by the Customer (the “**Deposit Period**”), provided that the requested period is customary at the Bank on the deposit date for deposits of such type. The deposit shall mature at the end of the Deposit Period (the “**Maturity Date**”).

39. Computing the interest

The Interest on a deposit shall be computed on the basis of the actual number of days of deposits divided by the number of days in a year that are customary in the financial system in respect of such type of currency.

40. Withdrawing a deposit

40.1. The Customer shall be entitled to withdraw all or part of a deposit on its Maturity Date and on any renewal date. The deposit plus the Interest in respect thereof and less any Tax or levy shall be credited to the Customer’s current Account.

40.2. A notice of the Customer to withdraw an automatically renewing deposit must be received by the Bank at least two Business Days prior to the Maturity Date. In the case of a daily deposit, the Customer may give notice of the deposit’s withdrawal on the Maturity Date and no later than the hour customary at the Bank for receiving daily deposits.

40.3. The Bank shall not be obliged to renew the balance of a deposit, part of which has been withdrawn by the Customer, if the balance is less than the minimum amount customary at the Bank at such time for deposits of such type.

41. Renewing a deposit

41.1. Unless otherwise determined between the Customer and the Bank on the deposit date, the deposit plus the Interest that has accrued thereon as at the Maturity Date shall be paid to the relevant currency current Account.

41.2. If on the deposit date the Customer requests the deposit be renewed automatically on its Maturity Date, that deposit shall be renewed automatically until otherwise notified by the Customer to the Bank, or any maximum period set by the Bank and the interest rate for the renewed deposit shall be the interest customary at the Bank



in respect of deposits of such type, that are made on the date it is renewed. If there is no identical deposit at the Bank on the date of renewal, the Bank may refuse to renew the deposit.

42. Breaking a deposit

The Customer shall not be entitled to withdraw the deposit or part thereof prior to its Maturity Date. If the Bank agrees to the deposit's withdrawal prior to its Maturity Date, no interest shall be paid on the amount withdrawn. In addition, the Bank may charge the Customer a breakage penalty of an amount that will be determined by the Bank and notified to the Customer prior to the withdrawal.

43. Prohibition on the transfer of rights

Without derogating from the generality of any of the provisions hereof, the rights of the Customer in the deposit may not be transferred, charged or assigned, without obtaining the prior written consent of the Bank.

Chapter Three: Credit

44. Credit facility

- 44.1. The Bank shall not be obligated to offer or renew a credit facility.
- 44.2. The Customer shall only withdraw monies from the Account from the credit balance in the Account, unless a credit facility has been approved, in which case it shall only make withdrawals up to the amount of the approved credit facility. The Customer undertakes not to exceed any credit facility limit approved by the Bank.
- 44.3. A credit facility shall be subject to the terms of a credit facility letter or agreement issued to the Customer by the Bank.
- 44.4. The Customer undertakes to discharge any approved debit balance incurred in the Account at the end of the term of the approved credit facility, unless the Bank has given written notice of the renewal of the credit facility. The Customer further undertakes to discharge any debit balance in the Account which was not approved by the Bank immediately when it is incurred.
- 44.5. The Customer shall pay the Bank credit allocation commission on a credit facility in accordance with the Bank's tariff as shall be from time to time, or as agreed in writing between the Customer and the Bank.
- 44.6. The Bank shall not be liable to honour any instruction of the Customer to make a withdrawal which will result in the Account having a debit balance unless a credit facility has been approved for the Customer, or which will cause the debit balance to exceed an approved credit facility.
- 44.7. The Bank may, at its sole discretion, subject to the provisions of the Law, including Bank of Israel's directives, grant the Customer approval for a unilateral credit facility in exceptional cases and for a pre-determined provisional period. Notice of the provision of such a facility, the terms and conditions thereof and the date of its expiry shall be given by the Bank to the Customer at or about the time of the facility's provision, and the Customer shall be deemed to accept such terms and conditions as aforesaid.
- 44.8. The Customer shall have no claims against the Bank in respect of the provision or non-provision of a unilateral facility, as aforesaid, nor in respect of preferring the performance of one instruction of the Customer over another, where it is possible to perform only part of the Customer's instructions without exceeding from the agreed credit facility or the unilateral credit facility.

45. Reducing or cancelling a credit facility

- 45.1. The Bank may reduce or cancel an approved credit facility where, at the sole discretion of the Bank, there has been a change for the worse in the payment ability and/or financial condition of the Customer, or where other conditions and/or circumstances arise which jeopardise the Bank's ability to collect any Debt.
- 45.2. The Bank shall notify the Customer of the cancellation or reduction of the credit facility upon such cancellation or reduction, which notification shall be made within the legally prescribed time period. Without derogating from the generality of the foregoing, the Bank may not provide advance notice of the cancellation or reduction of any credit facility extended to the Customer if such notice may jeopardise the ability of the Bank to collect any Debt. The Customer undertakes to discharge the Debt balance upon the cancellation or reduction of the approved credit facility on the date specified in the Bank's demand, plus any accrued Interest and expenses. The Bank may debit the Maximum Interest from the Customer's Account on any amount not paid on the date specified by the Bank, from such said date until the actual payment thereof in full.

46. Maximum Interest

- 46.1. The Bank may debit the Customer's Account with the Maximum Interest on any Debt of the Customer to the Bank in respect of which legal proceedings are being conducted (whether such proceedings were initiated by the Customer or by the Bank) and the Customer agrees that the Interest awarded by the court in any such



proceedings shall be the Maximum Interest. In addition, the Bank may debit the Customer's Account with the Maximum Interest on any Debt which was called by the Bank for immediate payment (from the date of the demand for immediate repayment).

47. Credit through debit cards

- 47.1. The Bank shall not be required to provide the Customer with a credit facility or renew an existing credit facility to enable the Customer to join a special Credit arrangement for the withdrawal of monies from the Account through an ATM and/or for the purchase of products and services through a debit /credit card.
- 47.2. The terms and conditions for joining the special Credit arrangement shall be as provided for in the agreements signed between the Customer and the Bank, the Customer and the credit card company and the Bank and the credit card company.
- 47.3. The Customer undertakes that the amounts to be debited through the debit/ credit card shall not exceed the agreed and approved credit facility.
- 47.4. If the Bank reasonably suspects that the Customer will be unable to pay its Credit the Bank may suspend the Customer's right to use the debit/credit card, even without giving it prior notice. The Bank shall notify the Customer of the suspension.

48. Termination

- 48.1. Without derogating from any of the provision in these Terms and Conditions, the Bank shall be entitled, upon the occurrence of any of the events of default detailed in Clause 48.2 below, to:
 - 48.1.1. Declare that any credit facility provided by the Bank will be cancelled;
 - 48.1.2. Declare any amount owed to the Bank immediately due and payable whereupon the same shall become immediately due and payable together with all Interest accrued thereon;
 - 48.1.3. Demand to receive a deposit or any other security against outstanding obligations to third parties; and/or
 - 48.1.4. Charge the outstanding amounts with Unauthorised Overdraft Interest.
 - 48.1.5. Charge the Account with any and all break costs incurred by the Bank as a result of any action taken by the Bank pursuant to this Clause 48.1.5.
 - 48.1.6. Notwithstanding the foregoing, the Bank will not exercise such rights unless it has sent the Customer a written warning of its intention to do so at the time required by Law under the circumstances.
- 48.2. The **Events of Default** shall be:
 - 48.2.1. if the Customer does not pay any amount payable by it to the Bank when due at the place and in the currency in which it should have been paid pursuant to these Terms and Conditions and any other agreement between the Customer and the Bank;
 - 48.2.2. if the Customer does not comply with any other provision of these Terms and Conditions or any other agreement between the Customer and the Bank and, if capable of remedy, that breach is not remedied within seven (7) days of the earlier of receipt of notice from the Bank specifying the breach or from the Customer first becoming aware of the breach or non-compliance;

- 48.2.3. if a representation, warranty or statement made or repeated in or in connection with these Terms and Conditions, or any other agreement between the Customer and the Bank is incorrect or misleading in any issue material to the Bank, when made or deemed to be made or repeated;
- 48.2.4. if these Terms and Conditions cease to be valid, binding and enforceable obligations of the Customer or become void or unenforceable;
- 48.2.5. if:
 - 48.2.5.1. any financial indebtedness of the Customer is not paid when due or within any originally applicable grace period;
 - 48.2.5.2. an event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition or any combination of the foregoing would constitute such an event of default) occurs under any document relating to such financial indebtedness of the Customer;
 - 48.2.5.3. any financial indebtedness of the Customer becomes prematurely due and payable or is placed on demand as a result of an event of default (howsoever described) under the document relating to that financial indebtedness;
 - 48.2.5.4. any commitment for, or underwriting of, any such financial indebtedness of the Customer is cancelled or suspended as a result of an event of default (howsoever described) under the document relating to that financial indebtedness;
 - 48.2.5.5. any security interest securing any financial indebtedness over any asset of the Customer becomes enforceable;
- 48.2.6. if:
 - 48.2.6.1. the Customer is, or is deemed unable to pay its debts as they fall due or to be insolvent, or admits inability to pay its debts as they fall due;
 - 48.2.6.2. the Customer suspends making payments on all or any class of its debts or announces an intention to do so, or a moratorium is declared in respect of its indebtedness;
 - 48.2.6.3. The Customer, by reason of financial difficulties, begins negotiations with one or more of its creditors with a view to the readjustment or rescheduling of any of its indebtedness;
- 48.2.7. if:
 - 48.2.7.1. any step (including a petition, proposal or convening a meeting) is taken with a view to a composition, assignment or arrangement with any creditors of the Customer;
 - 48.2.7.2. a meeting of members of the Customer is convened for the purpose of considering any resolution for (or to petition for) its winding-up or for their administration or any such resolution is passed;
 - 48.2.7.3. any person presents a petition for the winding-up or for the administration of the Customer which is not withdrawn or set aside within thirty (30) days;
 - 48.2.7.4. an order for the winding-up or administration of the Customer is made;

48.2.8. if:

- 48.2.8.1. any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or the like is appointed in respect of the Customer or any material part of its assets which is not withdrawn or set aside within thirty (30) days;
- 48.2.8.2. the Customer requests the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or the like;
- 48.2.8.3. any other steps are taken to enforce any security interest over any part of the assets of the Customer;
- 48.2.8.4. if any attachment, sequestration, distress or execution affecting any material asset of the Customer is issued and not discharged within 30 days or such shorter period as may render such asset liable to forfeiture, seizure or sale;

48.2.9. if:

- 48.2.9.1. the Customer ceases, or threatens to cease, to carry on all or a substantial part of its business;
- 48.2.9.2. the Customer makes, or threatens to make, any change in the scope, purpose or nature of its business or operations;
- 48.2.9.3. if any security by the Customer is not or ceases to be effective or is alleged by any person to be ineffective for any reason and such allegation is not withdrawn or set aside within thirty (30) days;

48.2.10. if:

- 48.2.10.1. any governmental authority shall have (i) condemned, seized, or expropriated all or substantially all of the property of the Customer; or (ii) taken any action that, in the judgment of the Bank, would affect materially and adversely the ability of the Customer to comply with its obligations under these Terms and Conditions and/or under any agreement between the Bank and the Customer;
- 48.2.10.2. any authorization, approval, consent, license, exemption, filing, registration, notarization or other requirement of any governmental, judicial or public body or authority necessary to enable the Customer to comply with its obligations under these Terms and Conditions and/or under any agreement between the Bank and the Customer shall have been revoked, rescinded, suspended, held invalid or otherwise limited in effect in a manner that would affect materially and adversely the Customer's ability to perform its obligations hereunder and/or under any agreement between the Bank and the Customer;
- 48.2.10.3. any law, rule or regulation, decree or directive of any competent authority shall be enacted or issued that shall impair materially and adversely the ability or the right of the Customer to perform such obligations; or it shall become unlawful for the Customer to perform any such obligations;

- 48.2.11. if the Customer repudiates these Terms and Conditions or any other agreement between the Customer and the Bank or does or causes to be done any act or thing evidencing an intention to repudiate the same;

- 48.2.12. if any event or series of events occurs, which, in the reasonable opinion of the Bank, is likely to materially and adversely affect the ability of the Customer to perform all or any of its obligations under these Terms and Conditions or any other agreement between the Customer and the Bank;
- 48.2.13. if a guarantor for the Customer gives notice of the cancellation of the guarantee or if one of the events set forth above in this Clause occurs in relation to the guarantor;
- 48.2.14. if the Customer is a private corporation, if one of the events set forth in this Clause occurs in relation to the corporation's CEO, business manager or controlling shareholder, or if the Customer is a partnership, one of its partners;
- 48.2.15. if an indictment or a formal criminal charge, is served against the Customer and if such an indictment or a formal criminal charge is served against any of its office holders and/or any person controlling, directly or in directly, such corporate entity;
- 48.2.16. if the name of the Customer is deleted from any register conducted according to any applicable law and/or if a warning is recorded at the Israeli Companies Registrar with respect to the intention to register the Customer as a Violating Company and/or if the Customer is recorded with the Companies Registrar as a Violating Company; and
- 48.2.17. if the Customer issues bearer shares without the Bank prior written consent.

49. Change of Control

- 49.1. If Control or the power to take Control of the Customer is acquired by any person or company or group of persons Acting in Concert not having Control at the date of these Terms and Conditions unless previously approved by the Bank in writing:
 - 49.1.1. The Customer shall promptly notify the Bank upon becoming aware of that event;
 - 49.1.2. the Bank shall not be obliged to fund any withdrawal application;
 - 49.1.3. the Bank may at any time but by not less than five (5) days' notice to the Customer, cancel any Credit facility and declare all outstanding credits, together with accrued Interest, and all other amounts accrued under the these Terms and Conditions or any other agreement between the Customer and the Bank, immediately due and payable, whereupon the Credit will be cancelled and all such outstanding amounts will become immediately due and payable; and
 - 49.1.4. Without derogating from the generality of the forgoing the Customer shall pay the Bank any and all break costs incurred by the Bank as a result of the cancelation of any Credit facility, pursuant to the provisions of this Clause 49.

For the purpose of the above paragraph "Acting in Concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition directly or indirectly of shares in a company by any of them, either directly or indirectly, to obtain or consolidate control of such company.

Chapter Four: Interest

50. Interest on Credit balances

The Credit balance in the current Account shall bear Interest, if this is expressly agreed upon in writing between the Bank and the Customer or if the Bank notifies the Customer, in a duly published notice, of the payment of Interest on Credit balances in current Accounts. In the absence of an agreement between the Bank and the Customer, the Interest and the date of crediting the Interest in the current Account shall be as customary at the Bank for such type of account and currency and published by it in accordance with the Law. Depending on market conditions, such Interest rate payable may be negative, in which case the Bank may deduct negative Interest from the Account.

51. Interest on debit balances

- 51.1. Debit balances in the Account shall bear Interest at the rate published by the Bank pursuant to the Law or of which the Bank notifies the Customer from time to time in writing or as agreed between the Bank and the Customer in writing.
- 51.2. The Interest shall be computed in accordance with the number of days in which there was a debit balance in the Account, divided by the number of days in the year as customary in the financial system in respect of such currency.
- 51.3. The Interest on debit balances shall be computed quarterly and shall be debited to the Customer's Account on a quarterly basis (March, June, September and December). The debit of the Account shall be on the first Business Day of the month following the end of the quarter. In case of an unauthorized debit balance in the Account the Bank shall be entitled to debit the account with the Interest on a monthly basis or other periods according to the sole discretion of the Bank.
- 51.4. If for whatever reason part of the Account debit balance exceeds the amount of the credit facility approved by the Bank for the Customer the part that the Bank has not approved for the Customer shall, in addition to the Interest pursuant to clause 51.1 above, bear, Unauthorized Overdraft Interest at the rate published by the Bank from time to time, pursuant to the provisions of the Law or as agreed between the Bank and the Customer in writing. The debiting of Unauthorized Overdraft Interest shall not constitute consent or approval on the Bank's part to an increase in the amount of the approved credit facility.
- 51.5. In the event of an increase in the Base Interest rate, the Bank may alter the Interest rate and the Customer shall be given notice thereof in the manner and at the times prescribed by Law.



Chapter Five: Currency Purchases and Conversions

52. Sale or purchase

- 52.1. The sale or purchase of foreign currency by the Bank shall be executed in accordance with the exchange rate(s) prevailing at the Bank at the time of executing the sale or purchase. If the Customer gives the purchase or sale instructions before the relevant exchange rate has been determined by the Bank, the Bank may postpone the execution of the instructions until such exchange rate has been determined, even if the execution is thereby postponed to the next Business Day. The Bank shall not be liable for any damage incurred by the Customer by the deferred execution of instructions, unless the damage was caused by the Bank's negligence.
- 52.2. Foreign currency Debt shall be paid to the Bank in foreign currency, from the Customer's Account that is managed in such foreign currency, and where the Customer does not have such an Account, or it does not have an adequate balance and/or the Customer does not have a foreign currency credit facility, the Bank may purchase the required foreign currency for the Customer against Israeli currency or against another foreign currency at such exchange rate prevailing at the Bank, on the day on which the Customer is required to pay the Debt to the Bank or on the day on which the foreign currency Debts are incurred. If the payments are executed in parts, the aforesaid shall apply to each and every payment, unless otherwise agreed between the Customer and the Bank.
- 52.3. All payments received to the credit of the Account in connection with the execution of any banking transaction or instruction that are converted into Israeli currency or another foreign currency shall be converted by the bank at such exchange rate prevailing at the Bank, on the date on which the foreign currency is actually converted.



Chapter Six: Cheques

53. Provisional balance

The crediting of the Customer's ILS Account in connection with ILS cheques/bills for security/collection (collectively "**Cheques**") that are withdrawn on an Israeli bank shall be provisional and shall become final in accordance with the provisions of the Law. The crediting of the Customer's foreign currency Accounts in connection with Cheques that are denominated in non ILS currency withdrawn on a bank outside of Israel shall not be final before they have been actually collected by the Bank. The Customer may not withdraw the proceeds of Cheques before they have been actually collected by the Bank. The Bank may debit the Account (whether ILS or foreign currency account) which was provisionally credited as aforesaid, with the amount of the unpaid Cheques.

The Bank is exempt from any responsibility of a holder of the Cheques. The Bank may send the Cheques and/or return them to the Customer in any means it deems fit.

54. Use of cheques

The Customer shall only use cheques it receives from the Bank. The Customer may not alter any of the details printed or embossed on the cheques.

55. Theft and loss of cheques

- 55.1. The Customer shall be responsible for the safekeeping of the cheques given to it by the Bank, and shall adopt reasonable cautionary measures in order to prevent their use by unauthorized persons. The Customer shall notify the Bank immediately upon learning of the loss or theft of cheques and shall cancel them immediately by providing notice thereof to the Bank.
- 55.2. Notice of the cancellation of cheques shall be given to the Bank in writing. Where the Customer has contracted with the Bank in an agreement permitting notices to be given to the Bank by Communication Channels, the said notice may be given via the agreed Communication Channels, provided that within a reasonable time after notice is given orally, the Bank is also given written notice. The Bank shall execute cancellation instructions of the Customer given via Communication Channels, even if they were not accompanied by additional written notice.
- 55.3. The Bank is released from any responsibility whatsoever with respect to the theft, loss destruction and/or mutilation of cheques, and may cancel any credit made to the Account with respect to such cheques, if such theft, loss destruction and/or mutilation was not caused as a result of the Bank's negligence.



Chapter Seven: Collateral and the Bank's Rights

56. Definitions in this chapter:

"Assets" - all the assets at any time deposited, held, situated or registered at the Bank in the name of the Customer or for it (alone or together with others) and/or the assets at any time given to the Bank by the Customer or by a third party for collection, security, safekeeping or otherwise, including the following assets:

- 56.1. all Securities, including the right to purchase Securities and the right to receive certificates in respect thereof and the right to be entered as holder in the register of security holders kept by the issuer or any other register, and all the rights, proceeds, income and/or financial consideration deriving from their sale and/or realization;
- 56.2. all deposits and all rights in respect thereof, including monies in Israeli currency and in foreign currency, deposited with the Bank at any time, including the income thereof and/or any right of the Customer to receive monies from the Bank;
- 56.3. all negotiable documents, including cheques, bills, import and export documents, and deposit certificates;
- 56.4. all movable assets including merchandise, goods, metals, diamonds, coins and money bills;
- 56.5. all other assets - whether choses in action or choses in possession - the registers in respect of which are kept at the Bank; and
- 56.6. all current and future rights, including rights to monies, originating in the aforesaid assets.

57. Security

- 57.1. The Assets shall serve as a deposited pledge, as surety and security for the full and exact payment of all the Secured Amounts. The Customer hereby pledges and charges in favour of the Bank, by way of a first-ranking fixed charge, all the Assets.
- 57.2. The Customer undertakes not to charge (even by way of a lower-ranking charge), transfer and/or assign the Assets, unless otherwise expressly agreed in advance and in writing with the Bank and subject to the provisions of the Law.
- 57.3. The presence of Assets at the Bank shall be deemed prima facie evidence that they were given to the Bank with the intention of charging them for the discharge of the Secured Amounts, and accordingly there is no need for a special charge deed or document to create the pledge.
- 57.4. The Customer shall not be entitled to withdraw the monies and/or other Assets deposited at the Bank and standing to its credit or act therewith or in relation thereto in any other way without the Bank's consent, save in respect of that part of them that exceeds the Secured Amounts.
- 57.5. Upon the occurrence of any of the events of default detailed in Clause 48.2 above the Bank may realize the pledged Assets, itself or through a court or execution office, in accordance with the provisions of the Law, including the Pledge Law, 1967 (the "**Pledge Law**"). The Bank may realize the pledged Assets without having to institute any proceedings to collect the Secured Amounts. If the Bank decides to realize the Assets (or any part thereof), it shall give the Customer two (2) days' notice thereof, or shorter notice insofar as reasonable in the circumstances of the case. The Customer shall sign all documents at any time required (including security transfer instruments) in order to enable the Bank to realize the Pledge. It is hereby agreed that Section 13(b) of the Pledge Law as well as any section replacing it shall not apply to redemption of the pledged Assets and to early repayment.



58. Independency of security

The securities given to the Bank by the Customer or by any third party shall be independent of each other and shall be revolving and/or perpetual and in full force, unless otherwise agreed by the Bank in writing.

59. Furnishing additional security

Without prejudice to the Bank's right to call for the immediate payment of any Debt, wherever the Bank learns that an Asset constituting security has been or might be ruined or has lost or might lose part of its value, or that there has been a change for the worse in the ratio between the value of the Asset as security and the Debt, on the basis of security co-efficients and criteria determined by the Bank from time to time, or that an event has occurred that is likely to prejudice the financial ability of any guarantor, who has given the Bank a guarantee for the discharge of all or part of the amounts due to the Bank from the Customer at any time, or if there are difficulties in realizing any security - the Customer shall furnish the Bank, immediately upon its first demand, with additional guarantees or security, to the Bank's satisfaction.

60. Right of retention and banker's lien

60.1. Without derogating from any right of the Bank under any Law and or agreement, the Bank shall at all times have a right to retain monies (in Israeli currency or in foreign currency) due at any time from the Customer to the Bank in any account (including the Customer's portion of a joint account together with another and/or others) and shall have a banker's lien over the Assets.

60.2. The right of retention and banker's lien shall be valid until the Debts have been discharged in full. The Bank may at any time, including in those cases where the Bank may accelerate any Debt of the Customer, retain the monies and/or Assets until all such Debts have been discharged, without having to give the Customer advance notice thereof.

60.3. The Bank may also exercise its right of retention and/or banker's lien in respect of contingent obligations and obligations and/or Debts that are not yet due, where the Bank reasonably determines that the Customer will not or will be unable to perform its obligations to the Bank.

60.4. The Bank shall give the Customer notice of its exercise of the right of retention and/or banker's lien within a reasonable time after exercising it.

61. Set-off

Without prejudice and in addition to the Bank's right of retention and banker's lien, the Bank may at anytime, including in those cases where the Bank may accelerate any Debt:

61.1. without derogating from any right of the Bank under any Law or agreement, set off amounts due to the Bank from the Secured Amounts against amounts due to the Customer in any Account, including the Customer's portion of a joint account;

61.2. purchase any amount in foreign currency that is required to discharge any amount from the Secured Amounts, or sell from the Account foreign currency held at the Bank to the credit of the Customer and use the sale proceeds for the discharge of any amount from the Secured Amounts;

61.3. debit any Account with any amount from the Secured Amounts, whether the Account has a credit balance or a debit balance arises therein as a result of the debit;

61.4. set off amounts due to the Customer in any Account (including a joint account) even against amounts and/or obligations the payment and/or performance of which is not yet due, where the Bank reasonably determines that the Customer will not or will be unable to perform its obligations to the Bank.



- 61.5. The Bank shall give the Customer notice of the set off within a reasonable time before the performance of the set off, unless, at the sole discretion of the Bank, such notice of the set off might prejudice the Bank's rights.
- 61.6. The Customer shall bear all the expenses and payments involved in executing the set off on the date of the set off.

62. Exercising a right deriving from collateral

- 62.1. The Bank may exercise any right deriving from an Asset serving as security or deriving from an Asset in respect of which the Bank has a right of lien and/or pledge, including a right to vote, sign, convert, realise, instruct, collect, sell, institute legal proceedings or do any other act whatsoever with respect thereof. The Bank shall provide the Customer with advance notice thereof to the extent it is able and if it is reasonable to do so in the circumstances of the case. The Bank may use the proceeds obtained in connection with any of the above to discharge the Secured Amounts.
- 62.2. The Bank shall not be liable for any damage, loss, expense and/or fall in the value of security as a result of the exercise of the right as aforesaid, unless incurred as a result of the Bank's negligence.

63. Loss of documents furnished to the Bank as collateral

The Bank shall be exempt from liability for any loss or theft of cheques, bills, certificates, Securities and/or other negotiable documents furnished to the Bank as security, unless incurred as a result of the Bank's negligence.

64. Undertaking to sign documents

The Customer undertakes to sign, immediately upon the Bank's demand, any document required, in the opinion of the Bank, for the purpose of protecting the Bank's rights concerning any security given hereunder or for the purpose of exercising the Bank's rights in any such security.



Chapter Eight: Use of Communication Channels

65. General

- 65.1. The provisions hereof concerning communications between the Customer and the Bank using Communication Channel are without prejudice and in addition to any rights the Bank may have under any Law and/or other provisions of these Terms and Conditions or any other agreement between the Customer and the Bank.
- 65.2. The Bank may approve from time to time, that communication between the Customer and the Bank relating to Banking Services, or any part thereof, will be made using Communication Channels. The Bank may decline, at its sole desecration to accept a request by the Customer to use Communication Channels or any specific Communication Channel in its communication with the Bank.
- 65.3. Instructions made by the Customer using Communication Channels, shall be subject to these Terms and Conditions and to the standard terms and conditions that would apply to similar instructions if the same would have been given in writing, pursuant to the standard banking documents applicable to such instruction at the Bank.
- 65.4. The Bank may require that the Customer sign an additional or separate agreement as a condition for the consent of the Bank to allow the Customer to use Communication Channels or any specific Communication Channel for obtaining Banking Services.

66. Restrictions on the provision of Banking Services using Communication Channels

- 66.1. The use of Communication Channels will be subject to such limitations as determined by the Bank from time to time pursuant to the Law, the Bank's internal risk assessments and procedures and technological limitations.
- 66.2. Without derogating from the generality of the forgoing, the Bank may approve that a certain Communication Channel may be used for providing information with respect to the Account but not for delivering and executing any other Banking Services, such as debit instructions.
- 66.3. The Bank will set from time to time cut off times for submission of instructions to receive Banking Services via Communication Channels, in general and/or for specific Banking Services or Communication Channels. Any instruction received by the Bank after the cut off time set by the Bank shall be executed in the next Business Day, unless otherwise notified by the Bank to the Customer.

67. Change in the scope of use of Communication Channels

- 67.1. The use and/or scope of use of Communication Channels approved by the Bank to the Customer may be cancelled, limited or revised at any time with respect to all or a particular type of Communications Channel, which cancelation, limitation or revision shall come into effect immediately upon notice to the Customer.
- 67.2. The Customer may request to discontinue the use of any particular type of Communication Channels by notice in writing to the Bank, which notice to the Bank will not be effective until the end of the Business Day following its receipt by the Bank.

68. Information Security

- 68.1. The Customer acknowledges that the receipt of Banking Services using Communication Channels is conditioned on the use of means of authentication and identification as set by the Bank from time to time.
- 68.2. Without derogating from the generality of the forgoing, the bank may condition the use of Communication Channels, with a requirement that the Customer install and use certain information security measures, including such hardware and software as determined by the Bank from time to time.



68.3. The Customer shall keep in strict confidence any codes and security measures or procedures discussed with or provided to the Customer by the Bank.

69. The Internet

69.1. The Customer agrees that when it access the Bank internet website or communicate with the Bank using Communication Channels it shall only do so using equipment that is protected against any viruses, spyware, malware and other malicious software.

69.2. Accessing the Bank internet website is subject to such terms and conditions, privacy and cookies policy published therein, and the use of the Bank internet website for obtaining information constitutes consent to the terms thereof.

70. Report on misuse of Communication Channels and Security Breaches

70.1. The Customer undertakes to notify the Bank immediately upon becoming aware of any abuse or misuse of Communication Channels and of any data security breaches, errors and malfunctions in the use and operation of Communication Channel including, without derogating from the generality of the forgoing, any of the following:

70.1.1. any unauthorized eavesdropping, spying and/or any other unauthorized communication with the equipment enabling the use of Communication Channels (“**Communication Equipment**”);

70.1.2. any leakage of information, or data meant for the Customer and transferred using any Communication Channel;

70.1.3. any instructions delivered on behalf of the Customer to the Bank without due authorization;

70.1.4. any mistake or error in the execution of instructions delivered by the Customer using Communication Channels; and

70.1.5. the loss and or exposure of any code, identification or authentication measures used for identifying the Customer when using Communication Channel.

71. Non execution, delayed and partial execution of instructions

71.1. The Bank may rely on and is not obliged to query any instruction by Communication Channels and the Bank may treat all such instructions received as valid. Without derogating from the forgoing, the Bank may, acting reasonably, decline or delay to act on an instruction made through Communication Channels, or only act on such instruction in part, including in the following events:

71.1.1. if the instruction is not in conformity with these Terms and Conditions and/or any other agreement between the Customer and the Bank;

71.1.2. if the Bank shall receive instructions using Communication Channels, under the assumption that the Customer signed the relevant banking documents that are customary with the Bank to be signed prior to receiving a similar written instruction, and it is subsequently discovered that the Customer did not sign such documents; and

71.1.3. if the Communication Channels through which the instructions were sent were interrupted or got cut-off before the instructions were delivered in their entirety.

72. Instructions by Authorized Representatives

Unless otherwise notified to the Bank by the Customer, any single one of the Authorized Representatives of the Customer may give instruction using any Communication Channel, including telephone instructions or instructions using, facsimile and e-mail, on behalf of the Customer, even if those instructions were to require the signatures of two or more Authorised Representatives in writing. Any instruction given to the Bank using any Communication Channel, including facsimile, telephone and/or e-mail instruction, by a person who identified himself as an Authorized Representative of the Customer shall be considered as such, even if it is subsequently discovered that such person was not an Authorized Representative of the Customer, provided that the Bank implemented reasonable cautionary measures, to prevent abuse of the relevant Communication Channel.

73. Information and data security measures

73.1. The Customer shall act in order to minimize the risks of an unauthorized third party abusing any Communication Channels and/or Communication Equipment, and in this respect the Customer hereby undertakes to take all reasonable steps (i) to prevent unauthorized use of Communication Equipment and (ii) to safeguard and keep confidential any identification and authentication procedures agreed with the Bank for the use of Communication Channels.

73.2. Any communication with the Bank using Communication Channels and Communication Equipment shall be made by the Customer in a clear and unambiguous manner and, among others, shall conform to the following:

73.2.1. in using the telephone - the Authorized Representative shall clearly identify itself and deliver its instruction in a clear and detailed manner;

73.2.2. in using the facsimile - the Customer shall ensure that the document transmitted bears the Customer and Authorized Representative's name and that the document transmitted is clear and unambiguous; and

73.2.3. in using e-mail - the Authorized Representative shall only communicate with the Bank subject to the strictest customary information and data security measures and only using such software required by the Bank. The Authorized Representative shall not include in any e-mail correspondence any identification and/or authentication information which may expose the Customer and/or the Bank to information and data security risks.

74. Telecommunication risks

74.1. The Customer acknowledges that the use of Communication Channels is subject to certain risks including such risks arising from viruses, spyware, malware and other malicious software, that may affect the operation of computer systems, the vulnerability of Communication Channels to eavesdropping, hacking, and fraud, and to various malfunctions, such as system breakdowns and system unavailability; in addition, instructions and other information delivered using Communication Channels, may be (i) erroneously transmitted to unintended third parties recipients (both by the Bank and the Customer), (ii) received in an illegible, incomplete or unclear form, (iii) interrupted or get cut-off before delivery is completed, and (iv) subject to forgery, fraud and abuse by unauthorized third parties (all the forgoing risks collectively "**Telecommunication Risks**"). Further detail on Telecommunication Risks may be found on the Bank website at www.hsbc.com.

74.2. Without derogating from the generality of the forgoing, the Customer acknowledges the following risks associated with the use of Communication channels, which are provided as illustrations, and are not intended to be conclusive of the associated risks:

74.2.1. with respect to telephone instructions - the risk that only following the conclusion of the conversation it will become apparent that there are certain issues left undetermined or unclear, or that due to noises or misunderstanding, the instructions were not received as intended by the instructor. In addition, telephone instructions entail the risk of misuse by an unauthorized



third party pretending to be an Authorized Representative authorized to provide instruction on behalf of the Customer;

- 74.2.2. with respect to instructions by e-mail - the risk that the email instructions will be delivered by an unauthorized third party pertaining to be the Authorized Representative or that the e-mail will be sent to the wrong e-mail address or recipient; and
- 74.2.3. with respect to instructions by facsimile - the risk that an unauthorized third party will forge the signature of an Authorized Representative and that the instruction by facsimile will be transmitted in an unclear and partial manner or to a wrong number.

75. Liability

- 75.1. The Bank shall not be liable for any loss, damages, liability, costs, claims, demands and expenses of any kind (“**Losses**”) to the Customer arising from Telecommunication Risks, provided that, the Bank has made reasonable efforts to avoid any Losses to the Customer.
- 75.2. The Bank is released from liability for any Losses incurred by the Customer, deriving from the use of Communication Equipment, which are provided to the Bank by a third party, unless such damage, loss or expense was caused by the Bank’s gross negligence.



Chapter Eight: Accounts Loaded to Electronic Banking Systems

76. For the purposes of the use by the Customer of the electronic banking system of the Bank the Customer shall sign a separate agreement which shall set the terms and conditions for the use thereof.

77. Definitions

In this Chapter **User(s)** means any of the Customer's employees, agents and any other individual(s) authorised by the Customer to use or administer an electronic banking system.

78. User authorities

The Customer agrees that it is its responsibility to ensure that:

78.1. The Customer's authorisations to execute transactions and retrieve information through the use of an electronic banking system do not exceed the authorisations that were provided in relation to the Account itself, save that a single User may be authorised to act solely using the electronic banking system, even if that User is not so authorised in relation to the Account.

78.2. When claiming an Israeli "**Special Company**" withholding tax reduction or exemption with respect to a payment instruction, the Users approving the instruction are the individuals authorised under the Special Company certificate.

79. Tax

With relation to any payment instruction using an electronic banking system, the following shall apply:

79.1. The Customer shall ensure that the following information is entered in the payment file or on the payment screen (as applicable): complete and accurate data relating to the type of payment, the resident status of each of the transferor and transferee and the applicable tax code (in accordance with the tax code key the Bank has provided to the customer). The data entered shall constitute the Customer's electronic declaration in place of form S/M 114 (Declaration of Payment Made to a Foreign Resident and Request for Reduced Withholding Tax).

79.2. The Customer shall provide the Bank on a current basis and upon the Bank's request copies of all documents required by Israeli Tax law and regulations, including any documents required to establish a reduction or exemption the Customer claims from withholding Tax in relation to the payment.

79.3. The Customer hereby irrevocably authorises the Bank: (i) if the payment is liable for withholding tax, to debit the Account with the amount required to gross-up the payment, in order to transfer the net amount to the beneficiary after deduction of the withholding tax; (ii) if the transaction underlying the payment is liable for VAT, to debit the Account for VAT; (iii) to debit the Account for any other amount due to the Tax Authorities in respect of the payment, including fines and (iv) to transfer amounts to the Tax Authorities as required. All amounts will be paid to the Tax Authorities in ILS, according to the exchange rate determined by the Bank.

79.4. Without derogating from any of the forgoing, the Customer shall immediately upon the Bank's first demand indemnify and compensate the Bank for, and hold the Bank harmless against, any losses, damages, claims or reasonable costs incurred by the Bank against any payment of Taxes or fines claimed from the Bank by any Tax Authority in respect of the payment to the beneficiary, any related legal proceedings, or any use of the Bank's rights or breach of the Customer's obligations hereunder, and the Customer hereby irrevocably authorises the Bank to immediately debit the Account with any amount required on account of such indemnity or compensation.

80. Payment instructions not supported by electronic banking systems

The Customer acknowledges that the Bank's electronic banking systems are not designed to handle payments in ILS to accounts in Israel of third-party non-Israeli beneficiaries, and the Customer acknowledges that it should approach the Bank to send these forms of instructions by other means.



**General Terms and Conditions for the Management of an Account
07/2018 Edition**

The Customer agrees to these Terms and Conditions which apply to the requested Banking Services as indicated overleaf and wishes to be able to receive Banking Services using the Communication Channels as indicated overleaf.

The Customer confirms that it has signed these Terms and Conditions without any change being made in the wording thereof.

Customer's name/stamp: _____

The Customer's signature: _____

Registration number: _____

I confirm that the Customer signed these Terms and Conditions before me without any change being made in the wording of thereof.

Name of the Customer's relation manager: _____

Signature: _____

Date: _____



THE REQUESTED SERVICES

The Customer wishes to receive the following Banking Services in the Account:

- General current account services

Customer's signature

- Deposits

Customer's signature

THE REQUESTED COMMUNICATION CHANNELS

The Customer wishes to receive Banking Services using the following Communication Channels:

- Telephone (including cell-phone)

Customer's signature

- E-mail

Customer's signature

- Facsimile

Customer's signature