

GENERAL TERMS AND CONDITIONS FOR THE MANAGEMENT OF AN ACCOUNT

These general terms and conditions shall apply to all the Services and all the spheres of activity of the customer at the Bank that are regulated herein. The parties' relations shall also be governed by the accepted practice in bank-customer relations. These general terms and conditions shall also apply if the Account number has been altered or if the Account has been split into several accounts.

The management of the Account shall be subject to the directives, guidelines, 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. Granting instructions to execute transactions in the Account

- 1.1. All instructions and notices given by the customer shall be given in writing, unless the customer has signed a request to give instructions via communication means, as customary at the Bank, and the Bank has agreed to accept instructions that are not in writing, such as via: facsimile, telephone, telex, e-mail or via computer terminals.
- 1.2. The customer's notice or instruction shall only be deemed received by the Bank if actually delivered to the official authorized to receive it and act pursuant thereto (hereinafter referred to as "the Authorized Official") and it shall only bind the Bank from the date of its actual receipt. Notice or instruction given via facsimile shall only be deemed received if the authorized official has confirmed its receipt in a telephone conversation or in writing.
- 1.3. Any notice or instruction of the customer in respect of which the Bank has a special form shall be given on the Bank's 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, in its discretion, decline to execute any instruction of the customer, defer the execution thereof or execute it partially, in the following cases:
 - 2.1.1. if the instruction is not clear to 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 do not suffice for the transaction's execution;
 - 2.1.5. if the instruction reaches the Bank after the date specified for its execution;

- 2.1.6. if the Bank has a reasonable apprehension that the instruction was given unlawfully;
- 2.1.7. if the Bank believes, in its exclusive discretion, that pursuant to the Law it is unable to execute the customer's instruction, must postpone the execution thereof or execute it partially, including pursuant to the provisions of the Money Laundering Prohibition Law, 2000 (hereinafter referred to as "the Money Laundering Prohibition Law") and/or the Financing of Terror Prohibition Law, 2004 (hereinafter referred to as "the Financing of Terror Prohibition Law").

- 2.2. Further to clause 2.1, the customer understands and agrees that the Bank may impose restrictions on cash deposits or withdrawals into or from the Account(s) in view of global regulatory measures, industry-wide risk management practices and safeguards designed to minimise risks of money laundering risks and fraud. This may result for example that when the Bank receives instructions to withdraw account funds or assets, it may have to choose, in its reasonable opinion, to execute the instructions (i) either by paying out the amount in cash, (ii) or by remitting a bank cheque, (iii) or by requesting the customer to indicate an account with another bank where the funds or assets shall be transferred.
- 2.3. The Bank shall not be liable for any direct and/or indirect damage caused to the customer and/or anyone on his 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 clauses 2.1 and 2.2 above, unless this is caused by the Bank's negligence.
- 2.4. Subject to any other provision of the 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.
- 2.5. 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.
- 2.6. 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. Power of attorney to a third party

- 3.1. If the customer grants a power of attorney to a third party to act in his name and his place in respect of the Account (hereinafter referred to as "the Attorney" and/or "Authorized Representative", the Bank may accept from the Authorized Representative any instruction that the customer may give, 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 customer's credit in the Account in favour of the Authorized Representative, unless expressly provided otherwise in the power of attorney furnished by the customer to the Bank.
- 3.2. Notwithstanding the above, the Bank may, in its exclusive discretion, decline to execute certain banking transactions in reliance on the power of attorney, including the grant of Credit, the execution of transactions involving a special risk or transactions in favour of the Authorized Representative.

4. Verifying signature and examining identity

- 4.1. The signature of the customer and/or anyone authorized to sign over the Account on any document of instructions given to the Bank 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 signatures, provided that the Bank was not negligent in examining the match between the signature on the document of instructions and the sample signature given to the Bank.

5. Delivering information and documents

The customer shall give the Bank all the information required by the Bank to familiarise itself with the customer and related entities in the Account (know your customer), including documents required to identify the customer, those authorised to act in the Account, the beneficiaries and the controlling shareholders, as well as details of the origins of the customer's monies, his financial position or the state of his business and the beneficiaries of the act performed via the Account. The customer shall give the Bank certificates verifying his identity.

The Bank may ask the customer for copies of financial statements and income tax reports or any other document attesting to his income and property, as well as information required for the purpose of upholding the provisions of the Law (including Bank of Israel's directives, the Money Laundering Prohibition Law and the Financing of Terror Prohibition Law).

6. The customer's warranties

The customer warrants and confirms as follows:

- 6.1. that as of the date of this contract, no criminal investigation is being undertaken against him by any competent authority in Israel and/or abroad, he has not been convicted of any criminal offence and no application has been filed against him for the appointment of a receiver, liquidator, special manager or trustee in bankruptcy or for a moratorium of proceedings or similar proceedings.
- 6.2. That he has disclosed to the Bank all the facts, terms and conditions that would influence the Bank's decision to open the Account and contract with the customer.

The customer undertakes to notify the Bank in writing, within a reasonable time, of any change in the said facts, terms and conditions.

7. Incapacity

Immediate written notice must be given to the Bank of the incapacity of the customer or any authorised signatory in the Account. The Bank shall not be liable for the consequences of any act performed in reliance on an instruction of the customer or anyone authorised to act on this Account who lacked capacity at the time of giving the instruction, if the Bank was not given suitable notice thereof, even if the incapacity was officially published.

8. Joint Account

- 8.1. Where two or more persons 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 other Account holders shall be jointly and severally liable for any of the aforementioned transaction and/or action. The action of an Authorized Representative in the Account shall bind all the Account holders jointly and severally.
- 8.2. 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 his name alone.

9. Longevity

- 9.1. In the event that the number of Account holders in a joint Account falls by reason of death, the surviving Account holders may continue acting in the Account. The heirs of the deceased Account holder or the administrators of his estate shall not have any right to act in the Account until the competent authority has lawfully determined their legal status in respect of the Account and the Bank has been informed of such determination in writing. The Bank shall not be liable vis-à-vis the heirs or administrators of the estate in connection with an instruction given by any of the surviving Account holders. The aforesaid does not in itself constitute a determination in relation to the ownership of assets, including monies, deposits or Securities, in the Account at the time of the death.
- 9.2. If all the Account holders have notified the Bank in writing of their desire that clause 9.1 above shall not apply, the remaining surviving Account holders shall be entitled to execute a transaction in the Account only together with the administrators of the estate of the deceased Account holder or with his heirs and accordingly until the appointment of an administrator of the estate and/or the production of a succession order or probate order, the Account shall be frozen and it shall not be possible to give instructions in the Account.

10. Altering the agreement's terms and conditions

The Bank may change the terms and conditions of this agreement from time to time. The Bank shall notify the customer of any such changes and the customer shall be deemed to have agreed to the changes if he does not notify the Bank of his opposition in writing within 30 days of the date of the Bank's notice. If the customer notifies the Bank that he does not agree to the change, the Bank and the customer shall conduct negotiations regarding the termination of the contract between them as set forth in clause 14 below.

11. Account in the name of a business

The use of the name of a business as the Account name does not derogate from the customer's liability vis-à-vis the Bank.

12. Account in the name of a minor

- 12.1. An Account managed in the name of a customer who is a minor shall be opened and operated by both of his parents or by one of them, with the other parent's written agreement, or by guardians appointed for the minor by the court.
- 12.2. All the monies and assets deposited in the Account shall be transferred to the minor's title on the date he legally becomes an adult. Upon transfer of title to the Account, those who opened the Account shall not be entitled to give the Bank any instructions in connection with the Account.
- 12.3. As a condition for the transfer of title to the Account in accordance with clause 12.2 above, the customer shall provide the Bank with identity documents as required by the Bank and a sample signature and shall resign all the documents required, in the Bank's opinion, for the Account's operation.

13. Transferring rights and obligations

The customer may not transfer all or any of his rights and obligations, the subject of this agreement, to another.

14. Terminating the business relations

- 14.1. The Bank and the customer may, at any time, give written notice of the termination of their business relations. The notice shall be sent a reasonable time prior to such termination. In such case, and subject to any other provision, any debt by either party shall become immediately repayable.

- 14.2. 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 validity of the Bank's obligation expires.
- 14.3. 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.
- 14.4. Without derogating from the generality of the aforesaid, the Account shall be closed in accordance with the directives of Bank of Israel.
- 14.5. The provisions of this clause shall not prejudice in any manner the Bank's right to accelerate the customer's debts.

15. 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 a legally competent authority, including in accordance with the Money Laundering Prohibition Law and/or the Financing of Terror Prohibition Law.

16. 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 his 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 he does not receive a report at any time which he was expected to receive it.

17. Customer complaints

The customer's complaints concerning the execution or non-execution of any instruction given by him 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.

18. 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.

19. Recording telephone conversations

The Bank may record telephone conversations between the customer and the Bank. The customer confirms his agreement to the aforesaid and also confirms that his agreement binds any person authorized by him to give instructions and act over the Account. The customer also agrees that the aforesaid recordings shall serve as prima facie proof that the conversations took place and of their content.

20. Keeping documents

The Bank shall keep records in books, documents and correspondence on any media and storage means, including magnetic media, microfiche, microfilm, film, for the legally prescribed retention period.

21. Delivering documents and the parties' addresses

- 21.1. 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.
- 21.2. The Bank may, at any time, request that a customer who has given the Bank an address outside Israel should give another address in Israel, including for the purpose of serving process.
- 21.3. The Bank may send or deliver notices or documents to the customer by ordinary mail, facsimile, an automatic device or a computer terminal, at the Bank's election and in accordance with the circumstances.
- 21.4. Any notice which is sent to one of the customers or the guarantors according to their address, or any other address notified by the customer and/or the guarantor, will be deemed to be sent and received by them 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.
- 21.5. The Bank's address for the purpose of serving and/or delivering mail and documents, including court process, notices and warnings, is the branch at which the Account is kept.
- 21.6. All the customer's approaches and notices to the Bank concerning the matters covered by this agreement shall be referred, sent and/or delivered only in Israel.

22. Mailbox at the branch

The Bank may, at the customer's application and cost, provide him, with a special mailbox to which mail shall be sent to him by the Bank. Liability for removing the documents from the mailbox shall rest with the customer.

23. Using Correspondents

- 23.1. The Bank may, in its discretion, use the services of Correspondents for the purpose of executing the customer's instructions.
- 23.2. 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.

24. The Bank's use of means of communication

The Bank is exempt from liability for any damage, loss or expense incurred by the Customer, deriving from the use of communication services, such as electronic mail, computer terminals, which are provided to the Bank by a private or public entity, unless such damage, loss or expense was caused by the Bank's negligence.

25. Commissions

The customer shall pay the Bank commissions for the 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.

26. Costs

- 26.1. The customer shall bear all the costs incurred by the Bank, directly or indirectly, as a result of the provision of the service's to the customer. In relation thereto, "costs" shall include telex, cable, facsimile, telephone and document collection costs, registration fees and insurance fees.
- 26.2. Subject to the provisions of the law, the customer shall bear all the Bank's reasonable legal costs, including the payment of advocates' professional legal fees, as agreed between the Bank and its lawyers or as awarded by the court, the costs of registering and handling security and assets and the realization thereof, preparing legal documents relating to attachments 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, in Israel or abroad.

27. Taxes

- 27.1. Without prejudice to clause 27.2, the customer and each Connected Person are each responsible for fulfilling their own obligations with respect to the filing of returns or other required documentation in respect of reporting and payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate taxes. The creation and continued operation of the Account and/or the acquisition, holding or disposal of investments or assets in such Account, as well as any income, distributions or losses realized in relation to the operation of the Account may expose the customer or any Connected Person to tax consequences depending on a number of factors including, but not limited to, applicable domicile, place of residence, citizenship, place of incorporation or the type of assets held in the Account. Certain countries may have tax legislation with extra-territorial effect regardless of place of domicile, residence, citizenship or incorporation. The Bank does not provide any legal or tax advice and the customer and each Connected Person should seek legal and/or tax advice from an independent legal and/or tax adviser. The customer acknowledges and agrees that the Bank has no liability in respect of any of the customer's tax obligations or those of any Connected Persons and/or any legal and/or tax advice provided to the customer by third parties.
- 27.2. The Bank may deduct any levy, tax or payment which is compulsory by Law from any payment to the customer and for such purpose it may debit the customer's Account, 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 his/her Account with the above.

28. Interest in the case of legal proceedings

A Debt of the customer to the Bank in respect of which legal proceedings are being conducted (on the Bank's initiative or on the customer's initiative) and/or a Debt immediate payment of which has been demanded (from the date upon such immediate payment is demanded) such Debt shall bear Maximum Interest as defined in clause 43 below. The customer agrees that the Interest awarded by the court in any such proceedings shall be the Maximum Interest.

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

- 29.1. The customer shall bear all the Bank's costs 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, subject to the provisions of any Law as amended from time to time.
- 29.2. Unless otherwise provided by the decision of a competent judicial authority, any such cost shall bear the Maximum Interest in respect of the period commencing on the date it is actually incurred by the Bank until the actual payment thereof in full by the customer. Such Interest shall accrue every three months or, at the Bank's election, at any other interval in respect of which the accrual of Interest is legally permitted - and shall also bear Maximum Interest.

30. 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, in such circumstances, to perform its obligations.

31. Attributing amounts in the Account

All the amounts credited to the customer's Account shall first be applied towards the discharge of commission 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.

32. Debiting and crediting the customer's Account

32.1. The Bank shall credit and debit to the customer the interest due or earned, commissions, tax, duties and other charges for Services rendered, at its option, at the end of each month, quarter, half-year or year. After an Account has been closed, the Bank is still entitled to request payment from the customer for any expense incurred in relation to the Account, such as taxes and fees, which are subsequently charged to it.

Depending on market conditions, such charges, deposit charge or interest rate payable may be zero or even negative.

Credit interest shall be credited to the Account only if the Account conditions expressly provide for it and if there is a credit balance during the interest period in question.

32.2. 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.

32.3. The Bank may debit the customer's Account at any time and at its own 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.

32.4. The Bank may manage the tax payments or expense account in such manner as it deems fit, including by way of a general account, and by debiting the customer's account.

32.5. 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.

33. Obtaining details

The customer agrees that the Bank may obtain financial, business or legal information on the customer and his business from government entities, competent authorities 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, his name and identity number or 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 it.

34. Collection, processing and sharing of customer information

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- the Bank is legally required to disclose;
- the Bank has a public duty to disclose;
- the Bank's legitimate business purposes require disclosure;
- the disclosure is made with customer consent; or
- it is disclosed as set out in the following terms.

34.1. 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 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.

34.2. 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 Services and for any transactions 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**").

34.3. Sharing

By using the Services, the customer agrees that the Bank may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information 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) in response to any requests from 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 Services;
- (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 Services are supplied.

34.4. 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.
- (b) The customer confirms that every person whose information (including Personal Data or Tax Information) they have 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. 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, 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 their, or their Connected Person's, Tax Information and accompanying statements, waivers and consents, 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.

Customer's signature

35. **Data protection**

Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

Customer's signature

36. Financial Crime Risk Management Activity

- 36.1. 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**").

Such action may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for 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.

- 36.2. 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 Services or the provision of all or part of the 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.

Customer's signature

37. Priority and survival of Compliance Terms

- 37.1. In the event of any conflict or inconsistency between any of clauses 27.1 and 33 to 36 (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 applicable local Law.
- 37.2. 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.
- 37.3. The Compliance Terms shall continue to apply notwithstanding their termination, any termination by the Bank or a member of the HSBC Group of the provision of any Services to the customer or the closure of any Account.

Customer's signature

38. Bearer shares

When the customer or any of its direct or indirect shareholders is an issued bearer share company or a bearer share capable company, the customer hereby undertakes to inform immediately the Bank in writing in the event of a change of ownership or issuance of initial or new bearer shares by the customer or its direct or indirect shareholders and to provide the Bank with any appropriate information it may require.

39. The governing Law

The Laws of the State of Israel shall govern this agreement and its interpretation.

40. Jurisdiction

The parties submit all their disputes arising out of or in connection with these terms and conditions to the exclusive jurisdiction of the courts of the branch where the Account is maintained.

41. Waiver and/or compromise

41.1. Only a written waiver or compromise shall bind the Bank.

41.2. If in a particular case either party abstains from exercising its rights under these general terms and conditions, such abstention in the particular case shall not be deemed to be a waiver of such rights thereafter.

42. Special Services

Special Services, including transactions in financial instruments (such as options, futures contracts, futures transactions in foreign currency), structured products, short transactions, the receipt of investment advice, the receipt of Credit through debit cards, Credit, documentary credit, banking transfers, shall only be given after the customer has signed the Bank's 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 exclusive discretion regarding the approval of a credit facility as aforesaid.

43. Interpretation rules

43.1. Plural and singular Masculine and Feminine

Wherever the Account is managed in the name of a number of persons, 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.

43.2. Headings

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

43.3. Definitions

In this agreement:

"**Account**" means the customer's account 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, Tel Aviv Branch.

"**Bank's Books**" means any book, ledger, account statement, duplication or photocopy of an account statement, microfiche, agreement, contract, undertaking, bill signed by a customer, card index, data

card, sheet, spool, any document or printout produced from the databases, including the computerised databases, of the Bank or from any electrical, electronic, optical or computerised means on which data is entered or stored in connection with the Account or the Account holders and any other means used by the Bank for the entry or storage of data in connection with the Account or the Account holder, as well as a certified copy of a document or printout as aforesaid, all when produced in the Bank's ordinary course of business.

"Base Interest" means the prime rate determined and published by the Bank, a known type of interest such as LIBOR, the Accountant-General's interest or Bank of Israel interest, or any other base interest determined by the Bank. Should the Base Interest be a negative number, the Interest will be calculated on the basis that the Base Interest is equal to 0%.

"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);
- (b) in relation to transactions in foreign currency, a day on which the Bank actually executes transactions for and determines rates in the relevant currency; and
- (c) with regard to Securities transactions, a day on which trading takes place on the relevant Stock Exchange.

"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.

"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 Services. In relation to the customer, a **Connected Person** may include, but is not limited to, any guarantor, a director or officer of a company, partners or members of a partnership, any "Substantial Owner", "Controlling Person", or beneficial owner of the Account or of any of the assets held in the Account, any person exercising any control over the operation of the Account, any identified beneficiaries of the assets, income, gains, as appropriate, (as defined under local or foreign Laws, regulatory guidance or international treaties) and any asset contributor to the Account, any trustee, settlor 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.

"Consumer Price Index" means the consumer price index (cost of living index), including fruit and vegetables, determined and published by the Central Bureau of Statistics and Economic Research in Israel, including such index even if published by another government entity and including any other official index replacing it, whether or not it is established on the basis of the same data as the existing index. If a different official index is published, the ratio between it and the replaced index shall be taken into account.

"Controlling Persons" generally means individuals who exercise control over an entity (for a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and any

other individual who exercises ultimate effective control over the trust, and in the case of a legal entity other than a trust, such term means persons in equivalent or similar positions of control).

"**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 and risk participations.

"**Custodian**" means any person, in Israel or abroad, which holds Securities of the customer or the Bank, including Securities of the Bank held for the customer, for custodianship on trust.

"**Customer Information**" means Personal Data, confidential information, and/or Tax Information of either the Customer or a Connected Person (including accompanying statements, waivers and consents).

"**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 sheqels.

"**Index**" means an index determined by an official or authorised body, in Israel or abroad, which measures the change over a fixed period in the price of a product, asset or the price of a service, such as a currency index, securities index, interest index, consumer price index or fixed basket index of products, assets or services. In the absence of any other indication, an **Index** will be deemed to be the Consumer Price Index.

"**Interest**" means Base Interest plus the Risk Supplement 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 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**" (London Interbank Offered Rate) means the interbank interest offered on the London market for the relevant foreign currency for the relevant interest period. The LIBOR shall be determined in accordance with the data published by Reuters on the LIBOR 01 screen, or if no data is published on that screen or by Reuters, the interest on deposits of a similar amount, currency and interest period offered to the Bank on the London interbank market, as of 11 am, two Business Days before the first day of that period. In the event that the Bank is unable to obtain an offer for the interest rate as aforesaid on the London interbank market, the interest shall be determined by the Bank.

"**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.

"**Overnight LIBOR**" means the LIBOR for an overnight period.

"**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.

"**Records**" means any record or copy of a record, photocopy, duplication, computer printout, microfilm or microfiche, whether recorded by a mechanical or electronic instrument, by electronic computer recording, or any other means by which it is possible to present words, numbers or marks used by the Bank.

"**Regulated Market**" means as defined in the Mutual Trust Investments Law, 5754-1994.

"**Representative Rate**" means the representative exchange rate of the relevant foreign currency in relation to Israeli currency published by the Bank of Israel on the relevant Business Day. Where the Bank of Israel does not publish a Representative Rate, the Representative Rate shall be deemed to be the rate for transfers and cheques determined by the Bank on the relevant date for the purchase of the relevant foreign currency from its customers against Israeli currency.

"**Risk Supplement**" means a supplement to the Base Interest (margin).

"**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 bank guarantees, indemnities, letters of credit, documentary credits, Securities, warrants, currency futures contracts, 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.

"**Services**" means, without limitation, (a) the opening, maintaining and closing of the customer's bank accounts and (b) the provision of Credit facilities and other banking products and services to the customer (including, for example, Securities dealing, investment advisory, broker, agency, custodian, clearing or technology procuring services), processing applications, ancillary credit assessment and product eligibility assessment.

"**Stock Exchange**" means as defined in the Securities Law, 5728-1968, and a stock exchange outside of Israel that has been approved by a competent authority under the Laws of its jurisdiction, and any other Regulated Market, including any over-the-counter exchange.

"**Substantial Owners**" 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 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 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

44. 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. 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 date.

For such purpose:

"Fixed Interest" - 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;

"Variable Rate of Interest" - Base Interest rate (with no 0% minimum) plus or minus a fixed margin that shall be determined by the Bank in the deposit document.

45. Index-Linked Deposits

With regard to index-linked deposits - the deposit and the Interest payable thereon (if the payment thereof has been agreed upon) shall be linked to the agreed Index, and accordingly if the New Index is higher or lower than the Base Index, the deposit shall be increased or decreased by the Amount Of The Change and the Interest shall be computed on the revalued amount.

In such regard:

"The Base Index" - the last Index known on or prior to the deposit date as set forth in the deposit form;

"The New Index" - the last Index known on or prior to the date fixed for the maturity of any amount as set forth in the deposit form;

"The Linkage" - the difference in percentages between the Base Index and the New Index;

"Amount of the Change" - an amount equal to the deposit, multiplied by The Linkage on the computation date.

46. Foreign currency-linked deposits

With regard to shekel deposits linked to a Currency Rate - the deposit and the Interest payable thereon (if the payment thereof has been agreed upon) shall be linked to The Currency Rate. Accordingly, if the New Rate is higher or lower than the Base Rate, the deposit shall be increased or decreased in accordance with the Amount of the Change and the Interest shall be computed on the revalued amount.

In such regard:

"The Currency Rate" - the rate for transfers and cheques of the currency determined by the Bank on the relevant day as the rate at which the Bank sells the foreign currency to its customers in consideration for the Israeli currency. If the Bank has not determined a rate on the relevant day, the currency rate shall be the last known rate determined by the Bank;

"The Base Rate" - The Currency Rate for the Business Day on which the deposit was made and in respect of a renewable deposit - the rate as aforesaid on the renewal date. If no rate is published for the deposit currency on the relevant Business Day, the Base Rate shall be the first Currency Rate published thereafter by the Bank;

"The New Rate" - the Currency Rate last determined by the Bank prior to the maturity date;

"Rate Differentials" - the difference in percentages between the Base Rate and the New Rate;

"Amount of the Change" - the Rate Differentials multiplied by the deposit on the computation date.

47. 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.

48. 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.

49. Withdrawing a deposit

49.1. 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, Linkage or Rate Differentials in respect thereof and less any tax or levy shall be credited to the customer's current Account.

49.2. The customer's notice of his desire 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.

49.3. The Bank shall not be liable 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.

50. Renewing a deposit

50.1. 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 current Account.

50.2. If on the deposit date the customer requests the deposit be renewed automatically on its maturity date, that deposit shall be renewed automatically for a total period of no more than six months, and the interest rate for the renewed deposit shall be that customary at the Bank in respect of deposits of such type, that are made on 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.

51. 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.

52. Prohibition on the transfer of rights



HSBC Private Bank

The customer's rights in the deposit may not be transferred, charged or assigned, unless the Bank has otherwise agreed in writing.

Chapter Three: Credit

53. Account withdrawal and credit facility

- 53.1. The Bank shall not be liable to give or renew a credit facility.
- 53.2. The customer shall only withdraw monies from the Account from the credit balance in the Account, unless a credit facility has been approved for him, in which case he shall only make withdrawals up to the amount of the approved credit facility. The customer undertakes not to exceed from the credit facility approved by the Bank.
- 53.3. A credit facility shall be approved and shall be available to the customer only after and provided that a suitable agreement has been signed between the Bank and the customer.
- 53.4. The customer undertakes to discharge any debit balance arising 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.
- 53.5. The customer shall pay the Bank credit allocation commission on the credit facility in accordance with the Bank's tariff as shall be from time to time.
- 53.6. 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.
- 53.7. The Bank may, in its exclusive 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 as agreeing to accept a unilateral credit facility as aforesaid.
- 53.8. The customer shall not have any claim vis-à-vis the Bank in respect of the provision or non-provision of a unilateral facility, as aforesaid, and in respect of preferring the performance of one obligation over another obligation, where it is possible to perform only some of the obligations without deviating from the agreed credit facility or the unilateral credit facility.

54. Reducing or cancelling a credit framework

- 54.1. The Bank may reduce or cancel an approved credit facility where, in the Bank's opinion, there has been a change for the worse in the customer's payment ability, or where other conditions and/or circumstances arise and which endanger the Bank's ability to collect.
- 54.2. The Bank shall notify the customer of the cancellation or reduction of the credit facility upon such cancellation, that shall not be less than the legally prescribed times. Without prejudice to the generality of the foregoing, the Bank may decline to give advance notice if it might endanger the Bank's ability to collect the Debt as a result of a change for the worse in the customer's payment ability, or as a result of the creation of conditions and/or circumstances obliging an immediate reduction in the credit facility.
- 54.3. 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 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.

55. Credit through debit cards

- 55.1. The Bank shall not be obliged 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.
- 55.2. 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.
- 55.3. The customer undertakes that the amounts to be debited through the debit/ credit card shall not exceed the agreed and approved credit facility.
- 55.4. 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 him prior notice. The Bank shall notify the customer of the suspension.

56. Index linked credit

- 56.1. In this respect:

"**Base Index**" means the last Index known on or prior to the date the credit is provided.

"**New Index**" means the last Index known on or prior to any repayment date of principal or Interest, or on or prior to a consolidation date, respectively.

- 56.2. If an ILS credit is defined as being linked, then on any repayment date of principal or Interest, the principal amount of the credit and Interest thereupon to be paid will be increased according to the rate at which the New Index has increased relative to the Base Index.
- 56.3. Even if the New Index decreases relative to the Base Index, the principal amount of the credit and Interest thereupon to be paid will not decrease.
- 56.4. Should a number of linked credits be consolidated, the principal of each credit shall be increased, respectively, according to the rate at which the New Index has increased relative to the Base Index, and such New Index will be deemed to be the Base Index of the consolidated credit as of the consolidation date and thenceforth.

Chapter Four: Interest

57. 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 rate 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.

58. Interest on debit balances

- 58.1. 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.
- 58.2. 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.
- 58.3. The Interest on debit balances shall be computed quarterly and shall be debited to the customer's Account every three months (in March, June, September and December).
- 58.4. If for what ever reason part of the Account 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 58.1 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.
- 58.5. 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.
- 58.6. If the Bank approves a credit facility for the customer for an unlimited term, it may alter the Risk Supplement rate on 14 days' written notice. If the Bank notifies the customer of an increase in the Risk Supplement rate, the customer may, within the said period, discharge all or some of the amounts he owes the Bank plus Interest, at the Interest rate applicable before the increase in the Risk Supplement rate by the Bank. Amounts not discharged by the customer within the said period shall bear Interest at the new rate from the date specified in the Bank's notice.

Chapter Five: Currency Purchases and Conversions

59. Sale or purchase

- 59.1. The sale or purchase of foreign currency by the Bank shall be executed in accordance with the rate/s of exchange determined by the Bank at the time of executing the sale or purchase. If the customer gives the purchase or sale instructions before the exchange rate/s have been determined by the Bank, the Bank may postpone the execution of the instructions until the exchange rate/s have 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.
- 59.2. The foreign currency Secured Amounts 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 the highest exchange rate at which the Bank sells cheques denominated in the aforesaid foreign currency plus any the foreign currency purchase commission customary at the Bank, on the day on which the customer is required to pay the Secured Amounts to the Bank or on the day on which the foreign currency Secured Amounts arose. 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.
- 59.3. All payments received to the credit of the customer's 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 the lowest exchange rate at which the Bank purchases from the public bank cheques denominated in the foreign currency in which the payment is denominated, on the date on which the foreign currency is actually converted. The Bank shall deduct all the commissions that it ordinarily charges for purchasing foreign currency on such date from the public from the amount received in the new currency, unless otherwise agreed between the customer and the Bank.

Chapter Six: Cheques

60. Provisional balance

The crediting of any of the customer's Accounts in connection with cheques/bills for security/collection shall be provisional and shall become final in accordance with the provisions of the Law. The customer may not withdraw their proceeds before they have been actually collected by the bank. The Bank may debit the Account provisionally credited as aforesaid with the amount of the unpaid cheques.

61. Use of cheques

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

62. Theft and loss of cheques

62.1. The customer shall be responsible for the safekeeping of the cheques given to him 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.

62.2. 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 means of communication, the said notice may be given via the agreed means of communication, provided that within a reasonable time after notice is given orally, the Bank is also given written notice. The Bank shall not be exempt from executing cancellation instructions of the customer given via means of communication, even if they were not accompanied by additional written notice.

Chapter Seven: Collateral and the Bank's Rights

63. 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 him (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:

- 63.1. 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 and/or earnings and/or income and/or financial consideration deriving from their sale and/or realization;
- 63.2. 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;
- 63.3. all negotiable documents, including cheques, bills, import and export documents, and deposit certificates;
- 63.4. all movable assets including merchandise, goods, metals, diamonds, coins and money bills;
- 63.5. all other assets - whether choses in action or choses in possession - the registers in respect of which are kept at the Bank;
- 63.6. all current and future rights, including rights to monies, originating in the aforesaid assets.

64. Security

- 64.1. The customer's Assets at the Bank 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 deposited at the Bank.
- 64.2. 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.
- 64.3. 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.
- 64.4. The customer shall not be entitled to withdraw the monies and/or Assets deposited at the Bank and standing to his 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.
- 64.5. 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 Pledges Law, 1967. The Bank may realize the Assets without having to institute any proceedings to collect the Secured Amounts. If the Bank decides to realize the Assets, it shall give the customer two 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.

65. Independency of security

The security 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.

66. 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 customer's Debt to the Bank, 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 customer from the Bank 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.

67. Right of retention and banker's lien

67.1. Without derogating from any right of the Bank under any law, 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 customer's Assets deposited at the Bank.

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

67.3. The Bank may also exercise its right of retention and/or banker's lien in respect of obligations and/or Debts that are not yet due, where it harbours a reasonable apprehension that the customer will not or will be unable to perform its obligations to the Bank.

67.4. 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.

68. Set-off

Without prejudice 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 the customer's debts:

68.1. without derogating from any right of the Bank under any law, 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;

68.2. purchase any amount in foreign currency that is required to discharge any amount from the Secured Amounts, or sell from the customer's 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;

68.3. debit any account of the customer with any amount from the Secured Amounts, whether the account debited has a Credit balance or a debit balance arises therein as a result of the debit;

68.4. 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 harbours a reasonable apprehension that the customer will not or will be unable to perform his obligations to the Bank.

68.5. 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.

68.6. The customer shall bear all the expenses and payments involved in executing the set-off on the date of the set-off.

69. Exercising a right deriving from collateral

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. 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 to discharge the Secured Amounts.

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.

70. 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 a negligent act or omission of the Bank.

71. Undertaking to sign documents

The customer undertakes to sign, immediately upon the Bank's demand, any document required, in the Bank's opinion, for the purpose of protecting the Bank's rights concerning security or for the purpose of exercising the Bank's rights in the security pursuant to the terms and conditions hereof.

Chapter Eight: Israeli Securities, Foreign Securities and Financial Derivatives

72. The customer's instructions

72.1. Instructions to execute transactions in Securities shall be given by the customer to the Bank in writing or in any other way agreed upon between the Bank and the customer in writing.

72.2. The customer acknowledges that transactions in Securities in the Account shall be executed subject to the rules, guidelines, directives, trading procedures and by-laws of the Tel Aviv Stock Exchange Ltd, the Tel Aviv Stock Exchange Clearing House Ltd and the Maof Clearing House.

Any transaction in foreign Securities traded abroad shall be executed subject to the rules, guidelines, directives and trading procedures of the relevant Stock Exchange (including its clearing house), and subject to the Laws of the competent authorities and/or other entities which regulate the rules of activity in Securities applicable to the relevant security and/or Stock Exchange and/or clearing house, and in accordance with and subject to agreements signed by the Bank with the Broker and/or bank and/or Custodian who or which executes the said transaction for the Bank.

(The aforesaid rules, guidelines, directives, by-laws and trading procedures of the Tel Aviv Stock Exchange and/or any Stock Exchange outside Israel are hereinafter jointly referred to as "the Stock Exchange Provisions".)

72.3. Subject to the provisions of the Law, the customer agrees that the Bank may execute the customer's instructions with itself (a nostro transaction).

72.4. When giving an instruction to execute a transaction in Securities, the customer shall state the price limit for the execution thereof, failing which the instruction shall be executed by the Bank in accordance with the market price (market order).

72.5. The customer's instruction for the purchase or sale of Securities with a price limit shall lapse if not executed by the date specified in the execution instruction. An instruction with a price limit shall in any event lapse at the end of the calendar month in which it was given.

72.6. The Bank may decline to execute a transaction or execute it only partially if the relevant Stock Exchange Provisions do not allow the execution of the instruction at all or in part.

72.7. The customer acknowledges that the Account shall be debited or credited in accordance with the financial transactions required to execute instructions for the purchase/sale of Securities in the relevant currency.

72.8. The customer undertakes to refrain from giving instruction to purchase Securities if the cost of such purchase is higher than the amount deposited in the Account, for so long as his application for a credit facility has not been approved and if approved - only to the amount of the Credit approved for him by the Bank. Nonetheless, the Bank may debit the customer's Account in respect of the purchase of Securities even if the cost of purchasing them, including commission and expenses, is higher than the amount deposited in the Account.

72.9. The customer undertakes to arrange for adequate cover in the Account for the purpose of executing his instructions. If a debit balance arises as a result of executing any transaction in the Account, or the existing debit balance increases, or the debit balance exceeds the approved credit facility, the Bank may at any time, without obligation, act as follows:

72.9.1. decline to execute all or part of the instruction;

72.9.2. sell the Securities purchased pursuant to the said instruction, or any other security of the customer in an account at the Bank, as elected by the Bank in its discretion, and use the proceeds to discharge the debit balance;

72.9.3. take any other steps to collect the Debt.

72.10. The customer undertakes to give an instruction to sell Securities only where the Securities being sold stand to his credit in the Account. The customer acknowledges that if he gives an instruction for the sale of a security, the Bank shall not be liable to examine the inventory of the Securities in the Account. If it transpires that the Account did not contain the quantity of Securities detailed in the sale instruction, the Bank may buy back the Securities it lacks, at such time and price as the Bank deems fit, in its exclusive discretion, and debit the customer's Account with the purchase amount plus any commission and expenses.

72.11. The customer exempts the Bank from liability for any damage, loss or expense that might be incurred to him, directly or indirectly, as a result of the deferred execution or non-execution of any instruction in respect of Securities, or the execution of a transaction in the Account required pursuant to the Stock Exchange Provisions, including liability for the creation of a debit balance in the Account, unless incurred as a result of the Bank's negligence.

73. Holding Securities

73.1. The Securities and/or monies used for transactions in Securities shall be held at the Bank or by a Custodian in Israel or abroad or in any other way prevailing on the markets in Israel and abroad on which such Securities are traded. The customer is aware and agrees that where Securities and/or monies as aforesaid are deposited by a Custodian, they shall be deposited in the name of the Bank and not in the name of the customer. The Bank may deposit them together with Securities and monies of other customers of the Bank.

The Bank will select third-party custodians in accordance with a policy adopted by the Bank, as updated from time to time. The customer may view the Bank's custodian policy at <http://www.hsbc.co.il/1/2/isr/en/business>.

The customer acknowledges that depending on the jurisdiction where the Securities are traded or held, a transaction in non-Israeli Securities may be executed and custodied in a jurisdiction where custody services are not duly regulated (a "**Non-Duly Regulated Jurisdiction**"). The applicable law in a Non-Duly Regulated Jurisdiction may vary from Israeli law and may not provide the same level of protection of ownership of securities.

Customer's signature

73.2. The Bank shall collect for the customer any interest, dividend, amounts of principal maturing and other income and proceeds due in respect of the Securities deposited in the Account from time to time and the consideration shall be credited to the Account. The Bank may return Securities that have matured against payment of their consideration.

73.3. The Bank shall not be liable for any damage, loss or expense that might be incurred to the customer as a result of a delay or error in examination or collection or where the payments as aforesaid are not executed at all or on time or correctly, unless incurred as a result of a negligent act or omission of the Bank alone.

74. The customer's notices

- 74.1. The Bank shall send the customer the notices it is obliged to send pursuant to the Law.
- 74.2. The Bank shall not send the customer any notice or data in respect of the following matters, even if the Bank itself has received them, and the customer shall update himself if he elects:
 - 74.2.1. notices generally given to holders of Securities by companies traded on the Stock Exchange that are published by the various Stock Exchanges and/or notices given by them to any other authority and/or through means of communication and/or databases of various types;
 - 74.2.2. notices concerning the payment of interest and the distribution and payment of dividend;
 - 74.2.3. notices concerning the convening of meetings of various types of companies, including creditors' arrangements;
 - 74.2.4. annual and other statements and balance sheets.

75. Additional special provisions concerning foreign Securities

- 75.1. If the Security is traded on more than one foreign Stock Exchange or overseas market, the Bank may execute the customer's instructions in such foreign Stock Exchange or market as it may elect in its exclusive discretion, unless the customer has expressly instructed the Bank to execute the instruction on a particular Stock Exchange.
- 75.2. The customer agrees that the price requested by the Bank's Broker as the purchase price or the price reported by him as the sale price of the Security shall bind the customer for all intents and purposes, even if a different and preferable price is recorded for the Security on any Stock Exchange or market on the purchase or sale date.
- 75.3. The customer is aware that especially with regard to data on Securities traded on Stock Exchanges abroad, the Bank gives the customer data given to it by foreign Brokers or information suppliers (such as Bloomberg, Reuters and the like) in Israel and abroad. The Bank shall not be liable for the correctness and accuracy of the aforesaid data. The Bank shall not be in any way liable for any damages, expenses and losses that might be incurred to the customer, directly or indirectly, as a result of an act or omission of any Broker or Custodian, provided that the Bank acted with reasonable care in choosing such Broker or Custodian and acted where possible as a reasonable banker to reduce the losses or damages incurred by the customer. Where possible the Bank shall assign its rights vis-à-vis the Broker or the Custodian to the customer.

76. Disputes concerning the execution of a transaction

The Bank hereby notifies the customer that disputes over the execution of transactions in Securities are referred for the decision of the competent authorities, or the relevant Stock Exchange or clearing house, in Israel or abroad in accordance with the customary practice on the Securities market. The customer agrees that any judgment or decision of an entity as aforesaid that binds the Bank shall also bind the customer, and the Bank may act pursuant thereto.

77. General provisions

The provisions of this chapter shall apply in addition to the general provisions of this agreement. Wherever there is a conflict between provisions concerning transactions in Securities, the provisions of this chapter shall prevail.

General Terms and Conditions for the Management of an Account

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The customers agree to the terms and conditions which apply to the requested Services as indicated overleaf.

The customers confirm that they have signed the agreement without any change being made in the wording thereof.

The customer/s signature:

1. Customer's name _____

ID/passport number _____

Signature _____

2. Customer's name _____

ID/passport number _____

Signature _____

3. Customer's name _____

ID/passport number _____

Signature _____

4. Customer's name _____

ID/passport number _____

Signature _____

I confirm that all the customers signed this document before me without any change being made in the wording of the agreement.

Name of customers' relation manager _____

Signature _____

Date _____

THE REQUESTED SERVICES

We wish to receive the following Services in the Account:

- General current account services

Customer's signature

- Deposits

Customer's signature

- Securities

Customer's signature