

ACCOUNT NO. _____

Permanent Bank Account:

| | | | |
|-------------------------------|-------------|------------|-------------|
| <u>Bank of Jerusalem Ltd.</u> | _____ | _____ | _____ |
| Bank | Branch name | Branch No. | Account No. |

Agreement for Opening and Management of a Foreign Securities Account

prepared and signed in _____ on _____, _____, _____

by and between: **Bank of Jerusalem Ltd.**
of 18 Keren Hayesod Street, Jerusalem
(hereinafter: “**the Bank**”)

on the one part;

and

1. _____, I.D. /Co. No. _____
of _____
2. _____, I.D. /Co. No. _____
of _____
3. _____, I.D. /Co. No. _____
of _____

(hereinafter, jointly and severally: “**the Client**”)

on the other part;

Whereas the Client is interested in investing in foreign securities traded in regulated markets and stock exchanges located outside of Israel and for that purpose, the Client seeks the services of a foreign broker; and

Whereas the Client is interested to manage, for itself, its investments in foreign securities by giving instructions to such foreign broker for the purchase and/or sale of foreign securities, through the Bank, using the Bank’s facilities; and

Whereas the Client is interested that such foreign securities will be accredited to and/or recorded in the account it opened with the Bank; and

Whereas in order to facilitate the provision of the services by the foreign broker to the Client as aforesaid and to provide for the accreditation and/or recording of the

foreign securities to the Client's account in the Bank, the Bank established a Clients Trust Account with the foreign broker, which has agreed to provide services to clients introduced to it by the Bank, and such account shall be used by the Client for trading and conducting of transactions with foreign securities, and the Client has opened an Account in the Bank in which such transactions will be accredited and/or recorded; and

Whereas the Client shall not seek the Bank's advice, nor will the Bank provide the Client any advice or consultation with regard to any purchase, investment, holding or sale of foreign securities, unless otherwise agreed specifically and in writing; and

Whereas the parties wish to set and regulate the terms and their privileges and obligations toward one another in connection with the activities of the Client in foreign securities, through the Bank and using the Bank's facilities, as is further detailed in this Agreement,

Now, therefore, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties enter into this Agreement and mutually agree as follows:

1. *Preamble*

- A. The preamble to this Agreement and the exhibits thereto constitute an integral part thereof.
- B. The division of this Agreement into chapters and exhibits and the provision of headings to the chapters of this Agreement and the exhibits thereto, were made for reasons of convenience only and must not be used for interpretative purposes.
- C. the following terms shall have the meanings set along side them:

“**The Account**” - the account opened in the name of the Client at the Bank, (and in case of multiple accounts, the account noted at the heading of this agreement), through which the Client will manage its investments in Securities as provided for in this Agreement and which shall be considered as “an Account” in the meaning set forth in the AOA.

“**AOA**” - The Account Opening Agreement in the form attached hereto as **Exhibit 1C**.

- “Amounts Available in the Account”** - any amounts accredited to the Account, which will include all amounts deposited unconditionally in the Current Account and any credit facility approved by the Bank.
- “The Broker”** - one or more foreign brokers and/or providers of custodial services, with whom the Bank has opened, on behalf of the Client and other clients of the Bank, a Clients Trust Account, through which such brokers conduct and provide all clearing operations and/or custodial services, as applicable, for and on behalf of the Client and other clients of the Bank, under the Broker’s Agreement.
- “The Broker’s Agreement”** - the agreement signed between the Bank and the Broker with respect to the Clients Trust Account.
- “The Client’s Securities”** - the Securities held by the Client in the Account or which are accredited to and/or recorded in the Account.
- “The Clients Trust Account”** - one or more accounts opened with the Broker (including CIDEL), which is used by the Client and other clients of the Bank to execute transactions in Securities, and in which the Securities are held, in trust, for these clients.
- “Instruction”** - any instruction, order, request, application, notice, whether oral or in writing, given by the Client to the Broker, through the Bank, and/or any act done by the Client in the Clients Trust Account and/or the Account.
- “The Securities”** - Securities which are registered and/or traded in stock exchanges and other regulated markets outside of Israel, including options and warrants and including units and/or shares in mutual funds, but excluding any securities trading in which is prohibited by law or which cannot be purchased through the Bank for any regulatory reason.

All other terms not explicitly defined herein shall have the meaning prescribed to them in the AOA.

2. ***Appendix to the Account Opening Agreement***

This Agreement is considered, for all intents and purposes, an appendix to the Account Opening Agreement signed by the Client.

The provisions of the AOA and the provisions of the Account Opening Agreement actually signed by the Client shall apply, fully, in addition to the provisions of this Agreement. In the event the Client signed an Account Opening Agreement in a different form than the AOA, or signed an agreement in the form of the AOA which applicability is limited, or refrained from requesting the application of certain provisions therein, the Client hereby explicitly and irrevocably expresses his wish and consent, that all the provisions of the AOA will bind him in connection with this Agreement, as if it were actually and unlimitedly signed by it *ab initio*.

In any case of a contradiction between, or an inability to coincide, the provisions of this Agreement with the provisions of the AOA, the provision which will supplement to the Bank's rights and privileges, shall prevail.

3. ***The Account and the Clients Trust Account***

A. the Account

It is the party's intention that subject to the terms and conditions hereof, the Account shall be used by the Client for carrying out and recording all its investments in the Securities under this Agreement.

B. The Clients Trust Account

Without derogating from the above, the Client's Securities shall be held in the Clients Trust Account, in trust for the Client, together with other Securities held in trust for other clients of the Bank, and the transactions in the Client's Securities shall be recorded in the Account.

4. ***The Services***

A. The Services to be provided by the Bank to the Client shall include as follows:

- 1) communication of the Client's trading Instructions or other Instructions with respect to the Securities, to the Broker;
- 2) recording the transactions in the Client's Securities in the Account;
- 3) maintaining the Clients Trust Account;
- 4) recording in or delivering to the Account, all dividends, income, interest, principal, distributions, shares derived from a split or consolidation of stock, bonus shares, proceeds from sale or transfer and other payments with respect to the Client's Securities, net of any taxes, commissions and other deductions, all as applicable;
- 5) communicating to the Client, at his/her request or as required by law, any information received from the Broker in direct relation to the Client's Securities;

B. The Bank will not be liable or responsible for any delay in the communication of any information and/or Instructions the cause of which is time differences between business hours in Israel and/or the bank and business hours of the broker and/or the location of the Broker, and/or for any other failure of communication. The Client hereby waives and forever releases and discharges the Bank from any damage, loss or expense the Client may incur as a result of

these circumstances and/or such difficulties or inability on the part of the Bank in conveying the Client's Instructions.

- C. The Client acknowledges and agrees that any and all operations and obligations of the Bank under this Agreement are subject to the Broker's Agreement, and the limitations therein. Without derogating from the generality of the above, the Client acknowledges and agrees that under the Broker's Agreement, the Broker has at all times the right in its sole and absolute discretion to refuse to execute any Instruction given by the Client, directly or through the Bank, and/or to deny or restrict the trading by the Client and/or to cease providing the Client clearing operations and/or amend in any manner the Broker's Agreement and/or terminate the Broker's Agreement, whether or not such decision has a material adverse effect on the Client and/or this Agreement.
- D. To avoid any doubt, the engagement between the Client and the Bank is limited for the purpose of the provision of the Services to the Client, and shall not include any "investment consulting" or "investment portfolio management", as these terms are defined in the Regulation of Occupation of Investment Consulting and Investment Portfolio Management Law, 5755-1995 (hereinafter referred to as: "**the Investment Law**"), unless otherwise agreed specifically and in writing. Therefore, the Bank will not consult the Client with respect to any investment nor make any recommendations or solicit transactions or determine the suitability of any Securities or otherwise exercise any discretion with respect to the Account, unless otherwise agreed specifically and in writing.

5. ***Warrants and Obligations of the Client***

The Client acknowledges, warrants, confirms and agrees as follows:

- A. That the activity in the Securities involves risks, including the loss of its investment in the Securities.
- B. That the Bank will not insure the Client against, nor compensate the Client in any manner for, losses and/or damages incurred by the Client with relation to the Client's Securities and/or the Account. The Client shall bear full and sole responsibility for any action or omission performed by it, and/or by the Bank and/or the Broker, acting upon the Instructions of the Client, and the consequences of such actions or omissions, including any damage, loss or expense, incurred by the Client.
- C. That the Client has sufficient knowledge and experience, which are required for the investment in the Securities, and hereby waives any advice or consultation from the Bank regarding the same. The Client shall not rely, with respect to its investment, on information, supposed recommendation or other communication the source of which is in the Bank.
- D. The Client acknowledges that the Bank is not, nor shall it be the agent or the representative of the Broker and shall not be liable nor responsible for any action or omission of the Broker.

6. ***The Clients Trust Account***

A. Multiple Clients Trust Accounts and Multiple Brokers

- 1) The Bank may, at its sole and absolute discretion, open, maintain and close, at any time, any number of Clients Trust Accounts, with any number of Brokers (including more than one such Clients Trust Account with any given Broker), either in addition to the Clients Trust Account(s) existing on the date hereof, or in place of such Clients Trust Account(s), and accordingly, sign agreements with respect thereto, and at its sole and absolute discretion, at any time, amend and modify the Broker's Agreement as it deems fit.
- 2) The Bank shall have sole and absolute discretion to determine which Clients Trust Account and which Broker will be used for the purposes of the Client, *providing*, however, that the Bank shall not refuse, other than for reasonable cause, the Client's written request to maintain the Client's Securities with a certain Broker, provided the Bank has an open and active Clients Trust Account with such Broker.

B. Availability for Review of the Broker's Agreement

The Broker's Agreement applicable to the Clients Trust Account relevant to the Client's Securities, may be reviewed by the Client during the Bank's business hours, upon the Client's reasonable request and subject to confidentiality undertaking by the Client. The Client will not have, and it hereby waives and forever releases and discharges the Bank from, any claim, demand or suit in connection with the provisions and terms of the Broker's Agreement and any ancillary arrangement.

C. Liability of the Bank

- 1) The Bank's liability under this Agreement shall be limited to direct damage incurred to the Client alone, as direct consequence of the Bank's gross negligence, and as is stated in the AOA. In addition, the Bank shall act in good faith in selecting the Broker.
- 2) Apart from the liability of the Bank as aforesaid, the Bank shall bear no liability with regard to this Agreement, the Account, the Clients Trust Account, the Securities and/or any transactions therein, including the acts or omissions committed by the Broker, and/or any damage, loss or expense incurred by the Client as a result of any of the above, and the Client will not have, and it hereby waives and forever releases and discharges the Bank from any claim, demand or suit in connection with any of the above.

7. ***Management of the Account***

In addition to the provisions of the AOA, the following provisions shall apply:

A. Activities in the Account solely According to Client's Instructions

The Client shall be solely and exclusively responsible to give all Instructions with respect to the Client's Securities and the purchase and/or sale thereof and the investment of the Amounts Available in the Account *ab initio* and from time to time (hereinafter: "**Management of the Account**"). The Client releases the Bank from any discretion with respect to the Management of the Account.

B. Non Deviation from the Amounts Available in the Account

- 1) The Client will be entitled to give Instructions to perform activities and/or transactions in the Account solely within the limitation of the Amounts Available in the Account at the time of such activity and/or transaction. The Bank shall not be required to transmit any transaction nor to perform any activity or transaction resulting in a deviation from the Amounts Available in the Account, however the Bank may do so at its discretion, and same shall not be construed as approving a credit facility to the Client or as allowing the Client to deviate from the Amounts Available in the Account at any other time. The Client will bear sole and absolute responsibility for any deviation from the Amounts Available in the Account and will pay any debit balance resulting from such deviation, and the relevant terms of the AOA shall apply.
- 2) In any event there occurs such deviation, notwithstanding any other provision of this Agreement or of the AOA, the Bank may, at its absolute discretion, perform activities in the Account and in the Clients Trust Account in order to reduce said debit balance, including the realization of the Client's Securities for any consideration including at a rate lower than their quoted rates.
- 3) The Client acknowledges and agrees that in any event where the Client provides an Instruction to sell a Security from the Account and/or the Clients Trust Account, the Bank is not obligated to first examine whether the Security is accredited to said accounts. Therefore, should it turn out that said Security was not accredited to the Account and/or the Clients Trust Account, or not in sufficient quantity, the Bank may, without prejudice to its right to act in any other manner and notwithstanding the aforesaid in this Agreement, purchase the missing Security for the accounts and charge the Account with the cost of the purchase, together with all commissions and expenses involved in the purchase.

C. Securities are Part of the Current Collateral

Without derogating from the aforesaid in clause 2 herein above, the Client undertakes and agrees that all of the Client's Securities shall be considered as held in or by the Bank for the benefit or the credit of the Client, and/or as held in the custody of the Bank, and shall therefore be part of the "Current Collateral", as defined in AOA, securing the Debts of the Client to the Bank under any credit agreement and/or credit facility and/or other agreement. For this purpose, and notwithstanding any other provision of this Agreement, the Client irrevocably authorizes and empowers the Bank to sell and/or realize the Client's Securities for any consideration, including at a rate lower than their quoted rates, and/or to give the Broker any Instructions in connection with the Client's Securities, and/or perform activities in the Client's Securities. in any manner it deems fit.

D. Right of Off-set and Banker's lien

Without derogating from the bank rights as stipulated in this agreement, in the AOA and/or in any other agreement between the Bank and the Client, and as prime or additional security for any of the Client's present or future debts to the Bank, under any credit agreement, credit facility and/or other agreement, the Bank shall have a Banker's lien and the right to possess, withhold and Off-set with regard to any and all of the Client's Securities, rights, monies and/ or any kind of assets, held or recorded in the Client's Account or in the Client's Trust Account. For this purpose, and notwithstanding any other provision of this Agreement, the Client irrevocably authorizes and empowers the Bank to sell

and/or realize the Client's Securities for any consideration, including at a rate lower than their quoted rates, and/or to give the Broker any Instructions in connection with the Client's Securities, and/or perform activities in the Client's Securities in any manner it deems fit, and to set off such consideration against the Client's debt to the Bank without any notice to the client, which notice is expressly waived by the client.

E. Non Execution of Instructions

- 1) Without derogating from the provisions of clause 12 of the AOA or any other provision therein, the Bank may refuse to execute or communicate any Instructions made by the Client, if the execution of such Instructions is not possible or is not possible within a reasonable time, or if the Instruction has been received after the due date for its execution, or if the Instruction is, in the opinion of the Bank and/or the Broker, unclear, or if the Instruction is of the kind not ordinarily executed by the Broker, or if the Instruction is not consistent with the provisions of any agreement between the Client and the Bank, or with the provisions of the Broker's Agreement, or contradicts the provisions of any Rule (as such term is defined in the AOA), and/or the rules of any stock exchange or regulated market in which the Securities are purchased, sold or held by the Client. Nevertheless, the aforesaid shall not be construed as imposing any duty or obligation upon the Bank to make any inquiries nor to exercise any due diligence examinations or investigations.
- 2) In addition to the aforesaid, the Bank may refuse to communicate an Instruction if, to the best of its knowledge or in its opinion, the execution thereof shall result in a deviation from the Amounts Available in the Account, or that the Account will not be accredited with sufficient sums to cover the expenses incurred by, and/or the commissions and/or other payments to be paid to, the Bank and/or the Broker, in connection therewith, and/or due or owed to them for any other reason.
- 3) The Bank may refuse to execute any Instruction as a whole, even if the restriction, limitation, prohibition, inability or any other reason for its non-execution, relates only to part of the Instruction. However, the Bank will have sole and absolute discretion to execute the Instruction partially, and will bear no liability, as consequence thereof, neither will it be limited in any manner from refraining from such decision at any other time.
- 4) The Bank will endeavor to inform the Client, as soon as circumstances permit, of any refusal, inability, restriction or prohibition, to transmit on its part, or implement on the Broker's part (as soon as it receives notice), any Instruction given by the Client, however without the Bank or the Broker incurring any liability therefor.

F. Appointment of Attorney by the Client

The Client may appoint an attorney on its behalf, and the relevant provisions of the AOA, shall apply, *mutatis mutandis*. Without derogating from the aforesaid, the Client may not nominate an attorney who is an investment portfolio manager, in the meaning of Investment Law, without the express, written consent of the Bank, which may refuse such attorney at its sole and absolute discretion and/or require the Client and/or the attorney to comply and fulfill any requirement the Bank will deem necessary or desirable. In addition, in such event the power of

attorney shall be in the format attached hereto as **Exhibit 7E** or in an approximate format, approved by the Bank.

G. **Provision of Instructions by the Client**

The relevant clauses of the AOA shall apply with respect to the provision of Instructions by the Client and shall bind it. The Client is aware that in the unique circumstances of investing in the Securities, it is particularly required by the Bank that any Instruction issued by the Client in connection herewith, shall be clear, explicit, precise leaving no place for deliberations on the part of the Bank and/or the Broker.

In addition, the Client acknowledges and agrees that that any Instruction issued by the Client in connection herewith shall be in writing, unless the Client signed a specific and explicit instruction, in a form acceptable by the Bank, requesting to give non-written instructions (including signing the designated paragraph in the AOA), and the Bank has agreed to such request.

8. ***Commissions and Expenses***

The Client will pay the Bank and the Broker the commissions and other payments, as is customary in the Bank and the Broker on the date of charging.

Such commissions and payments include all commissions and payments to which the Bank and the Broker are entitled to and which will be paid to them by the Client, in connection with the Account, the Clients Trust Account, the Securities, this Agreement and/or the Broker's Agreement. For the avoidance of doubt, such commission and payments which the Broker is entitled to, will be considered for all intents and purposes as part of the commissions to be paid to the Bank and thus, as part of the Debt of the Client, as such term is defined in the AOA.

9. ***Closing of the Account***

In addition to the relevant terms in the AOA, any Instructions issued by the Client with respect to the Account prior to its closing, which are communicated to the Broker but the performance of which has not yet concluded by the date of the closing of the Account, shall be considered as if performed, concluded and completed prior to the date of the closing.

10. ***Submission of Information and its Maintenance***

Without derogating from the provisions of the AOA and in addition thereto, the Client hereby gives its specific and unqualified consent that the Bank disclose any information with respect to the Client, the Account and/or this Agreement, to the Broker and to any official authority in Israel or where the Securities are traded.

In addition, the Client acknowledges and agrees that details regarding the Client and/or the Account and/or the Client's investments will be kept in various data storage at the Bank and/or the Broker and/or at other facilities on their behalf.

11. ***Tax***

- A. The Client will solely pay and discharge any tax liabilities and other compulsory payments, submit any reports and otherwise observe the provisions of any relevant fiscal Rule, concerning this Agreement and/or the Client's Securities.
- B. The Client will notify the Bank of any tax consequence arising out of its activities in the Client's Securities and/or the Account and/or the Clients Trust Account.
- C. Without derogating from the Client's obligations above, the Bank and the Broker may deduct any withholding tax and/or other compulsory payments and thereafter pay such tax or other payments to the relevant authorities, and shall bear no liability in connection therewith, including in any case such deduction and/or payment were unnecessary or if the amounts deducted and paid were in excess of the amounts due according to any relevant Rule.
- D. Without derogating from the above, the Client acknowledges that the IRS authorities in the USA have enacted acts and regulations which require the withholding and deduction of tax and disclosure of information regarding clients who purchase or hold US securities (hereinafter: "IRS Regulations"), and that the Bank may or may not, at its discretion and subject to the IRS qualifications, hold a QI status (as defined in the IRS Regulations). The Client hereby undertakes to comply with all IRS Regulations, and hereby consents and authorizes the bank to withhold and deduct tax and disclose such information as the Bank deems necessary by reason of said IRS Regulations. The Bank shall bear no liability in connection therewith, including in any case such deduction and/or payment or disclosure of information were unnecessary or if the amounts deducted and paid were in excess of the amounts due according to the IRS Regulations.
- E. The Client will fully reimburse the Bank for any loss, expense or damage it may incur in connection with any payment the Bank bore concerning the above, within 7 days of receiving the Bank's written demand.

12. ***Governing Law***

This Agreement is governed by the laws of the State of Israel, without giving effect to its conflict of law principles.

13. ***Entire Agreement***

This Agreement, together with all appendices, attachments, schedules, exhibits and any other document specifically incorporated by reference, constitutes the entire agreement between the parties and supersedes all prior agreements, representations, negotiations and understandings, whether written or verbal, between the parties with respect to the subject matter hereof.

In witness hereof the parties have set their hands:

The Bank **Client A** **Client B** **Client C**

I, _____, Adv./C.P.A., of _____ St. _____, hereby certify that Messieurs _____, who signed this form before me, are authorized to bind by their signatures, together with the corporate stamp, the above corporation and that the opening of the account is made in accordance with the corporation's documents of incorporation and according to a lawfully binding resolution of the corporation's organs.

Signature of Adv./C.P.A.