

Date: _____

To

(Customer)

Dear Sir/Madam,

Re: **New Banking Activity Terms and Conditions**

In accordance with Section 30 of the 'General Account Management Terms' which you signed, which allows the Bank to modify, from time to time, the terms and conditions that regulate the customer's activity at the bank, we hereby notify you of the following changes:

General Account Management Terms

Addition of new definitions to Section 2.1:

"**Bank of Israel Interest**" – The interest determined by the Bank of Israel in the periodic monetary decisions, which is used by the Bank for giving loans to banking corporations or obtaining loans from banking corporations, at the rate thereof from time to time, published on the website of the Bank of Israel.

"**Prime Interest**" – The Bank of Israel Interest plus 1.5%.

Section 4.5 and Section 4.6 – Cancelled.

Section 4.7:

Old language:

The Bank's privacy policy is specified in Annex E hereto. It applies to customers that are individuals.

New language:

The Bank's privacy policy which is specified in Annex E hereto applies to customers that are individuals. Notwithstanding the aforesaid in this section and in any other document or section, the sections of the privacy policy specifying the cases in which the Bank may transfer information to other parties (Section 6 – "With whom will we share the information?" and Section 7 "Transfer of information outside of Israel") apply to both individuals and corporations.

Section 10.2.2:

Old language:

If the Bank transfers, per my request, a sum of money from my checking account to a deposit (in this Section 10: the "**Deposit**"), the Bank shall manage the Deposit.

The type and details of the Deposit shall be agreed on between the Bank and I shortly before the deposit thereof, including in respect of payment thereof into the checking account or alternatively the manner of renewal of the Deposit, if the terms and conditions of the Deposit allow the renewal thereof.

A deposit in respect of which it is determined in the deposit form that it is an automatically renewing deposit will be renewed for an additional period identical to the base period of the

original Deposit (**"Renewed Deposit"**) up to the maximum number of renewals for that type of deposit.

The Bank will be entitled not to renew the Deposit if, on the renewal date, the Bank shall have another standard period in respect of deposits of such type, or the Bank does not accept, on such date, deposits of that type.

With respect to a Renewed Deposit other than at fixed interest, so long as the deposit form does not state otherwise, on the date of renewal of the Deposit, the same reduction or addition that applied on the date of the deposit with respect to the Base Interest (the **"Margin on the Base Interest"**), shall apply unless I withdraw part of the amounts of the Deposit during the deposit period or upon renewal thereof, all as specified in the deposit form.

So long as the Deposit is used as collateral for credit, upon its maturity the amounts shall be deposited immediately in a weekly deposit according to the Bank's standard Tariff Interest Table for the sum of the Deposit.

Notice with a specification of the terms and conditions of the Deposit will be sent to the Customer after the date of the deposit in the new deposit.

If, upon maturity of the weekly deposit, the deposit is still used as collateral as described, the money will be paid into the checking account and redeposited in the same manner and so on and so forth until cancelation of the pledge or until receipt of a different instruction from the Customer for deposit in an alternative deposit.

The Customer will be entitled to request to deposit the money in an alternative deposit. The deposit in the alternative deposit is subject to the Bank's discretion.

New language:

If the Bank transfers, per my request, a sum of money from my checking account to a deposit (in this Section 10: the "Deposit"), the Bank shall manage the Deposit.

The type and details of the Deposit shall be agreed on between the Bank and I shortly before the deposit thereof, including in respect of payment thereof into the checking account or alternatively the manner of renewal of the Deposit, if the terms and conditions of the Deposit allow the renewal thereof.

A deposit in respect of which it is determined in the deposit form that it is an automatically renewing deposit will be renewed for an additional period identical to the base period of the original Deposit (**"Renewed Deposit"**) up to the maximum number of renewals for that type of deposit.

The Bank will be entitled not to renew the Deposit if, on the renewal date, the Bank shall have another standard period in respect of deposits of such type, or the Bank does not accept, on such date, deposits of that type.

With respect to a Renewed Deposit other than at fixed interest, so long as the deposit form does not state otherwise, on the date of renewal of the Deposit, the same reduction or addition that applied on the date of the deposit with respect to the Base Interest (the **"Margin on the Base Interest"**), shall apply unless I withdraw part of the amounts of the Deposit during the deposit period or upon renewal thereof, all as specified in the deposit form.

With respect to Israeli currency deposits, so long as the Deposit is used as collateral for credit, upon the Deposit's final maturity as specified in the deposit set-up printout, the amounts shall be deposited in an automatically renewing deposit bearing floating interest pursuant to a fixed margin on the Prime Interest, according to the Bank's standard Tariff Interest Table for the sum of the Deposit, until the final maturity determined for this Deposit.

Notice with a specification of the terms and conditions of the Deposit will be sent to the Customer after the date of the deposit in the new deposit.

If, upon final maturity of the new deposit, the deposit is still used as collateral as described, the money will be redeposited in the same manner and so on and so forth until cancelation of the pledge.

With respect to Foreign Currency Deposits, so long as the Deposit is used as collateral for credit, upon its maturity, the amounts shall be deposited immediately in a deposit for the period determined in the deposit agreement, according to the Bank's standard Tariff Interest Table for the sum of the Deposit.

Notice with a specification of the terms and conditions of the Deposit will be sent to the Customer after the date of the deposit in the new deposit.

If, upon maturity of the deposit, the deposit is still used as collateral as described, the money will be paid into the checking account and redeposited in the same manner and so on and so forth until cancelation of the pledge.

With respect to Israeli currency and foreign currency, the Customer will be entitled to request to deposit the money in an alternative deposit. The deposit in the alternative deposit is subject to the Bank's discretion.

Section 15.2 – new section:

In addition, and without derogating from the provisions of Section 15.1, insofar as my activity in the Account or my personal characteristics involve a foreign link, my activity in the Account shall be subject to the provisions of the foreign law, as applicable.

Section 25.1:

Old language:

The Bank will be entitled to use, for the purpose of performance of my instructions, correspondent services, at its choice, and I will bear any and all payments that the Bank shall be required to pay to the correspondent.

New language:

The Bank will be entitled to use, for the purpose of performance of my instructions, correspondent services or another external service provider in Israel or overseas, at its choice ("Correspondent"), as a separate transaction or separate transactions or combine them with other similar transactions, and I will bear any and all payments that the Bank shall be required to pay the Correspondent and all of the taxes or mandatory payments, if any, in connection with the performance of my instructions as aforesaid.

Section 25.3:

Old language:

If a money transfer is performed in my Account through a correspondent outside of Israel, the Bank may change the credit value date in the Account in accordance with the actual date of the credit by the correspondent, or cancel the credit if the correspondent refuses to perform the same.

New language:

If my account was credited due to a payment transaction through a Correspondent outside of Israel, the Bank may change the credit value date in the Account in accordance with the actual date of the credit by the Correspondent. If I give a payment instruction to transfer foreign currency, the beneficiary's credit value date is not controlled by the Bank, and may differ from the date of receipt of the payment instruction, transfer or order as recorded in my Account,

inter alia, due to the time of receipt of the payment instruction at the Bank, type of foreign currency, country of destination, or according to legislation, laws, standards and procedures in the various countries, including that of the Correspondent.

Section 25.4 – new section:

It was made clear to me that the Correspondent is not obligated to perform any payment transaction, as aforesaid, whether fully or partially, and it may, at its discretion, fully or partially fulfill any transfer or order, or decline it, with no obligation to provide reasons for its decision. In such case, the Bank will be barred from performing the payment transaction.

A payment instruction or payment transaction as aforesaid is subject to the laws of the State of Israel, the laws of the country to which the money is being transferred, the laws of the country of issuance of the foreign currency, and the laws of the countries of the Correspondent or its correspondents, through which the payment transaction is performed.

Section 35.4.6 – new section:

It is agreed that in circumstances so justifying, Payment Transactions may take effect at a later date and/or be delayed and/or refused and/or the money may be suspended, as the case may be, *inter alia*, in any one of the following events:

- In case of a legal or other impediment to the performance of the Payment Transaction, including an impediment deriving from a breach or concern of a breach of provisions of any law, standard, policy or procedure (which applies to the Bank or the involved Correspondents), including those related to anti-money laundering, combating of financing of terrorism, or sanctions or restrictions imposed by competent authorities in Israel and overseas.
- In case the delay results from constraints related to the specific characteristics of the Payment Transaction, including a Payment Transaction in foreign currency and/or results from the performance of the transaction through Correspondents.
- If the Payment Instruction is unclear or not sufficiently understood by the Bank or Correspondent, or if there is any flaw, discrepancy or error appearing in the Payment Instruction.

provided that the Bank shall perform the Payment Transaction at the earliest possible date after the aforesaid circumstances shall have ceased to exist.

Section 35.9 A:

Old language:

Where the Bank shall have received money transferred in the framework of the Payment Transaction, the Bank will be responsible to me for performance of the transfer of the money to me accurately, immediately or on another reasonable date agreed between us. The money shall be transferred in full, with no deduction of fees, unless agreed otherwise.

New language:

Where the Bank shall have received money transferred in the framework of the Payment Transaction, the Bank will be responsible to me for performance of the transfer of the money to me accurately, on the same Business Date on which the money was transferred to the Bank, or on another reasonable date agreed between us. The money shall be transferred in full, with no deduction of fees, unless agreed otherwise.

Summary of the material terms and conditions of the payment services contract pursuant to Chapter C of the Law - section "Dates of performance of the service"

Old language:

The dates for performance of payment instructions will be in accordance with the dates of which the Bank shall inform me on the date of receipt of the instruction.

New language:

Payer payment services - the dates for performance of payment instructions will be in accordance with the dates of which the Bank shall inform me on the date of receipt of the instruction.

Beneficiary payment services – the transfer of money to the beneficiary shall be performed immediately or on another reasonable date that was agreed.

Annex E - Privacy Policy - opening

Old language:

The privacy policy specified herein applies to you if you are an individual.

New language:

The privacy policy specified herein applies to you if you are an individual (other than Sections 6-7 that apply to both individuals and corporations).

Annex E - Privacy Policy – section 6 "With whom will we share the information"

Old language:

We keep the information about you confidential. Generally, it will not be transferred from us to other entities other than in the following cases –

- To subsidiaries of the Bank that are integrated in its services (for example the Bank's IT company which manages its databases) or to those whose services you shall explicitly request, such as an insurance agency operated by us;
- In a joint account or in an account in which there is a power of attorney, we shall transfer to your partners or your authorized representatives all of the information about you, and of course all of the information pertaining to such account, including a specification of charges on means of payment, such as credit cards;
- In an account in which there are guarantors, we shall transfer to them information about you and of course information pertaining to such account, insofar as the information is relevant to them as guarantors;
- When you, any of your partners in the bank account or your authorized representatives in the account perform a transaction in the account which requires the cooperation of another bank or financial institution, we shall transfer to such bank or financial institution the information about you that is required for performance of the transaction;

- The Bank will be entitled, at any time, to disclose information about you to any body to which the Bank is considering assigning or transferring or sharing its rights or risks vis-à-vis you, subject to the information recipient's signing a confidentiality undertaking in language accepted at the Bank, unless it is subject to a professional and/or statutory or contractual duty of secrecy;
- If we receive a judicial order or demand by a competent authority instructing us to deliver your details or the information about you to such competent authority or to any third party;
- In order that the Bank will be able to provide you with its services, the Bank uses various suppliers, including printing houses, archive service providers, survey institutes, digital media management providers and more. We shall transfer thereto relevant information about you, or we will receive from them information about you, in order to provide you with our services;
- Where the law requires us to do so, we shall transfer the information about you to foreign authorities;
- In any dispute, claim, lawsuit, demand or legal proceedings, if any, between you and us;
- If we organize the Bank's activity in a different framework, we shall change the Bank's legal structure, we shall merge with another body, or consolidate the Bank's activity with the activity of a third party, we shall transfer the information about you to such body, provided that it assumes vis-à-vis you the provisions of this privacy policy;
- According to your explicit request;
- In other cases where we believe that we are required to transfer the information about you to third parties, we shall approach or shall have approached you for your consent thereto in advance.

New language

Generally, we keep the information about you confidential. However, we will be entitled to transfer the information to other entities in the following cases –

- To subsidiaries of the Bank that are integrated in its services (for example the Bank's IT company which manages its databases) or to those whose services you shall explicitly request, such as an insurance agency operated by us;
- In a joint account or in an account in which there is a power of attorney, we shall transfer to your partners or your authorized representatives all of the information about you, and of course all of the information pertaining to such account, including a specification of charges on means of payment, such as credit cards;
- In an account in which there are guarantors, we shall transfer to them information about you and of course information pertaining to such account, insofar as the information is relevant to them as guarantors;
- When you, any of your partners in the bank account or your authorized representatives or authorized signatories in the account perform a transaction in the account which requires the cooperation of another bank or financial institution, we shall transfer to such bank or financial institution the information about you that is required for performance of the transaction;
- The Bank will be entitled, at any time, to disclose information about you to any body to which the Bank is considering assigning or transferring or sharing its rights or risks vis-à-vis you, subject to the information recipient's signing a confidentiality undertaking in language accepted at the Bank, unless it is subject to a professional and/or statutory or contractual duty of secrecy;

- If we receive a judicial order or demand by a competent authority instructing us to deliver your details or the information about you to such competent authority or to any other third party;
- To third parties that the Bank uses to provide you with its services, including printing houses, archive service providers, survey institutes, digital media management providers and more. They shall be entitled to hold, store and use the information for purposes of providing the services thereby, all subject to the Bank's instructions;
- To anyone to whom, according to the law, including foreign law, we are obligated to provide information about you;
- To any entity assisting or representing the Bank in any dispute, claim, lawsuit, demand or legal proceedings, if any, between you and us;
- If we organize the Bank's activity in a different framework, we shall change the Bank's legal structure, we shall merge with another body, or consolidate the Bank's activity with the activity of a third party, we shall transfer the information about you, and of course all of the information pertaining to such account, to such body, provided that it assumes vis-à-vis you the provisions of this privacy policy;
- To third parties, whether in Israel or overseas, including correspondents, custodians, authorities, stock exchanges and clearing houses that shall be used by us for purposes of providing the Bank's services or performing your instructions, or operating the services, according to the demand thereof. Note that any such third party shall handle the information according to its own policies and may provide information about you to companies in its group, external consultants, foreign regulatory authorities and other third parties, in Israel or overseas. We do not control the policies thereof or bear responsibility therefor;
- If the provision of information about you is intended to protect a vital public interest or a vital interest of the Bank or for purposes of conducting a legal proceeding.

If any of the information disclosure objectives specified above applies, the Bank shall take reasonable measures to limit the specifics of the information that shall be transferred to those required, in its opinion, in order to fulfil such objective.

Annex E - Privacy Policy – section 7 "Transfer of information outside of Israel"

Old language:

Generally, we shall keep your personal information in the Bank's databases in Israel, but the information may also be kept at select suppliers outside of Israel. Your consent to this policy also constitutes consent to keeping the information at such suppliers overseas, and to the transfer thereof outside of Israel, insofar as necessary.

When you, any of your partners in the bank account or the authorized representatives in the account perform a transaction which requires the cooperation of a bank or financial institution outside of Israel ("Correspondent") (for example activity in foreign securities, transfers of foreign currency, clearing of checks in foreign currency, foreign trade, etc.), we shall transfer to such Correspondent the information about you, including about the account, the transaction and the parties thereto. The Correspondent will treat this information according to its own policy and we do not control this policy or bear responsibility therefor.

New language:

Generally, we shall keep your personal information in the Bank's databases in Israel, but the information may also be kept at select suppliers outside of Israel. Your consent to this policy

also constitutes consent to keeping the information at such suppliers overseas, and to the transfer thereof outside of Israel, insofar as necessary.

Customer's signature:

Old language:

I confirm my consent to these general terms and conditions, to the annexes hereto and to the privacy policy of the Bank (Annex E) which applies to me if I am an individual.

I confirm by my signature my consent to the making of a payment services contract (Section 35 above) after the Bank shall have allowed me to peruse the same.

New language:

I confirm my consent to these general terms and conditions, to the annexes hereto and to the privacy policy of the Bank (Annex E) which applies to me if I am an individual (other than Sections 6 and 7 of the privacy policy which shall also apply to a corporation).

I confirm by my signature my consent to the making of a payment services contract (Section 35 above) after the Bank shall have allowed me to peruse the same.

If the above changes are not acceptable to you, contact your banker at the branch.

Sincerely,

Mizrahi Tefahot Bank Ltd.